

## OVERVIEW:

Attending college -- particularly for low- and middle-income students in New Mexico -- may seem a daunting challenge. New Mexico provides broad support to students to ensure a postsecondary education is accessible for every college-bound New Mexican. According to the National Center for Higher Education Management Systems (NCHEMS), New Mexico provides the sixth highest level of state financial support in the country to public colleges and universities. Moreover, tuition and fees remain the fifth lowest in the country.

Each year, college students receive \$600 million in financial aid support to pursue a postsecondary education in New Mexico. The aid -- 51 percent from grants, 12 percent from scholarships, 35 percent from loans, and 2 percent from work-study -- is primarily needs-based, with students with the lowest incomes accruing 71 percent of the support. Programs like the lottery tuition scholarship have paid up to 100 percent of tuition costs, and the college affordability scholarship has helped adult learners return to earn a degree.

Despite this, fewer New Mexico college-bound students -- recent high school graduates or returning adult learners -- are choosing to attend New Mexico's colleges or universities, according to college enrollment data collected by the New Mexico Higher Education Department (HED). Over the past five years, college enrollment has declined by 14.1 percent in New Mexico. Some administrators suggest high school populations are declining. Yet, high school graduation rates and the number of high school graduates have improved by 10 percent over the same five-year period.

The concern for New Mexico policymakers is that several research studies show a widening postsecondary attainment gap contributes to growing economic inequality. The same studies illustrate a household income's outsized influence on student success; top performing low- and middle-income students earn bachelor's degrees at the same rate as low performing high-income students. In addition, low- and middle-income students are less likely to attend college.

### Opportunity Scholarship

In the fall of 2019, the governor proposed the New Mexico Opportunity Scholarship, a last-dollar financial aid program paying for college tuition and fees for recent high school graduates and returning community college students. To pay for the program, HED requested \$35 million for the opportunity scholarship in FY21 to support 55 thousand students. The cost estimate may be low. Other states that have implemented similar programs have experienced 20 percent growth in the first year.

Several researchers have found that tuition and fee costs are not the obstacle to students who pursue a college degree, especially in states as generous as New Mexico with very low tuition. Rather, the researchers highlight the cost of attendance -- cost remaining after scholarships and grants -- is the financial obstacle for low- and middle-income students in particular. Cost of attendance reflects the

**AGENCY:** Higher Education Institutions

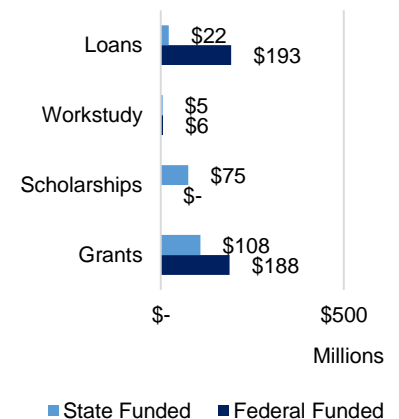
**DATE:** January 20, 2020

**PURPOSE OF HEARING:** Brief on higher education financial aid

**PREPARED BY:** Mark Valenzuela, LFC Principal Analyst; Clayton Lobaugh, LFC Program Evaluator

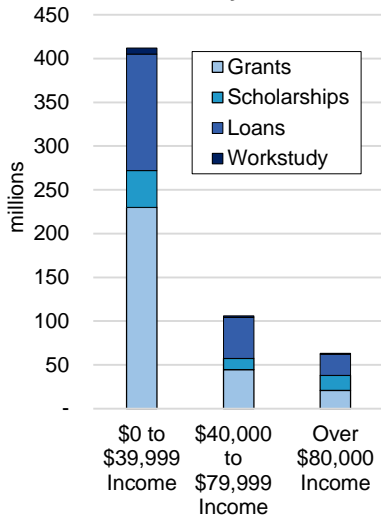
**EXPECTED OUTCOME:** Informational

**Chart 1. Student Financial Aid in New Mexico: \$600 million, FY19**



Source: FY19 NASSGAP Student Aid File, HED

**Chart 2. \$600 million NM Student Financial Aid, Distribution by Income**



Source: NASSGAP Student Aid File, HED data

cost of books, transportation, housing and food, not covered by a grant or scholarship.

Research evidence shows providing aid based on need can help bridge the gap families face in paying for college and policies that promote *first-dollar* funding strategies are more likely to target those most in need. However, free college programs, or those providing *last-dollar funding* for unmet tuition costs carry risks. One risk is cost; although initial estimates for the Opportunity Scholarship proposal (a last-dollar approach) identify the cost as \$35 million, subsequent analysis by LFC staff indicate the cost could be as much as 40 percent higher at \$49 million. Another risk is that research has shown last-dollar investments have the potential to be regressive in that they do not direct financial aid to the lowest-income students and often-direct funds to middle- and higher-income students.

