

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/10
 LAST UPDATED 02/05/10 HB 102/aHEC

SPONSOR Alcon

SHORT TITLE Lottery Scholarships For Tribal Colleges SB _____

ANALYST Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	\$176.6	\$176.6	\$176.6	\$529.8	Recurring	Lottery Tuition Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of House Education Committee Amendment

The House Education Committee amendment would authorize the governing bodies of tribal colleges to accept lottery tuition funds.

Synopsis of Original Bill

House Bill 102 proposes to expand the Legislative Lottery Scholarship program to allow students who attend New Mexico tribal colleges to receive lottery tuition scholarships. Eligibility for tribal college students is defined as the same eligibility criteria as students attending a public postsecondary institution: a student must have graduated from a New Mexico high school or received a New Mexico GED, have maintained a 2.5 GPA their first semester, and be enrolled full time consecutively for four years. House Bill 102 creates a new section within 6-24-23 NMSA 1978 that defines tribal colleges as tribally, federally or congressionally chartered postsecondary institutions.

FISCAL IMPLICATIONS

The HED states that after a survey of the four Tribal colleges in New Mexico which meet the

definition of tribal college, the HED estimates 265 students would be eligible for the Legislative Lottery Scholarship, at a cost of approximately \$176,560 per academic year based on current Tribal college tuition rates.

SIGNIFICANT ISSUES

House Bill 102, endorsed by the Indian Affairs Committee, is a priority of the New Mexico Higher Education Department's legislative agenda and is part of the Department's Strategic Priorities and Goals.

According to the HED:

American Indian students continue to have the lowest representation in higher education and make up less than 1% of college enrollment. In New Mexico, 90% of American Indian students attend public school and eventually enroll in New Mexico public postsecondary institutions. In the November 2005 Performance Effectiveness Report by the Council of University Presidents, figures show that the enrollment of American Indians who were first-time freshmen in New Mexico colleges and universities decreased from 5.9% in Fall 2004 to 4.7% in Fall 2005.

Thirty-four percent of the total American Indian population resides on Tribal lands (U.S. Census, 2006). New Mexico's Tribal colleges are located on or near Tribal land which allows students to attend college in a local environment. Statistics indicate that American Indian students who enroll in Tribal colleges are more likely to graduate than those who attend public colleges or universities. This is due to the support of family, extended family, and a college student population that reflects their culture and identity.

According to a 2005 report on trends of American Indian students published by the National Center for Education Statistics, more than 50 percent of those who transfer from Tribal colleges to four-year public postsecondary institutions do graduate.

The four tribal colleges have articulation agreements with all of the public postsecondary schools in New Mexico making all coursework fully transferable. The Tribal colleges receive state work-study, state incentive grant, and college affordability funds. The Legislative Lottery Scholarship for tribal colleges will afford New Mexicans who attend a Bureau of Indian Education school the same funding.

The PED states:

In New Mexico, American Indian students, who make up 11% of the student population, have the largest achievement gap of any subgroup as measured by the New Mexico Standards Based Assessment (NMSBA).

American Indian students graduate at a lower rate than any subgroup as measured by the PED four-year cohort graduation rate (50% for American Indian vs. 60% for all students).

American Indian students from New Mexico who choose to begin their college career at a tribal college and later transfer to a New Mexico public college or university are currently

not eligible for the lottery scholarship.

The majority of the students who attend tribal colleges are non-traditional, female, American Indian and first generation college students.

PERFORMANCE IMPLICATIONS

The HED states that it will create performance measures to determine the fiscal impact to the Legislative Lottery Scholarship program.

ADMINISTRATIVE IMPLICATIONS

The HED notes that it would administer the Legislative Lottery Scholarships directly to the recipient's Tribal college through the drawdown process currently used by New Mexico's public postsecondary institutions. The Department would not need to increase staff to administer the program for Tribal college students.

GH/svb:mew