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FISCAL IMPACT REPORT

SPONSOR: Taylor, Thomas C. DATE TYPED: 02/26/03 HB 171/aHEC

SHORT TITLE: Expand Lottery Tuition Scholarships SB _____

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			Minimal	Recurring	Lottery Tuition Scholarship

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 32, HB 81, HB 125, SB 27, SB 77, SB 217, SB 373, SB 377

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education (CHE)
 New Mexico Lottery
 Department of Military Affairs

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment adds the requirement the resident must pay New Mexico income tax.

Synopsis of Original Bill

House Bill 171 extends eligibility for lottery tuition scholarships to include qualifying students who are dependents of New Mexico residents stationed outside of New Mexico due to service in the United States armed forces. These students may qualify by completing a high school curriculum at any public or private accredited high school or receiving a graduate equivalent diploma and immediately attending a qualifying New Mexico educational institution.

Significant Issues

The Department of Military Affairs notes the bill would potentially impact a selected number of dependents of New Mexico National Guardsmen.

FISCAL IMPLICATIONS

According to a CHE survey of financial aid officers at post-secondary institutions, the projected fiscal impact is expected to be minimal.

ADMINISTRATIVE IMPLICATIONS

CHE notes minimal administrative impact, principally at institutional level, to verify parental residency status.

OTHER SUBSTANTIVE ISSUES

According to a recent budget analysis of the Lottery Success Scholarships Program, fund balances are expected to increase through FY 08, and the fund will support current eligibility guidelines and demographic projections through 2013. However, recurring expenditure growth is projected by CHE to exceed recurring revenue growth in FY 09. The CHE does not support changes to the Lottery Success Scholarship Program.

The New Mexico Veterans Administration indicated changes a home of record is a relatively easy process for military personnel. CHE notes the House Education Committee amendment may dissuade non-New Mexico military personnel from seeking residency solely to participate in the Lottery Success Scholarships Program.

Department of Military Affairs views the bill as a “positive morale factor for New Mexico National Guard personnel as well as other serving members of the Armed Forces, who are residents of New Mexico.”

The New Mexico National Guard offers a scholarship program for servicemembers in the New Mexico National Guard.

TECHNICAL

The House Education Committee is not specific to the type of New Mexico income tax.

AW/njw:yr