

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 62

50th Legislature, 1st Session, 2011

Tracking Number: .183779.1

Short Title: Extend Lottery Scholarship Application Time

Sponsor(s): Representative Bill B. O'Neill

Analyst: Ally Hudson

Date: February 9, 2011

Bill Summary:

HB 62 amends statute to extend the eligibility period to receive the Legislative Lottery Scholarship to 16 months.

Existing statute requires enrollment in a public postsecondary institution “immediately upon” receiving a high school diploma or general educational development (GED) certificate.

Fiscal Impact:

HB 62 does not contain appropriation.

Substantive Issues:

The Higher Education Department (HED) includes the following points in its agency bill analysis

- HB 62 will likely have an impact on the Lottery Tuition Fund, but the fiscal implications are to be determined;
- in FY 10, “due to rising enrollment and tuition rates, the corpus of the [Lottery Tuition Fund] was tapped in order to reimburse the public postsecondary institutions. For FY 11 and beyond, projected scholarship expenditures continue to exceed revenues;” and
- there are some constituents who contend that a year out of high school before entering college will better prepare students for the college experience and “will allow those that need remediation time to gain the skills they need to succeed.” The analysis by New Mexico Independent Community Colleges makes a similar point, adding that unprepared students who are not successful during their first semester may lose their eligibility for the scholarship.

According to both the Public Education Department and HED analyses, it is unknown how many high school graduates or GED recipients wait one to two semesters before attending college. As a result, it is not possible to identify how many students would be affected by HB 62.

Background:

Created by legislation enacted in 1996, the Legislative Lottery Scholarship is a renewable, full-tuition award granted to qualifying students beginning in their second semester at a public

postsecondary institution in New Mexico and continuing for seven more consecutive semesters. The scholarship covers the cost of tuition only. Students are responsible for additional educational expenses such as student fees, course materials, and housing.

To qualify for the Legislative Lottery Scholarship a student must:

- be a New Mexico resident;
- have graduated from a New Mexico public or accredited private school or have obtained a New Mexico GED;
- enroll full-time (in at least 12 credit hours) at an eligible New Mexico public college or university, in the first regular semester immediately following high school graduation; and
- obtain and maintain a cumulative GPA of at least 2.5.

State law also provides for specific accommodations with regard to:

- students with disabilities, clarifying that in no case shall “full time” mean fewer than six credit hours per semester and in no case shall eligibility extend beyond 14 consecutive semesters;
- students whose parents are in the military, allowing a New Mexico resident high school student whose military parents are transferred out of state to receive a New Mexico high school diploma, under certain conditions, and thereby become eligible for state-funded financial aid; and
- individuals that either immediately enlist in, or have recently departed from, the US Armed Forces.

In a report to the Legislative Education Study Committee in December 2010, testimony indicated that, since its inception, the New Mexico Lottery has raised \$459 million for education, and more than 68,000 students have attended college on lottery scholarships.

In 2010, HED formed a Lottery Study Committee to consider strategies to address the status of the Lottery Tuition Fund, increasing enrollments at the state’s public postsecondary institutions, and rising tuition. Because the fund is expending more money than the annual revenues currently provide, HED’s analysis indicates that the Lottery Study Committee is working to analyze data from two- and four-year institutions to determine whether changes to the Legislative Lottery Scholarship eligibility criteria should be made.

Related Bills:

HB 92 *Lottery Scholarships for Tribal Colleges*

HB 359 *Lottery Scholarship Recipient Additions*

SB 226 *Enact “Legislative Lottery Tuition Act”*

SB 292 *Limit Tuition Increase for Lottery Recipients*