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FISCAL IMPACT REPORT

SPONSOR Garcia DATE TYPED 03/18/05 HB _____

SHORT TITLE Second Chance for Some Lottery Scholarships SB 121

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$325.0	Recurring; escalates over time	Lottery Tuition Scholarship Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to numerous student financial aid and lottery tuition scholarship bills

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education
 New Mexico Lottery Authority

SUMMARY

Synopsis of Bill

Endorsed by the Legislative Education Study Committee.

Senate Bill 121 authorizes lottery tuition scholarship recipients a second chance at eligibility for those students who grade point average drops below 2.5 and who remain in school for the subsequent semester at their own expense and bring their cumulative grade point average up to 2.5 within that semester. This policy would apply to full-time resident students enrolled at both four-year and two-year, public, post-secondary educational institutions in New Mexico.

FISCAL IMPLICATIONS

Based on analysis of recent data regarding loss of scholarship eligibility due to grade point average issues, CHE estimates the cost to the lottery tuition scholarship fund at roughly \$325.0 thousand in the first year and \$2,700.0 thousand by the third year. This analysis assumes these students persist at rates the same as those who earned the lottery scholarship in the first semester.

OTHER SUBSTANTIVE ISSUES

To evaluate impacts of potential changes to the lottery tuition scholarship program, the legislature may wish to consider requiring an annual review and reporting to the Legislative Finance Committee, Legislative Education Study Committee, Department of Finance and Administration and the Office of the Governor by:

1. New Mexico Lottery Authority on revenue situation and outlook and
2. Commission on Higher Education on:
 - expenditure situation and outlook
 - fund balance situation and outlook
 - policy and fiscal impacts of each change to lottery scholarship program enacted by the 2004 legislature

AW/lg