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FISCAL IMPACT REPORT

ORIGINAL DATE 2/22/2015
 LAST UPDATED 2/25/2015 **HB** _____

SPONSOR Pirtle

SHORT TITLE Lottery Scholarships for Home School **SB** 521

ANALYST Hartzler

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		<\$2,200.0	<\$2,200.0	<\$4,400.0	Recurring	Lottery Tuition Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 429, Lottery Scholarships for Home School

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 521 amends the definition of “qualified student” in Section, 21-21N-2 NMSA 1978, the Legislative Lottery Tuition Scholarship Act. The bill expands the current definition of qualified students eligible for the scholarship: from students who graduated from New Mexico public high schools or earned a high school equivalency credential while being a New Mexico resident to also include students who “completed home-based on non-public school primary education programs.” The bill strikes the eligibility category of students who attended “accredited private New Mexico” high schools,” presumably because these students would qualify under the expanded “non-public school primary education” category.

FISCAL IMPLICATIONS

Based on information from the Public Education Department (PED) HED, the fiscal impact to the Lottery Tuition Fund could be as high as \$2.2 million. If New Mexico has an estimated 11.5 thousand students being homeschooled, HB 429 would make an estimated 715 additional students (6.2 percent of the estimated homeschooled students who are twelfth graders) eligible for the Legislative Lottery Tuition Scholarship (LLTS) in FY16. LFC staff assumes students

who graduate from accredited private New Mexico high schools are already reflected in current projections of students eligible and receiving the scholarship.

SIGNIFICANT ISSUES

HED reports that,

Under current law a New Mexico student who is home-schooled may qualify for the LLTS in one the following ways:

- **New Mexico Diploma:** The student transfers to public school prior to graduation and complete the state’s graduation requirements for a New Mexico high school diploma. For purposes of transferring to a public school, acceptance of credits earned through home study courses is determined by the policy of the local school board or the governing council of a charter school.
- Starting at age 16, pass the GED or other approved high school equivalency credential.

Upon completion of one of the above the student must immediately enroll in the following semester (subject to the exceptions in statute) to begin their qualifying semester of scholarship eligibility.

The changes proposed in SB 521 would remove the requirement of transfer/graduation or obtaining a high school equivalency credential prior to matriculating to a public postsecondary institution. Institutions with open enrollment policies could admit these students without a diploma or other credential. However, institutions that have restricted enrollment policies may still disallow the matriculation of home schooled students.

Because home-school programs are not accredited or endorsed by any state agency, the removal of the graduation requirement could impact student preparedness for college-level coursework. Moreover, the language change in HB 429 removes the accreditation requirement for private New Mexico high schools when defining a student who qualifies for this scholarship.

DUPLICATION

SB 521 duplicates HB 429, Lottery Scholarships for Home School.

TH/bb