New Mexico would benefit from utilizing existing tools to improve access, success, and retention by:

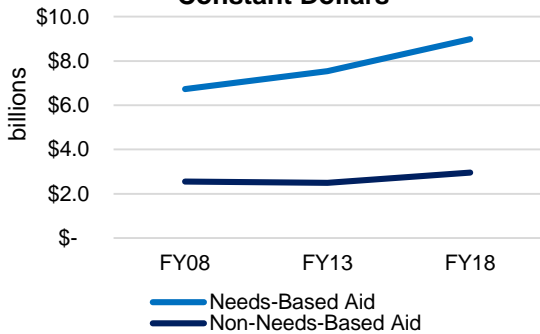
- Increasing investment in first-dollar student incentive grants (SIG) which target aid to students based on financial need;
- Enhancing first-dollar lottery scholarship coverage of existing tuition gaps;
- Providing resources for HED to increase student completion of the Free Application for Federal Student Aid (FAFSA); and
- Addressing specific workforce needs and the existing public school teacher shortage with teacher preparation affordability scholarships.

**BACKGROUND INFORMATION:**

***Most state-funded grant aid for undergraduate students in the U.S. is allocated based on financial need and has increased over the past decade.***

According to data from the National Association of State Student Grant and Aid Programs (NASSGAP), states allocate the majority of their financial aid grants for undergraduate students on the basis of financial need rather than academics or other criteria. In 2017 constant dollars, need-based grants increased by 33 percent from \$7.5 billion in FY08 to \$9 billion in FY18 while non-needs-based grants increased by 16 percent from \$2.5 billion in FY08 to \$3 billion in FY18.

**Chart 3. U.S. Undergraduate Financial Aid Grants, 2017 Constant Dollars**



Source: LFC analysis of NASSGAP data

***New Mexico public universities and community colleges offer access to postsecondary education at some of the lowest tuition rates in the country.*** The 2017 LFC program evaluation, *Higher Education Cost Drivers and Cost Savings*, found that New Mexico had the lowest in-state tuition cost per credit hour in the nation. New Mexico higher education institutions (HEIs) can offer low tuition rates because the state dedicates a comparatively high proportion of its tax and lottery revenue toward higher education. According to a 2019 report from the State Higher Education Executive Officers Association (SHEEO), only five states allocated more than 10 percent of total tax and lottery revenue to higher education: Wyoming (14 percent), Alaska (13.4 percent), New Mexico (12.7 percent), Mississippi (10.1 percent), and North Carolina (10.1 percent).

**New Mexico has higher levels of student loan default than most other states.**

Despite relatively low tuition rates, New Mexico has the third highest default rate on federal student loans in the country, behind only Nevada and Mississippi. According to data from the U.S. Department of Education, the FY16 New Mexico borrower cohort (most recent available) defaulted on their federal student loans at a rate of 14.7 percent, or 4.6 percent higher than the national rate of 10.1 percent. Previous LFC research has identified instances where the default rate exceeded the graduation rate at some New Mexico higher education institutions. Prior LFC research has also found New Mexico to sometimes have the highest student loan default rate in the country. Research has indicated that lower family income is associated with a greater likelihood of student loan default.<sup>1</sup>

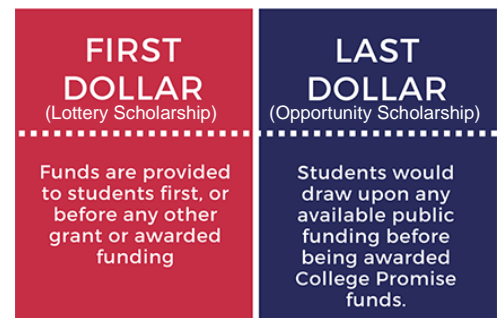
**Nearly half of New Mexico graduates have debt after college, but their average student debt is among the lowest in the country.** Forty-nine percent of New Mexico’s 2018 graduating class had an average debt level of \$22 thousand according to a 2019 report from the Institute for College Access and Success. New Mexico’s average student debt amount was the second lowest in the nation. Only Utah college graduates had a lower average student debt amount (\$20 thousand).

