

Report: NM Lacks Adequate Need-based Funding for College

Written by gallupsun
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ALBUQUERQUE, NM—In a state with one of the highest poverty rates in the nation, it would make sense to ensure that state financial aid goes to those who need assistance but that is not the case according to a report released today by New Mexico Voices for Children. Part of the solution is for the state Legislature to immediately replenish the College Affordability Fund from the budget surplus now available.

During the recession, the Legislature depleted the College Affordability Fund to pay for other budget expenses rather than raise revenue. As a result, college students, who do not qualify for the Lottery Scholarship, lost critical financial aid.

The single largest pool of state financial aid is the Legislative Lottery Scholarship, which is not awarded on the basis of financial need. Of that funding, nearly 20 percent goes to students in families earning more than \$100,000 a year – which is more than double the state's median household income. The lack of need-based aid impacts our economy.

“We are seeing too many of our youth leaving the state in order to get good-paying jobs,” said Armelle Casau, PhD, a policy and research analyst with NM Voices who authored the report. “Unless we make the commitment to ensure that more of our low-income students can get the college credentials that a thriving economy needs, we’re not going to attract the jobs that will keep our young people here.”

In all, just 31 percent of New Mexico's per-student financial aid is awarded on the basis of need. The national average is 76 percent, and all of our surrounding states, with the exception of Utah, award even larger portions of their financial aid on the basis of need.

The report looks at several aspects of declining college affordability in New Mexico – from state

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funding cuts to tuition increases; the draining of the state's need-based College Affordability Fund; the declining value of federal Pell Grants; and our state's high student loan default rate.

"New Mexico is a poor state and until we do a better job of ensuring that everyone who wants to earn college and workforce credentials can – no matter what they or their parents earn – we'll continue to be poor and we will fail to attract industries with good-paying jobs," said Casau.

Legislation that's been filed (to date) to address college affordability include HB 127, SB 81, and HB 146.

The report is available online at <https://www.nmvoices.org/archives/12453>

