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HOUSE BILL 309

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

James P. White

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO HIGHER EDUCATION; MAKING CHANGES TO THE LEGISLATIVE
LOTTERY SCHOLARSHIP PROGRAM TO EXTEND ITS FINANCIAL SOLVENCY;
CHANGING THE VALUE OF AWARDS; PROVIDING FOR ADDITIONAL AWARDS
IN CERTAIN CIRCUMSTANCES; REQUIRING A MINIMUM BALANCE IN THE
LOTTERY TUITION FUND; AMENDING, REPEALING AND ENACTING SECTIONS
OF THE NMSA 1978.

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

SECTION 1. Section 6-24-23 NMSA 1978 (being Laws 1995,
Chapter 155, Section 23, as amended) is amended to read:

"6-24-23. LOTTERY TUITION FUND CREATED--PURPOSE.--

A. The "lottery tuition fund" is created in the
state treasury. The fund shall be administered by the
[~~commission on~~] higher education department. Earnings from
investment of the fund shall accrue to the credit of the fund.

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1 Any balance in the fund at the end of any fiscal year shall
2 remain in the fund for appropriation by the legislature as
3 provided in this section.

4 B. Money in the lottery tuition fund is
5 appropriated to the [~~commission on~~] higher education department
6 for distribution to New Mexico's public post-secondary
7 educational institutions to provide tuition assistance for New
8 Mexico resident undergraduates as provided by law; provided
9 that the fund shall maintain a balance of ten million dollars
10 (\$10,000,000)."

11 SECTION 2. Section 21-1-4.3 NMSA 1978 (being Laws 1996,
12 Chapter 71, Section 3, as amended) is amended to read:

13 "21-1-4.3. LEGISLATIVE LOTTERY SCHOLARSHIPS
14 AUTHORIZED--CERTAIN EDUCATIONAL INSTITUTIONS.--

15 A. To the extent that funds are made available by
16 the legislature from the lottery tuition fund, and as provided
17 in Section 21-1-4.4 NMSA 1978, the boards of regents of New
18 Mexico state university, New Mexico institute of mining and
19 technology, eastern New Mexico university, western New Mexico
20 university, the university of New Mexico, New Mexico highlands
21 university and northern New Mexico college shall award
22 legislative lottery scholarships for tuition for qualified
23 resident students attending their respective institutions and
24 branches of those institutions.

25 B. Except as otherwise authorized in this section,

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1 the legislative lottery scholarships authorized in this section
2 shall apply only to full-time resident students who,
3 immediately upon completion of a high school curriculum at a
4 public or accredited private New Mexico high school or upon
5 receiving a graduate equivalent diploma, are accepted for
6 entrance to and attend one of the state educational
7 institutions set forth in this section or one of the branches
8 of those institutions. Except as otherwise provided in
9 Subsection E of this section, each legislative lottery
10 scholarship shall be awarded for up to [~~four~~] eight consecutive
11 [~~years~~] semesters beginning the second semester of the
12 recipient's first year of enrollment if the recipient has
13 maintained residency in New Mexico and maintained a grade point
14 average of 2.5 or higher on a 4.0 scale during the first
15 semester of full-time enrollment.

16 C. The legislative lottery scholarships authorized
17 in this section shall also apply to full-time resident students
18 who, immediately upon completion of a high school curriculum at
19 a public or accredited private New Mexico high school or upon
20 receiving a graduate equivalent diploma, attend a two-year
21 public post-secondary educational institution in New Mexico and
22 who, upon the completion of that curriculum or at the end of
23 two years, whichever is sooner, transfer to one of the [~~post-~~
24 ~~secondary~~] state educational institutions set forth in this
25 section. Except as otherwise provided in Subsection E of this

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1 section, those students shall be eligible for a legislative
2 lottery scholarship for [~~two~~] four consecutive [~~years~~]
3 semesters if they maintain residency in New Mexico, maintain a
4 grade point average of 2.5 or higher on a 4.0 scale and attend
5 the institution full time during the regular academic year.

