

## **HIGHER EDUCATION**

Governor Bill Richardson's priorities for 2005 include proposals for revamping New Mexico's higher education system to better prepare all New Mexicans to succeed in college.

The Governor wants to take advantage of the large surplus in the state's lottery-funded scholarship to expand opportunities to more students and make college more affordable for more New Mexicans -- in a fiscally responsible way. The Governor also wants to create a Secretary of Higher Education who will hold universities accountable for graduating more students and tying higher education to the Governor's efforts to create high-wage jobs.

Governor Richardson is proposing a \$703 million budget for higher education, which includes a \$31.6 million increase to pay for enrollment growth, and a 3.5-percent salary increases for faculty -- helping universities to recruit and retain high-quality faculty.

The Governor is proposing the following:

### **1. Affordability through lottery scholarship**

- Increase access to scholarships – by adding a two-year, wait-out period for students who are not ready to begin college right after high school; offer scholarships to returning students who want to transfer immediately to a four-year school after earning an Associate's degree; and give students a second chance to make the grade if they slip below a 2.5 GPA during their first semester.
- Expand eligibility – by widening the circle of access to include Native American students if they attend an accredited tribal college in New Mexico.
- Federal tax credits – By setting the Lottery Scholarship at a flat dollar amount, and directly depositing the amount in the student's account at the institution, families are able to claim the federal Hope or Lifetime College Credits.
- Allow eligibility for students at non-profit, accredited, private New Mexico colleges, such as College of Santa Fe, St. Johns and College of the Southwest. If the Lottery Scholarship is set at a flat dollar amount by type of institution, those who attend one of the state's accredited private institutions should be eligible to receive the aid.

### **2. Widen access to financial assistance**

- Create the College Affordability Act, to help students who still cannot afford college, despite the Lottery Scholarship. The Governor is proposing using \$30 million – from the \$70 million lottery scholarship surplus – to build a long-term, Student Aid Trust Fund. The goal is to build the fund up to \$250 million over several years. The fund would eventually generate between \$10 million and \$15 million a year for scholarships.

- \$1.1 million from the lottery scholarship surplus to get the program started and increase access to college scholarships next year.
- 3. Holding universities accountable**
- Create a Secretary of Higher Education who is in charge of a cabinet-level agency. The Governor wants to hold universities accountable for coordinating resources and enforcing high standards.
- Increase graduation rates by linking state funding for higher education to graduation rates, and not just enrollment.