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FISCAL IMPACT REPORT

SPONSOR:	Chavez	DATE TYPED:	02/03/00	HB	53
SHORT TITLE:	Lottery Scholarships			SB	
				ANALYST:	Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ (11,910.0)	See Narrative	Recurring	Public School Capital Outlay Fund
	\$ 7,920.0	See Narrative	Recurring	Lottery Tuition Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to HB19, HB254, SB114, SB157, SB253, HJM 2, HJM 9

SOURCES OF INFORMATION

State Department of Education (SDE)

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

The bill would change the distribution of net lottery revenues. The public school capital outlay fund would no longer receive a distribution, and all of the net revenues would be distributed to the lottery tuition fund. In comparison, under current statute, the public school capital outlay fund receives 60 percent of the net lottery revenue, while the remaining 40 percent is distributed to the lottery tuition fund.

Significant Issues

Based on current projections of lottery revenues, CHE expects to reduce the amount of each tuition scholarship to an amount less than 100 percent of the cost of tuition beginning in FY01.

In FY01, priority one requests to the public school capital outlay council totaled approximately \$112 million. Lottery funds provided approximately \$10 million in funding for school districts.

FISCAL IMPLICATIONS

The current revenue projection from the New Mexico Lottery is for FY01 revenues of \$19,850.0. Under current statute, the distribution of this revenue would be \$11,910.0 to public school capital outlay fund and \$7,940.0 to lottery tuition fund.

This bill would modify the distribution such that the lottery tuition fund would receive all of the distribution. Thus, with all other factors held constant, the public school capital outlay fund would receive \$11,910.0 less than under current statute, while lottery tuition fund would receive \$11,910.0 more than under current statute.

AW/gm