

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number: HB 145**

**51st Legislature, 2nd Session, 2014**

**Tracking Number: .195645.2**

**Short Title: Lottery Scholarship Changes**

**Sponsor(s): Representative Thomas C. Taylor and Senator Timothy M. Keller**

**Analyst: Travis Dulany**

**Date: February 9, 2014**

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**Bill Summary:**

HB 145 amends the general provisions relating to state educational institutions to:

- expand the eligibility for Legislative Lottery Scholarships to include military dependents of New Mexico residents; and
- clarify that initial qualifications for Legislative Lottery Scholarships are the same at all public postsecondary educational institutions, including community colleges.

Among its provisions, the bill:

- defines “graduate equivalent diploma” to mean:
  - a diploma or, beginning with school year 2010-2011, a diploma of excellence earned from a New Mexico public high school;
  - a diploma earned from an accredited New Mexico private high school;
  - a diploma earned from an out-of-state high school for which the secretary of public education made supplemental distributions to pay the secondary out-of-state tuition of the student because school facilities were not reasonably available in the New Mexico school district of the student’s residence;
  - a general educational development (GED) certificate, the date of issuance of which shall be considered the graduation date; or
  - an equivalent high school diploma at a high school outside New Mexico if the student is a dependent of and domiciled with a New Mexico resident who is paying New Mexico income taxes but who, as a result of service in the US Armed Forces, is stationed outside New Mexico at the time of graduation; and
- amends the *Community College Act* and the *Technical and Vocational Institute Act* to:
  - require legislative lottery scholarship provisions to apply to full-time resident students who:
    - ✓ begin service in the US Armed Forces within 120 days of receiving a graduate equivalent diploma; and

- ✓ attend a community college within one year of completion of honorable service or medical discharge from the service<sup>1</sup>; and
- include the same definition of “graduate equivalent diploma” explained above.

HB 145 is subject to House Executive Message #44.

**Fiscal Impact:**

HB 145 does not contain an appropriation.

**Fiscal Issues:**

According to the Higher Education Department (HED) bill analysis:

- expanding eligibility would impact the Lottery Tuition Fund;
- currently, money from the Lottery Tuition Fund is insufficient to meet the needs of recipients for FY 14; and
- HED does not have any data to determine the fiscal impact of HB 145 at this time.

**Technical Issues:**

In its current form SB 44, *Use of “High School Equivalency Credential,”* states that “all references in law to a...“graduate equivalent diploma”... shall be deemed to be references to a “high school equivalency credential.” A number of compilation issues may occur if both SB 44 and HB 145 are enacted.

The sponsor may wish to clarify that a GED certificate shall be received in New Mexico.

The Fiscal Impact Report from the Legislative Finance Committee points out that active duty income earned by members of the US Armed Forces is exempt from New Mexico’s personal income tax.

**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. 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 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 graduate equivalent diploma;

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<sup>1</sup> These provisions currently apply to full-time resident students attending state educational institution or one of the branches of those institutions and two-year public postsecondary educational institutions.

- 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;
- students whose parents are in the military; and
- individuals who either immediately enlist in, or have recently departed from, the US Armed Forces.

**Committee Referrals:**

HEC/HAFC

**Related Bills:**

- \*HB 254 *Lottery Scholarship Solvency*
- \*HB 263 *Lottery Scholarship Changes*
- HB 348 *Legislative Lottery Tuition Waiver Act*
- HM 37 *Tribal College Lottery Scholarship Exclusion (Identical to SM 23)*
- SB 141 *Limit Lottery Scholarship Tuition Increases*
- SB 146 *Lottery Tuition Rates & Definitions*
- \*SB 150 *Lottery Scholarship Solvency*
- \*SB 327 *Lottery Tuition Fund Act & Solvency*
- \*SB 379 *Lottery Tuition Fund Solvency*
- SM 23 *Tribal College Lottery Scholarship Exclusion (Identical to HM 37)*