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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/06

SPONSOR Marquardt LAST UPDATED \_\_\_\_\_ HB 708

SHORT TITLE Lottery Scholarships for Military Dependents SB \_\_\_\_\_

ANALYST Williams

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	Roughly \$145.0	Recurring (with escalation over time)	Lottery Tuition Scholarship Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to numerous student financial aid and lottery scholarship bills

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

The bill expands eligibility for lottery tuition scholarships to military dependents stationed in New Mexico who graduate from a New Mexico high school. The parents of these students may maintain a “permanent home of record” in another state.

### FISCAL IMPLICATIONS

HED notes the impact of participation on the lottery program is minimal. Since most families eligible for the expanded eligibility in this bill would be affiliated with the Air Force, HED utilized data on active duty military, age distributions and Census data reflecting the percentage of households with 18 year old dependents. Further, the HED applied historical averages of percent of high school students continuing on to college, qualifying for the lottery tuition scholarship and persisting in post-secondary studies, while maintaining scholarship eligibility.

In sum, HED estimates about 50 students would enter the program under the provisions of this bill, with a first year cost of \$145.2 thousand based on historical attendance patterns. The cost would escalate over time as additional eligible cohorts entered the program.

### **SIGNIFICANT ISSUES**

HED notes: Qualifications for the Lottery Success Scholarship are:

- New Mexico residency;
- Graduation from a New Mexico public, accredited private, parochial, BIA or home high school, or completion of a New Mexico Graduate Equivalent Diploma (GED);
- Full-time (12 credit hours) enrollment at an eligible New Mexico public college or university in the first regular semester immediately following high school graduation; and
- Maintenance of a minimum 2.5 grade point average.

### **ALTERNATIVES**

HED notes military dependents will still qualify for in-state tuition rates and could apply for federal financial aid, institutional and private scholarships.

AW/nt