**Last-dollar free college tuition programs do not direct financial aid to students with the greatest financial need**

**Financial aid programs are structured as either “first-dollar” or “last-dollar” programs.** First-dollar financial aid programs provide a student with a set amount of financial aid regardless of whether the student receives any other type of financial aid. Last-dollar financial aid programs cover any remaining tuition for a student after other state and federal financial aid have been received. According to researchers from the University of Pennsylvania, 64 percent of state-sponsored college promise programs in 2017 were first-dollar programs.<sup>2</sup> The lottery scholarship is New Mexico’s largest state-funded financial aid program and is a first-dollar program. The same research notes that “[f]irst-dollar financial aid awards provide higher average awards to low-income students than last-dollar awards as low-income students are typically eligible for federal and state needs-based grant aid” (p.156).

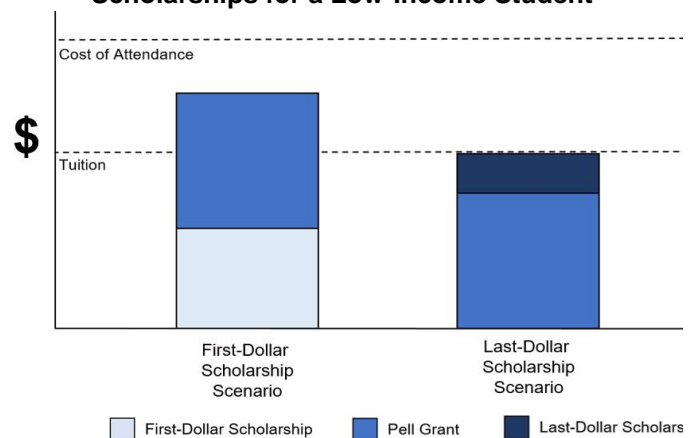
**Students who qualify for the most needs based financial aid often benefit the least from last-dollar financial aid programs.** Figure 2 compares how a low-income student, qualifying for a federal needs-based Pell grant would experience a first-dollar scholarship and a last-

**Figure 1. First-Dollar vs. Last-Dollar Financial Aid Descriptions**



Source: LFC Files

**Figure 2. Comparison of First-Dollar and Last-Dollar Scholarships for a Low-Income Student**



<sup>1</sup> Gross, J.P.K., Cekic, O., Hossler, D., and Hillman, N. (2009). “What Matters in Student Loan Default: A Review of the Research Literature.” *Journal of Financial Aid*. 39(1). P.19-29

<sup>2</sup> Perna, L.W., Leigh, E.W. (2018). “Understanding the Promise: A Typology of State and Local College Promise Programs.” *Educational Researcher*. 47(3), p.155-180.

dollar scholarship. With a first-dollar scholarship, a low-income student could leverage their financial aid to cover costs of attendance beyond tuition. With a last-dollar scholarship, a low-income student would receive less scholarship funding because their last-dollar scholarship would be supplanted by other financial aid. In a 2016 policy brief on free community college tuition programs, the American Association of State Colleges and Universities (AASCU) wrote “[l]ast-dollar approaches to free community college can have limited benefits for those with the most need and generally do not address non-tuition expenses” (p.12).<sup>3</sup>

***In September 2019, the Governor announced plans for the New Mexico Opportunity Scholarship; a last-dollar financial aid program covering college tuition and fees for lottery scholarship-eligible students and part-time community college students.*** The New Mexico Opportunity Scholarship has yet to be established through either legislation or administrative rules. According to information posted on the state Higher Education Department (HED) website as of early January 2020, the Opportunity Scholarship would have the same enrollment and GPA requirements as the lottery scholarship. Additionally, the Opportunity Scholarship would be available for all community college students with at least a 2.0 college GPA and taking at least six student credit hours each semester. The Opportunity Scholarship would be a last-dollar financial aid program covering any tuition gaps remaining after a student has received federal and state financial aid, including the lottery scholarship.

In order to participate in the Opportunity Scholarship, higher education institutions would be required to complete a memorandum of understanding with HED to limit tuition increases and increase spending on student support services. Tuition and fees are set by boards of regents and governing boards of higher education institutions (Sections 21-1-2, 21-13-24.1, and 21-14-5 NMSA 1978).

***HED requested \$35 million for the Opportunity Scholarship in FY21, but subsequent LFC staff analysis estimates the cost as being closer to \$49 million.*** HED’s \$35 million cost estimate for the Opportunity Scholarship includes an assumption that juniors and seniors would be required to pay for their own college fees (\$8 million). HED’s cost model assumes a 5 percent tuition cost increase, \$42 million in Pell tuition coverage for eligible students, and \$40 million in lottery scholarships.

