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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/24/15

SPONSOR Ruiloba LAST UPDATED 3/12/15 HB 460

SHORT TITLE Study Lottery Tuition Recipient Mentoring SB \_\_\_\_\_

ANALYST Hartzler

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

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$40.0	\$40.0	\$80.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to

- HB 375, Branch Colleges in Tuition Scholarship
- HB 429, Lottery Scholarships for Home School
- SB 521, Lottery Scholarships for Home School

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
Central New Mexico Community College (CNM)

### SUMMARY

#### Synopsis of Bill

House Bill 460 adds a new section to the Legislative Lottery Tuition Scholarship Act, Section 21-21N NMSA 1978, requiring the HED establish a “lottery student community outreach pilot project” that includes mentoring public school students and/or participating in community-based service projects. The program term is FY17 (academic year 2016-2017) through FY23 (academic year 2022-2023).

According to the bill, the purpose of such a program is to demonstrate whether (1) scholarship students and public school students receive benefits from mentoring (such as improved grades, program graduation); (2) scholarship students’ service improves one’s community; (3) mentoring helps public school students improve school performance and develop cognitive, social, and behavioral skills; and (4) mentoring helps scholarship student’s skills, test scores, and college completion.

HED would establish the program, coordinating student mentoring and community-based project

opportunities with department-certified nonprofit community and education-oriented organizations. These organizations shall monitor and evaluate the scholarship student mentoring and volunteer efforts, time spent, and progress of public school student impacted. The bill requires HED to determine (1) application requirements and procedures for participating public post-secondary education institutions, nonprofit community and education-oriented organizations, and participating scholarship students; (2) criteria evaluating applications; and (3) quantitative and qualitative measures of project's efficacy.

The bill specifically does not require scholarship students to participate in the community outreach project. Scholarship students, who elect to participate in the pilot project, would complete activities that require a minimum of two hours per week with public school students in the area of the scholarship student's college or university. For scholarship students who wish to participate in the program but cannot do so during the academic year, students may volunteer for a pre-approved project that would require at least 32 hours of service.

For the student mentoring component of the project, participating public schools would select willing students who could benefit from such an opportunity and particular activities that would serve the student's interest.

Lastly, HED is required to provide interim and annual reports to the governor and Legislature on the program.

## **FISCAL IMPLICATIONS**

As noted by HED, HB 460 "includes new functions or assignments to the [department]. This will require additional study, review and resource assessment to ascertain the total financial impact of this request. The preliminary review indicates an increase in administrative costs to HED. This request does not include any additional appropriation to help cover the increased costs.

CNM cites similar concerns about increasing operational costs. "Despite adding major responsibilities to the HED, several higher education institutions, and some public schools, HB 460 appropriates no funding for its program. Instead, all affected parties are instructed to "actively seek public and private grants and donations for any costs of the pilot project."

## **SIGNIFICANT ISSUES**

CNM noted that institutions may find it difficult to identify the number of scholarship students necessary to participate in a pilot program since students are simply encouraged but not required to participate in the program. Further, the Legislative Lottery Tuition Scholarship Act requires students to complete 15 credits per semester, and it may be challenging for students to maintain their classroom performance and participate in the community outreach, student mentoring opportunities during the school year. The benefits of having college students mentor at-risk high school students could influence college enrollment and persistence of public school students.

## **ADMINISTRATIVE IMPLICATIONS**

Both HED and CNM raised administrative challenges to implementing and administering the program described in HB 460. The administrative hurdles arise since the activities required under the bill are outside of the department's current scope of operations. Specifically, it is

unclear how HED would certify nonprofit community and education-oriented organizations that maintain relationships with schools. The department does not regularly work with these organizations.

The department noted that background checks would likely be required of scholarship students participating in the mentoring program affecting public school students. Either HED or the scholarship student's college or university would be required to conduct and monitor these checks, at some cost, which would be difficult to administer.

As noted above, the strain on HED's operations and limited staff would be significant given the work necessary to pull together organizations, promulgate rules, develop an admissions and selection process for students, identify approved community organizations, and monitoring and reporting the progress of this program.

### **RELATIONSHIP**

HB 460 relates to other bills affecting the Legislative Lottery Tuition Scholarship Program: HB 375, HB 429, and SB 521.

### **ALTERNATIVES**

Institutions and local nonprofit organizations could develop a student mentoring program, specifically targeting scholarship students but not exclusively relying on these students.

TH/bb