

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 359a

50th Legislature, 1st Session, 2011

Tracking Number: .184744.1

Short Title: Lottery Scholarship Recipient Additions

Sponsor(s): Representative Dennis J. Roch and Others

Analyst: Ally Hudson and David Harrell

Date: March 22, 2011

AS AMENDED

The House Education Committee amendments specify that the term “home-based educational program” means “a home study program of instruction operated by the parent of a school-age person that provides a basic academic educational program, including reading, language arts, mathematics, social studies and science, and that is registered with the public education department as provided in Section 22-1-2.1 NMSA 1978.”

Original Bill Summary:

HB 359 amends higher education provisions in current law to allow students who complete a home-based educational program to receive the Legislative Lottery Scholarship.

Fiscal Impact:

HB 359 does not contain an appropriation.

Fiscal Issues:

According to an analysis by the Higher Education Department (HED), there are concerns regarding the solvency of the Lottery Tuition Fund. Although the level of solvency varies due to changes in lottery sales, how the lottery funds are invested, and the amount of scholarship funds awarded to students, expenditures currently exceed the incoming revenue.

Considering this fact, the analysis by HED continues, the question remains whether the scholarship should be expanded to include those who do not demonstrate an equivalent academic competency to those who graduate from a New Mexico high school or receive a General Educational Development (GED) certificate. The analysis by HED suggests that HB 359 may create an unintentional loophole for students who do not graduate from New Mexico high schools, but still wish to receive the Legislative Lottery Scholarship. For example:

- students who drop out of high school and claim to be part of a home-based education program;
- students who do not pass the New Mexico Standards Based Assessment; and
- out-of-state students who claim to be part of a New Mexico home-based education program.

Substantive Issues:

According to an analysis by the Public Education Department (PED):

- Under current law, home school students must earn a GED to be eligible for the Legislative Lottery Scholarship.
- PED data on home-based education program students is limited to the number reported annually by parents to the department's Charter School Division. This year there are 7,128 K-12 grade students. Since PED does not regulate the numbers of credits for home schools, it is impossible to tell how many of these students are seniors in high school.
- Home schools are not accredited in New Mexico. The minimum qualifications include:
 - instruction by someone with a high school diploma or GED;
 - documentation showing the child is taught at least 180 days out of the year;
 - immunization records or documentation of immunization objection; and
 - annual notification to PED of home-school status.

The analysis by HED suggests that home school students may be less well-prepared for college than other students:

- in 2009, the remediation rate for home school students in New Mexico was 62 percent;
- in 2009, the remediation rate for GED students was 54 percent; and
- according to the 2010 *Ready for College* report:
 - the remediation rate for New Mexico high school graduates was 47 percent;
 - students who have to take remedial education have only a 25 percent chance of earning a degree within six years; and
 - some GED students may be students who were previously home-schooled but took the GED test in order to qualify for the Legislative Lottery Scholarship program. There is no way to differentiate students once they take the GED.

Since New Mexico does not have testing requirements for home-based education students (Laws 1999, Chapter 182), the state's two largest four-year public postsecondary institutions have drafted policies to address the issue:

- the University of New Mexico requires:
 - that applicants be at least 16 years of age;
 - that applicants submit official ACT or SAT scores; and
 - a GED score of 530 or higher to qualify for the Bridge to Success scholarship; and
- New Mexico State University requires:
 - the home-school educator to submit a transcript or document that lists the courses completed, grades earned by the student, and the date the student completed or

- graduated from the home-school program; and
- home-school students to have a GED in order to be eligible for financial aid.

Finally, for federal financial aid purposes, the analysis by HED states, a student in New Mexico without a high school diploma must demonstrate the “Ability to Benefit,” which can be done by:

- taking an approved test;
- completing six hours of college-level coursework; or
- taking a GED.

Background:

The *Public School Code* defines *home school* as “the operation by the parent of a school-age person of a home study program of instruction that provides a basic academic educational program, including reading, language arts, mathematics, social studies and science.” According to the PED analysis, parents identify the following reasons for home-schooling their children:

- religious philosophy and ideology conflict with other schools;
- concern about the social environment of other schools;
- belief that the child needs more academic enrichment and life experience than other schools can provide;
- disenfranchisement with the goals and philosophy of other schools; and
- desire to spend more time together as a family.

Created by legislation enacted in 1996, the Legislative Lottery Scholarship is a renewable, full-tuition award granted to qualifying students beginning in their second semester at a public postsecondary institution in New Mexico and continuing for seven more consecutive semesters. The scholarship covers the cost of tuition only. Students are responsible for additional educational expenses such as student fees, course materials, and housing.

To qualify for the Legislative Lottery Scholarship a student must:

- be a New Mexico resident;
- have graduated from a New Mexico public or accredited private school or have obtained a New Mexico GED;
- enroll full-time (in at least 12 credit hours) at an eligible New Mexico public college or university, in the first regular semester immediately following high school graduation; and
- obtain and maintain a cumulative grade point average of at least 2.5.

State law also provides for specific accommodations with regard to:

- students with disabilities, clarifying that in no case shall “full time” mean fewer than six credit hours per semester and in no case shall eligibility extend beyond 14 consecutive semesters;
- students whose parents are in the military, allowing a New Mexico resident high school student whose military parents are transferred out of state to receive a New Mexico high

school diploma, under certain conditions, and thereby become eligible for state-funded financial aid; and

- individuals that either immediately enlist in, or have recently departed from, the US Armed Forces.

In a report to the Legislative Education Study Committee in December 2010, testimony indicated that, since its inception, the New Mexico Lottery has raised \$459 million for education, and more than 68,000 students have attended college on lottery scholarships.

In 2010, HED formed a Lottery Study Committee to consider strategies to address the status of the Lottery Tuition Fund, increasing enrollments at the state's public postsecondary institutions, and rising tuition. Because the fund is expending more money than the annual revenues currently provide, HED's analysis indicates that the Lottery Study Committee is working to analyze data from two- and four-year institutions to determine whether changes to the Legislative Lottery Scholarship eligibility criteria should be made.

Related Bills:

HB 62 *Extend Lottery Scholarship Application Time*

HB 92 *Lottery Scholarships for Tribal Colleges*

HB 601 *Lottery Scholarships at Tribal Colleges*

*CS/SB 226 *Enact "Legislative lottery Tuition Act"*

SB 292 *Limit Tuition Increase for Lottery Recipients*