AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE MEDICAL SCHOOL SCHOLARSHIP ACT; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE. --This act may be cited as the "Medical School Scholarship Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS. --As used in the Medical School Scholarship Act:

A. "academic year" means any consecutive period of two semesters, three quarters or other comparable units commencing with the fall term each year;

B. "award recipient" means a student awarded a scholarship;

C. "department" means the higher education department;
D. "eligible institution" means the university of New Mexico school of medicine; and

E. "scholarship" means a medical school scholarship that the eligible institution administers pursuant to the Medical School Scholarship Act.

SECTION 3. [NEW MATERIAL] CREATION OF SCHOLARSHIP.--There are created "medical school scholarships" that the eligible institution shall administer pursuant to the Medical School Scholarship Act.

SECTION 4. [NEW MATERIAL] CONDITIONS FOR FIRST-YEAR ELIGIBILITY.--A scholarship may be awarded to an individual who:

A. is authorized to work in the United States;

B. has met the admission requirements and is accepted for enrollment as a full-time student at the eligible institution;

C. has complied with all the rules adopted by the eligible institution for award of the scholarship and the provisions regarding the administration of scholarships adopted pursuant to the Medical School Scholarship Act; and

D. agrees to practice medicine in New Mexico for the same number of years that the individual received a scholarship once the individual has completed medical school; provided that the individual may defer that practice to complete residency and fellowship.
SECTION 5. [NEW MATERIAL] CONDITIONS FOR CONTINUING ELIGIBILITY.--A scholarship may be awarded to a student who:

A. has been an award recipient at the eligible institution;

B. is enrolled as a full-time student as determined by the eligible institution;

C. is pursuing a doctor of medicine degree; and

D. agrees to live and practice medicine in New Mexico for the same number of years that the individual received a scholarship once the individual has completed medical school; provided that the individual may defer that practice to complete residency and fellowship.

SECTION 6. [NEW MATERIAL] DURATION OF SCHOLARSHIP--AMOUNT OF SCHOLARSHIPS.--Each scholarship is for a period of one academic year. Scholarship awards shall be for the cost of attendance as calculated by the eligible institution.

SECTION 7. [NEW MATERIAL] TERMINATION OF SCHOLARSHIPS.--A scholarship shall be terminated upon the occurrence of:

A. withdrawal from the eligible institution by the award recipient;

B. failure of the award recipient to be a full-time student; or

C. substantial noncompliance by the award recipient with the Medical School Scholarship Act or rules promulgated by the eligible institution.
SECTION 8. [NEW MATERIAL] AWARD CRITERIA--CONTRACT
TERMS--PAYMENT.--

A. Scholarship criteria shall provide that:

(1) awards shall be made available to graduates of high schools in New Mexico and of high schools located on the Navajo Nation in New Mexico;

(2) awards shall be given to individuals who have graduated from a New Mexico high school or New Mexicans who have graduated from home school programs or high school equivalency programs;

(3) preference in making awards shall be given to individuals who agree to practice in specializations in which health profession vacancies are difficult to fill;

(4) awards shall be given only to individuals who agree to practice in rural and underserved urban locations where vacancies are difficult to fill;

(5) award amounts may be modified based upon available funding or other special circumstances; and

(6) an award shall not exceed the total cost of attendance at the eligible institution.

B. The scholarship shall be evidenced by a contract between the award recipient and the eligible institution acting on behalf of the state. The contract shall provide for the repayment by the award recipient of all scholarship awards to the eligible institution in the event that the recipient fails...
to meet the recipient's obligations under the contract and
shall state the obligations of the award recipient under the
program, including a minimum period of service and other
requirements established by the eligible institution.

C. Award recipients shall complete a complete year
to receive credit for that year. The minimum credit for a year
shall be established by the eligible institution.

D. If an award recipient does not comply with the
terms of the contract, the eligible institution shall assess a
penalty of up to three times the amount of award disbursed plus
an annual percentage rate of eighteen percent interest, unless
the eligible institution finds acceptable extenuating
circumstances for why the award recipient cannot comply with
the terms of the contract. If the eligible institution does
not find acceptable extenuating circumstances for the award
recipient's failure to comply with the contract, the eligible
institution shall require repayment plus the amount of the
penalty.

E. The eligible institution shall adopt rules to
implement the provisions of this section. The rules may
provide for the disbursement of repayment amounts in annual or
other periodic installments.

SECTION 9. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
general form of the contract required shall be prepared and
approved by the attorney general and signed by the award
recipient and the designated representative of the eligible institution on behalf of the state. The eligible institution is vested with full and complete authority and power to sue in its own name to recover any balance due the state from any student based on any such contract.

SECTION 10. [NEW MATERIAL] FUND CREATED--METHOD OF PAYMENT.--The "medical school scholarship fund" is created as a nonreverting fund in the state treasury. All money appropriated for the medical school scholarship program shall be credited to the fund, and all payments for penalties or repayment of awards based on a scholarship contract received by the eligible institution shall be credited to the fund or shall be deposited with the eligible institution's administrative agent. All payments from the fund shall be made pursuant to vouchers signed by the designated representative of the eligible institution and upon warrant issued by the secretary of finance and administration.

SECTION 11. APPROPRIATION.--Six million dollars ($6,000,000) is appropriated from the general fund to the medical school scholarship fund for expenditure in fiscal year 2022 and subsequent fiscal years to carry out the provisions of the Medical School Scholarship Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SECTION 12. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2021.

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