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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 3/10/2015  
**SPONSOR** Sanchez, M. **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Military Combat Veteran Scholarship Act **SB** 658

**ANALYST** Hartzler

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

|              | FY15 | FY16  | FY17  | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|-------|-------|----------------------|------------------------------|------------------|
| <b>Total</b> |      | \$5.0 | \$5.0 | \$10.0               | Recurring                    | General<br>Fund  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J Higher Education Department, Student Financial Aid

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Veteran Services Department (VSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 658 establishes the Military Combat Veteran Scholarship program, a college student financial aid program for qualified military combat veterans. A qualified veteran is one who resides in the state, graduated from a New Mexico high school or received a high school equivalency certificate in the state, and has been honorably or generally discharged from the military after serving active duty in a theater of combat operations. The scholarship is for tuition and fees, and may be made after the qualified veteran exhausts all federal aid for tuition and fees. The scholarship program is to be funded with state general fund appropriations made to each institution's military combat veterans scholarship fund.

### FISCAL IMPLICATIONS

SB 658 does not include an appropriation. The bill requires a "sufficient amount of the appropriations from the legislature at each institution" to be transferred to the institution's military combat veteran scholarship fund. Under the instruction and general (I&G) purpose funding formula in FY12 and in prior years, the Legislature made general appropriations for

student financial aid programs similar to the one created in SB 658. However, since the I&G funding formula's revision in FY13, the Legislature no longer appropriates funds separately and directly to institutions for most tuition waiver or scholarship programs. The FY12 general fund appropriations levels for such waivers and scholarships, as have been adjusted over time, are incorporated in each institution's general fund appropriation base level.

Should the Legislature appropriate funds for the scholarship program in SB 658, LFC staff cannot determine the level of funding that may be needed to satisfy veterans' demands. Neither HED nor VSD identify the number of possible eligible veterans. Further, eligible veterans can access SB 658's program only after federal grants and scholarships have been applied to tuition and fees. Given the comprehensiveness of federal educational benefits programs for veterans – under the Post-9/11 GI Bill, and the Yellow Ribbon Program, state funding for the bill's program could be minimal.

### **SIGNIFICANT ISSUES**

The state funds a number of scholarship and tuition waiver programs for veterans.

- Vietnam Veterans' Scholarship, Section 21-21-E-1 NMSA 1978, is available to Vietnam veterans who are New Mexican residents and enrolled at a state public college or university. The scholarship can cover tuition, required fees, and books.
- Military War Veteran Scholarship, Section 21-21E-3 NMSA 1978, is available to military war veterans, who live in NM.

For FY15, the Vietnam Veterans' scholarship received a \$141.1 thousand general fund appropriation and the Military War Veteran scholarship received a \$30 thousand general fund appropriation (transferred from DVS to HED to administer). HB 2, as passed by the House, includes this level of funding for FY16.

### **PERFORMANCE IMPLICATIONS**

There are no performance implications raised in SB 658, though the HED may wish to do so should the program be enacted.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 658 is related to appropriations in the General Appropriation Act and existing programs for veterans that receive general fund support.

### **ALTERNATIVES**

The Legislature could consider combining the existing two scholarship programs for veterans, and adding criteria outlined in SB 658. Combining the programs would help HED administer funding for veterans and track recipients.

TH/je