

2017 Legislative Session – Briefing: March 11, 2017

The 2017 legislative session, similar to the previous two legislative sessions, commenced with diminishing state revenues. In December, the Consensus Revenue Estimate predicted a \$69 million short fall for FY17 and \$93 million shortfall for FY18. The Consensus Revenue group is expected to release new revenue estimates the middle of February. The Severance Tax Bonds are estimated at \$60 million for FY18, \$80 million less than the previous fiscal year. Both chambers of the legislature have been occupied with solvency legislation to deal with the FY17 budget shortfall and only recently began their regular budget hearings for House Bill 2, General Appropriations Act. The following summarizes how UNM fared in the solvency legislation for FY17 and the FY18 DFA and LFC budget recommendations.

➤ FY17 Solvency Legislation

- Of the three solvency bills that passed both chambers (HB4, SB113, SB114), only SB113, Reduce Appropriations and Fund Transfers, had an impact UNM and the Governor line-item vetoed the language that would have reduced UNM's FY17 General Fund appropriation by 1%.
- With the Governor's line-item vetoes, the \$80 million shortfall will be covered and a remaining \$120 million will be in reserves for the remainder of the fiscal year.

➤ DFA – Department of Finance and Administration – Executive

- I&G budget recommendation starts from the FY 17 Special Session operating base:
 - Main Campus, \$175,651,400, a \$1,770,200 decrease or -1.0%
 - Medical School, \$57,201,100, a \$574,500 decrease or -1.0%
 - Branch Campuses
 - Gallup, \$8,481,100, a \$85,600 decrease or -1.0%
 - Los Alamos, \$1,719,300, a \$17,400 decrease or -1.0%
 - Taos, \$3,263,400, a \$33,000 decrease or -1.0%
 - Valencia, \$5,132,800, a \$51,800 decrease or -1.0%
- Research and Public Service Projects
 - Main Campus, \$8,730,100, a -1.0% decrease
 - Health Science Center, \$30,980,900, a -1.0% decrease
 - Branch Campuses, \$571,500, a -1.0% decrease

➤ LFC – Legislative Finance Committee

- I&G budget recommendation starts from the FY 17 operating base:
 - Main Campus, \$177,768,500, a \$346,900 increase or 0.2%
 - Medical School, \$55,753,500, a \$2,022,100 decrease or -3.5%
 - Branch Campuses
 - Gallup, \$8,417,100, a \$149,600 decrease or -1.7%
 - Los Alamos, \$1,718,700, a \$18,000 decrease or -1.0%
 - Taos, \$3,318,000 a \$21,600 increase or 0.7%
 - Valencia, \$5,189,500 a \$4,900 increase or 0.1%
- Research and Public Service Projects
 - The Legislative Finance Committee folded several Research and Public Service Projects into the I&G of the respective campuses. These projects are considered to have I&G related activities (student success, student advisement, etc.) The RPSPs that have been recommended to be included in the I&G also received a -6.5% cut, savings the LFC believes will be associated with including these programs in the I&G.
 - Main Campus, \$8,524,800, a -3.3% decrease
 - Health Sciences Center, \$30,867,300, a -1.4% decrease

- Branch Campuses, \$540,000, a -6.5% decrease

➤ **H AFC – House Appropriations and Finance Committee**

- H AFC adopted the Executive budget recommendation with minor adjustments. The H AFC maintained the 1% budget reduction for all higher education institutions and programs, however, they reduced the I&G base redistribution from the DFA’s recommendation of 4% to 2%.
- I&G budget recommendation starts from the FY 17 Special Session operating base:
 - Main Campus, \$175,651,400, a \$1,598,400 decrease or -0.9%
 - Medical School, \$57,201,100, a \$574,500 decrease or -1.0%
 - Branch Campuses
 - Gallup, \$8,481,100, a \$159,600 decrease or -1.9%
 - Los Alamos, \$1,719,300, a \$26,300 decrease or -1.5%
 - Taos, \$3,263,400, a \$22,300 decrease or -0.7%
 - Valencia, \$5,132,800, a \$49,400 decrease or -1.0%
- Research and Public Service Projects
 - Main Campus, \$8,730,100, a -1.0% decrease
 - Health Science Center, \$30,980,900, a -1.0% decrease
 - Branch Campuses, \$571,500, a -1.0% decrease

