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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-3-2008

SPONSOR Lujan, B. LAST UPDATED \_\_\_\_\_ HB 518

SHORT TITLE High School Student College Scholarships SB \_\_\_\_\_

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
\$50.0	\$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 518 appropriates \$50 thousand from the general fund to the Higher Education department for the purpose of providing matching funding for post-secondary scholarships. Appropriation will match funds offered by a New Mexico-based nonprofit foundation that has provided annual needs and merit based scholarships to New Mexico high school students totaling at least fifty thousand dollars annually for the last five years. House Bill 518 stipulates that no amount of this appropriation may be used for overhead at either the department or the non-profit and must be expended as scholarship aid in its entirety. The bill carries an emergency clause and appropriates the funds for FY08.

### FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in House Bill 518 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund. The bill carries an emergency clause and appropriates the funds for FY08.

**SIGNIFICANT ISSUES**

According to the department, there are several New Mexico based non-profit organizations that award at least \$50,000 in higher education merit and need-based scholarships to New Mexico high school students. To provide a context of community foundations that offer college scholarships to high schools students, NMHED contacted the New Mexico Community Foundation and the Albuquerque Community Foundation and both indicated that their granting exceeded the minimum \$50,000 criteria House Bill 518 requires. Both foundations also indicated there is a great need for alternative scholarships targeting New Mexico high school students.

**PERFORMANCE IMPLICATIONS**

If enacted, the LFC recommends that the Higher Education department submits a plan for program evaluation with specific program goals and criteria for assessing the effectiveness and provides suggested outputs, outcomes and performance measures to evaluate the performance of state government programs as prescribed in the Accountability in Government Act. Relevant performance measures for the proposed legislation could include number of students receiving levered scholarships, etc.

PD/nt