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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 1/23/25

SPONSOR Chávez

BILL
NUMBER House Bill 64

SHORT TITLE Expand Post-Secondary Tuition Eligibility

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Opportunity Scholarship	No fiscal impact	\$903	\$903	\$1,806	Recurring	General Fund
Total	No fiscal impact	\$903	\$903	\$1,806	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Higher Education Department (HED)

Independent Community Colleges (ICC)

New Mexico Institute of Mining and Technology (NM Tech)

University of New Mexico (UNM)

SUMMARY

Synopsis of House Bill 64

House Bill 64 (HB64) expands the scope of the state’s nondiscrimination policy for higher education. The policy provides that no state post-secondary education institution shall deny admission to a student on account of immigration status. Further, the policy provides in-state tuition and access to financial aid to students, regardless of immigration status, who attended high school in New Mexico for at least one year and either graduated from a New Mexico high school or received a high school equivalency. HB64 expands students eligible for in-state tuition and financial aid programs to include students who have:

- 1) Attended state-recognized adult education courses for two semesters;
- 2) Earned income in New Mexico and filed tax returns in the immediately preceding two years; or
- 3) Submitted an application to the U.S. Secretary of Homeland Security for a grant of special immigrant juvenile status as provided in 8 U.S.C. Section 1101(a)(27)(J).

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

The Higher Education Department notes that if an additional 1,000 students were to become eligible for the opportunity scholarship as a result of enactment of HB64, the annual cost increase to the scholarship would be \$903 thousand per year. This amount is reflected in the estimated additional operating budget impact table.

While the state does provide a generous financial aid package to resident students through the lottery and opportunity scholarships, both of those programs require recipients to be high school graduates. HB64 expands eligibility for in-state tuition and financial aid to students who are not high school graduates or equivalency holders. However, HB64 does not change the eligibility requirements for the scholarship programs, so the bill is unlikely to have a major impact on lottery or opportunity scholarship awards, which are largely funded by state general fund appropriations.

It is possible that changes to the state's nondiscrimination policy could increase student enrollment at colleges and universities, resulting in additional tuition revenue to the institutions, but it would likely not be a major driver of revenue; the New Mexico Independent Community Colleges estimated that HB64 would apply to no more than 60-200 students attending an independent community college.

SIGNIFICANT ISSUES

HB64 is unlikely to significantly increase the number of students who qualify for in-state tuition because two out of the three new qualifications in the bill are very similar to current practice.

HB64's expansion of in-state tuition benefits to adults who have taken at least two semesters of adult education may result in more students being eligible for in-state tuition rates. The language requires students to have "attended adult education courses *recognized* by the adult basic education division of the Higher Education Department..." The division only recognizes programs in New Mexico, so it is highly likely a student meeting this criterion has resided in the state for 12 months and would thus already meet the residency provisions currently in statute and rule. However, this provision does not have a time restriction making it possible for an individual who took adult education in New Mexico in the past, but who is not a current New Mexico resident, to move back to the state and immediately qualify for in-state tuition.

HB64 requires two years of New Mexico tax returns for qualification under the nondiscrimination policy, a higher bar than currently exists (see technical issues). Because the overt acts requirement in residency determination already includes taxes as a potential overt act, the provision in HB64 is not an expansion of current practice.

ADMINISTRATIVE IMPLICATIONS

UNM reports:

Existing management of the nondiscrimination principle is an established process for the University of New Mexico (UNM). However, this bill would create an administrative

burden for the Admission and Financial Aid Offices, creating the need for additional staff to review and implement the provisions, especially with the collection and review of state income tax forms and immigration applications for special immigrant juvenile classification. Additional staff time to re-evaluate and update our current monitoring reports and processes will be required.

TECHNICAL ISSUES

The bill states that eligibility for in-state tuition can be extended to students who “in the immediately preceding two years, earned income in New Mexico for which returns were filed pursuant to the Income Tax Act.” It is unclear whether the intent is for a student to have filed *at least once* in the immediate two years or in *each* of the immediately preceding two years.

CJ/hj/SL2