

# NEW MEXICO HIGHER EDUCATION LEGISLATIVE LOTTERY SCHOLARSHIP UPDATES



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## LEGISLATIVE LOTTERY SCHOLARSHIP (LLS): OVERVIEW AND BACKGROUND

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- Legislative Lottery Scholarship is the state's largest financial aid program.
- By June 1<sup>st</sup> of each year, the HED Cabinet Secretary sets the percentage of tuition that the Lottery Scholarship Fund will support.
- A 2014 amendment to the Legislative Lottery Tuition Scholarship Act (Senate Bill 347) made substantive changes to address the solvency of the Lottery Tuition Fund.
  - Number of eligible semesters reduced from 8 to 7
  - Credit hour requirement increased from 12 credit hours per semester to 15 hours at 4 year institutions
  - Scholarship awards are now based on the average institution-sector tuition rates, and not based on 100% of each institution's tuition.



## LEGISLATIVE LOTTERY SCHOLARSHIP

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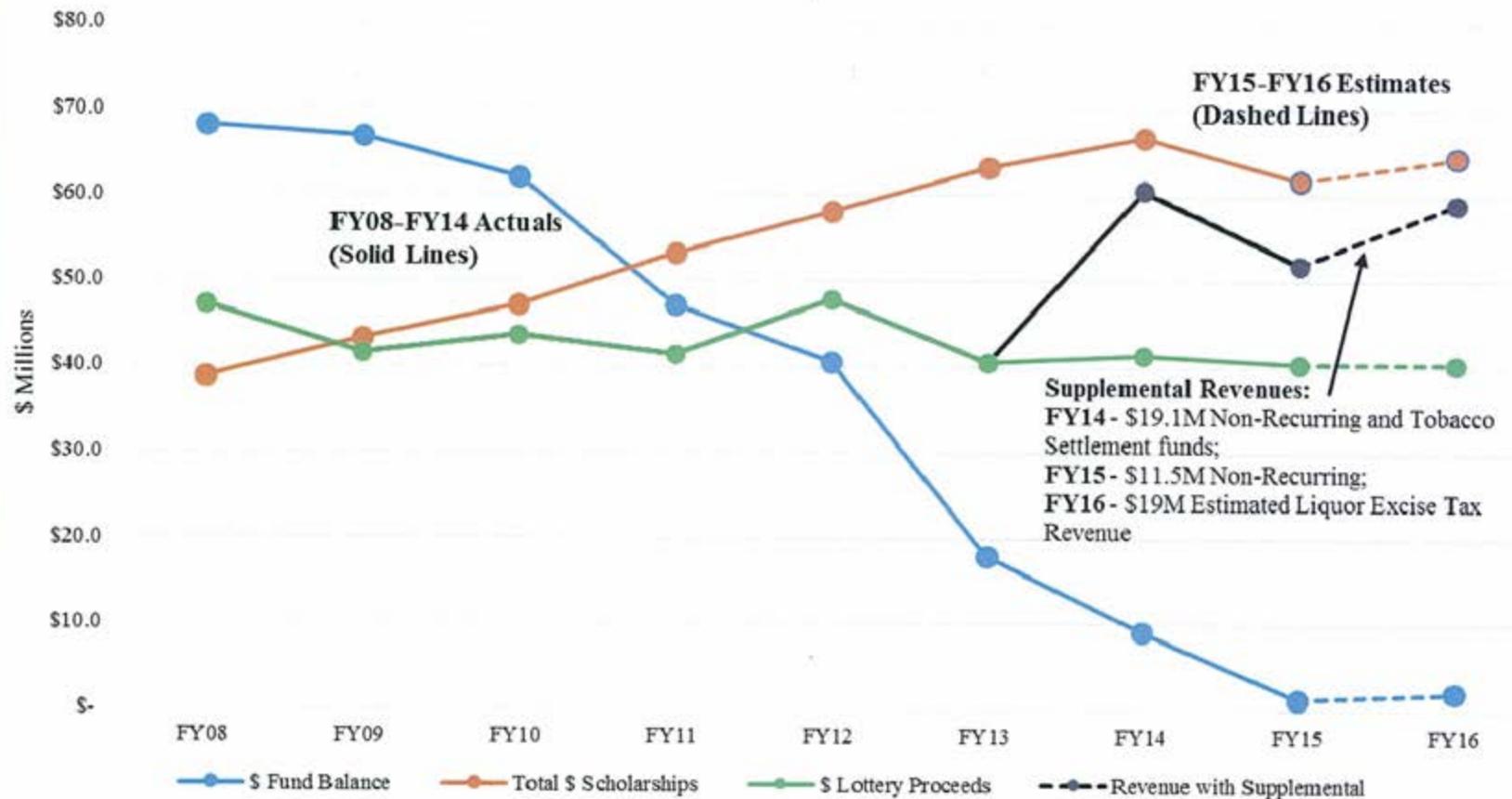
While Lottery proceeds have remained stable at ~\$40 million annually over the past several years, rising tuition costs and increased student demand have outpaced revenue into the fund.

