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HOUSE BILL 58

**55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

INTRODUCED BY

Joshua Hernandez

AN ACT

RELATING TO EDUCATION; ENACTING THE ADULT ONLINE LEARNER SCHOLARSHIP ACT; CREATING THE ADULT ONLINE LEARNER SCHOLARSHIP PROGRAM IN THE HIGHER EDUCATION DEPARTMENT; PROVIDING POWERS AND DUTIES; FOCUSING THE PROGRAM ON NEW MEXICO-SPECIFIC CRITICAL WORKFORCE NEEDS; PROVIDING ELIGIBILITY REQUIREMENTS; PROVIDING SCHOLARSHIP PRIORITIES; CREATING FUNDS; MAKING APPROPRIATIONS.

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 "Adult Online Learner Scholarship Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Adult Online Learner Scholarship Act:

A. "critical workforce need list" means the list of public- or private-sector professions and occupations for which

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1 New Mexico has a critical shortage of residents qualified to  
2 fill positions;

3 B. "department" means the higher education  
4 department;

5 C. "eligible institution" means a New Mexico public  
6 post-secondary educational institution or tribal college in New  
7 Mexico that offers online courses of instruction leading to a  
8 vocational certificate or an associate's, baccalaureate,  
9 master's or doctoral degree in a field of study that results in  
10 qualification in a profession or occupation on the critical  
11 workforce need list;

12 D. "eligible student" means a New Mexico resident  
13 who:

14 (1) is at least twenty-six years of age;

15 (2) has not received a terminal certificate or  
16 degree in a profession or occupation on the critical workforce  
17 need list;

18 (3) demonstrates financial need consistent  
19 with criteria promulgated by the department; and

20 (4) is enrolled or enrolling at least half-  
21 time at an eligible institution in an online post-secondary  
22 degree program or vocational certificate program in a field of  
23 study on the critical workforce need list;

24 E. "endowment fund" means the adult online learner  
25 endowment fund;

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1 F. "program" means the adult online learner  
2 scholarship program;

3 G. "scholarship" means an adult online learner  
4 scholarship;

5 H. "scholarship fund" means the adult online  
6 learner scholarship fund; and

7 I. "tribal college" means a tribally, federally or  
8 congressionally chartered post-secondary educational  
9 institution located in New Mexico that is accredited by the  
10 north central association of colleges and schools.

11 SECTION 3. [NEW MATERIAL] ADULT ONLINE LEARNER  
12 SCHOLARSHIP PROGRAM--CREATED.--

13 A. The "adult online learner scholarship program"  
14 is created in the department. The department shall administer  
15 the program and award scholarships to eligible students.

16 B. The department shall promulgate rules in  
17 accordance with the State Rules Act to carry out the provisions  
18 of the Adult Online Learner Scholarship Act, including:

19 (1) criteria for determining eligibility and  
20 initial and continued state residency, including provisions for  
21 military personnel;

22 (2) criteria for determining financial need,  
23 including the use of the free application for federal student  
24 aid;

25 (3) procedures and requirements for

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1 applications; and

2 (4) priorities for allocating money in the  
3 scholarship fund to:

- 4 (a) students from rural areas;
- 5 (b) minority students;
- 6 (c) low-income students; and
- 7 (d) students who are the first in their  
8 immediate family to attend a higher education institution.

9 C. The department, in conjunction with other  
10 cabinet departments, shall develop and update annually the  
11 critical workforce need list, which shall be posted on the  
12 department's website. State agencies shall cooperate with the  
13 department in developing and updating the list.

14 D. If an eligible student begins a certificate or  
15 degree program that later is taken off the critical workforce  
16 need list, the department shall continue to provide the  
17 scholarship for that student who otherwise meets qualifications  
18 for the scholarship until the student receives the vocational  
19 certificate or graduates with the degree for which the  
20 scholarship was provided.

21 E. A scholarship applicant shall demonstrate to the  
22 department that:

- 23 (1) the student meets scholarship eligibility  
24 requirements; and
- 25 (2) the total sum of the applicant's

1 scholarships, financial aid from any other sources and personal  
2 contributions does not exceed the student's cost of tuition and  
3 fees at the student's eligible institution.

4 F. For an eligible institution that measures  
5 advancement by semesters, each scholarship is for a period of  
6 one semester and may be renewed if the eligible student  
7 continues to qualify for the scholarship until the eligible  
8 student receives the vocational certificate or degree for which  
9 the scholarship was granted. An eligible student must maintain  
10 in-state residency and earn at least a 2.0 on a 4.0 grading  
11 system each semester for continued scholarship eligibility. An  
12 eligible student shall not receive more than a total of ten  
13 semesters of scholarships.