**Table 1. Comparison of Cost Estimates for the New Mexico Opportunity Scholarship**

Category	HED Estimate	LFC Estimate
FY21 Tuition and Fees for Eligible Students	\$135,940,000	\$137,280,000
Minus College Juniors and Seniors Paying Own Fees	\$8,000,000	\$0
Minus Lottery Scholarships	\$40,000,000	\$40,000,000
Minus Pell Grant Tuition Coverage	\$42,120,000	\$37,930,000
Minus Other State Aid	\$10,500,000	\$10,620,000
<b>Estimated FY21 Tuition and Fees Gap</b>	<b>\$35,320,000</b>	<b>\$48,730,000</b>

Source: LFC analysis of HED data

LFC staff modified HED’s cost estimate to include junior and senior college fees, \$4.2 million less in Pell tuition coverage for eligible students, and an additional 2 percent enrollment increase (assuming a free tuition program would increase enrollment). LFC staff also added data to include tuition offsets from state student incentive grants. After including these additional assumptions, the cost estimate for the Opportunity Scholarship was approximately \$49 million.

<sup>3</sup> Harnisch, T.L. and Lebioda, K. (May 2016). “The Promises and Pitfalls of State Free Community College Plans.” American Association of State Colleges and Universities PolicyMatters Brief. Accessed November 11, 2019 at <http://www.aascu.org/policy/publications/policy-matters/freecommunitycollege.pdf>

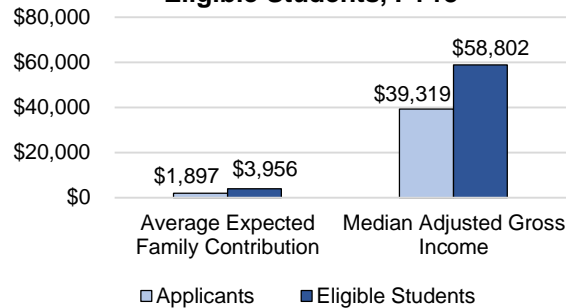
**Case Study: The Tennessee Promise free community college tuition program**

**does not direct financial aid to lower-income students.** The Tennessee Promise is a last-dollar scholarship program covering tuition costs for recent high school graduates attending community college after Pell grants, Tennessee lottery scholarships, and other financial aid. The cost of the Tennessee Promise program was \$28.1 million in FY18. According to the Tennessee Higher Education Commission, students who are eligible for Tennessee Promise funding have higher reported family incomes than the overall applicant pool, which suggests the program does not target financial aid to low-income students.<sup>4</sup>

Additionally, lower-income students who are eligible for the Tennessee Promise are more likely to already receive tuition coverage from Pell grants. According to a report from the Tennessee Board of Regents, 43 percent of eligible students (5.8 thousand students out of 13.3 thousand students) received \$0 from the Tennessee Promise scholarship in Fall 2015 because other financial aid covered their tuition costs. Ninety-eight percent of the eligible students who received \$0 from the Tennessee Promise scholarship received Pell grants covering their tuition.

**Case Study: The cost of New York’s free college tuition scholarship, the Excelsior Scholarship, is supplanted by a larger state financial aid program for low-income students.** The New York Higher Education Services Corporation, the state’s financial aid administrator, reports that the Excelsior Scholarship was one of the first programs in the nation to offer free college tuition at community colleges and universities. The Excelsior Scholarship is a last-dollar scholarship program which covers the unmet tuition costs of eligible students. In FY18, the Excelsior Scholarship provided \$66 million in tuition assistance to 20 thousand students, or less than 5 percent of the state’s 440 thousand full-time undergraduates enrolled in public higher education institutions. By contrast, New York’s largest financial aid grant program (the Tuition Assistance Program) provided \$649 million to 196 thousand students in FY18, or 44 percent of total full-time undergraduates at the state’s public higher education institutions.

**Chart 4. Income Comparisons for Tennessee Promise Applicants and Eligible Students, FY18**



Source: Tennessee Promise 2019 Annual Report

<sup>4</sup> The Tennessee Promise scholarship has an application process that involves filling out an online application, completing the FAFSA, performing eight hours of community service, and then enrolling full-time at a community college. In FY18, less than 30 percent of applicants for the Tennessee Promise completed the full application process and became eligible for funding.

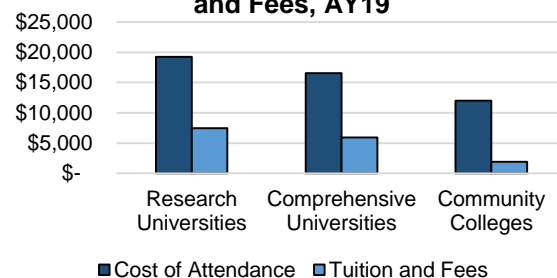
**Case Study: Central New Mexico (CNM) Rust Opportunity Assistance Fund**

The CNM Foundation offers grants from its Rust Opportunity Assistance Fund to help prevent unforeseen emergency expenses from disrupting or discontinuing a student's education. Applicants for this funding must provide supporting documentation, a personal statement, and two letters of recommendation in order to receive funding. These funds are intended to mitigate unexpected, non-tuition expenses that can affect a student's ability to complete their studies.

