

**Minutes
of the
Fourth Meeting
of the
Lottery Tuition Scholarship Study Subcommittee
University of New Mexico
September 27, 2005**

The fourth meeting of the lottery tuition scholarship study subcommittee was called to order by Senator Michael S. Sanchez, chairman, on September 27, 2005 at 10:30 a.m. in the continuing education building at the university of New Mexico.

Present were:

Sen. Michael S. Sanchez, chairman
Rep. W. Ken Martinez, vice chairman
Sen. Stuart Ingle
Rep. James Roger Madalena
Rep. Rick Miera
Sen. John Arthur Smith
Rep. Jeannette O. Wallace

Absent were:

Sen. Timothy Z. Jennings
Rep. Terry T. Marquardt
Sen. Leonard Lee Rawson

Advisory members:

Rep. William "Ed" Boykin
Sen. Kent L. Cravens

Rep. Donald E. Bratton
Sen. Joseph A. Fidel
Rep. Irvin Harrison
Rep. Ben Lujan
Sen. Lidio G. Rainaldi
Rep. Teresa A. Zanetti

Staff:

Jonelle Maison and Lisa Barsumian

Guests: the guest list is in the meeting file.

The minutes of the third meeting were approved as submitted.

A copy of written handouts is in the meeting file.

Lottery Tuition Scholarship Bills in 2005 – Jonelle Maison, staff

Ms. Maison presented a brief description of the 17 scholarship bills introduced in the 2005 session, along with their fiscal impacts.

Lottery Tuition Scholarships for Tribal Colleges in New Mexico – Ferlin Clark, President of Diné College; James Tutt, President of Crownpoint Institute of Technology (CIT); Della Warrior, President of Institute of American Indian and Alaska Native Culture and Arts Development (IAIA); and James Lujan, Acting President of Southwestern Indian Polytechnic Institute (SIPI)

Mr. Clark presented the written collective statement of the four New Mexico tribal colleges regarding participation in the lottery tuition scholarship program. Tribal colleges' participation in the program would provide greater access to higher education to American Indians. Tribal colleges are public institutions and have open enrollment policies; they are accredited by the same accrediting agency as other New Mexico colleges and universities and meet the same rigorous academic standards for higher education. Tribal colleges serve both American Indian and non-Indian students. A culturally relevant curriculum coupled with a nurturing student-centered environment help address the unique needs of their students, which in turn contributes to student success and retention rates that exceed those of other colleges and universities. Many tribal college students transfer to New Mexico mainstream colleges to further advance their studies. National research shows that tribal college transfer students are at least four times more likely to succeed than American Indian students entering mainstream schools directly from high school. College education is not free to American Indians. Only SIPI, which is a federally owned and operated institution, does not charge tuition. At least 86 percent of tribal college students qualify for needs-based financial aid and do not have access to gaming revenues. Tribal resources are limited and financial aid currently does not fully address the costs of attending college. Many American Indians do not attend college because they cannot afford it, and many are forced to drop out because of unpaid debt. For example, in the recent fall semester at IAIA, over 40 new students were accepted but could not attend for financial reasons; additionally, 16 percent of IAIA's last-year students dropped out because of unpaid debt. The lottery scholarship program is designed to serve New Mexico residents striving to attain a college degree, and equal participation in the program should be granted to tribal college students who meet the requirements, regardless of ethnicity; to do anything short of providing this access would be discriminatory in nature and would deny equal opportunity to a small group of New Mexico residents who choose to attend a tribal college and who are among the most disadvantaged.

The written statement included profiles of each tribal college:

CIT is a federal land-grant college chartered by the Navajo Nation to serve as a post-secondary vocational institute. The school provides vocational training and certification programs to 320 students annually, only 65 of whom meet the qualifications for the lottery tuition scholarship program. CIT's base funding comes from an annual federal appropriation and a tribal allocation. As a public institution, it also serves non-Native students.

