

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/09/06

SPONSOR Carraro LAST UPDATED _____ HB _____

SHORT TITLE Expand Tuition Scholarship Availability SB 386

ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	Indeterminate, but large	Recurring	Lottery Tuition Scholarship Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to numerous lottery scholarship and student financial aid bills

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Lottery Authority (NMLA)

SUMMARY

Synopsis of Bill

Senate Bill 386 effectively extends the lottery scholarship program to any New Mexico high school graduate or graduate equivalent diploma (GED) who meets the other conditions of eligibility such as New Mexico resident and full-time enrollment with a 2.5 GPA for college coursework. The bill further removes the limitation for eligibility as it applies to completion of honorable service or medical discharge from the service. The bill also updates to reflect statutory references for the creation of the Higher Education Department.

FISCAL IMPLICATIONS

Given that the bill opens the lottery tuition scholarship program to any New Mexico high school graduate, GED recipient or veteran meeting other eligibility requirements, the fiscal impact on the lottery tuition scholarship fund is indeterminate, but potentially large. New Mexico Lottery notes the program may not be able to generate sufficient revenue for this and other proposed eligibility expansions.

HED notes for comparison purposes, 1,057 full-time, first-time freshman will enroll in public, post-secondary institutions after being out of high school for more than one year, a 21 percent increase in number of New Mexico residents qualifying for the lottery success scholarship. Based on this data, HED estimates the first year cost at approximately \$1.8 million.

The cost would increase over time as additional cohorts of students came into the program under the expanded eligibility provided in this bill.

SIGNIFICANT ISSUES

The bill effectively opens the lottery tuition scholarship program by eliminating the requirement to immediately attend a public, post-secondary institution after high school graduation.

AW/nt:yr