

<b>LFC Requester:</b>	<b>Connor Jorgensen</b>
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:  
**Original**     **Amendment**    \_\_\_\_\_  
**Correction**    \_\_\_\_\_ **Substitute**    \_\_\_\_\_

**Date** 2/1/2024  
**Bill No:** SB 239

**Sponsor:** Senators Munoz & Correa  
Hemphill  
**Short Title:** Lottery Scholarship Changes

**Agency Name and Code** University of New Mexico-952  
**Number:** \_\_\_\_\_  
**Person Writing** Lenaya Montoya  
**Phone:** 5052771670 **Email** lenayamontoya@unm.edu

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: SB 239 amends certain eligibility requirements for students pertaining to the Lottery and Opportunity scholarships. SB 239 changes the definition of “full-time” in the Lottery Scholarship Act to thirty (30) credit hours per academic year from the previous fifteen (15) credit hours per semester at four-year institutions and to twenty-four (24) credit hours per academic year at two-year institutions. The overall length of potential receipt of the scholarship at four-year institutions would increase from seven (7) consecutive semesters to seven (7) fall and spring semesters, and three (3) summer semesters, which would potentially increase the duration by three (3) semesters for all students. The qualifying semester definition changes, going from fifteen (15) to twelve (12) hours. SB 259 removes

“full-time” enrollment requirements for Opportunity Scholarship eligibility but grants limited enrollment exceptions to both the Lottery & Opportunity Scholarship. Additionally, SB 239 exempts dual credit classes from counting toward the Opportunity Scholarship credit-hour cap. Further, SB 239 allows credit for summer semesters in each scholarship.

## **FISCAL IMPLICATIONS**

Increasing the length of the scholarship program is needed, due to the average time to graduate being greater than four years for most students. The Legislative Lottery and Opportunity Scholarships have faced funding shortfalls in previous years that were subsidized by other state and/or federal appropriations. In the case of the Lottery Scholarship, the lack of funding has caused the program to lower in coverage percentage. For that reason, the legislature reduced the semesters of eligibility by one to bring the program more into alignment with annual revenues. It seems quite possible that a funding shortfall would occur again quickly unless additional funding is dedicated to the programs to support the extension in program semesters.

The change in continuing eligibility requirements is certain to increase the number of recipients in their second semester. In the past, students would have been ineligible during the second semester if they were short on credit hours during the first. The result of SB 239 would be to fund students while attempting to complete the yearly credit hour requirement.

Additionally, removing the full-time enrollment requirement for certain Opportunity Scholarship eligible students will also increase the number of recipients. Currently, recent graduate learners have been required to enroll full time (15 hours at a four-year institution & 12 hours at a two-year institution) to maintain alignment with their eligibility for the Lottery Scholarship. Removing this requirement will allow recent graduate learners enrolled in less hours to receive full tuition support via the Opportunity Scholarship rather than the Lottery Scholarship.

## **SIGNIFICANT ISSUES**

None found.

## **PERFORMANCE IMPLICATIONS**

The Legislative Lottery & Opportunity Scholarships are understood to be underfunded, which means that if the existing resources are going to substantially more students and/or for additional semesters—without additional resources added the fund—it will likely create a greater strain on the funds and result in a reduction of the amounts that all students receive. However, if additional funding is added they could function as intended.

## **ADMINISTRATIVE IMPLICATIONS**

Existing management of the Legislative Lottery & Opportunity is an established process for The University of New Mexico (UNM). However, SB 239 would create an administrative burden for the Financial Aid Offices, creating the need for additional staff to review and implement the provisions, especially with the extension of program semesters, expansion of credit hours from a semester basis to an annual basis, and the removal of dual credit courses from attempted credit hours. Additional staff time to re-evaluate and update our current monitoring reports and processes will be required. Monitoring students continuing eligibility will require additional clarification from NMHED.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

It is unclear if the change in the definition of full-time enrollment over the “regular academic year” would eliminate a student’s ability to make up credit hour deficits over the summer term. Currently the ability to make up credit deficits is allowed through the administrative code. We would strongly recommend leaving this ability in the administrative code when it is re-evaluated.

Additionally, the removal of dual credit courses from the total credit hour cap is beneficial to students. However, this poses a potential administrative barrier to institutions because there is no current method to remove the courses from a student’s academic transcript, especially when they are attending the higher education institution in which the dual credit was earned.

### **ALTERNATIVES**

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Eligibility requirements for retaining the Legislative Lottery Scholarship will remain in place.

### **AMENDMENTS**