6 D. The legislative lottery scholarships authorized
7 in this section shall also apply to full-time resident students
8 who:

9 (1) within one hundred twenty days of
10 completion of a high school curriculum at a public or
11 accredited private New Mexico high school, or of receiving a
12 graduate equivalent diploma, begin service in the United States
13 armed forces; and

14 (2) within one year of completion of honorable
15 service or medical discharge from the service, attend one of
16 the state educational institutions set forth in this section.

17 E. Students who have received a legislative lottery
18 scholarship for five or fewer semesters by the fall semester of
19 2013 shall be allowed no more than seven semesters total toward
20 a bachelor's degree and shall be required to take fifteen
21 credit hours per semester to be considered a full-time student
22 and to maintain eligibility for the scholarship. All other
23 requirements of the scholarship also must be met to maintain
24 eligibility.

25 [~~E.~~] F. The higher education department shall

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1 prepare guidelines setting forth explicit student continuing
2 eligibility criteria and guidelines for administration of the
3 legislative lottery scholarship program. Guidelines shall be
4 distributed to the board of regents of each institution to
5 enable a uniform availability of the resident student
6 legislative lottery scholarships. New guidelines conforming
7 with Subsection E of this section shall be distributed early
8 enough to inform students affected by the new requirements.
9 Guidelines shall be provided every year.

10 [~~F-~~] G. For purposes of the legislative lottery
11 scholarship program as it applies to students with disabilities
12 who may require special accommodations, the higher education
13 department, in consultation with the student and the office at
14 the institution that serves students with disabilities, shall
15 review both the definition of "full time" and the maximum
16 number of consecutive semesters of eligibility and adjust
17 either or both as deemed reasonable and appropriate, based on
18 the student's disability needs. In no case, however, shall
19 "full time" mean fewer than six credit hours per semester, and
20 in no case shall eligibility extend beyond fourteen consecutive
21 semesters."

22 **SECTION 3.** Section 21-1-4.4 NMSA 1978 (being Laws 1996,
23 Chapter 71, Section 4) is repealed and a new Section 21-1-4.4
24 NMSA 1978 is enacted to read:

25 "21-1-4.4. [NEW MATERIAL] TUITION SCHOLARSHIPS--USE OF

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1 LOTTERY TUITION FUND--AWARDS.--

2 A. Prior to June 1 of each year, the higher
3 education department shall determine the amount of money
4 available for tuition scholarships at public post-secondary
5 educational institutions based on the amount appropriated by
6 the legislature from the lottery tuition fund and on the
7 projected enrollment at all public post-secondary educational
8 institutions.

9 B. In accordance with Subsection A of this section,
10 beginning with the 2013-2014 academic year, basic legislative
11 lottery scholarships shall be provided per semester for a
12 qualified student attending a state educational institution as
13 follows:

14 (1) up to two thousand four hundred dollars
15 (\$2,400) for students at the research institutions; and

16 (2) up to one thousand four hundred dollars
17 (\$1,400) for students at the comprehensive institutions.

18 C. Each year, after the scholarships provided for
19 in Subsection B of this section are awarded, and after junior
20 year and graduating semester awards are awarded when they
21 become available, if more than ten million dollars
22 (\$10,000,000) remains in the fund, the department shall use the
23 excess to provide supplemental tuition scholarships to those
24 students who received scholarships provided in Subsection B of
25 this section. The provisions of Subsection D of this section

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1 apply to supplemental tuition scholarships.

2 D. All other state scholarships and grants-in-aid,
3 except loans, given to a student shall be subtracted from the
4 cost of tuition before a legislative lottery scholarship is
5 awarded, and a legislative lottery scholarship award shall not
6 exceed the cost of tuition for the semester.

