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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/24/15

**SPONSOR** Garcia Richard      **LAST UPDATED** \_\_\_\_\_      **HB** 427

**SHORT TITLE** Resident Tuition for Veteran Family Members      **SB** \_\_\_\_\_

**ANALYST** Chenier

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 427 amends Section 21-1-4.5 NMSA 1978 to entitle a spouse or child of a veteran to in-state tuition rates at any New Mexico public postsecondary institution. The spouse or child of the veteran must be eligible for benefits pursuant to the federal Post-9/11 Veterans Educational Assistance Act or any other federal law authorizing educational benefits for veterans and their dependents to qualify for in-state tuition. The new material of HB 427 brings state statute into accordance with federal law.

### FISCAL IMPLICATIONS

Institutions that do not comply with the federal Choice Act will not receive Post-9/11 GI Bill and Montgomery GI Bill (MGIB) benefits (i.e., in-state tuition reimbursement for eligible beneficiaries). This may impact tuition revenues at the institutions.

According to HED data, 866 veterans and/or their eligible family members claimed GI Bill waivers in FY14 (Fall 2014 through spring 2014 semesters) at New Mexico public postsecondary institutions. Tuition rates at public colleges and universities vary widely but applying an average full time tuition rate of \$1,040 yields an estimated statewide impact of \$900.1 thousand in lost tuition revenue if schools do not comply with federal legislation.

**SIGNIFICANT ISSUES**

Each state is required to comply with PL 113-146, Veterans Access, Choice and Accountability Act 2014. Persons eligible for benefits under the Act may enroll at public colleges and universities and have tuition paid (at the in-state rate) by the US Department of Veterans Affairs (VA). Programs of education at public colleges and universities will not be approved for Post-9/11 GI Bill and Montgomery GI Bill (MGIB) benefits if they do not charge all recently released Veterans and their family members' in-state tuition and fees.

The statute provides in-state resident tuition rates for veterans of the armed forces of the United States and the spouse and children of active duty veterans. Section (F) has existing language allowing those dependents of an active duty member in-state tuition if the spouse or child "states in a letter he/she plans to establish residency in New Mexico. However, NMSA does not provide specific language for those spouse or child of a veteran of the armed forces to receive New Mexico benefits beyond three years of discharge and focuses on "active duty".

The new material (section H) of HB 427 brings state statute into accordance with the federal legislation.

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