➤ **S FC – Senate Finance Committee**

- S FC adopted the H AFC budget for higher education with no changes.
- I&G budget recommendation starts from the FY 17 Special Session operating base:
 - Main Campus, \$175,651,400, a \$1,598,400 decrease or -0.9%
 - Medical School, \$57,201,100, a \$574,500 decrease or -1.0%
 - Branch Campuses
 - Gallup, \$8,481,100, a \$159,600 decrease or -1.9%
 - Los Alamos, \$1,719,300, a \$26,300 decrease or -1.5%
 - Taos, \$3,263,400, a \$22,300 decrease or -0.7%
 - Valencia, \$5,132,800, a \$49,400 decrease or -1.0%
- Research and Public Service Projects
 - Main Campus, \$8,730,100, a -1.0% decrease
 - Health Science Center, \$30,980,900, a -1.0% decrease
 - Branch Campuses, \$571,500, a -1.0% decrease

➤ **Lottery Scholarship:**

- The following is a list of bills that have been introduced that impact how the lottery scholarship is administered or changes the funding for the scholarship.
 - **HB 237, Lowers but Extends Liquor Excise Tax Distribution to Lottery Scholarships, Representative Carl Trujillo**
 - Extends the temporary distribution of liquor excise tax revenues from June 30, 2017 to June 30, 2020 but lowers the distribution percentage from 39 to 30.
 - **HB 250, Lottery Authority Bonuses and Unclaimed Prizes, Representative Jason Harper**
 - Specifies that any bonus or incentive compensation awarded to an employee of or vendor for the Lottery Authority shall be calculated based on the monthly amount transmitted to the State Treasurer for deposit into the Lottery Tuition Fund, and

shall not be calculated based on the authority's gross revenues. Prohibits the Lottery Authority from offering any style of video lottery game. The bill also places any unclaimed prize money into the lottery fund annually.

- **HB344, Lottery Scholarship Based on Need, Representative Sarinana**
 - As of FY 2018, requires an application for a Lottery Tuition Scholarship and, except for legacy students, makes the scholarship a needs-based award determined by expected family contribution.
 - As of FY 2018, all other students who meet existing qualifications must submit an application on a form developed by the Higher Education Department or the post-secondary institution, plus the Free Application for Federal Student Aid (FAFSA). To receive a scholarship, a student's expected family contribution must be less than 150 percent of the total cost of attendance, as calculated by the financial aid officer of the institution. The student is eligible seven semesters of aid, calculated as currently provided in statute.
 - Contrary to the language in the title, the bill does not explicitly guarantee a full scholarship, but it may contemplate full funding for those who qualify by eliminating from the pool of recipients those whose family incomes are too high to meet the threshold for eligibility.
- **HB425, Legislative Lottery Tuition Loan for Service Act, Representative Rebecca Dow**
 - Creates a Legislative Lottery Tuition Loan for Service Act to authorize the Higher Education Department to award loans-for-service to qualified students, for students with the same qualifications as recipients of the Lottery Tuition Scholarship; creates the Lottery Tuition Loan for Service Fund consisting of 50 percent of the distribution to the Lottery Tuition Fund from the New Mexico Lottery Authority; allows students to repay tuition loans with public service in New Mexico; appropriates funds from the Lottery Tuition Fund to the Tuition Loan-for-Service Fund.
- **HB426, Lottery Tuition Scholarship Award Amounts, Representative Rebecca Dow**
 - Changes the allocation of tuition scholarship awards between new and legacy recipients; changes the number of credit hours per semester a legacy student must earn to maintain eligibility; provides for computation of the award amount for legacy students and establishes a set dollar award amount for non-legacy students, based on type of public postsecondary institution attended.
 - The remaining funds are distributed for qualified (non-legacy) students to each public postsecondary institution based on:
 - Projected enrollment of qualified students in their first through seventh semester at each four-year institution, or their fourth through seventh semester if transferred from a community college, a set amount as described below; and
 - Projected enrollment at each community college of qualified students in their first through third semesters, a set amount as described below.
 - Set amounts awarded to qualified students would not depend on a uniform statewide average of tuition costs as they currently do; rather, they are set amounts not to exceed:
 - \$2,500 per semester for a student enrolled in a research institution;
 - \$2,000 per semester for a student at a comprehensive institution; and