## Financial aid addressing costs of college attendance can improve postsecondary outcomes for low-income students

**Tuition is only part of the total cost of attendance for higher education.** The total cost of attendance at higher education institutions includes tuition, fees, room and board, books and supplies, computers, transportation, and dependent care. At New Mexico universities, tuition and fees make up 35 percent to 40 percent of the total cost of attendance. At the state's community colleges, tuition and fees constitute 9 percent to 19 percent of the total cost of attendance. These data indicate that total cost of attendance at higher education institutions substantially exceeds annual tuition and fees.

**Chart 5. Average New Mexico Cost of Attendance and Tuition and Fees, AY19**

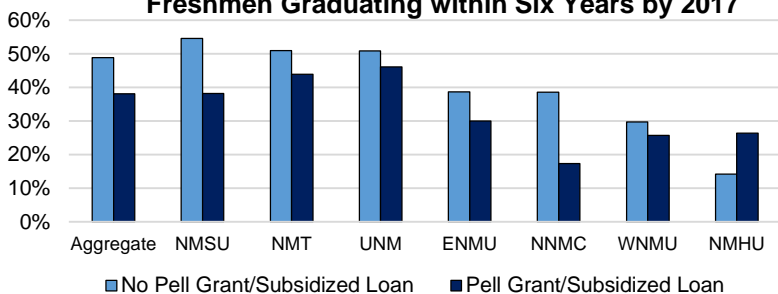


Source: LFC staff analysis of IPEDS and HED data

**Students receiving federal Pell grants or subsidized loans are less likely to graduate college than their peers.** Students with demonstrated high financial need are eligible to receive federal Pell grants or subsidized loans. LFC staff examined data from the U.S. Integrated Postsecondary Education Data System (IPEDS) to compare the graduation rates of students receiving and not receiving federal needs-based financial aid. Of the first-time, full-time freshmen starting at

New Mexico's universities in academic year 2011-12 (AY12), students who received federal Pell grants and subsidized loans consistently had lower six-year graduation rates. These data indicate that first-time, full-time freshman with greater financial need are less likely to graduate than their peers.

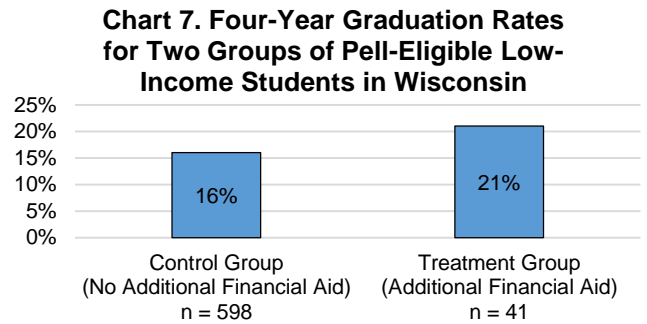
**Chart 6. Percent of 2011 First-Time, Full-Time Freshmen Graduating within Six Years by 2017**



Source: LFC analysis of IPEDS data

Historically, IPEDS has only reported graduation rates for cohorts of first-time, full-time students. In 2017, IPEDS released data on the graduation outcomes of all students enrolling in AY10, including returning and part-time students. LFC staff compared the graduation outcomes of AY10 college freshmen who received and did not receive Pell grants. Pell grant recipients were less likely to have graduated after six years than non-recipients (See Appendix D).

**Additional financial aid grants to low-income students can increase degree attainment and decrease dropout rates.** Recent experimental research compared the four-year graduation rates of a treatment group and a control group of Pell eligible students attending Wisconsin universities full-time.<sup>5</sup> Students in the treatment group received additional grant aid (\$3,500 per year) from the Wisconsin Scholars Grant (WSG) program while students in the control group did not receive additional aid. Financial aid officers at Wisconsin universities randomly assigned eligible low-income students to the treatment and control groups. The low-income students receiving the additional grant aid had a 21 percent four-year graduation rate while the low-income students in the control group had a 16 percent graduation rate.



