



# New Mexico Tuition Scholarships

**New Mexico offers tuition and fee-free higher education to state residents in undergraduate programs through the combination of two scholarship programs: the Lottery Scholarship and the Opportunity Scholarship. These scholarships serve different but overlapping student populations with different but overlapping funding sources.**

## Eligibility

The Lottery Scholarship was created in 1996 and provides full tuition payment for New Mexico students who earn a high school diploma or equivalency certificate or complete military service within 16 months of college enrollment. While the scholarship is not available until a student's second college semester, most New Mexico colleges offer "bridge" scholarships for the first semester. Students must maintain a 2.5 grade point average (GPA) and, starting in 2024, must take a total of 30 credit hours per year at four-year colleges and 24 credit hours per year at two-year colleges, with summer classes included.

The Opportunity Scholarship, created in 2022, pays tuition for any student who does not currently have a bachelor's or more advanced degree. Students must maintain a 2.5 GPA and be enrolled in at least six credit hours per semester. In addition to tuition, the Opportunity Scholarship pays student fees, including for students receiving tuition assistance through the Lottery Scholarship. The Opportunity Scholarship also pays for tuition and fees for the first semester for students receiving the Lottery Scholarship.

Neither scholarship considers student financial need when making funding award determinations. State scholarship awards are paid of top of federal Pell grants so the total financial aid award is often higher than tuition and fees

## Funding

The Lottery Scholarship was initially funded solely through proceeds from the New Mexico lottery. However, demand for the program, rising tuition costs, and the volatility of lottery income have forced the Legislature to boost the program with nonlottery revenue, reduce benefits, or both. In FY25, lottery scholarship cost totaled \$80.5 million while revenue totaled \$44.7 million.

The Opportunity Scholarship was initially funded through recurring general fund appropriations. In FY25, appropriations totaled \$146 million while scholarships cost \$157.8 million.

Students are not guaranteed 100 percent of tuition and fees under either the Lottery or the Opportunity scholarships. In prior years, Lottery Scholarship awards to students were reduced because funding fell short, although they have been at 100 percent since FY23 through annual nonrecurring appropriations of \$130 million. Recognizing the persistent funding shortfall for both the Lottery and Opportunity scholarships, the Legislature seeded a higher education trust fund with a \$959 million appropriation to provide a permanent income stream to support the programs. This trust fund will distribute approximately \$50 million per year to support both scholarship programs.

## Sustainability

The sustainability of these scholarship programs depends on the state's ability to control costs, which are primarily driven by enrollment and tuition and fee increases. Falling student populations in the public schools suggest college enrollment is likely to fall. However, increasing demand for higher education may result in more returning students, confounding efforts to project the number of scholarship-eligible students.

Statute does not explicitly spell out maximum tuition amounts or types of fees eligible for reimbursement from the scholarships. The Higher Education Department governs the program and distributes scholarship awards to institutions. Each college's board of regents is responsible for setting tuition and fee rates, which have increased much faster than enrollment and strained the scholarship programs. In recent years, scholarships costs outpaced enrollment increases, making tuition, not enrollment the major driver of cost increases in the programs.

### For More Information:

- The Legislative Lottery Tuition Scholarship Act is Chapter 21, Article 21N of state statute.
- The Opportunity Scholarship Act is Chapter 21, Article 21R of state statute.
- See [Finance Facts: Gaming](#) for more information on lottery revenue.
- See <https://hed.nm.gov/financial-aid/scholarships> for more information on the Lottery and Opportunity scholarships and other financial aid for New Mexico college students.