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FISCAL IMPACT REPORT

SPONSOR Jennings **ORIGINAL DATE** 02/24/09
LAST UPDATED _____ **HB** _____
SHORT TITLE Expand NMMI Scholarships **SB** 627
ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$0.0		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Military Institute (NMMI)
Department of Finance and Administration (DFA)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 627 relates to the New Mexico Military Institute (NMMI) and expands the opportunity for students to access the General Richard T. Knowles legislative scholarships.

FISCAL IMPLICATIONS

This bill carries no appropriation and has no fiscal implications to the general fund. The scholarship fund would have the flexibility to offer scholarships to students outside a legislator's district after July 1 of each year, thus allowing full use of the available scholarships.

SIGNIFICANT ISSUES

According to HED, NMMI offers a variety of merit-based and need-based scholarships. Approximately 85 percent of NMMI college level students receive federal, state, or institutional financial assistance totaling nearly \$1.8 million. At the high school level, 51 percent of the students receive scholarship assistance ranging from \$150 dollars to \$7 thousand dollars. In both schools, there are many institutional merit-based and need-based scholarships available to qualified students.

The General Richard T. Knowles Legislative Scholarship program allows each of New Mexico's 112 legislators to nominate one student from their district for scholarship consideration. The scholarship covers the cost of tuition, fees and an amount applied towards other expenses at NMMI. The scholarship may be automatically renewed for a total of four years if the student maintains satisfactory academic progress towards graduation and acceptable performance in the NMMI Corps of Cadets among other requirements.

Currently, non-selected applicants may be eligible to receive an un-awarded legislative scholarship in an open contiguous district. However, if a scholarship is not awarded within the district or contiguous district, the scholarship goes unused. This bill may allow any scholarship not awarded in either a legislator's district or a contiguous district to be awarded to any qualified nominee from any state legislative district.

OTHER SUBSTANTIVE ISSUES

According to the financial aid office of NMMI, this bill appears to open up the scholarship process to additional qualified applicants and may allow NMMI to make the most of its scholarship funds during difficult economic times. According to NMMI, this loosening of scholarship award requirements would have a sunset period, and this change would only affect the 2009-2010 academic year candidates. NMMI remains confident that this change will only be necessary for the upcoming academic year as the economy improves, and the change will afford greater opportunity for more New Mexicans to receive scholarships.

PV/svb