

1 A MEMORIAL

2 REQUESTING THE HIGHER EDUCATION DEPARTMENT TO FORM A WORK
3 GROUP TO STUDY THE SOLVENCY OF THE LOTTERY TUITION FUND AND
4 MAKE RECOMMENDATIONS.

5
6 WHEREAS, since legislative lottery scholarships were
7 first awarded in 1996, over seventy-five thousand students
8 have attended New Mexico public higher educational
9 institutions with the help of those scholarships; and

10 WHEREAS, from 1996 through the spring semester of 2012,
11 approximately four hundred thirty-three million six hundred
12 thousand dollars (\$433,600,000) in lottery profits have been
13 applied toward qualified state residents' college tuition;
14 and

15 WHEREAS, under current state law, legislative lottery
16 scholarships are given to state resident students who enroll
17 in and attend a four-year or two-year public higher
18 educational institution in the state immediately upon
19 completing a high school curriculum at a public or accredited
20 private New Mexico high school, immediately upon receiving a
21 high school equivalency diploma or within one year of
22 completing honorable service in the United States armed
23 forces or of receiving a medical discharge from the service
24 as long as service was commenced within one hundred twenty
25 days of receiving a diploma of excellence or high school

1 equivalency diploma; and

2 WHEREAS, under current state law, a student who
3 maintains a 2.5 grade point average on a 4.0 scale is
4 eligible to receive a legislative lottery scholarship in the
5 amount of one hundred percent of the tuition cost:

6 A. beginning the second semester of the student's
7 first year of enrollment at a four-year or two-year public
8 higher educational institution in the state; and

9 B. for up to four consecutive years of enrollment,
10 as follows:

11 (1) four consecutive years of enrollment at
12 a four-year public higher educational institution; or

13 (2) two consecutive years of enrollment at a
14 two-year public higher educational institution followed
15 immediately by two consecutive years of enrollment at a four-
16 year public higher educational institution; and

17 WHEREAS, recently compiled data from the higher
18 education department indicate that, of the students who
19 receive the lottery scholarship in the spring of their first
20 academic year:

21 A. by the fall of the second academic year,
22 seventy-five percent of those students still receive the
23 lottery scholarship;

24 B. by the spring of the second academic year,
25 sixty-four percent of those students still receive the

1 lottery scholarship;

2 C. by the fall of the third academic year,
3 fifty-seven percent of those students still receive the
4 lottery scholarship;

5 D. by the spring of the third academic year,
6 forty-eight percent of those students still receive the
7 lottery scholarship;

8 E. by the fall of the fourth academic year,
9 forty-six percent of those students still receive the lottery
10 scholarship;

11 F. by the spring of the fourth academic year,
12 forty-two percent of those students still receive the lottery
13 scholarship; and

14 G. by the fall of the fifth academic year,
15 thirty-two percent of those students still receive the
16 lottery scholarship; and

17 WHEREAS, tuition at the state's public higher
18 educational institutions rises an average of four to five
19 percent every year; and

20 WHEREAS, recent projections of the lottery tuition fund
21 balances and revenues show that in fiscal year 2014, the fund
22 will be insufficient to be fully distributed to all qualified
23 state resident students;

24 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
25 STATE OF NEW MEXICO that the higher education department, in

1 cooperation with the legislative education study committee
2 and the legislative finance committee, be requested to form a
3 work group to study the solvency of the lottery tuition fund;
4 and

5 BE IT FURTHER RESOLVED that the work group be co-chaired
6 by the secretary of higher education and the director of
7 institutional research at the university of New Mexico; and

8 BE IT FURTHER RESOLVED that the work group be composed
9 of the following members:

10 A. two members from the majority party in the
11 house of representatives or the members' designees;

12 B. two members from the minority party in the
13 house of representatives or the members' designees;

14 C. two members from the majority party in the
15 senate or the members' designees;

16 D. two members from the minority party in the
17 senate or the members' designees;

18 E. five members representing institutions of
19 higher education, as follows: three from the council of
20 university presidents, one from the New Mexico association of
21 community colleges and one from the New Mexico independent
22 community colleges;

23 F. six students representing state higher
24 educational institutions, as follows: two representing
25 research universities, two representing other universities

1 and two representing community colleges, all appointed from
2 self-nominations and nominations from student government
3 bodies;

4 G. the director of the legislative finance
5 committee or the director's designee; and

6 H. the director of the legislative education study
7 committee or the director's designee; and

8 BE IT FURTHER RESOLVED that staff for the work group be
9 provided by the higher education department, the legislative
10 education study committee and the legislative finance
11 committee; and

12 BE IT FURTHER RESOLVED that the work group compile the
13 following student data regarding the awards made from the
14 lottery tuition fund if such data have been aggregated per
15 student and provided to the higher education department or
16 the legislative finance committee, and if not, then recommend
17 that the following per-student data be provided each semester
18 to the higher education department and the legislative
19 finance committee by each public higher educational
20 institution that receives lottery tuition fund payments:

21 A. grade point average;

22 B. financial need, as reported on the standardized
23 free application for federal student aid;

24 C. declared major, if any;

25 D. number of classes and credits taken per

1 semester;

2 E. number of semesters completed at the
3 institution, and any other institution previously or
4 concurrently, and whether the completed semesters were
5 consecutive;

6 F. amount of legislative lottery scholarship
7 awards received to date;

8 G. any other financial aid received, including
9 scholarships, grants or loans;

10 H. attainment and name of the attained degree, if
11 any;

12 I. disenrollment, if any; and

13 J. any other information that the work group deems
14 relevant and appropriate; and

15 BE IT FURTHER RESOLVED that the work group study
16 methods, and the efficacy and ramifications of those methods,
17 to increase the short-term and long-term solvency of the
18 lottery tuition fund, including:

19 A. increasing the merit qualifications required of
20 recipients;

21 B. increasing the financial-need qualifications
22 required of recipients;

23 C. allowing one or more gap years before the
24 commencement of enrollment and attendance at a public higher
25 educational institution to allow time for maturation and work

1 force experience;

2 D. providing additional sources of funding for the
3 legislative lottery scholarship program;

4 E. reducing the amount of each, or certain,
5 legislative lottery scholarship awards, including tiered
6 awards based on a standardized balancing of recipient
7 qualification criteria; and

8 F. any other measures that the work group deems
9 relevant and appropriate; and

10 BE IT FURTHER RESOLVED that the work group meet at least
11 three times during the 2013 interim to synthesize research,
12 data and analysis and discuss ways to make the lottery
13 tuition fund solvent in a manner that most effectively serves
14 state residents over the long term; and

15 BE IT FURTHER RESOLVED that the work group present its
16 recommendations to the legislature by December 1, 2013; and

17 BE IT FURTHER RESOLVED that copies of this memorial be
18 transmitted to the secretary of higher education, the
19 directors of the legislative education study committee and the
20 legislative finance committee, the director of institutional
21 research at the university of New Mexico, the executive
22 directors of the council of university presidents and the
23 New Mexico independent community colleges and the president of
24 the board of the New Mexico association of community
25 colleges.