Diné college is chartered by the Navajo Nation and is also a federal land-grant college. Its student body is comprised primarily of Navajo tribal members, but the school also serves students from other tribes and non-Indians living on or near the reservation. Diné has two New Mexico campuses, Shiprock and Crownpoint, which together enroll 395 students annually; 173

of those would qualify for the lottery scholarship. The college's base funding comes from federal appropriations and a tribal allocation.

IAIA is chartered by congress and serves all federally recognized tribes in the United States. It also has land-grant status. It is a fine arts college dedicated to the advancement of American Indian arts and cultural development. The IAIA museum is an important holding of the institute and offers public programming and exhibits to advance cultural understanding. This year's fall enrollment was 209, of which over 50 percent, or 120, are New Mexico residents who would be eligible for lottery scholarships. Non-Indians represent 12 percent of IAIA's student population.

SIPI is a federally owned and operated community college, but it is not a public institution; all of its students are American Indian. SIPI does not charge tuition. While it is not seeking eligibility in the lottery scholarship program, it does request that SIPI students be eligible upon transfer to a New Mexico mainstream college or university.

Tribal colleges enroll 358 students who are New Mexico residents, full-time students and potentially eligible for the program. The colleges project a fiscal impact of \$460,000. The tribal leadership of all New Mexico tribes and pueblos have supported the inclusion of tribal colleges in the program. Mr. Clark concluded by urging the subcommittee's support of an amendment that would grant tribal college students equal opportunity.

Mr. Tutt provided written information on CIT's fall 2005 information and statistics. CIT began as a vocational skills center and developed into a post-secondary educational institution. Tuition is bifurcated between enrolled members and non-enrolled members, with enrolled members paying half as much as non-enrolled members. For fewer than 12 credit hours, the cost is \$30.00 and \$60.00 per credit hour, respectively; for full-time, the cost is \$360 and \$720, respectively. An activity fee of \$25.00 and a technology fee of \$35.00 are charged each semester. The school offers meal plans and housing. Overall enrollment consists of 320 Navajos, five from other tribes and two non-Indians. Of that number, 19 are New Mexico high school graduates entering as new first-year freshmen. Mr. Tutt said that the institute could take more students, but there are over 400 applicants on scholarship waiting lists. Examples of financial aid include Title 4, Pell grants, federal supplementary opportunity grants (SEOG), American Indian college fund, Navajo tribal and chapter scholarships and federal work-study. Students are recruited through career fairs, college day presentations, chapter house visits, high school visits, community events and advertising. CIT does not receive any money from gaming tribes, but it does receive money through Carl Perkins funding, BIA, Navajo Nation general funds and some state funds through adult basic education and GED preparation. He provided a chart that showed the estimated costs of commuters and residential students.

Ms. Warrior provided similar written information on IAIA students and costs. Full-time tuition is \$1,200 per semester or \$2,400 per year. Other fees include an activity fee of \$20.00 per semester; library deposit of \$50.00; dormitory deposit of \$100; refundable key deposit of \$20.00; studio fee of \$20.00 per course; a refundable jewelry kit of \$125; and a nonrefundable

photography equipment lease fee of \$75.00. The annual estimated cost of attending IAIA, including tuition, fees, books and supplies and on-campus room and board, is over \$9,000. Students are eligible for Pell grants, SEOG, federal and state college work-study, New Mexico student incentive grants, IAIA scholarships, tribal scholarships, American Indian college fund scholarships and other private scholarships. Ninety-one percent of IAIA degree-seeking students need financial aid. Enrollment is 183 Native Americans and 25 non-Natives; 119 are New Mexico residents, including 98 Natives and 21 non-Natives. The faculty includes 20 Natives and 17 non-Natives. The school recruits primarily from surrounding states and secondarily in states with Native American populations. IAIA received \$400,000 for construction purposes from non-New Mexico gaming tribes. New Mexico pueblos and tribes may provide tribal scholarships to their selected students, but IAIA does not receive operational funding from any gaming. Pueblo of Pojoaque confirmed that its higher education scholarships are derived from gaming revenue; Isleta confirmed that it does not use gaming revenue to support its higher education scholarships. Zuni and Navajo, both non-gaming tribes, provide the highest number of scholarships for their students attending IAIA. General operating revenue is derived as follows: 54 percent from federal appropriation; 16 percent from government grants and contracts; 14 percent from private grants and contracts; and 12 percent from auxiliary and enterprises. For 2004-2005, students with zero expected family contribution, IAIA's definition of the poorest students, were unable to find financial aid for 32 percent of their costs. Unmet need for New Mexico residents, who make up 47 percent of the poorest students, is 61 percent.

