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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/2020

SPONSOR Ramos LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Fund WNMU Athletic Programs SB 8

ANALYST Gaussoin

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	750.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to an appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Western New Mexico University (WNMU)  
Higher Education Department (HED)

### SUMMARY

Senate Bill 8 appropriates \$750 thousand from the general fund to Western New Mexico University in expenditure in FY21 for the purpose of creating men's baseball and women's soccer programs.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

The appropriation of \$750 thousand in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY21 shall revert to the general fund.

Western New Mexico University (WNMU) provided the following cost summary:

	Baseball	Women's Soccer	
Coaches' Salaries (2 FT)	\$ 125,000.00	\$ 125,000.00	
Staffing	\$ 29,995.00	\$ 29,995.00	
Operations Budget	\$ 133,000.00	\$ 90,200.00	
Marketing and Promotion	\$ 2,730.00	\$ 2,730.00	
Scholarships	\$ 100,642.00	\$ 110,706.00	
Totals	\$ 391,367.00	\$ 358,631.00	
Grand Total			\$ 749,998.00

WNMU estimates the programs would draw 70 new students, generating \$17,850 a year per student for the university, for a total of \$1,249,500 a year. The program would generate a “positive economic impact” of nearly \$170 thousand in the community; however, it is unclear how that figure was determined. According to regional newspaper reports, the school’s athletic director estimates the additional enrollment would generate \$962 thousand, \$212 thousand over the appropriation. Again, how that figure was calculated – and whether it reflects the costs of providing an education, feeding, and housing the additional students – is unknown. For those reasons, any potential revenue from the additional enrollment is not included in this report.

WNMU operating budget for athletics for FY20 is \$2.1 million. The LFC recommendation maintains that figure for FY21. Although the university submitted a request for the additional athletics funding to the Higher Education Department (HED), the department did not include it in its request and sought no increase for the WNMU athletic program.

The supplemental appropriation bill adopted during the 2019 session, Senate Bill 536 or “House Bill 2 Jr.,” included \$375 thousand for men’s baseball and women’s soccer programs at WNMU, but the appropriation was vetoed out of the bill.

### SIGNIFICANT ISSUES

Of the state’s four-year comprehensive universities, WNMU and the significantly smaller Northern New Mexico College have no men’s baseball or women’s soccer programs. Eastern New Mexico University, with total enrollment over 6,000, offers both men and women’s soccer and men’s baseball. Similarly sized Highlands University – Highlands enrollment is about 3,800 and WNMU enrollment is about 3,500 – also offers men’s baseball and women’s soccer, although it does not have a men’s soccer team. Both New Mexico State University and the University of New Mexico, classified as research universities, have men’s baseball and women’s soccer teams.

WNMU’s athletics director has been quoted in regional newspaper stories as arguing the programs would give area high school students a reason to enroll in the university. Enrollment at WNMU, and public colleges statewide, is declining, despite an increase in the number of New Mexico high school graduates.

He is reported as saying a men’s baseball team would have to play off campus, although a women’s soccer team could use the school’s Ben Altamirano Field. He also reportedly said off-campus housing might be necessary because campus housing is near capacity.

Silver City Daily Press articles on the proposal are online at the following links:

<http://www.scdailypress.com/site/2020/01/21/commission-supports-sports-at-wnmu-school-legislation/>

<http://www.scdailypress.com/site/2019/12/10/ramos-boosts-bill-for-wnmu-baseball-soccer/>

**PERFORMANCE IMPLICATIONS**

HED analysis suggests WNMU develop performance measures in coordination with the department if funding is approved.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The General Appropriation Act includes \$2.1 million for athletics at WNMU.

HG/sb