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FISCAL IMPACT REPORT

SPONSOR Youngberg DATE TYPED 02/25/05 HB 714

SHORT TITLE Expand Lottery Scholarship Eligibility SB _____

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			(\$1.0)	Recurring	Lottery Tuition Scholarship Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to numerous lottery scholarship and student financial aid bills

SOURCES OF INFORMATION

- LFC Files
- New Mexico Lottery Authority
- Public Education Department
- No Response Received From Commission on Higher Education

SUMMARY

Synopsis of Bill

House Bill 714 effectively extends the lottery scholarship program to any high school graduate or graduate equivalent diploma (GED) from any state who meets the other conditions of eligibility such as New Mexico resident and full-time enrollment with a 2.5 GPA for college coursework. Further, the window of eligibility from high school graduation to post-secondary enrollment is extended to two years. Finally, the bill extends the eligibility window to two years as it applies to completion of honorable service or medical discharge from the service.

Other technical clean-up language is included to update statute in that all net income from the New Mexico Lottery Authority is transferred to the lottery tuition scholarship fund. Since FY02, the public school capital outlay fund no longer receives any revenue from lottery sales. In 2002, the Legislature created the Public School Capital Outlay Task Force, whose primary statutory responsibility was to recommend a permanent and long-term revenue source for public school capital projects. As a result, supplemental severance tax bonds have been designated as the permanent revenue stream for public school capital outlay.

The bill includes an effective date of July 1, 2005.

FISCAL IMPLICATIONS

Given that the bill opens the lottery tuition scholarship program to any high school graduate or GED recipient or veteran meeting other eligibility requirements from anywhere, the fiscal impact on the lottery tuition scholarship fund is indeterminate, but potentially very large.

AW/lg