- \$1,500 per semester for a student at a community college.
- **SB 192, Transfers of Lottery Revenue, Senator John Arthur Smith**
 - Directs the New Mexico Lottery Authority to transmit all net revenue to the State Treasurer for deposit in the Lottery Tuition Fund. Estimated net revenue shall be transmitted monthly, provided that all net revenue for a fiscal year must be transmitted by the August 1 following the end of that fiscal year. This bill also removes the 30% minimum deposit of all net revenues.
- **Other Bills of Interest**
 - **SB108/SB103, Clarify Post-Secondary Education Articulation Act, Representative Stephanie Garcia Richards and Senator Gay Kernan**
 - Directs the Higher Education Department, in consultation with faculty of state public higher education institutions, to provide for the seamless transfer of lower-division credits between state public institutions of higher education. HED must develop and approve a statewide lower-division general education core curriculum for all categories of associate and bachelor degree; facilitate development and approval of statewide “meta-majors,” 15-credits of lower division courses that articulate to multiple degree programs; and require that all courses with common course numbers, all meta-majors, and all lower-division transfer modules be accepted as equivalent for transfer and count toward fulfilling general education or degree requirements across all state institutions.
 - **HB113, Chief Information Officer to Develop Statewide Broadband Network, Representative Jim Smith**
 - Requires the state’s Chief Information Officer (CIO) (Department of Information Technology, DoIT) to develop and maintain a statewide, multipurpose, high-capacity scalable telecommunications and broadband network to meet the demand of state agencies, political subdivisions and educational institutions. The mandate is to be undertaken in partnership with the Public Education Department, Higher Education Department, political subdivisions, state universities and other educational institutions.
- **Health Sciences Center Bills**
 - **HB11, Mandated Insurance Coverage for Artery Calcification Screening, Representative Christine Trujillo**
 - Proposes new sections of the Health Care Purchasing Act, the Public Assistance Act, the Insurance Code, the Health Maintenance Organization Law and the Nonprofit Health Care Plan Law to mandate coverage of artery calcification screening for early detection of cardiovascular disease in certain individuals.
 - Defines “artery calcification screening” as computed tomography scan measuring coronary artery calcification for atherosclerosis and abnormal artery structure and function.
 - Defines “eligible individuals” and “eligible subscribers” to mean males age 30 to 75 and females age 40 to 75 with certain risk factors for developing coronary heart disease, i.e., a risk of developing coronary heart disease based on at least one of the following: hypertension, hyperlipidemia, diabetes, smoking or family history of heart disease.
 - Limits service provision to once every five years, not subject to a deductible.



- **SB21, Shaken Baby Syndrome Training and Education, Senator Michael Padilla**
 - Requires Department of Health to adopt rules, by December 31, 2017, to require every hospital and freestanding birthing center to provide training and education to prevent shaken baby syndrome before discharge of the newborn from the health facility.
 - The rules must require the health facility to maintain records to demonstrate compliance with provisions of the act and to report such information as DOH deems appropriate. In collaboration with UNM Health Sciences Center's Department of Pediatrics, DOH shall approve training and instructional materials in both English and Spanish and shall include the use of shaken baby simulation dolls in the curriculum.

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- Please visit the Office of Government Relations website at <http://govrel.unm.edu/>, and click on 2017 Bill Tracker for a list of all bills that impact UNM and for daily legislative updates, please sign up to join our listserv.