Mr. Lujan provided written information on SIPI, which is a federally operated school that is not a public institution. Only students who are enrolled members of federally recognized tribes are eligible to attend. Although SIPI does not charge tuition, there are other costs, including books, lodging, library and tutoring. The cost of attendance per trimester is \$280 for a full-time lodge student, \$225 for a full-time commuter student and \$150 for a part-time commuter student. Costs are met by students, either out of pocket or through financial aid. For fall 2005, 436 students were from New Mexico tribes, including the Navajo Nation, out of a total student body of 643.

Mr. Clark provided written information on the Shiprock and Crownpoint campuses of Diné college. Shiprock has 299 students, including three non-Natives; Crownpoint has 96. Tuition is \$30.00 per credit hour or \$360 for full-time. Diné students are eligible for the same grants and loans as other schools, and a majority of Diné students receive financial aid. Students are recruited through career fairs, college days, chapter house visits, high school visits, community events and media and other advertising. Diné does not receive tribal gaming money. In addition to tuition, operational funding comes from federal education appropriations, BIA funding and \$4.2 million from the Navajo Nation.

Representative Martinez pointed out that Native American students have the lowest participation of any group in the lottery tuition scholarship program, at four percent. He said that, in his opinion, tribal college participation in the program is one of the most important issues because tribal colleges provide a community college education that is affordable and close to home for students who do not have transportation to other schools. Tribal colleges offer a way

for students to complete required lower-division courses in smaller classes and in a more supportive environment. He had hoped to have a subcommittee meeting at CIT so that the members could see a tribal college. He reviewed the history of House Bill 119, which was amended on the house floor to include tribal colleges, among other changes, and which died in the senate education committee. Representative Martinez said he wholeheartedly supports such legislation.

Referring to the loss of federal funding suffered by IAIA and SIPI over the last few years, Representative Madalena said that the legislature should consider passage of a joint memorial to the congressional delegation in support of federal funding of tribal colleges. Asked how SIPI is doing financially, Mr. Lujan said that financial security is a big question because the institute was hit hard by federal reductions. The FY06 appropriation was reduced by two percent across the board; on top of that, there were other cuts. Ms. Warrior told the committee that a 1998 joint memorial to congress in support of IAIA had been an important factor in its funding. Mr. Tutt said that CIT does not receive federal funding from the same sources as SIPI and IAIA and is chronically short by \$1.75 million. Mr. Clark said that such a memorial showing the New Mexico legislature's support of tribal colleges would be a great gesture.

Senator Sanchez asked if SIPI, as a nontuition-charging school, was asking to be included in the lottery tuition scholarship program. Mr. Lujan said that he was present to support inclusion of the other schools. In further discussion, all the schools agreed that state audits of lottery tuition scholarship funds would be acceptable; the schools are currently audited by the federal government and by the state if they receive state funds. Ms. Warrior pointed out that state statute requires one member of the higher education advisory board be a representative of tribal colleges. Asked if the schools would follow higher education department dictates about curriculum, Mr. Lujan said that SIPI offers the same 35 general education core courses that other community colleges offer. Ms. Warrior said IAIA would listen, but the school is accredited as an art institute with a unique curriculum and is not a community college.

