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FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/14

SPONSOR Padilla LAST UPDATED _____ HB _____

SHORT TITLE Study UNM Bridge to Success Eligibility SJM 25

ANALYST Hartzler-Toon

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$10.0	\$0.0	\$10.0	Nonrecurring	Higher Education Dept., Policy Development

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act: Section 4J Higher Education,

- Higher Education Department, Student Financial Aid
- University of New Mexico (UNM)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 25 requests the Higher Education Department (HED) conduct the following reviews:

- Examine the eligibility requirements for the University of New Mexico’s (UNM’s) bridge to success scholarship program and any proposed changes to those requirements;
- Study the eligibility requirements and any proposed changes to the requirements of similar programs in other higher education institutions in the state;
- Study the effects of any proposed changes to the eligibility requirements, including student achievement and well-being, particularly with respect to students who come from underrepresented and disadvantaged communities.

The joint memorial requests HED to prepare a report and present findings and recommendations to the Legislative Education Study Committee (LESC) by November 1, 2014.

FISCAL IMPLICATIONS

There are no direct fiscal implications to state funds in FY15 that could result from HED's studies and recommendations. Without a response from UNM or other institutions with first semester, freshman year scholarships ("bridge scholarships) for students who could be eligible for the Legislative Lottery Scholarship Program (LLSP) in the second semester, LFC staff cannot estimate costs for changing bridge scholarship eligibility requirements.

HED estimates that it would incur additional operational expenses related to conducting such a review of UNM's and other institutions' bridge scholarships and developing policy recommendations that would relate to the LLSP. LFC staff estimated an additional \$10 thousand in nonrecurring expenses for such a review.

SIGNIFICANT ISSUES

In October 2013, UNM announced changes to its financial aid programs. Beginning in fall 2014, the university will offer a \$1.5 thousand "Bridge to Success Scholarship" for entering students who have a 3.0 grade point average (GPA) and a 23 ACT score. Students who have a 2.5 GPA and have filed a Free Application for Federal Student Aid (FAFSA) are eligible for a \$1 thousand "Success Grant." The bridge scholarship and success grant are available for the first semester, anticipating that these students may be eligible for the LLSP starting the spring 2015 semester.

The university reported changes to the institutional financial aid program better align with retention and graduation goals. At UNM, students with a 3.0 GPA or higher were retained to the second or sophomore year at a higher rate (81.2 percent) and were more likely to graduate within six years (51.1 percent) than those with a lower GPA (66.9 percent retained to sophomore year, and 29.7 percent graduate within six years).

The joint memorial requests HED to review the university's changes, paying particular attention to any impacts on underrepresented or disadvantaged students. The memorial also requests HED to review other institutional bridge programs; most of the state's four-year colleges and universities have similar bridge scholarships to aid students most likely to earn a legislative lottery scholarship.

ALTERNATIVES

If HED does not complete the review, legislative interim committees could hold hearings on institutional aid policies, requesting updates to policies in light of any changes to state aid programs, including the LLSP.

THT/svb:jl