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HOUSE BILL 178

**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

INTRODUCED BY

Larry A. Larrañaga

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO HIGHER EDUCATION; MAKING CHANGES TO THE LEGISLATIVE  
LOTTERY TUITION SCHOLARSHIP PROGRAM TO EXTEND ITS FINANCIAL  
SOLVENCY; CHANGING AWARDS TO FLAT RATES; PROVIDING FOR  
SUPPLEMENTAL AWARDS UNDER CERTAIN CIRCUMSTANCES; ELIMINATING  
REFERENCES TO LEGACY STUDENTS.

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

SECTION 1. Section 21-21N-2 NMSA 1978 (being Laws 2014,  
Chapter 80, Section 2, as amended) is amended to read:

"21-21N-2. DEFINITIONS.--As used in the Legislative  
Lottery Tuition Scholarship Act:

A. "community college" means a branch community  
college of a four-year state educational institution, [~~a two-~~  
~~year state educational institution or~~] a community college or  
technical and vocational institute established pursuant to

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1 Chapter 21, Article 13 or 16 NMSA 1978, respectively, or the  
2 two-year college portion of the New Mexico military institute;

3 B. "comprehensive institution" means eastern New  
4 Mexico university, western New Mexico university, New Mexico  
5 highlands university or northern New Mexico college;

6 C. "department" means the higher education  
7 department;

8 D. "full time" means fifteen or more credit hours  
9 each semester of the regular academic year in four-year state  
10 educational institutions and twelve or more credit hours each  
11 semester of the regular academic year in community colleges [~~or~~  
12 ~~for legacy students in any program semester~~];

13 E. "fund" means the lottery tuition fund;

14 [~~F. "legacy student" means a full-time resident~~  
15 ~~student who has received for three or more program semesters by~~  
16 ~~the end of fiscal year 2014 the legislative lottery scholarship~~  
17 ~~awarded pursuant to the former provisions of Sections 21-1-4.3,~~  
18 ~~21-13-10 and 21-16-10.1 NMSA 1978 prior to the enactment of the~~  
19 ~~Legislative Lottery Tuition Scholarship Act;~~

20 G.] F. "program semesters" means those semesters  
21 for which a [~~legacy or~~] qualified student may receive a tuition  
22 scholarship and excludes the first semester of attendance at a  
23 public post-secondary educational institution;

24 [~~H.~~] G. "public post-secondary educational  
25 institution" means a four-year state educational institution or

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1 a community college;

2 [F.] H. "qualified student" means a full-time  
3 student who graduated from a public or accredited private New  
4 Mexico high school or who received a high school equivalency  
5 credential while maintaining residency in New Mexico and who:

6 (1) either:

7 (a) within sixteen months of graduation  
8 or receipt of a high school equivalency credential, was  
9 accepted for entrance to and attended a public post-secondary  
10 educational institution as a full-time student; or

11 (b) within four months of graduation or  
12 receipt of a high school equivalency credential, began service  
13 in the United States armed forces and within sixteen months of  
14 completion of honorable service or medical discharge from the  
15 service, attended a public post-secondary educational  
16 institution as a full-time student; and

17 (2) successfully completed the first semester  
18 at a public post-secondary educational institution with a grade  
19 point average of 2.5 or higher on a 4.0 scale; [~~during the~~  
20 ~~first semester of full-time enrollment~~;

21 J.] I. "research institution" means the university  
22 of New Mexico, New Mexico state university or New Mexico  
23 institute of mining and technology;

24 [K.] J. "state educational institution" means an  
25 institution of higher education enumerated in Article 12,

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1 Section 11 of the constitution of New Mexico; and

2 ~~[L.]~~ K. "tuition scholarship" means the scholarship  
3 that provides tuition assistance per program semester for a  
4 qualified student ~~[or legacy student]~~ attending a public post-  
5 secondary educational institution."

6 SECTION 2. Section 21-21N-3 NMSA 1978 (being Laws 2014,  
7 Chapter 80, Section 3, as amended) is amended to read:

8 "21-21N-3. TUITION SCHOLARSHIPS AUTHORIZED--QUALIFIED  
9 STUDENTS.--

10 A. To the extent that ~~[funds are]~~ money is made  
11 available by the legislature from the fund, the boards of  
12 regents or governing bodies of public post-secondary  
13 educational institutions shall award tuition scholarships in  
14 department-approved amounts to qualified students ~~[and legacy~~  
15 ~~students]~~ attending their respective public post-secondary  
16 educational institutions.

17 B. Beginning in fiscal year ~~[2015:~~

18 ~~(1) a legacy student is eligible to receive a~~  
19 ~~tuition scholarship until the total number of program semesters~~  
20 ~~for which the legislative lottery scholarship is received~~  
21 ~~pursuant to the former provisions of Sections 21-1-4.3,~~  
22 ~~21-13-10 and 21-16-10.1 NMSA 1978 or the Legislative Lottery~~  
23 ~~Tuition Scholarship Act reaches eight; provided that the legacy~~  
24 ~~student maintains residency in New Mexico, maintains a grade~~  
25 ~~point average of 2.5 or higher on a 4.0 scale and completes~~

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1 ~~twelve or more credit hours per program semester; and~~

2 ~~(2)]~~ 2019, a qualified student [~~who is not a~~  
3 ~~legacy student~~] is eligible to receive the tuition scholarship  
4 for a maximum of seven program semesters and in an amount  
5 determined pursuant to the provisions of Section 21-21N-4 NMSA  
6 1978.