Source: Goldrick-Rab, Kelchen, Harris, & Benson (2016) Reducing Income Inequality in Educational Attainment: Experimental Evidence on the Impact of Financial Aid on College Completion

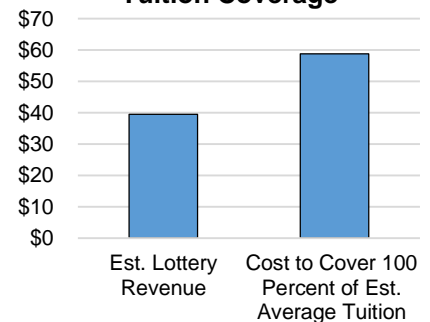
Other research examined the college outcomes of statistically similar students before and after needs-based financial aid was increased in Ohio in 2006.<sup>6</sup> The research found that the cohort of students who received additional needs-based financial aid (\$800 on average) had higher first-year grade point averages and a 2 percent lower dropout rate.

## The state has existing programs to help cover college costs of attendance and strategically target financial aid

As an alternative to creating a new financial aid program, the Legislature could increase funding for existing programs to alleviate the costs of college attendance and strategically target financial aid. Below is a sample of existing financial aid programs that could be leveraged to cover tuition costs and target funding to low-income students or high-demand workforce fields.

**The New Mexico Lottery Scholarship would be fully funded for FY21 with an additional \$19 million.** From FY97 through FY14, the Lottery Scholarship covered 100 percent of each higher education sector’s average tuition for eligible students. Over time, tuition costs and the number of eligible students increased while state lottery revenues remained relatively flat. Since FY15, the lottery scholarship has not been able to cover 100 percent of sector average tuition. For FY21, HED estimates approximately \$40 million in lottery revenue available for scholarships which covers about 60 percent of sector average tuition for eligible students. The LFC recommendation includes an additional \$9.7 million nonrecurring general fund appropriation to increase lottery scholarship tuition coverage from 60 percent to 82 percent.

**Chart 8. FY21 Estimated Lottery Revenue and Scholarship Cost for Full Tuition Coverage**



Source: LFC analysis of HED data

**New Mexico student incentive grants direct financial aid to low-income and part-time students.** Students are eligible to receive student incentive grant

<sup>5</sup> Goldrick-Rab, S., Kelchen, R., Harris, D., and Benson, J. (2016). “Reducing income inequality in educational attainment: experimental evidence on the impact of financial aid on college completion.” *American Journal of Sociology*, 121(6):1762–1817

<sup>6</sup> Bettinger, E. (2015). “Needs-based Aid and College Persistence: The effects of the Ohio College Opportunity Grant.” *Educational Evaluation and Policy Analysis*, 37(1 suppl.): 102S-119S.

funding if they are New Mexico residents, taking at least six credit hours, and can demonstrate substantial financial need (5.7.8.11 NMAC). Students can use this grant funding to pay for tuition or any other costs of attendance, such as housing, textbooks, or supplies. The Legislature has historically appropriated \$11 million each year for student incentive grants. HED allocates these appropriations to higher education institutions based on measures of student need and enrollment. Higher education institutions then award incentive grants to eligible students. An additional \$10 million appropriation could provide 10,000 low-income students with \$1,000 grants. The LFC recommendation for FY21 includes an additional \$10 million for student incentive grants for low-income students.

***The college affordability endowment fund provides financial aid grants to low-income students across the state’s higher education system.***

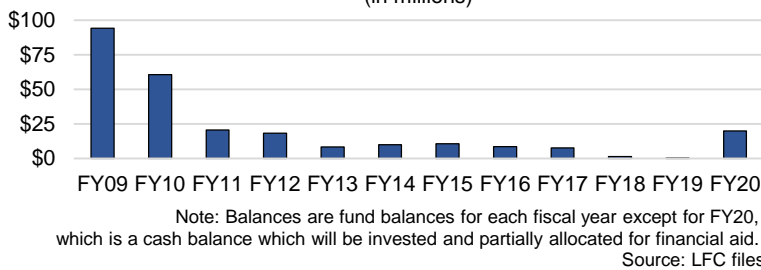
The Legislature established the college affordability endowment fund in 2005 (Laws 2005, Chapter 192; SB669) to provide financial aid grants to low-income students who are otherwise ineligible for state financial aid. State law requires at least an annual \$3 million distribution from the college affordability endowment fund each year for financial aid grants.<sup>7</sup> The endowment fund had a balance of \$94 million at the beginning of FY09, which diminished over time because of funding transfers<sup>8</sup> needed to keep the state general fund solvent during

economic downturns and required annual distributions. During the 2019 session, the Legislature appropriated \$20 million for FY20 to replenish the college affordability endowment fund. The LFC recommendation for FY21 includes a \$10 million nonrecurring appropriation for the college affordability endowment fund.

Students are eligible for college affordability grants if they are a state resident, who is enrolled at least half-time at a state or tribal higher education institution, with demonstrated financial need and a high school diploma or equivalency. Eligible students can receive up to \$3,000 per year in college affordability grants and use the funds for costs of attendance.

