

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: HB 307

48th Legislature, 1st Session, 2007

Short Title: High School Graduate Scholarship Matches

Sponsor(s): Representatives Ben Lujan, Henry “Kiki” Saavedra, Edward C. Sandoval,
and Others

Analyst: David Harrell

Date: February 3, 2007

Bill Summary:

HB 307 appropriates funds to the Higher Education Department (HED) for an equal match of higher education scholarships offered by a New Mexico-based nonprofit foundation that has provided annual needs- and merit-based scholarships to high school students in New Mexico totaling at least \$100,000 for each of the last five years. The bill further prescribes that the state match shall not be used for any operational expenses of HED or of the foundation.

Fiscal Impact:

\$250,000 is appropriated from the General Fund to HED for FY 07 and subsequent fiscal years. Any unexpended or unencumbered balance at the end of a fiscal year shall not revert to the General Fund.

Issues:

According to the analysis of HB 307 from HED, there are several nonprofit organizations based in New Mexico that would meet the \$100,000 threshold for matching state funds, two of which are the New Mexico Community Foundation and the Albuquerque Community Foundation. The analysis from HED continues to say that, to implement the provisions in the bill, the department would enter into a memorandum of understanding with the selected nonprofit to award the scholarships.

In addition, the fiscal impact report (FIR) by the Legislative Finance Committee notes that the match provision in HB 307 helps to identify durable, locally focused nonprofit foundations for this partnership and constitutes an effective method of leveraging state General Fund appropriations in future periods of revenue uncertainty.

The Condition of Higher Education in New Mexico 2005-2006 reports that, in school year 2005-2006, more than 46,000 students received just over \$72.0 million altogether in state financial aid and that nearly 6,000 students received nearly \$325.0 million altogether in federal financial aid. Overall, in dollar amounts, federal financial aid constitutes 71 percent of the financial aid received during school year 2005-2006 and state financial aid 16 percent. The remainder (13 percent) came from institutional, private, or other external sources. The appropriation in HB 307 would increase the state proportion and possibly the private as well.

Related Bills:

None