7 E. Beginning with the fall semester of 2014, in
8 addition to the legislative lottery scholarship provided for in
9 Subsection B of this section, a student who has completed four
10 semesters and enters the student's junior year and who
11 demonstrates financial need as provided by rule of the higher
12 education department may receive an additional scholarship
13 award from the lottery tuition fund that shall be up to one
14 thousand dollars (\$1,000) for juniors at the research
15 institutions and up to six hundred dollars (\$600) for juniors
16 at the comprehensive institutions; provided that the amount of
17 the award shall be determined so that the total of all
18 legislative lottery scholarship awards and all other tuition-
19 related grants-in-aid received by the student for that year
20 does not exceed the cost of attendance. The additional award
21 shall be known as the "junior year award" and shall be paid in
22 the same manner as the legislative lottery scholarship.

23 F. Beginning with the spring semester of 2015, in
24 addition to the legislative lottery scholarship and the junior
25 year award, a student who is entering the last semester of the

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1 student's senior year at a state educational institution, which
2 shall not be later than the student's eighth semester, and who
3 demonstrates financial need may receive an additional
4 scholarship award from the lottery tuition fund that shall be
5 up to one thousand dollars (\$1,000) for seniors at the research
6 institutions and up to six hundred dollars (\$600) for seniors
7 at the comprehensive institutions; provided that the amount of
8 the award shall be determined so that the total of all
9 legislative lottery scholarship awards and all other tuition-
10 related grants-in-aid received by the student for that year
11 does not exceed the cost of attendance; and provided further
12 that the student graduates at the end of the semester. The
13 additional award shall be known as the "graduating semester
14 award" and shall be paid in the same manner as the legislative
15 lottery scholarship.

16 G. For the purposes of this section:

17 (1) "comprehensive institution" means eastern
18 New Mexico university, western New Mexico university, New
19 Mexico highlands university or northern New Mexico college;

20 (2) "cost of attendance" means tuition, fees,
21 textbooks and other educational materials but does not include
22 room and board expenses;

23 (3) "demonstrates financial need" means the
24 student has:

25 (a) completed the free application for

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1 federal student aid; and

2 (b) an unmet need after all other grant
3 aid has been awarded; and

4 (4) "research institution" means the
5 university of New Mexico, New Mexico state university or New
6 Mexico institute of mining and technology."

7 SECTION 4. A new section of Chapter 21, Article 1 NMSA
8 1978 is enacted to read:

9 "[NEW MATERIAL] HIGHER EDUCATION ANNUAL LEGISLATIVE
10 LOTTERY REPORT.--The higher education department shall report
11 annually to the governor and the legislature on the status of
12 the lottery tuition fund, student participation in the
13 legislative lottery scholarship program, distribution of
14 scholarships and junior year awards and graduating semester
15 awards by institution and any other information that the
16 department deems necessary."

17 SECTION 5. Section 21-13-10 NMSA 1978 (being Laws 1963,
18 Chapter 17, Section 9, as amended) is amended to read:

19 "21-13-10. BOARD DUTIES.--

20 A. It is the duty of the community college board to
21 determine financial and educational policies of the community
22 college. The community college board shall provide for the
23 management of the community college and execution of these
24 policies by selecting a competent president for the community
25 college, and, upon the president's recommendation, the board

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1 shall employ other administrative personnel, instructional
2 staff or other personnel as may be needed for the operation,
3 maintenance and administration of the community college.

4 B. The community college board shall have the power
5 to fix tuition and fee rates for resident and nonresident
6 students of the community college district, to accept gifts, to
7 accept federal aid, to purchase, hold, sell and rent property
8 and equipment and to promote the general welfare of the
9 institution for the best interest of educational service to the
10 people of the community college district.

11 C. To the extent that funds are made available by
12 the legislature from the lottery tuition fund, the community
13 college board shall award legislative lottery scholarships for
14 qualified resident students attending their respective
15 institutions.