Factors affecting the percentage of tuition support include:

- Enrollment changes, projected to decrease in AY16;
- Tuition increases for AY16;
- Ticket revenue and other funding sources;
- Impact of the 15 student credit hour requirement for lottery eligibility.

The Lottery Scholarship covered 95% of sector average tuition for last academic year, and will cover 90% of the tuition for Fall 2015 and Spring 2016.

## Lottery Revenues and Scholarship Awards, Historical and FY16 Estimates





## FY15 Lottery Tuition Fund Summary

<b>Fund Balance Beginning FY15</b>	<b>\$9,076,738</b>
NM Lottery Authority Revenues	\$40,786,764
Earned Interest	\$16,141
TRD Voluntary Contributions, Other Misc. Revenue	\$1,438
Z40578 Special Appropriation	\$11,500,000
Fund 21600 Special Transfer	\$1,600,000
<b>Subtotal FY14 Revenues</b>	<b>\$62,981,081</b>
Fall 2014 Lottery Scholarship Payments	(\$29,679,154)
Spring 2015 Lottery Scholarship Payments	(\$32,079,998)
<b>Subtotal FY14 Expenditures</b>	<b>(\$61,759,152)</b>
<b>Fund Balance Ending FY15</b>	<b>\$1,221,929</b>

- In FY16 and FY17 the Lottery Tuition Fund will be supplemented by Liquor Excise Tax revenue, estimated at \$19 million per year.
- Liquor Excise Tax revenue sunsets at the end of FY17.

