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FISCAL IMPACT REPORT

SPONSOR: Salazar DATE TYPED: 03/21/03 HB 81/aHEC/aSFC

SHORT TITLE: Expand Lottery Scholarship Institutions SB _____

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$86.4 - \$350.0 *See Text; excludes Crownpoint Institute of Technology	Recurring	Lottery Tuition Scholarship

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 32, HB 125, HB 171a, HB 807, HB 885, SB 27, SB 77, SB 217, SB 373, SB 377

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education (CHE)
 Office of Indian Affairs (OIA)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment removes House Education Amendments 1, 2 and 5; only a technical change and identification of the Institute of American Indian and Alaska native culture and arts development as a four-year post-secondary educational institution remain from the House Education Committee amendments.

Further, the Senate Finance Committee amendment clarifies eligibility for lottery tuition scholarships for students at two-year institutions who then transfer to four-year institutions.

The Senate Finance Committee amendment directs CHE to enter into cooperative agreements with the Crownpoint Institute of Technology, Dine College and the Institute of American Indian and Alaska native culture and arts development to set tuition scholarship awards at amounts equal to the percentage awarded at state four-year or two-year educational institutions, limited to the highest tuition rate charged by either a four-year or two-year institution, as appropriate. This

language effectively caps lottery tuition fund claims in the event of tuition escalation at these institutions.

The Senate Finance Committee amendment reiterates the HEC amendment that eligibility would include the Crownpoint Institute of Technology when that institution becomes accredited, Dine College and the Institute of American Indian and Alaska native culture and arts development.

The fiscal impact is not expected to change significantly from that discussed below.

Synopsis of HEC Amendment

The House Education Committee amendment specifies the tribal colleges which would be eligible for lottery success scholarships. The amendment clarifies the number of semesters of eligibility for a lottery tuition scholarship at a total of four years, including attendance at both a two-year and four-year institution. The amendment reflects students attending Crownpoint Institute of Technology would be eligible to receive lottery tuition scholarships upon receipt of accreditation by that institution.

Synopsis of Original Bill

House Bill 81 expands eligibility for lottery tuition scholarships to include students attending two- and four-year educational institutions created by an Indian nation, tribe or pueblo or federal government.

Significant Issues

Currently, all qualified students enrolled in a two- or four-year public post-secondary institution may receive a Lottery Success Scholarship. Other public and private non-profit institutions such as the College of Santa Fe, St. John's College, and College of the Southwest and tribal colleges are not eligible to receive lottery funds.

According to CHE, high school students graduating from a school in New Mexico operated by the Bureau of Indian Affairs and out-of-state members of the Navajo tribe who reside on the Navajo reservation, as certified by the Navajo Department of Higher Education, are eligible for lottery tuition scholarships if they attend a public post-secondary institution.

Two- and four-year post secondary institutions created by an Indian nation, tribe or pueblo or federal government identified by CHE eligible to participate include the following: Dine College, Institute of American Indian Arts (IAIA), Southwest Indian Polytechnic Institute (SWIPI) and Crownpoint Institute of Technology (CIT). Currently, CIT is not accredited; therefore, it does not receive state funding.

The OIA notes this legislation would benefit students whose first choice is a "curriculum tailored to Indian students" and notes retention and graduation rates for Indian students are much higher at tribal colleges, than non-tribal colleges.

This is an Indian Affairs Committee-sponsored bill.

FISCAL IMPLICATIONS

HEC Amendments

Based on data provided to CHE this year by Dine, IAIA and SWIPI regarding potential eligibility and annual tuition, the following awards are estimated:

Dine College	\$40.8
IAIA	\$45.6
SIPI	No tuition
Total	\$86.4

Note: SWIPI does not charge tuition. Books and room and board are also provided free of charge to members of federally recognized Indian tribes.

If CIT is excluded, an analysis of similar legislation from the 2002 session (HB 252) reflected potential fiscal impact of \$189.0, based on a CHE analysis of financial aid data, including student enrollment and annual tuition.

At the House Education Committee hearing, tribal college representatives testified the bill would have a potential fiscal impact of approximately \$350.0.

Upon receipt of accreditation status from the North Central Association Higher Learning Commission, the fiscal cost to include CIT could range from \$3.0 to \$648.0. The potential timing of a decision regarding the institution's candidacy is currently not certain.

Original Bill

Based on data provided to CHE this year by Dine, IAIA, SWIPI and CIT regarding potential eligibility and annual tuition, the following awards are estimated:

Dine College	\$40.8
IAIA	\$45.6
SIPI	No tuition
CIT	\$3.0
Total	\$89.4

Note: SWIPI does not charge tuition. Books and room and board are also provided free of charge to members of federally recognized Indian tribes.

An analysis of similar legislation from the 2002 session (HB 252) reflected potential fiscal impact of \$837.0 based on a CHE analysis of financial aid data, including student enrollment and annual tuition.

ADMINISTRATIVE IMPLICATIONS

CHE notes additional staff time would be required to provide technical support for data reporting

requirements. The institutions would be required to provide student data, which is not currently reported to CHE.

OTHER SUBSTANTIVE ISSUES

CHE reports that in academic year 2001-2002, Native American students in New Mexico received approximately \$4.8 million in tribal aid not available to non-Native American students. Native American students are also eligible to receive State Student Incentive Grants (SSIG), State and Federal work-study grants, pell and other federal grants.

CIT postponed their candidacy status for accreditation in 2002; however, CHE notes the institution intends to reapply in 2003.

QUESTIONS

1. If Crownpoint Institute of Technology is successful in its application for accreditation, when would the evaluation process conclude and the designation occur?

AW/prr:sb:njw