7 C. Except as otherwise provided in this section, a  
8 tuition scholarship may be awarded to a qualified student who:

9 (1) maintains residency in New Mexico; and  
10 (2) maintains a grade point average of 2.5 or  
11 higher on a 4.0 scale [~~and~~

12 ~~(3) completes:~~  
13 ~~(a) for a student attending a four-year~~  
14 ~~public post-secondary educational institution, fifteen or more~~  
15 ~~credit hours per program semester; and~~

16 ~~(b) for a student attending a two-year~~  
17 ~~public post-secondary educational institution, twelve or more~~  
18 ~~credit hours per program semester] as a full-time student.~~

19 D. For students with disabilities who may require  
20 accommodations, the department, in consultation with the  
21 student and the office at the public post-secondary educational  
22 institution that serves students with disabilities, shall  
23 review both the definition of "full time" and the maximum  
24 number of consecutive program semesters of eligibility and  
25 adjust either or both as deemed reasonable and appropriate,

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1 based on the student's disability needs. In no case, however,  
2 shall "full time" mean fewer than six credit hours per  
3 semester, and in no case shall eligibility extend beyond  
4 fourteen consecutive program semesters."

5 SECTION 3. Section 21-21N-4 NMSA 1978 (being Laws 2014,  
6 Chapter 80, Section 4, as amended) is repealed and a new  
7 Section 21-21N-4 NMSA 1978 is enacted to read:

8 "21-21N-4. [NEW MATERIAL] FIXED TUITION SCHOLARSHIP  
9 AWARDS--AWARDS BASED ON TYPE OF INSTITUTION ATTENDED.--

10 A. Except as provided in Subsections C and D of  
11 this section, fixed tuition scholarship awards to public post-  
12 secondary educational institutions for the tuition scholarship  
13 program are as follows:

14 (1) one thousand five hundred dollars (\$1,500)  
15 per program semester for each qualified student enrolled at a  
16 research institution;

17 (2) one thousand dollars (\$1,000) per program  
18 semester for each qualified student enrolled at a comprehensive  
19 institution; and

20 (3) seven hundred fifty dollars (\$750) per  
21 program semester for each qualified student enrolled at a  
22 community college.

23 B. The department shall distribute to each public  
24 post-secondary educational institution an amount based on the  
25 projected full-time enrollment of qualified students at that

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1 institution. If the actual enrollment at a public post-  
2 secondary educational institution is less than the projected  
3 enrollment, the institution shall remit the difference to the  
4 department. If the actual enrollment at a public post-  
5 secondary educational institution is greater than the projected  
6 enrollment, the department shall make up the difference to the  
7 institution as money in the fund is available.

8 C. If there is not enough money in the fund to pay  
9 the fixed tuition scholarship awards as provided in Subsection  
10 A of this section, the department shall reduce the awards  
11 proportionately across the institutional sectors.

12 D. If the annual balance in the fund, after  
13 distributions are made pursuant to Subsection A of this  
14 section, exceeds five million dollars (\$5,000,000) for two  
15 consecutive years, the department shall use the overage to  
16 provide supplemental tuition scholarships proportionately  
17 across the institutional sectors until the estimated ending  
18 balance in the fund equals five million dollars (\$5,000,000).  
19 The total amount of the original and supplemental scholarship  
20 awards shall not exceed the per-semester tuition rate."

21 SECTION 4. Section 21-21N-5 NMSA 1978 (being Laws 1995,  
22 Chapter 155, Section 23, as amended) is amended to read:

23 "21-21N-5. LOTTERY TUITION FUND CREATED--PURPOSE.--

24 A. The "lottery tuition fund" is created in the  
25 state treasury. The fund shall be administered by the

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1 department. Earnings from investment of the fund shall accrue  
2 to the credit of the fund. The [~~fund shall maintain an annual~~  
3 ~~average balance of two million dollars (\$2,000,000), and any]~~  
4 balance in the fund at the end of [~~any~~] a fiscal year shall  
5 remain in the fund for appropriation by the legislature as  
6 provided in [~~this~~] Section 21-21N-4 NMSA 1978.

7 B. Money in the fund shall be appropriated by the  
8 legislature to the department for distribution to New Mexico's  
9 public post-secondary educational institutions to provide  
10 tuition assistance for qualified students [~~and legacy students~~]  
11 as provided in the Legislative Lottery Tuition Scholarship  
12 Act."

13 SECTION 5. APPLICABILITY.--The provisions of this act  
14 apply to legislative lottery tuition scholarship awards  
15 beginning with the fall semester of the 2018-2019 academic  
16 year.