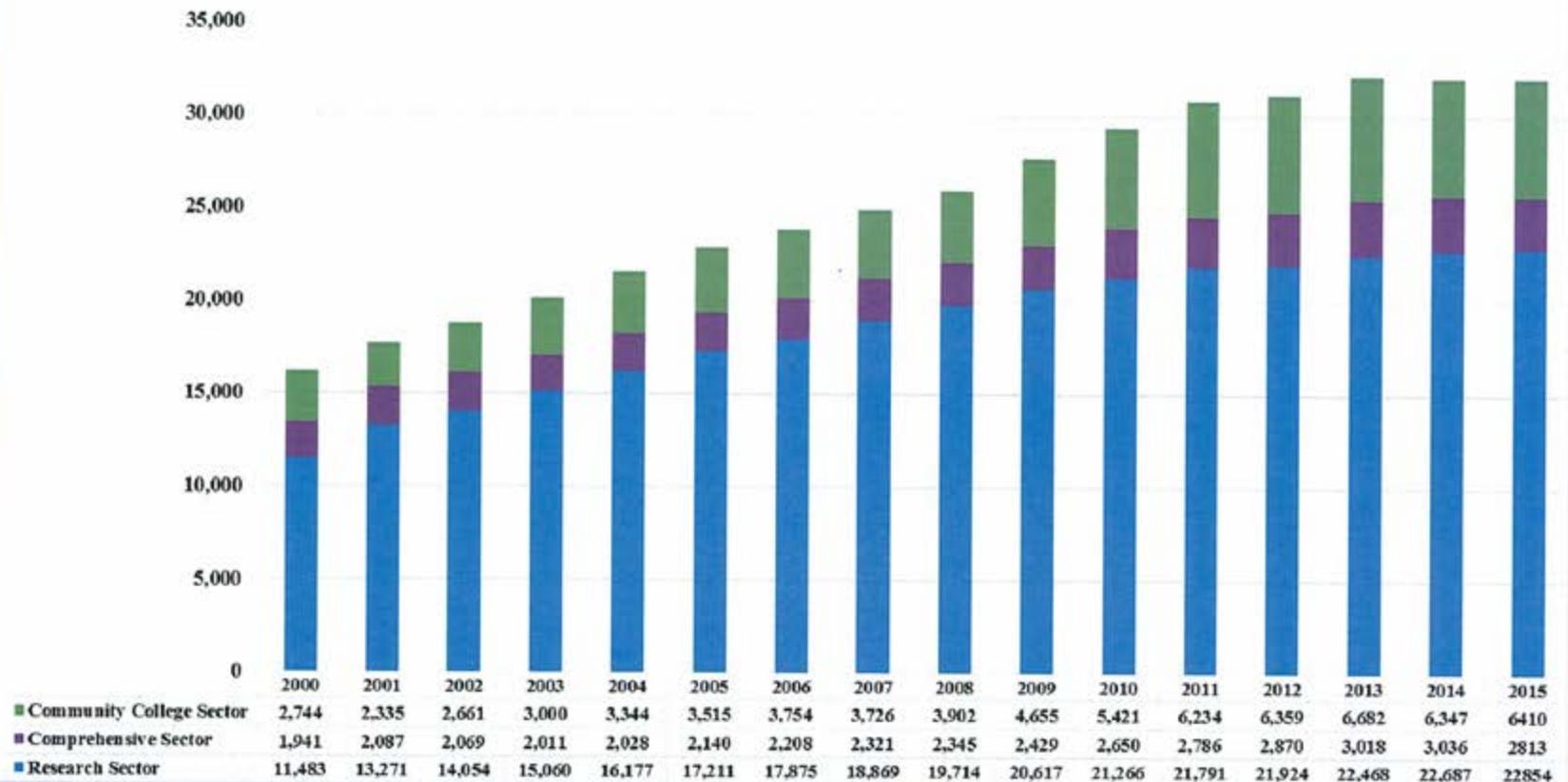


## FY15 Lottery Distributions by Institution

Institution	Fall Payment	Spring Payment	Institution	Fall Payment	Spring Payment
NM Tech	\$1,365,238	\$1,394,490			
NMSU	\$8,306,254	\$8,466,734	UNM-Gallup	\$19,375	\$27,008
UNM	\$16,611,031	\$18,028,880	UNM-Los Alamos	\$18,717	\$30,347
ENMU	\$1,203,162	\$1,371,279	UNM-Taos	\$37,937	\$38,483
NMHU	\$356,246	\$393,275	UNM-Valencia	\$68,478	\$120,981
NNMC	\$153,430	\$160,310	Central NM CC	\$496,588	\$733,377
WNMU	\$293,751	\$290,237	Clovis CC	\$13,968	\$30,240
ENMU-Roswell	\$76,565	\$99,632	Luna CC	\$15,167	\$22,437
ENMU-Ruidoso	17,161	\$16,089	Mesalands CC	\$7,716	\$12,220
NMSU-Alamogordo	\$46,701	\$44,694	NMJC	\$19,243	\$52,516
NMSU-Carlsbad	\$30,503	\$39,625	San Juan College	\$106,235	\$116,433
NMSU-Dona Ana	\$319,243	\$408,270	Santa Fe CC	\$90,339	\$160,456
NMSU-Grants	\$19,409	\$17,484	NMMI	\$3,858	\$4,501
<b>FY15 Grand Total</b>			<b>\$61,759,152</b>		



