

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Harrison DATE TYPED: 2/14/04 HB 179/aHEC

SHORT TITLE: Lottery Scholarships for Tribal Institutions SB _____

ANALYST: Williams/Baca

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|-------------------------------|----------------------|-----------------------------|
| FY03 | FY04 | FY03 | FY04 | | |
| | | | \$89.4 - \$837.0 *See Text | Recurring | Lottery Tuition Scholarship |
| | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 109 and Senate Bill 98

SOURCES OF INFORMATION

LFC Files
Public Education Department (PED)
Commission on Higher Education (CHE)
Office of Indian Affairs (OIA)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendments clarify that:

- lottery tuition scholarships are limited to a total of 3 ½ years for students who elect to attend both two-year and a four-year institutions (makes the award limitation consistent with that for other students), and
- public two-year institution means any public two year post-secondary institution in New Mexico, the New Mexico campuses of the Crownpoint Institute of Technology, Dine College or the two-year programs at the Institute of American Indian and Alaska Natives.

Synopsis of Original Bill

House Bill 179 expands eligibility for lottery tuition scholarships to include students attending two- and four-year educational institutions created by an Indian nation, tribe or pueblo or federal government.

Significant Issues

Currently, all qualified students enrolled in a two- or four-year public post-secondary institution may receive a Lottery Success Scholarship. Other public and private non-profit institutions such as the College of Santa Fe, St. John’s College, and College of the Southwest and tribal colleges are not eligible to receive lottery funds.

High school students graduating from a school in New Mexico operated by the Bureau of Indian Affairs and out-of-state members of the Navajo tribe who reside on the Navajo reservation, as certified by the Navajo Department of Higher Education, are eligible for lottery tuition scholarships if they attend a public post-secondary institution.

Two- and four-year post secondary institutions created by an Indian nation, tribe or pueblo or federal government which may be eligible to participate include the following: Dine College, Institute of American Indian Arts (IAIA), Southwest Indian Polytechnic Institute (SWIPI) and Crownpoint Institute of Technology (CIT). Currently, CIT is not accredited; therefore, it does not receive state funding. According to the Higher Learning Commission (HLC), the HLC board validated the initial candidacy of CIT in the accreditation process in October 2003.

The OIA notes “enrollments at tribal colleges are rising because Native Americans are choosing to attend institutions which are tailored to their educational choices, rising tuition costs at non-tribal schools and also to be closer to their homes” and notes strong retention rates for Native American students attending tribal colleges.

This is an Indian Affairs Committee-sponsored bill.

FISCAL IMPLICATIONS

Based on data provided to CHE in 2003 by Dine, IAIA, SWIPI and CIT regarding potential eligibility and annual tuition, the following awards are estimated:

| | |
|--------------|---------------|
| Dine College | \$40.8 |
| IAIA | \$45.6 |
| SIPI | No tuition * |
| CIT | \$3.0 ** |
| Total | \$89.4 |

Notes:

** SWIPI does not charge tuition. Books and room and board are also provided free of charge to members of federally recognized Indian tribes.*

*** Upon receipt of accreditation status from the North Central Association Higher Learning Commission, the fiscal cost to include CIT could range from \$3.0 to \$648.0 thousand. The potential timing of a decision regarding the institution’s candidacy is currently not certain.*

At the 2003 legislative session during the House Education Committee hearing, tribal college representatives testified the bill would have a potential fiscal impact of approximately \$350.0 thousand.

An analysis of similar legislation from the 2002 session (HB 252) reflected potential fiscal impact of \$837.0 thousand based on a CHE analysis of financial aid data, including student enrollment and annual tuition.

ADMINISTRATIVE IMPLICATIONS

CHE notes the need for a lottery enrollment system to track high school graduation locations, graduate dates, college enrollment dates, qualifying semesters, grade point averages, award semesters and student location.

TECHNICAL

The legislature may want to consider specifying the tribal colleges which would be eligible for student participation in the lottery success scholarship program; clarify the number of semesters of eligibility for a lottery tuition scholarship, including attendance at both a two-year and a four-year institution.

OTHER SUBSTANTIVE ISSUES

The tribal institutions would be required to provide student data, which is not currently reported to CHE.

In prior years, CHE reported that in academic year 2001-2002, Native American students in New Mexico received approximately \$4.8 million in tribal aid not available to non-Native American students. Native American students are also eligible to receive State Student Incentive Grants (SSIG), State and Federal work-study grants, pell and other federal grants.

The legislature may wish to address the potential for cooperative agreements to set tuition scholarship awards at amounts equal to the percentage awarded at state four-year or two-year educational institutions, limited to the highest tuition rate charged by either a four-year research, four-year regional or two-year institution, as appropriate. Such language would effectively cap lottery tuition fund claims in the event of tuition escalation at the tribal institutions.

QUESTIONS

1. If Crownpoint Institute of Technology is successful in its application for accreditation, when would the evaluation process conclude and the designation occur?

AW/yr :lg

Attachment