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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Senate Education Committee</u>	<b>LAST UPDATED</b> <u>3/07/2025</u>
	<b>ORIGINAL DATE</b> <u>1/25/2025</u>
<b>SHORT TITLE</b> <u>Anti-Hazing Act</u>	<b>BILL NUMBER</b> <u>CS/Senate Bill 10/SECS</u>
	<b>ANALYST</b> <u>Hanika-Ortiz</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
County Jails	No fiscal impact	At least \$76.8	At least \$115.2	At least \$192.0	Recurring	County General Funds
NMCD	No fiscal impact	No fiscal impact	At least \$112.8	At least \$112.8	Recurring	General Fund
Universities	No fiscal impact	At least \$433.0	At least \$433.0	At least \$866.0	Recurring	General, Other State, and Federal Funds
Colleges	No fiscal impact	At least \$216.0	At least \$216.0	At least \$432.0	Recurring	General, Other State, and Federal Funds
Total	No fiscal impact	At least \$725.8	At least \$877.0	At least \$1,602.8		

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Agency Analysis Received From

New Mexico Attorney General (NMAG)  
 Higher Education Department (HED)  
 New Mexico State University (NMSU)  
 University of New Mexico (UNM)  
 New Mexico Highlands University (NMHU)  
 New Mexico Institute of Mining and Technology (NMT)  
 New Mexico Independent Community Colleges (NMICC)

## SUMMARY

### Synopsis of SEC Substitute for Senate Bill 10

The Senate Education Committee substitute for Senate Bill 10 (SB10) proposes the Anti-Hazing Act, which defines hazing as an intentional, knowing, or reckless act against a student committed in connection with participation in a student organization. The substitute bill adds two new crimes for “hazing” and “failure to report hazing” and classifies both misdemeanors. The new crime of “failure to report hazing” applies to school employees and contractors, and volunteers of a student organization, that knew or reasonably should have known. The New Mexico Attorney General (NMAG) and district attorneys are tasked with enforcement.

Beginning with the 2025 fall term, private and public colleges and universities would update their student codes of conduct to prohibit hazing, provide anti-hazing education, set up hazing prevention committees, and publicly report hazing acts. Fraternities and sororities that do not investigate or report hazing acts would face loss of recognition by the educational institution. If the organization is a corporation, the directors could also be individually liable for damages.

This bill does not have an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The consequence for hazing another student includes the loss of state-funded awards. New Mexico State University (NMSU) reported it does not remove state funding as part of sanctions.

There is no exact estimate for what institutions expect to spend on programming and reporting requirements; but compliance may require significant administrative and financial resources.

The cost to implement awareness programs, develop reporting systems and websites, and coordinate with law enforcement, could be as high as \$1.3 million in total over three years, according to larger universities, depending on the size of the campus and effort to date on the issue. For example, NMSU has a hazing prevention committee that has met monthly since 2023. Smaller colleges should see few if any hazing acts but could still face funding challenges. The University of New Mexico noted training for its students would cost \$15.3 thousand annually.

More importantly, the substitute bill creates two misdemeanor crimes. If convicted, these crimes are punishable by up to one year in jail and a \$1,000 fine. The budget impact table above suggests the new crimes could result in at least four people admitted to county jails per year at a \$19.2 thousand cost per county inmate. If held in a state-run facility, the New Mexico Corrections Department (NMCD) reports the average cost to incarcerate a single inmate in FY24 was \$56.7 thousand; however, due to the high fixed costs of the state's prisons and administrative overhead, LFC estimates a marginal cost (cost per each additional inmate) of \$28.2 thousand per year. The Sentencing Commission estimates the length of stay for those convicted of a misdemeanor as 1.1 years. If four individuals held in prisons are convicted of crimes added by SB10, NMCD could see \$112.8 thousand in recurring costs starting in FY27.

School employees are liable if they reasonably should have reported an act of hazing but failed to do so. Because most institutions are self-insured, this may result in more claims against the state. Hazing acts are high profile and it would not be unusual to see early settlements to avoid the bad publicity. The cost to defend and settle these claims would come from the public liability fund.

## SIGNIFICANT ISSUES

Because of nation-wide concerns about severe injury and death from hazing, the federal bipartisan Stop Campus Hazing Act (SCHA) was signed into law December 23, 2024. The Act requires colleges and universities that participate in federal student aid programs to start collecting hazing statistics, have anti-hazing policies in place by June 23, 2025, begin documenting violations by July 1, 2025, make violations publicly available by December 23, 2025, and include hazing statistics in their required annual security reports starting with the 2026 report. Institutions that choose not to follow the SCHA could face the loss of federal funding.

Per the SCHA, the federal Department of Education is tasked with ensuring colleges and universities follow the anti-hazing prevention efforts and reporting requirements in the Act.

On page 2 (A)(1) line 15 uses the phrase “an affiliation with” which could be considered overly broad. This phrase covers any connection a student has with a social or academic organization.

On page 3 lines 16-20 “any organization, association or student living group that knowingly permits hazing...shall forfeit any official recognition...” by the institution. NMSU is concerned that this could result in the elimination of programs that enrich the lives of students. Changing “shall” to “may” (line 18) will allow the institution to make a judgement call about withdrawing recognition and for how long. The current standard is to revoke a charter for long enough for all students associated with the organization to have left the university (four to six years).

On page 5 (D) NMSU also said that given student time commitments, it recommends changing “Fifty percent of the committee shall include students...” to “Committee members shall include at least two undergraduates and one graduate student attending the institution...”

On page 8 (C) lines 13-17 it is unclear if a person who believes hazing has or will occur, and makes a report in good faith, would be sanctioned or not for the “violation of hazing.” The bill may want to specify if the phrase refers to the crime of hazing or the violation of a hazing policy.

## **ADMINISTRATIVE IMPLICATIONS**

Colleges and universities would devote staff and resources to provide anti-hazing programming, investigate allegations, report violations, preserve records, and coordinate with campus police.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Conflicts with Senate Bill 148 in terms of criminal punishment for hazing acts.

## **OTHER SUBSTANTIVE ISSUES**

Forty-four states have legal consequences for hazing acts. The six states without these laws include Alaska, Hawaii, Montana, South Dakota, Wyoming, New Mexico. The Higher Education Department notes state post-secondary institutions have anti-hazing policies in conduct policies.

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