16 D. The legislative lottery scholarships authorized
17 in this section shall apply only to full-time resident students
18 who, immediately upon completion of a high school curriculum at
19 a public or accredited private New Mexico high school or upon
20 receiving a graduate equivalent diploma, are accepted for
21 entrance to and attend a community college. Each legislative
22 lottery scholarship shall be awarded for up to ~~[two]~~ three
23 consecutive ~~[years]~~ semesters, beginning the second semester of
24 the recipient's first year of enrollment, ~~[provided that]~~ if
25 the recipient has maintained residency in New Mexico and

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1 maintained a grade point average of 2.5 or higher on a 4.0
2 scale during the first semester of full-time enrollment, with
3 renewal of an additional four semesters upon transfer to a
4 state four-year educational institution.

5 E. Students who have received a legislative lottery
6 scholarship for two or fewer semesters by the fall semester of
7 2014 shall be allowed no more than three semesters total of
8 legislative lottery scholarship to complete the coursework
9 necessary to receive an associate degree or transfer to a four-
10 year state educational institution and no more than seven
11 semesters total toward a bachelor's degree, and they shall be
12 required to take fifteen credit hours per semester to maintain
13 eligibility for the scholarship. All other requirements of the
14 scholarship also must be met to maintain eligibility.

15 F. Beginning with the spring semester of 2014, in
16 addition to the legislative lottery scholarship, a student who
17 is entering the last semester of a terminal degree or
18 certificate program, which shall not be later than the
19 student's fourth semester, and who demonstrates financial need
20 may receive an additional scholarship award from the lottery
21 tuition fund that shall be up to six hundred dollars (\$600) if
22 the student graduates from the degree or certificate program;
23 provided that the amount of the award shall be determined so
24 that the total of all legislative lottery scholarship awards
25 and all other state tuition-related grants-in-aid received by

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1 the student for that year does not exceed the cost of
2 attendance. The additional award shall be known as the
3 "graduating semester award" and shall be paid in the same
4 manner as the legislative lottery scholarship. A student who
5 receives a graduating semester award at a community college may
6 also be eligible for a junior year award at a state four-year
7 educational institution if the student otherwise qualifies for
8 a legislative lottery scholarship. For the purposes of this
9 subsection:

10 (1) "cost of attendance" means tuition, fees,
11 textbooks and other educational materials but does not include
12 room and board expenses; and

13 (2) "demonstrates financial need" means the
14 student has:

15 (a) completed the free application for
16 federal student aid; and

17 (b) an unmet need after all other grant
18 aid has been awarded.

19 [~~E.~~] G. The higher education department shall
20 prepare guidelines setting forth explicit student continuing
21 eligibility criteria and guidelines for administration of the
22 legislative lottery scholarship program. Guidelines shall be
23 distributed to community college boards to enable a uniform
24 availability of the resident student lottery tuition
25 scholarships. New guidelines conforming with Subsection E of

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1 this section shall be distributed early enough to inform
2 students affected by the new requirements. Guidelines shall be
3 provided every year.

4 [F-] H. For purposes of the legislative lottery
5 scholarship program as it applies to students with disabilities
6 who may require special accommodations, the higher education
7 department, in consultation with the student and the office at
8 the community college that serves students with disabilities,
9 shall review both the definition of "full time" and the maximum
10 number of consecutive semesters of eligibility and adjust
11 either or both as deemed reasonable and appropriate, based on
12 the student's disability needs. In no case, however, shall
13 "full time" mean fewer than six credit hours per semester, and
14 in no case shall eligibility extend beyond fourteen consecutive
15 semesters."

16 SECTION 6. Section 21-16-10.1 NMSA 1978 (being Laws 1996,
17 Chapter 71, Section 6, as amended) is amended to read:

18 "21-16-10.1. LEGISLATIVE LOTTERY SCHOLARSHIPS
19 AUTHORIZED.--

20 A. To the extent that funds are made available by
21 the legislature from the lottery tuition fund, the board of a
22 technical and vocational institute shall award legislative
23 lottery scholarships for qualified resident students attending
24 a technical and vocational institute.

