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FISCAL IMPACT REPORT

SPONSOR Alcon/Johnson/Allison /Lente/Garcia, H. ORIGINAL DATE 1/29/19 LAST UPDATED 2/14/19 HB 363/aHEC

SHORT TITLE Lottery Funds for Tribal Colleges SB _____

ANALYST Valenzuela

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)
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SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Indian Affairs
NM Independent Community Colleges (NMICC)
Tribal Colleges Consortium

SUMMARY

Synopsis of House Education Committee Amendment to HB363

House Bill 363/aHEC replaces the reference to the North Central Association of Colleges and Schools with the Higher Learning Commission. The amendment recognizes the official accrediting agency for higher education institutions, referenced in HB363.

Synopsis of Bill

House Bill 363 amends the Legislative Lottery Scholarship Act to make students who attend tribal colleges located in New Mexico eligible to receive lottery scholarships.

FISCAL IMPLICATIONS

HB363 does not contain an appropriation. The bill would not increase the revenues into the lottery tuition fund.

The impact would be to broaden the eligibility of students who receive the lottery scholarship in New Mexico, and presumably increases the number of lottery scholarship recipients. The

increased participation would be absorbed by lowering the amount of scholarship provided each year.

Currently, the lottery scholarship program provides a minimum scholarship amount depending on the type of institution the recipient attends:

Four-year research universities: \$1,500/semester

Four-year comprehensive universities: \$1,020/semester

Two-year community colleges: \$380/semester

Three tribal colleges in New Mexico would become eligible under HB363: the Institute of American Indian Arts (IAIA), the Navajo Technical University (NTU), and the Southwestern Indian Polytechnic Institute (SIPI).

Historically, these colleges have reported that approximately 125 to 200 students would become eligible for lottery scholarships, if HB363 is enacted. In testimony in December 2018 to the LFC, members of the tribal college consortium reported, “SIPI is operated and funded by the Bureau of Indian Affairs and neither charges tuition nor admits non-Indian students and would not participate in the Lottery Scholarship Program”.

The analysis assumes these 125 to 200 students attend a four-year tribal university, affording the student a \$1,020/semester scholarship. The range for costs would be \$255,000 to \$408,000 annually, which represents 1 percent of the amount of lottery scholarship revenue, \$42 million.

SIGNIFICANT ISSUES

The Higher Learning Commission (HLC) is the successor entity for the North Central Association of Colleges and Schools, which no longer exists, as the accrediting body for all three of the institutions. For clarity, it may be useful to change the language in the bill to reflect the HLC as the accrediting body.

MFV/sb/gb