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The appropriation of \$441.6 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

The funds are appropriated as follows:

\$163,479	New Mexico Highlands University
\$ 87,464	Western New Mexico University
\$114,829	University of New Mexico
\$ 64,999	New Mexico State University
<u>\$ 10,867</u>	Eastern New Mexico University
\$441,638	

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

This bill relates to HB906. HB906 amends existing statute to require that increases in the actual tuition rate be used when calculating increases for athletic scholarships.

TECHNICAL ISSUES

According to CHE the bill should indicate that funds shall be non-reverting.

OTHER SUBSTANTIVE ISSUES

Included in the CHE FY02 request for higher education, was \$181.6 to fund the incremental cost of athletic scholarships in FY02 for various institutions. This request was based on the 4 percent tuition credit recommended by the CHE in FY02 plus another 4 percent to compensate institutions for what they did not receive in FY01. The total amount requested by CHE for FY01 was \$90.8. The request for \$90.8 for FY01 was not recommended by the LFC.

POSSIBLE QUESTIONS

1. Why should the State bear the cost for the funding gap created by institutions when they raised tuition by amounts greater than the tuition credit?

CTF/ar