

LFC Requester:	LFC
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:

Original Amendment
Correction Substitute

Date 2024-01-16

Bill No: HB100

Sponsor: Castellano, Ambrose Agency Name and Code NMHED
Short ADULT ONLINE Number: _____
Title: LEARNER SCHOLARSHIP Person Writing Gallup, Amber
Phone: 5052317490 Email amber.gallup@hed.nm

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
\$5,000.0		Non-recurring	General Fund
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$214.00	\$214.00	\$428.00	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates New Mexico Opportunity Scholarship

Duplicates/Relates to Appropriation in the General Appropriation Act:

N/A

SECTION III: NARRATIVE

BILL SUMMARY

HB100 is the Adult Online Learner Scholarship Act. It creates and enacts a scholarship for adults age 26 and over to earn degrees and certificates online. Scholarship recipients would be required to work in New Mexico for two years after degree or certificate completion. Five million dollars (\$5,000,000.00) is appropriated from the General Fund for an endowment fund in FY24. This appropriation is non-recurring. Two million dollars (\$2,000,000.00) is appropriated from the General Fund to fund a scholarship fund in FY25 and subsequent fiscal years to provide scholarships. This appropriation is recurring. HB100 assigns new functions and duties to the New Mexico Higher Education Department (NMHED). This request does not include an additional appropriation to help cover the increased costs and workload associated with these new duties.

FISCAL IMPLICATIONS

Five million dollars (\$5,000,000.00) appropriated from the General Fund for an endowment fund in FY24. This appropriation is non-recurring. Two million dollars (\$2,000,000.00) is appropriated from the General Fund to fund a scholarship fund in FY25 and subsequent fiscal years to provide scholarships. This appropriation is recurring. Any unexpended or unencumbered balance remaining at the end of FY24 shall not revert to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY25 and subsequent years shall not revert to the General Fund. NMHED would administer the program; as such, we expect that two full-time employees (FTE), one programmatic specialist and one financial analyst, would be needed to

administer the new program. The sponsors did not submit this request to NMHED for possible incorporation into the NMHED higher education comprehensive funding recommendation. The NMHED has a formal process for reviewing earmarked budget requests for higher education institutions when developing the NMHED funding recommendation. The NMHED submitted its higher education funding recommendation to the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC) on November 1 as is required by statute. (9-25-9 NMSA 1978)

SIGNIFICANT ISSUES

The Adult Online Learner Scholarship Act seeks to create a scholarship for New Mexico residents age 26 and older who wish to earn in-demand degrees and certificates in an online modality. The bill duplicates the New Mexico Opportunity Scholarship and services already provided by NMHED Financial Aid Division. The New Mexico Opportunity Scholarship currently provides eligible New Mexico residents in this age group with tuition-free college at any state public college or university. Most New Mexico public postsecondary institutions of higher learning continue to offer a wide variety of online degrees and certificates. Eligible students seeking these could cover their tuition costs with the New Mexico Opportunity Scholarship. The Adult Online Learner Scholarship Act also uses public funding in a way that may incentivize New Mexico residents to attend nonprofit online colleges that may not have adequate levels of accreditation, rigor, and state oversight. The bill states that only nonprofit colleges established by New Mexico in cooperation with other western states would be eligible for the benefits afforded by this bill, yet the number of colleges that fit these criteria is very small.

PERFORMANCE IMPLICATIONS

NMHED shall report annually to the Governor and legislature on program efficacy, including number of scholarship recipients, average award amounts, program outcomes, and number of businesses benefiting from scholarship grantees.

ADMINISTRATIVE IMPLICATIONS

The Financial Aid Division of NMHED will administer these funds and expects to need two full-time employees (FTE) to administer the program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB100 conflicts with or duplicates the New Mexico Opportunity Scholarship.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

NMHED administers the New Mexico Opportunity Scholarship to help support returning adult learners who wish to take online courses at state public institutions of higher education.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No additional appropriation will be made. The New Mexico Opportunity Scholarship will continue to serve eligible New Mexico residents age 26 and older who wish to obtain degrees in online, hybrid, or in-person modalities in public colleges and universities.

AMENDMENTS

N/A