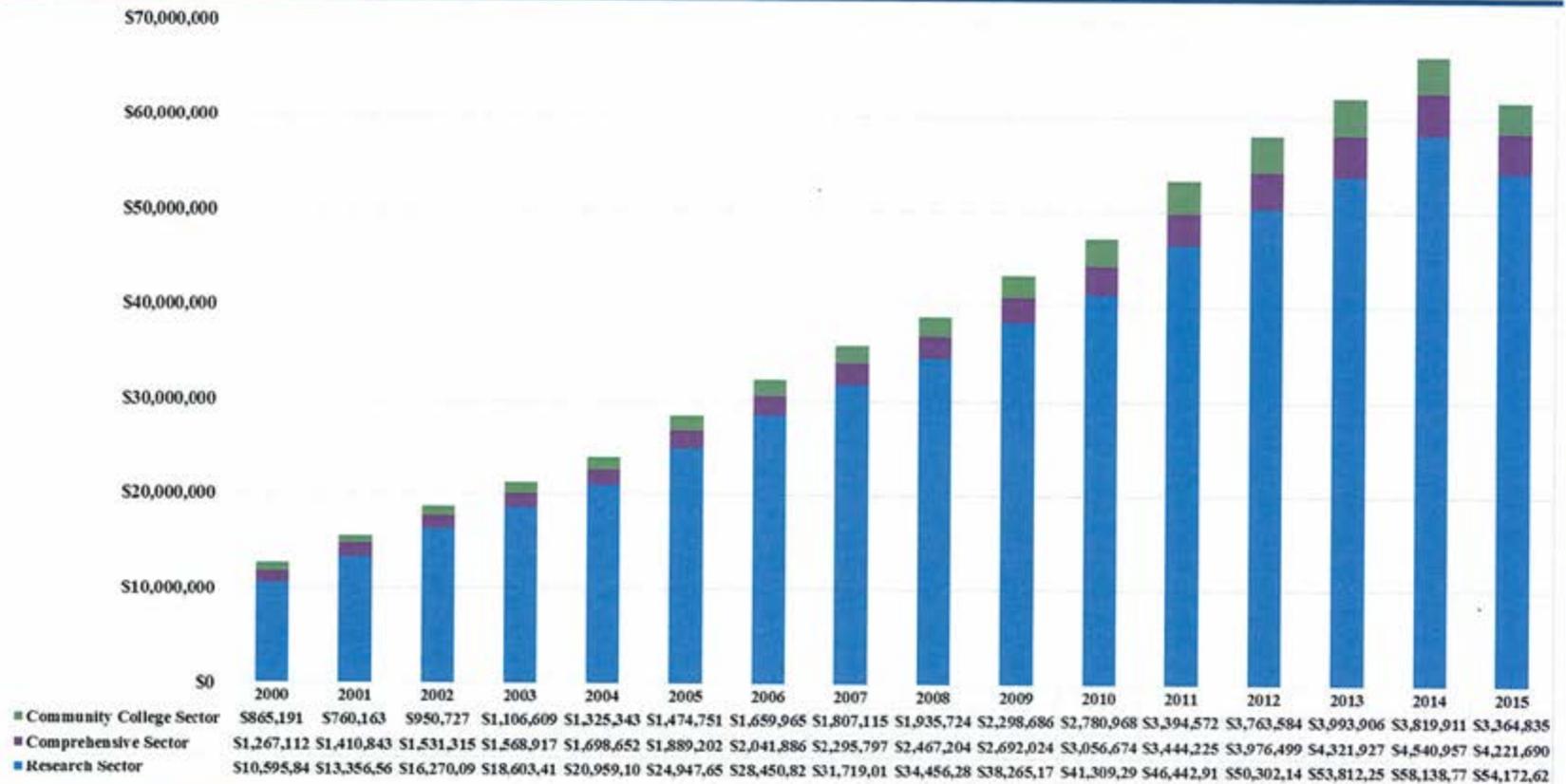
## Scholarship Recipient Historical Totals by Sector



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# Scholarship Payment Historical Totals by Sector





