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FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/19
LAST UPDATED 3/4/19

SPONSOR Shendo HB _____

SHORT TITLE Lottery Funds for Tribal Colleges SB 407/aSEC/aSfI#1

ANALYST Valenzuela

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications			Recurring	Lottery Tuition Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 363

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Indian Affairs (DIA)
NM Independent Community Colleges (NMICC)
Tribal Colleges Consortium

SUMMARY

Synopsis of the SfI #1 Amendment

The Senate Floor Amendment #1 to Senate Bill 407 corrects the SEC amendment, properly locating the insertion of “or tribal colleges” on the correct line.

Synopsis of the SEC Amendment

The Senate Education Committee Amendment to Senate Bill 407 includes two items. The first amendment corrects the name of the accrediting agency to the Higher Learning Commission. The second amendments revises the definition of “tuition scholarship” to include tribal colleges.

Synopsis of Original Bill

Senate Bill 407 amends the Legislative Lottery Scholarship Act to make students who attend tribal colleges located in New Mexico eligible to receive lottery scholarships.

FISCAL IMPLICATIONS

SB 407 does not contain an appropriation. The bill would not increase the revenues into the lottery tuition fund.

The impact would be to broaden the eligibility of students who receive the lottery scholarship in New Mexico, and presumably increases the number of lottery scholarship recipients. The increased participation would be absorbed by lowering the amount of scholarship provided each year.

Currently, the lottery scholarship program provides a minimum scholarship amount depending on the type of institution the recipient attends:

Four-year research universities: \$1,500/semester

Four-year comprehensive universities: \$1,020/semester

Two-year community colleges: \$380/semester

Four tribal colleges in New Mexico would become eligible under SB407: the Institute of American Indian Arts (IAIA), the Navajo Technical University (NTU), Dine College, and the Southwestern Indian Polytechnic Institute (SIPI).

Historically, these colleges have reported that approximately 125 to 200 students would become eligible for lottery scholarships, if SB407 is enacted. In testimony in December 2018 to the LFC, members of the tribal college consortium reported, “SIPI is operated and funded by the Bureau of Indian Affairs and neither charges tuition nor admits non-Indian students and would not participate in the Lottery Scholarship Program”.

The analysis assumes these 125 to 200 students attend a four-year tribal university, affording the student a \$1,020/semester scholarship. The range for costs would be \$255 thousand to \$408 thousand annually, which represents 1 percent of the amount of lottery scholarship revenue, \$42 million.

SIGNIFICANT ISSUES

The Higher Learning Commission (HLC) is the successor entity for the North Central Association of Colleges and Schools, which no longer exists, as the accrediting body for all three of the institutions. For clarity, it may be useful to change the language in the bill to reflect the HLC as the accrediting body.

MFV/sb/al