14 G. For an eligible institution that measures  
15 advancement by competency, each scholarship is for a course the  
16 eligible student takes until the eligible student receives the  
17 vocational certificate or degree for which the scholarship is  
18 being granted. An eligible student must maintain in-state  
19 residency and demonstrate satisfactory progress toward  
20 achieving the competency-based certificate or degree.

21 H. The department shall pay tuition and fees for  
22 each eligible student to the eligible institution for:

23 (1) each semester for which the student  
24 qualifies for the scholarship if the eligible student attends  
25 an eligible institution that measures advancement by semesters;

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1 or

2 (2) each course for which the eligible student  
3 qualifies for the scholarship if the eligible student attends  
4 an eligible institution that measures advancement by  
5 competency.

6 SECTION 4. [NEW MATERIAL] TERMINATION OF SCHOLARSHIP.--A  
7 scholarship is terminated upon occurrence of one or more of the  
8 following:

9 A. withdrawal of the eligible student from the  
10 eligible institution;

11 B. failure of the eligible student to achieve  
12 satisfactory academic progress;

13 C. failure by the eligible student to maintain New  
14 Mexico residency;

15 D. substantial noncompliance by the eligible  
16 student with the Adult Online Learner Scholarship Act or the  
17 rules promulgated pursuant to that act; or

18 E. the eligible student has not received a  
19 certificate or degree within the number of allowed scholarship  
20 semesters or, if applicable, not taken a competency-based  
21 course for more than six consecutive months.

22 SECTION 5. [NEW MATERIAL] REPORTING.--The department  
23 shall report annually to the governor and appropriate  
24 legislative interim committees on the efficacy of the program.  
25 The report shall include:

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1           A. the number of scholarship recipients at each  
2 eligible institution;

3           B. the average amount of scholarship awards by  
4 student and by eligible institution;

5           C. program outcomes, including:

6                   (1) the number of certificates and degrees  
7 awarded during the year;

8                   (2) the number of graduates and certificate  
9 holders who:

10                           (a) have remained in New Mexico;

11                           (b) are employed; and

12                           (c) are employed in their fields of  
13 study; and

14                   (3) the number of businesses that have  
15 benefited from the focus on post-secondary scholarships for  
16 adult learners and on critical New Mexico-specific workforce  
17 needs; and

18           D. recommendations for program modifications and  
19 funding levels.

20           SECTION 6. [NEW MATERIAL] FUNDS CREATED.--

21           A. The "adult online learner endowment fund" is  
22 created as a nonreverting fund in the state treasury,  
23 consisting of appropriations; unrestricted gifts, grants and  
24 donations; and income from investment of the endowment fund  
25 except as provided in Subsection C of this section.

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1           B. The "adult online learner scholarship fund" is  
2     created as a nonreverting fund in the state treasury,  
3     consisting of appropriations; unrestricted gifts, grants and  
4     donations; and income from investment of the scholarship fund.  
5     Money in the scholarship fund is subject to appropriation by  
6     the legislature for scholarship awards. Expenditures from the  
7     scholarship fund shall be by warrant of the secretary of  
8     finance and administration pursuant to vouchers signed by the  
9     secretary of higher education or the secretary's authorized  
10    representative.

11           C. Until fifty percent of the annual income from  
12    investment of the endowment fund is equal to or exceeds two  
13    million dollars (\$2,000,000), an annual distribution of two  
14    million dollars (\$2,000,000) shall be made from the endowment  
15    fund to the scholarship fund. Thereafter, until the corpus of  
16    the endowment fund is forty million dollars (\$40,000,000),  
17    fifty percent of the income from investment of the endowment  
18    fund shall be applied to the corpus of the endowment fund and  
19    fifty percent shall be distributed annually to the scholarship  
20    fund. After the corpus of the endowment fund is forty million  
21    dollars (\$40,000,000) or more, all of the income from  
22    investment of the endowment fund shall be distributed to the  
23    scholarship fund.

24           SECTION 7. APPROPRIATION.--

25           A. Five million dollars (\$5,000,000) is

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1 appropriated from the general fund to the adult online learner  
2 endowment fund in fiscal year 2023 to endow the adult online  
3 learner scholarship program, and no portion of the  
4 appropriation shall revert to the general fund.

5 B. Two million dollars (\$2,000,000) is appropriated  
6 from the general fund to the adult online learner scholarship  
7 fund for expenditure in fiscal year 2023 and subsequent fiscal  
8 years to provide scholarships to eligible students. Any  
9 unexpended or unencumbered balance remaining at the end of a  
10 fiscal year shall not revert to the general fund.