

LFC Requester:	Jorgensen
-----------------------	------------------

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

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

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date February 13, 2024
Bill No: SB 239/aHEC

Sponsor: Munoz, Correa Hemphill **Agency Name and Code** NMICC - 994
Short Title: Lottery Scholarship Changes **Number:** _____
Title: _____ **Person Writing** Vanessa K. Hawker
Phone: _____ **Email** vhawker@hawkerhynson.com

SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		Indeterminate				Lottery Scholarship
		Indeterminate				GF – Opportunity Scholarship
		Indeterminate				Institutional budgets

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 239 was amended in the House Education Committee (SB239/aHEC), making the following changes.

Legislative Lottery Scholarship. SB239/aHEC makes changes to the minimum, number of credit hours required in the fall and spring terms for a student to remain eligible – allowing a

student to complete the required number of credit hours in the fall through summer semesters, so long as the student meets minimum and maximum credit hour requirements.

For students attending four-year institutions, the student must take at least 12 credit hours in the fall and spring semesters and may take between 3 and 9 credit hours in the summer semester – earning at least 30 credit hours in the academic year.

For students attending two-year institutions, the student must take at least 9 credit hours in the fall and spring semesters and may take between 3 and 9 credit hours in the summer semester – earning at least 24 credit hours in the academic year.

SB239/aHEC gives the higher education department the authority to provide exceptions by rule for the number of summer credit hours.

Opportunity Scholarship. SB239/aHEC amends the definition of eligible student established in the original bill, providing that an eligible student is a New Mexico resident who is enrolled in a public post-secondary education institution or tribal college at any time following high school graduation or the award of a high school equivalency credential and who meets other conditions for eligibility.

SB239/aHEC establishes the period of time the higher education department shall determine the maximum distribution to each public post-secondary institution based on the annual increase in the higher education price index for the mountain region through fiscal year 2028.

Original Bill

Senate Bill 239 (SB 239) makes statutory changes to both the legislative lottery scholarship and the opportunity scholarship.

The legislative lottery scholarship is amended as follows:

Full time student. The definition of a “full time” student is changed to mean 30 or more credit hours each academic year for state education institutions (those institutions enumerated in Article 12, Section 11 of the New Mexico Constitution) and 24 or more credit hours each year in community colleges.

Legacy student. The definition of “legacy student” is removed. All references to “legacy student” and “legacy student” sections in 21-21N NMSA 1978 are struck.

Program semesters. The definition of "program semesters" is expanded to include the summer semester, maintaining the exclusion of the first semester of attendance at a public post-secondary educational institution.

Qualified student. The definition of qualified student is amended, to include attending a tribal college. To successfully complete the first semester at a public post-secondary institution, SB 239 specifies the student must have taken 12 or more credit hours.

SB 239 amends the number of semesters a qualified student may receive the lottery scholarship from a maximum of seven semesters to a maximum of seven fall and spring semesters and a maximum of three summer semesters. The qualified student may receive the lottery scholarship

for no more than three and one-half years for a bachelor's degree.

For students attending either a four-year or a two-year institution in the summer, SB 239 states students enrolled in the summer term may take no fewer than three and no more than nine credit hours in the summer term, provided the student is not required to attend the summer term to maintain eligibility.

Stated credit hour limits do not apply to the last term before graduation.

Students with disabilities. SB 239 is amended to clarify a full time student with a disability must take at least six credit hours per semester during the fall and spring semesters and if attending the summer semester enrolled in no less than three credit hours.

The opportunity scholarship is amended as follows:

Eligible Student. The definition of “eligible student” is amended to remove the requirement the student be enrolled in at least six credit hours in the fall or spring semester, language is added, stating the student must meet other conditions for eligibility. Section 21-21R-3 NMSA 1978 is amended to read the student must be enrolled in at least six credit hours and no more than eighteen credit hours per fall or spring semester. The credit hour limits do not apply to a student in the last semester before graduation.

An eligible student is enrolled in at least three and no more than nine credit hours in the summer semester, provided the student is not required to attend a summer semester to maintain eligibility.

HED Administration of the Opportunity Scholarship. SB 239 adds a new subsection to Section 21-21R-4 NMSA 1978. This section requires the higher education department to determine by June 1 of each year, the maximum distribution to each public post-secondary educational institution and tribal college based upon the annual increase in the higher education price index for the mountain region.

Dual Credit Courses. SB 239 amends Section 21-21R-5 NMSA 1978 to eliminate the counting of dual credit courses from the associate degree and the bachelor degree scholarship caps

Section struck. Section 21-21R-5E is struck.

FISCAL IMPLICATIONS

By clarifying the summer semester is eligible for lottery scholarships and opportunity scholarships more students may access post-secondary education. This could impact the program costs for both scholarship programs.

There will be some impact to post-secondary institutions in differentiating dual credit student credit hours so they can be excluded from opportunity scholarship credit hour maximum calculations.

SIGNIFICANT ISSUES

NMICC supports providing clarity and expanding financial assistance for students pursuing a

post-secondary education. SB 239 provides clear access to scholarship funds for the summer term. With scholarship funds available in the summer, students may be able to complete their educational program faster.

SB 239 adds language stating eligible students do not have to meet credit hour minimums in their final semester. This could significantly impact those students who only need one or two classes to complete their program but due to current program requirements enroll in more classes simply to have their tuition covered by the scholarship program.

Removing a student's accumulated dual credit credits from the opportunity scholarship cap will have a significant positive impact on students. Currently students who have taken dual credit coursework have their dual credit hours factored into the cap – reducing the number of credit hours the opportunity scholarship will cover.

Some educational programs are structured with more than nine credits hours required in the summer. The nine credit hour limit in the summer term would result in the student having to pay the tuition for any credits over nine.

In the opportunity scholarship section, amending Section 21—21R-4 NMSA 1978 to include a new section E whereby the higher education department will determine the maximum distribution based on the annual increase in the higher education price index for the mountain region – it is clear this section is an attempt to minimize cost impacts to the opportunity scholarship based upon tuition and fee increases. The implementation of this section is unclear. Will the higher education department examine each post-secondary institution discreetly? Will the department take the current year awards and increment them by the higher education price index?