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FISCAL IMPACT REPORT

SPONSOR: Moore DATE TYPED: 02/27/03 HB 789

SHORT TITLE: Revise Definition of Resident Student SB _____

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	See Text			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Commission on Higher Education (CHE)
 New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 789 adds other state post-secondary educational institutions to those institutions designated in the state constitution for the purpose of determining resident tuition and deletes the reference to “Texas” residents with residences 135 miles from the institutions for eligibility for resident tuition, with an effective date of July 1, 2003.

Effectively, this legislation extends the “Texas 135” tuition waiver such that all post-secondary educational institutions in the state would offer in-state tuition to residents of Arizona, Utah, Colorado, Oklahoma and Chihuahua as well as Texas as long as the student resides within 135 miles of the institution.

In addition, for tuition payment purposes, members of the armed forces of the United States or foreign militaries would qualify for resident tuition at any New Mexico public post-secondary institution.

Significant Issues

Post-secondary institutions identified in Article 12, Section 11 of the State Constitution are:

- University of New Mexico
- New Mexico State University
- New Mexico Highlands University
- Western New Mexico University
- Eastern New Mexico University
- New Mexico Institute of Mining and Technology
- New Mexico Military Institute
- Northern New Mexico State School (Northern New Mexico Community College)

CHE notes current agency regulations permit all public post-secondary institutions to grant resident tuition for non-resident members of the armed forces; therefore, this component of the bill is effectively aligning statute with current CHE-permitted practice.

Currently, only NMSU, ENMU and WNMU participate in the Texas 135 tuition waiver program.

FISCAL IMPLICATIONS

The fiscal impact to the General Fund of this legislation would be \$1,002 for each full-time community college student and \$6,700 for each full-time, undergraduate university student. Projections of the total number of qualifying students are not available.

For comparison purposes, the FY 04 General Fund cost of the current Texas 135 Tuition Waiver Program, the Arizona Reciprocity Program and the Colorado Reciprocity Program are projected at \$8.6 million, \$0.9 million and \$1.3 million, respectively. The Colorado program allows 300 full-time equivalent students per year to attend New Mexico post-secondary institutions, other than New Mexico Military Institute and University of New Mexico Medical School, or Colorado institutions at the resident tuition rate. A similar program is available for 200 full-time equivalent students per year to attend Arizona community colleges, with a similar opportunity available to attend Western New Mexico University. Both programs are currently under-utilized.

ADMINISTRATIVE IMPLICATIONS

CHE would change edits in the Data Editing and Reporting System (DEAR), and some institutional reporting systems would need modification.

AW/sb