***Additional funding for teacher preparation affordability scholarships could target financial aid to students studying to become future teachers.*** During the 2019 session, the Legislature created the teacher preparation affordability fund to provide scholarships to students with financial need who are enrolled at least half-time in an approved teacher preparation program (TPP) at a New Mexico higher education institution (Laws 2019, Chapter 193; HB275). According to the most recent federal Higher Education Act data, 2,216 students were enrolled in TPPs at New Mexico higher education institutions in FY17. An appropriation of \$13.3 million in FY17 would have provided all students in state TPPs with the

**Chart 9. College Affordability Endowment Fund Beginning-of-Year Balances, FY09-FY20**  
(in millions)



<sup>7</sup> State law originally required a minimum \$2 million distribution from the college affordability endowment fund each year but this was increased to a minimum \$3 million distribution during the 2019 legislative session (Laws 2019, Chapter 56; HB127).

<sup>8</sup> Laws 2009 (1<sup>st</sup> Special Session), Chapter 2 (HB3) transferred \$68 million from the endowment fund to the general fund in FY10. Laws 2011, Chapter 179 (HB2) transferred \$5 million in FY11 and \$10 million in FY12 from the endowment fund to the general fund. Laws 2016 (2<sup>nd</sup> Special Session), Chapter 4 (SB2) transferred \$5 million from the endowment fund to the general fund in FY17.



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maximum teacher preparation affordability scholarship amount of \$6,000 per year for costs of attendance. According to NMSU's 2019 New Mexico Teacher Vacancy Report, the state currently has an estimated 644 teacher vacancies and 1,054 educator vacancies.

**SUMMARY OF LFC STAFF RECOMMENDATION:**

Instead of enacting legislation and appropriating funds for a new financial aid program, the LFC recommends a targeted student financial aid package of \$35 million in FY21. The LFC recommendation includes a \$5 million increase to recurring funding for student incentive grants for low-income students. The LFC recommendation also includes a one-time \$10 million fund transfer to the college affordability fund to help adult learners return to college. The LFC recommendation also includes a \$20 million nonrecurring special appropriation to further leverage existing financial aid programs. Specifically, the special appropriation includes:

- \$9.7 million for additional tuition coverage from the lottery scholarship;
- \$5 million for teacher preparation affordability scholarships for students with financial need who are enrolled in state colleges of education;
- \$5 million for state incentive grants for low-income students; and
- \$300 thousand to HED to increase student completion of the free application for federal student aid.

## Appendix A. Detailed Comparison of Cost Estimates for the New Mexico Opportunity Scholarship

### Detailed Comparison of Cost Estimates for the New Mexico Opportunity Scholarship

Category		HED Estimate	LFC Estimate
1	Est. Total FY21 Lottery Eligible Student Tuition and Fees	\$80,160,000	\$81,760,000
2	Minus Lottery Ineligible Students	\$4,500,000	\$4,500,000
3	Minus College Juniors and Seniors Paying Own Fees	\$8,000,000	\$0
4	Minus Lottery Scholarships	\$40,000,000	\$40,000,000
5	Minus Pell Grant Tuition Coverage	\$8,250,000	\$4,060,000
6	Minus Other State Aid	\$5,000,000	\$5,570,000
7	<b>Subtotal: Tuition and Fees Gap</b>	<b>\$14,410,000</b>	<b>\$27,630,000</b>
8	Est. Total FY21 Community College Student Tuition and Fees	\$80,560,000	\$82,170,000
9	Minus Students with Less than 6 Credit Hours	\$16,000,000	\$17,140,000
10	Minus Tuition of Lottery Eligible Students	\$4,280,000	\$5,010,000
11	Minus Pell Grant Tuition Coverage	\$33,870,000	\$33,870,000
12	Minus Other State Aid	\$5,500,000	\$5,050,000
13	<b>Subtotal: Tuition and Fees Gap</b>	<b>\$20,910,000</b>	<b>\$21,100,000</b>
14	<b>Total Estimated Tuition and Fees Gap</b>	<b>\$35,320,000</b>	<b>\$48,730,000</b>