25 B. Except as otherwise provided in Subsection C of
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1 this section, the legislative lottery scholarships authorized
2 in this section shall apply only to full-time resident students
3 who, immediately upon completion of a high school curriculum at
4 a public or accredited private New Mexico high school or upon
5 receiving a graduate equivalent diploma, are accepted for
6 entrance to and attend a technical and vocational institute.
7 Each legislative lottery scholarship shall be awarded for up to
8 two consecutive years beginning the second semester of the
9 recipient's first year of enrollment [~~provided that~~] if the
10 recipient has maintained residency in New Mexico and maintained
11 a grade point average of 2.5 or higher on a 4.0 scale during
12 the first semester of full-time enrollment with renewal of an
13 additional two years upon transfer to a state four-year
14 educational institution.

15 C. Students who have received a legislative lottery
16 scholarship for two or fewer semesters by the fall semester of
17 2014 shall be allowed no more than three semesters of
18 legislative lottery scholarship to complete the coursework
19 necessary to receive an associate degree or transfer to a four-
20 year state educational institution and no more than seven
21 semesters total toward a bachelor's degree, and they shall be
22 required to take fifteen hours of credit per semester to
23 maintain eligibility for the scholarship. All other
24 requirements of the scholarship also must be met to maintain
25 eligibility.

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1 D. Beginning with the spring semester of 2014, in
2 addition to the legislative lottery scholarship, a student who
3 is entering the last semester of a terminal degree or
4 certificate program, which shall not be later than the
5 student's fourth semester, and who demonstrates financial need
6 may receive an additional scholarship award from the lottery
7 tuition fund that shall be up to six hundred dollars (\$600) if
8 the student graduates from the degree or certificate program;
9 provided that the amount of the award shall be determined so
10 that the total of all legislative lottery scholarship awards
11 and all other state tuition-related grants-in-aid received by
12 the student for that year does not exceed the cost of
13 attendance. The additional award shall be known as the
14 "graduating semester award" and shall be paid in the same
15 manner as the legislative lottery scholarship. A student who
16 receives a graduating semester award at a technical and
17 vocational institute may also be eligible for a junior year
18 award at a state four-year educational institution if the
19 student otherwise qualifies for a legislative lottery
20 scholarship.

21 E. For the purposes of this subsection:

22 (1) "cost of attendance" means tuition, fees,
23 textbooks and other educational materials but does not include
24 room and board expenses; and

25 (2) "demonstrates financial need" means the

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1 student has:

2 (a) completed the free application for
3 federal student aid; and

4 (b) an unmet need after all other grant
5 aid has been awarded.

6 ~~[G-]~~ F. The higher education department shall
7 prepare guidelines setting forth explicit student continuing
8 eligibility criteria and guidelines for administration of the
9 legislative lottery scholarship program. Guidelines shall be
10 distributed to the boards of technical and vocational
11 institutes to enable a uniform availability of the resident
12 student legislative lottery scholarships. New guidelines
13 conforming with Subsection C of this section shall be
14 distributed early enough to inform students affected by the new
15 requirements. Guidelines shall be provided every year.

16 ~~[D-]~~ G. For purposes of the legislative lottery
17 scholarship program as it applies to students with disabilities
18 who may require special accommodations, the higher education
19 department, in consultation with the student and the office at
20 the technical and vocational institute that serves students
21 with disabilities, shall review both the definition of "full
22 time" and the maximum number of consecutive semesters of
23 eligibility and adjust either or both as deemed reasonable and
24 appropriate, based on the student's disability needs. In no
25 case, however, shall "full time" mean fewer than six credit

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1 hours per semester, and in no case shall eligibility extend
2 beyond fourteen consecutive semesters."

3 SECTION 7. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2013.

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