

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Sanchez DATE TYPED: 02/07/01 HB _____
 SHORT TITLE: All Net Revenue To Lottery Tuition Fund SB 59
 ANALYST: Fernandez

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (15,000.0)		Recurring	Public School Capital Outlay Fund
	\$ 15,000.0		Recurring	Lottery Tuition Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to Related to HB22 and HB56, Conflicts with HB28

SOURCES OF INFORMATION

State Department of Public Education (SDE)
 Commission on Higher Education (CHE)
 New Mexico Lottery Authority
 LFC Files

SUMMARY

Synopsis of Bill

This bill amends the New Mexico Lottery Act to change the distribution of funds to allocate 100 percent of net lottery revenue to the Lottery Success Fund.

Significant Issues

Currently, the New Mexico Lottery Act distributes 50 percent of net lottery revenues to the Public School Capital Outlay Fund and 50 percent to the Lottery Tuition Fund. This bill increases the distribution available for lottery tuition scholarships to 100 percent.

FISCAL IMPLICATIONS

Senate Bill 59 -- Page 2

Projections from CHE indicate that if no changes to the program or current statute are made, the program will run short of the funding needed to provide 100-percent tuition scholarships to students in FY03. The projections are based on an assumption of 9 percent tuition increases at universities and 5 percent at community colleges.

According to SDE, the net revenues deposited into the Public School Capital Outlay Fund total approximately \$12-15 million per fiscal year. With passage of this bill, 100 percent of net lottery revenue would be deposited in the Lottery Tuition Fund. Other sources of funding for critical capital outlay include supplemental severance tax bonds. House Joint Resolution 3 proposes to amend the constitution to increase the statewide general obligation bonding capacity by 2 percent and dedicating the revenues to the Public School Capital Outlay Council. House Bill 134 implements the Public School Capital Outlay Task Force recommendations which provides additional funding for critical capital outlay.

RELATIONSHIP

This bill relates to HB22 and HB56.

This bill conflicts with HB28. House Bill 28 amends the New Mexico Lottery Act to change the name of the Lottery Tuition Fund to the Lottery Success Fund and changes the distribution of funds to allocate 60 percent of net lottery revenue to the Lottery Success Fund and 40 percent to the Educational Technology Fund.

CTF/njw