In response to Ms. Warrior's statement that Native Americans should be given the same opportunities as other New Mexicans to go to college on the lottery tuition scholarship, Senator Sanchez pointed out that they do have the same opportunity to go to state schools, which is different from tribal colleges asking that their institutions be included. Ms. Warrior said the tribal college presidents believe their schools are doing a better job at educating Native American students and preparing them for transfer to a university. She said students attend tribal colleges because of native faculty and unique curriculum. Asked if she thought the scholarships should be open to private schools, Ms. Warrior said that, in recognition of the high cost of tuition at private colleges, perhaps a cap on those scholarships might be appropriate. Mr. Clark restated his point that New Mexico tribal colleges are not different from other New Mexico community colleges, so tribal college students should be able to participate in the scholarship program. He said the tribal college curriculum is not substandard and all the schools meet accreditation standards. Senator Sanchez said the point of the lottery tuition scholarship program is to give every New Mexico high school graduate the ability, the choice, to use the program at state-supported institutions. The rationale for the program was to encourage high school students to

finish school and to determine which high schools were failing to prepare their students for college. Referring to an earlier comment about the senate failing to understand the issues, Senator Sanchez said the senate understood the issues, it just did not agree. He stated that the program is the perfect needs-based program: students do not have to apply and ethnicity is not a factor; all that is required is that the student be a New Mexico graduate, attend a state-supported college or university and meet minimum academic requirements. If the program is broadened, there will be a rush of private colleges and business schools wanting to participate. The lottery tuition scholarship fund is receiving less money from the lottery, and the long-term stability of the fund is in question. The scholarship program must maintain its financial integrity or scholarships could end up at \$50.00 instead of the current full-tuition cost, breaking the promise the legislature made to all people of the state. He reminded the subcommittee of the number of proposed changes to the program that the legislature sees every session. He added that the program is about the children of New Mexico, about getting them all educated.

Senator Sanchez said he had been impressed with the presenters' testimony and several questions he had were answered. He added that if the program were to be extended to tribal colleges, there should be no exclusions based on ethnicity and that non-Natives should be encouraged and recruited to attend tribal colleges. Mr. Lujan said tribal colleges are a special situation and should not be compared to private colleges or business colleges. Mr. Clark reiterated that Diné college does not discriminate and noted that if tribal colleges participated in the lottery tuition scholarship program perhaps more non-Natives would attend. He invited the members to Diné college.

Senator Smith concurred with Senator Sanchez's comments on the senate's concerns about fund revenues and the desire to ensure the sustainability of lottery tuition scholarship funding and funding for state-supported institutions. Lottery revenue and revenue growth are uncertain at this time and he sees problems with adding groups or types of students if such additions mean that scholarships will decrease to the point of worthlessness. To be fiscally responsible, the subcommittee should not decide to expand the program until more is known about lottery revenue stability over time. He noted that the subcommittee needs to look at the issue of state-supported schools shifting fees to tuition, which could also harm the integrity of the program.

Representative Miera asked if students who attend tribal colleges are eligible for lottery tuition scholarships when they attend a public institution. Kathy Cantrell, former acting secretary of higher education, said that students must attend a public institution immediately after graduation to qualify for the scholarships.

On questions from Senator Ryan, who was sitting in on the meeting, Senator Smith said that lottery revenue is down 3.2 percent and the opening of the Hobbs racino, for example, has negatively affected the lottery. Also, the legislature does not have a good handle on tuition increases, particularly with some fee-shifting last year, or on enrollment growth. Collectively, the proposed add-ons would jeopardize the program. Senator Ingle said it is difficult for the legislature to control costs and the increase in other gaming will continue to hurt the long-term

outlook of lottery revenues. Representative Madalena spoke about the lottery authority/Santa Ana partnership that the governor had interrupted, which he said would have helped lottery revenues. He suggested the legislature look at what constitutes expansion of gaming.

There being no further business, the subcommittee adjourned at 12:40 p.m.