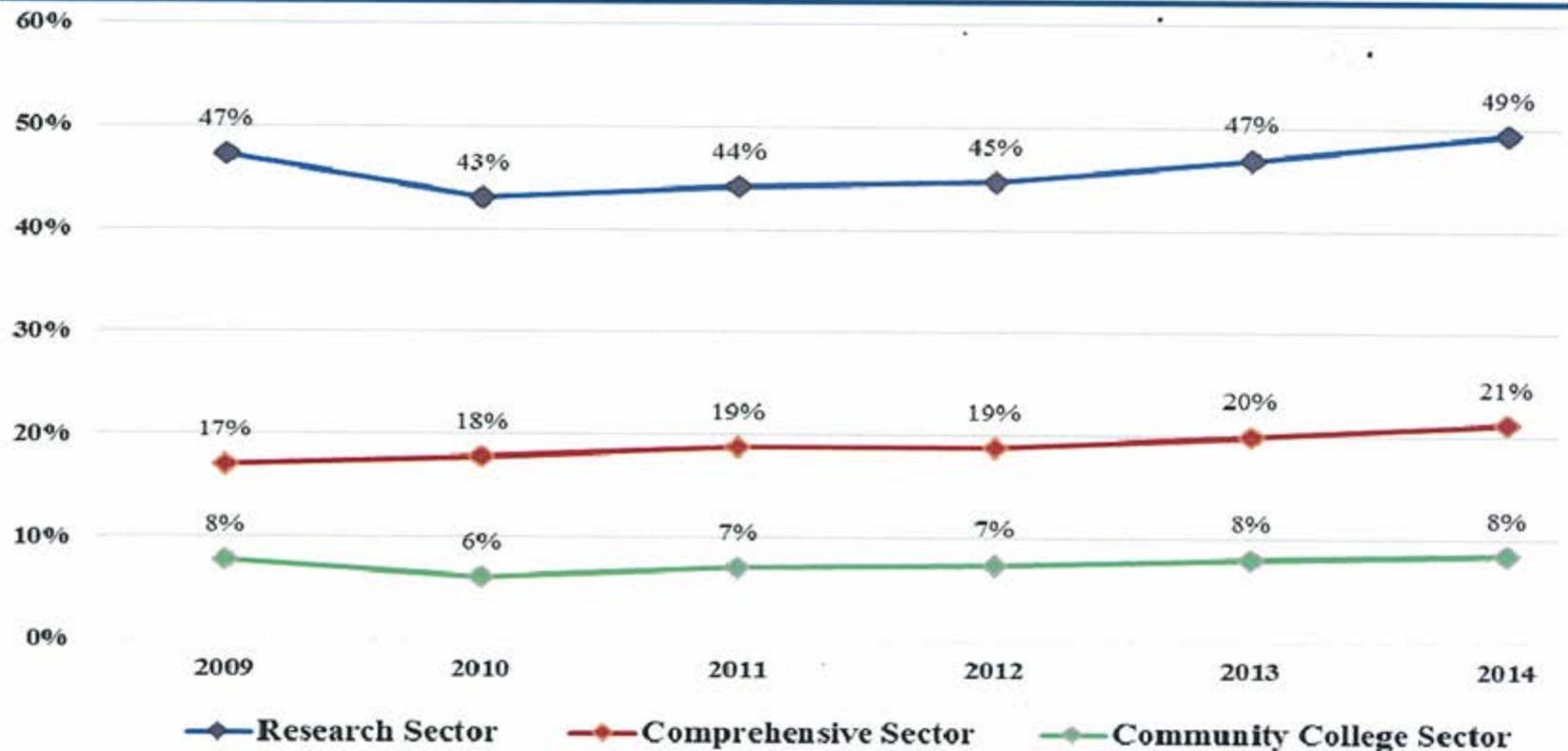
## PERCENTAGE RECEIVING NM LEGISLATIVE LOTTERY SCHOLARSHIP WITHIN EACH HIGHER EDUCATION SECTOR

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- From FY09 through FY15, 43-49% of students attending NM's research universities received the lottery scholarship each Fall.
- From FY09 through FY15, 17-21% of students attending NM's comprehensive universities received the lottery scholarship each Fall.
- From FY09 through FY15, 6-8% of students attending NM's community colleges received the lottery scholarship each Fall.