Source: LFC analysis of HED data

## Appendix B. Recurring Student Financial Aid Appropriations

Student Financial Aid Program Detail (Dollars in Thousands)	FY20 OPBUD	FY21 LFC Rec	Percent Change
<b>Lottery Scholarship*</b>			
Other Transfer	42,000.0	42,000.0	0%
<b>Total Lottery Scholarship</b>	<b>42,000.0</b>	<b>42,000.0</b>	<b>0%</b>
<b>Student Incentive Grant</b>			
<b>General Fund</b>	11,000.0	16,108.0	46%
<b>College Affordability Endowed Scholarships</b>			
Other Transfer	3,000.0	3,000.0	0%
<b>Work-Study</b>			
<b>General Fund</b>	4,142.2	4,142.2	0%
<b>Vietnam Veterans Scholarship</b>			
<b>General Fund</b>	65.0	50.0	-23%
<b>NM Scholars</b>			
<b>General Fund</b>	250.0	150.0	-40%
<b>Peace Officer and Fire Fighter Fund</b>			
<b>General Fund</b>	25.0	60.0	140%
<b>Merit-based Scholarships</b>			
<b>General Fund</b>	-	-	-
<b>Wartime Veterans Scholarship</b>			
<b>General Fund</b>	180.0	300.0	67%
<b>Nursing Student Loan for Service</b>			
<b>General Fund</b>	450.0	450.0	0%
<b>Nurse Educator Loan For Service</b>			
<b>General Fund</b>	65.0	65.0	0%
<b>Medical Student Loan Prog.</b>			
<b>General Fund</b>	350.0	450.0	29%
<b>Primary Care Physician Tuition Waiver</b>			
<b>General Fund</b>	150.0	-	-100%
<b>Allied Health</b>			
<b>General Fund</b>	100.0	120.0	20%
<b>Health Professional Loan Repayment</b>			
<b>General Fund</b>	1,061.9	1,300.0	22%
<b>Dentistry Loan for Service</b>			
<b>General Fund</b>	21.6	32.4	50%
<b>Dental Residency Program</b>			
<b>General Fund</b>	750.0	900.0	20%
<b>Teacher Loan-for-Service</b>			
<b>General Fund</b>	20.0	5.0	-75%
<b>Teacher Loan Repayment</b>			
<b>General Fund</b>	60.0	-	-100%
<b>Graduate Scholarship</b>			
<b>General Fund</b>	619.0	508.6	-18%
<b>Minority Doctoral Assistance</b>			
<b>General Fund</b>	75.0	20.0	-73%
<b>WICHE Loan-for-Service</b>			
<b>General Fund</b>	2,167.5	2,100.0	-3%
<b>Public Service Law Loan Repayment</b>			
<b>General Fund</b>	170.0	150.0	-12%
<b>Social Worker Loan for Service</b>			
<b>General Fund</b>	450.0	450.0	0%
<b>John R. Justice Loan Repayment</b>			
<b>Federal Funds</b>	40.0	40.0	0%
<b>Financial Aid Administration</b>			
<b>General Fund</b>	21.0	32.0	52%
<b>GENERAL FUND TOTAL</b>	<b>22,193.2</b>	<b>27,393.2</b>	<b>23%</b>
<b>GRAND TOTAL</b>	<b>67,233.2</b>	<b>72,433.2</b>	<b>8%</b>

Note: Non-recurring general fund appropriations for student financial aid in the FY21 LFC recommendation include \$10 million for the college affordability fund, \$9.7 million for the lottery scholarship, \$5 million for student incentive grants, \$5 million for the teacher preparation affordability fund, and \$300 thousand to increase student FAFSA completion.

Source: LFC files

## Appendix C. Nonrecurring Student Financial Aid Appropriations

### Nonrecurring Student Financial Aid Appropriations

Student Financial Aid Program Detail (Dollars in Thousands)		FY21 LFC Rec
1	<b>Lottery Scholarship*</b>	
2	<b>General Fund</b>	9,700.0
3	<b>Student Incentive Grant</b>	
4	<b>General Fund</b>	5,000.0
5	<b>Teacher Prep Affordability Scholarships</b>	
6	<b>General Fund</b>	5,000.0
7	<b>College Affordability Endowed Scholarships</b>	
8	<b>General Fund</b>	10,000.0
9	<b>FAFSA Completion Initiatives</b>	
10	<b>General Fund</b>	300.0
11	<b>GENERAL FUND TOTAL</b>	30,000.0

Source: LFC Files

## Appendix D. Percent of AY10 Freshmen Graduating (from the Same Institution) within Six Years by 2015

**Percent of AY10 Freshmen Graduating (from the Same Institution) within Six Years by 2015**

New Mexico Higher Education Sector	First-Time Freshmen				Returning Students			
	Full-Time		Part-Time		Full-Time		Part-Time	
	No Pell	Pell	No Pell	Pell	No Pell	Pell	No Pell	Pell
Universities	48%	31%	9%	9%	54%	45%	40%	38%
Community Colleges	27%	22%	13%	13%	34%	33%	19%	25%

Note: These percentages do not reflect students who transferred to another institution and then graduated.  
Source: LFC analysis of U.S. IPEDS data