

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: *CS/SB 226

50th Legislature, 1st Session, 2011

Tracking Number: .185240.4

Short Title: Enact “Legislative Lottery Tuition Act”

Sponsor(s): Senator William H. Payne

Analyst: Ally Hudson

Date: February 18, 2011

**SENATE EDUCATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 226**

Bill Summary:

CS/SB 226 amends higher education provisions in law to add duties for the Higher Education Department (HED) and convene a lottery scholarship work group.

Among its provisions, CS/SB 226 requires that HED:

- convene annually a work group to study issues relating to the solvency of the Lottery Tuition Fund;
- report the findings and recommendations of the work group by October 1 of each year to the Governor, the Legislative Education Study Committee (LESC), and the Legislative Finance Committee (LFC), including proposals that:
 - address solvency; and
 - lottery scholarship eligibility.

The bill also requires that the work group be staffed by HED, chaired by the Secretary, and include at least the following:

- the presidents of two research universities or their designees;
- the presidents of two comprehensive universities or their designees;
- the presidents of two independent community colleges or their designees;
- the president or the president’s designee of one branch college;
- a student representative selected from a college or university student organization;
- a member of the LESL appointed by the committee chair;
- a member of the LFC appointed by the committee chair;
- a representative of the New Mexico Lottery Authority appointed by the authority’s chair; and
- a representative of the Department of Finance and Administration appointed by the Secretary.

*CS/SB 226 contains an emergency clause.

Fiscal Impact:

CS/SB 226 does not contain an appropriation.

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 general educational development certificate;
- 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 grade point average 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 LESC 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:

SB 292 *Limit Tuition Increase for Lottery Recipients*
HB 62 *Extend Lottery Scholarship Application Time*
HB 92 *Lottery Scholarships for Tribal Colleges*
HB 359 *Lottery Scholarship Recipient Additions*