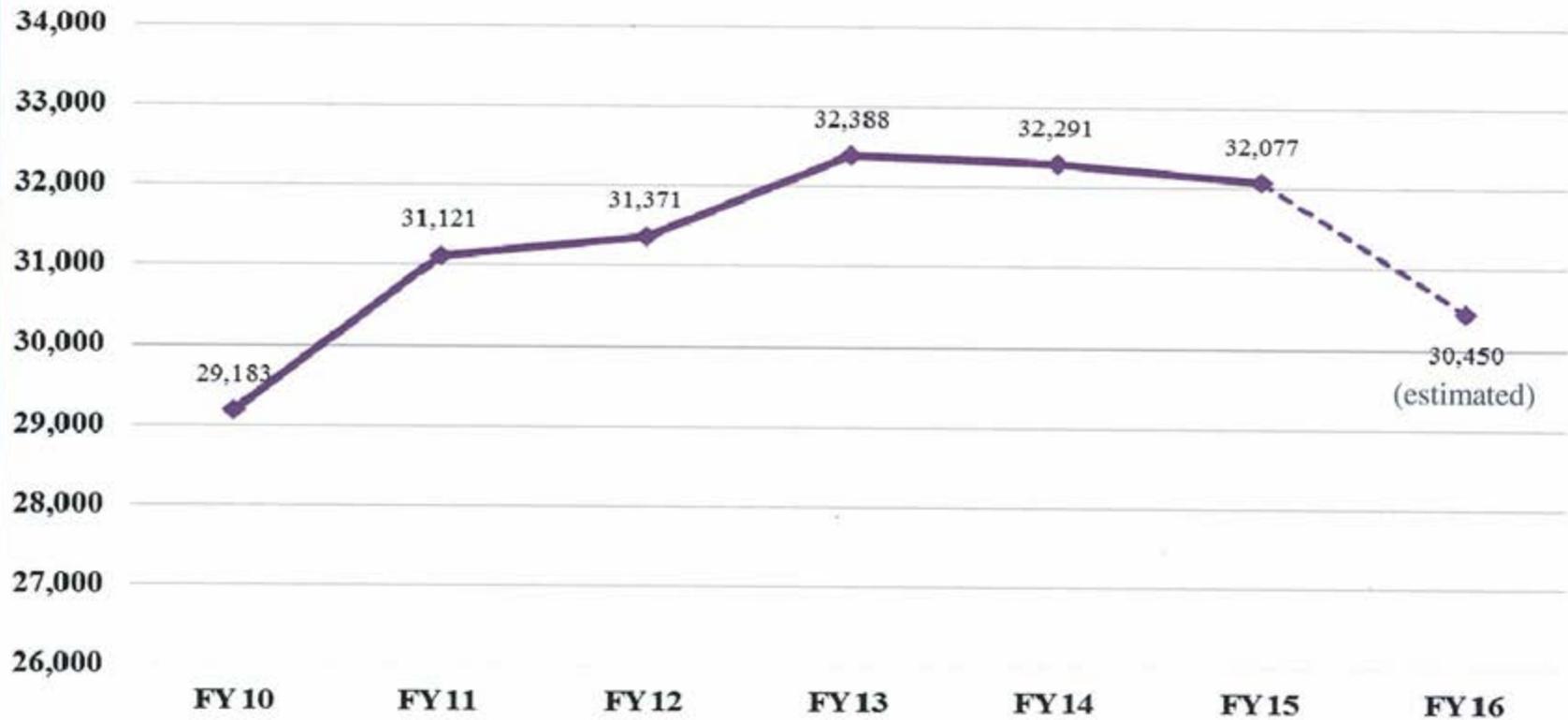
## PERCENT OF FALL ENROLLMENT RECEIVING NM LOTTERY SCHOLARSHIP BY SECTOR, 2009 - 2014



HED Financial Aid Lottery Report (2014), p. 3. HED Data Editing and Reporting System (eDEAR) data.



## NM LEGISLATIVE LOTTERY RECIPIENTS: ALL HIGHER EDUCATION SECTORS (FY10 – FY16)



HED Data Editing and Reporting System (eDEAR) Data, HED Financial Aid Records.

## NMHED Financial Aid Legislative Lottery Scholarship 2015 Institutional Survey Results

### RESEARCH UNIVERSITY SECTOR RESPONSES

Institution	Estimated Fall 2015 Lottery Recipients	Estimated Spring 2016 Lottery Recipients	Estimated FY16 Total Recipients	Lottery Recipients % Change from FY15
NM Tech	550	625	1,175	6.7%
NMSU	2,897	3,199	6,096	-10.4%
UNM	6,425	7,493	13,918	-6.9%
Research Total	9,872	11,317	21,189	-7.3%
Higher Ed. Total	13,743	16,707	30,450	-5.1%

HED Data Editing and Reporting System (eDEAR) Data, HED Financial Aid Records.

## NMHED Financial Aid Legislative Lottery Scholarship 2015 Institutional Survey Results

### COMPREHENSIVE UNIVERSITY SECTOR RESPONSES

Institution	Estimated Fall 2015 Lottery Recipients	Estimated Spring 2016 Lottery Recipients	Estimated FY16 Total Recipients	Lottery Recipients % Change from FY15
ENMU	833	1,173	2,006	17.3%
NMHU	266	303	569	15.9%
NNMC	120	125	245	6.5%
WNMU	200	210	410	7.3%
<b>Comp. Total/Avg.</b>	<b>1,419</b>	<b>1,811</b>	<b>3,230</b>	<b>14.8%</b>
<b>Higher Ed. Total</b>	<b>13,743</b>	<b>16,707</b>	<b>30,450</b>	<b>-5.1%</b>

HED Data Editing and Reporting System (eDEAR) Data, HED Financial Aid Records.

09/25/2015

**NMHED Financial Aid Legislative Lottery Scholarship  
2015 Institutional Survey Results**

**COMMUNITY COLLEGE SECTOR RESPONSES**

Institution	Estimated Fall 2015 Lottery Recipients	Estimated Spring 2016 Lottery Recipients	Estimated FY16 Total Recipients	Lottery Recipients % Change from FY15
ENMU-Roswell	140	200	340	20.6%
ENMU-Ruidoso	53	42	95	18.8%
NMSU-Alamogordo	53	59	112	-51.1%
NMSU-Carlsbad	70	86	156	-15.7%
NMSU-Dona Ana	559	597	1,156	-12.1%
NMSU-Grants	22	25	47	-49.5%
UNM-Gallup	28	39	67	-17.3%
UNM-Los Alamos	29	63	92	16.5%
UNM - Taos	40	69	109	-10.7%
UNM - Valencia	131	205	336	9.8%
Central NM CC	800	1400	2,200	-8.6%
Clovis CC	55	70	125	35.9%
Luna CC	28	56	84	6.3%
Mesalands CC	14	25	39	21.9%
NMJC	50	125	175	4.8%
San Juan College	170	290	460	2.9%
Santa Fe CC	200	213	413	2.7%
NMMI	10	15	25	92.3%
CC Total/Avg.	2,452	3,579	6,031	-5.9%
Higher Ed. Total	13,743	16,707	30,450	-5.1%

HED Data Editing and Reporting System (eDEAR) Data, HED Financial Aid Records.



## Future of the Lottery Tuition Fund

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- Tuition payments for FY16 are estimated at ~\$64 million.
- Lottery Ticket Proceeds likely to remain stable at ~ \$40 million annually.
- Liquor Excise Tax revenue (~\$19 million annually) sunsets at the end FY17. Tuition support in FY18 will be reduced by roughly 30 percent.
- Barring additional changes, the fund can no longer support full tuition costs.
- Cost savings enacted through the 2014 changes to student eligibility have been offset by tuition increases. Legacy (exempt) students remain eligible for support through Fall 2016.
- Enrollment trends will also affect future levels of tuition support.



## House Memorial 93 – “Year-Round Legislative Lottery Scholarship” (Rep. Jason Harper)

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- Task force convened September 18<sup>th</sup> with representatives from Council of University Presidents; New Mexico Independent Community Colleges; New Mexico Association of Community Colleges; and representatives of student governing bodies.
- The cost to Lottery Scholarship to add summer semester tuition support is estimated at \$5.5 Million. This would reduce Fall/Spring tuition support levels by ~ 5%.
- No statutory changes are required for Summer tuition support if students are not *required* to take summer classes, but enroll on an opt-in basis.
- Final report of the task force will be attached to the Lottery Scholarship Annual Report (due November 1<sup>st</sup>)



## Lottery Scholarship Annual Report

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- Due November 1<sup>st</sup> – data submissions from institutions are not fully processed until end of September.
- Report Contents:
  - Tuition Fund Status;
  - Numbers of qualified and legacy students who received tuition scholarships in the prior twelve-month period;
  - Total number of students, including qualified students and legacy students, enrolled in the prior twelve-month period;
  - For each semester, the amount of Tuition Scholarships funded and the amount of tuition costs that were not offset by the Tuition Scholarship;
  - Number of qualified students and legacy students who graduated with degrees and, for each qualified student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.
  - For 2015: Summary of HM 93 Task Force Findings (year-round tuition support)



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# Thank You and Questions