

LFC Requester:	Connor Jorgensen
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 01/23/2025 *Check all that apply:*
Bill Number: SB 68 Original Correction
 Amendment Substitute

Sponsor: Sen. Harold Pope **Agency Name and Code:** University of New Mexico-952
Short Title: Graduate Scholarship Act Changes **Person Writing:** Lenaya Montoya
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB 89

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

SB 68 amends the Graduate Scholarship Act (GSA), NMSA 1978 21-21G-1 et seq., which is funded by the Graduate Scholarship Fund. The Bill removes United States citizenship or naturalization requirements but adds that recipients be New Mexico residents. It also adds a Grade Point Average (GPA) or assistantship qualification criteria. It also modifies the enrollment requirement from full-time enrollment to qualifying with at least six (6) credit hours. The Bill removes unpaid internship requirements and requires continuous enrollment in consecutive academic years to maintain qualifications for the scholarship. The Bill removes the maximum award of \$7,200 per academic year to award one hundred percent (100%) of tuition and fees for that given school year, provided the recipient remains enrolled. SB 68 makes several non-substantive amendments to correct outdated references within the statute. Recipients may receive multiple awards for subsequent years until the recipient receives a terminal degree or has received eight (8) semesters of scholarship, whichever comes first.

FISCAL IMPLICATIONS

Graduate Professional Student Association (GPSA):

SB 68 amends the GSA and does not rely on a new appropriation. Instead, the Graduate Scholarship Fund, which is established by the GSA, will fund this Bill. The Graduate Scholarship Fund is subject to the purview of the New Mexico Higher Education Department (NMHED).

Student Financial Aid:

If fully funded to allow for all eligible students to receive the Graduate Scholarship funding, this may increase graduate attendance in New Mexico, thus increasing tuition and fee revenue for institutions of higher education. As written, no new funding is anticipated to support the program and the potential increase in eligible students.

UNM Graduate Studies:

There is no overall fiscal impact to the state, as the total funding level for HED Scholarships remains the same. This bill changes only the eligibility for scholarship funds and the amount/duration of individual scholarship awards.

SIGNIFICANT ISSUES

GPSA:

Graduate scholarships are funded through the NMHED's Student Financial Aid line item in the General Appropriations Act. The FY24 General Fund appropriation for the graduate scholarships was \$488,300 and supported approximately 68 students based on funding criteria established by NMHED. The FY24 average per-semester, full tuition and fees for New Mexico institutions offering graduate programs is \$4,746. The current scholarship awards are per academic year and are distributed in equal installments over the period of an academic year or period of enrollment. If an award recipient is enrolled in the program for less than an academic year will then receive a pro rata share of the stipend.

While SB 68 removes citizenship or other naturalization requirements to qualify for the scholarship, graduate students must remain legally authorized to study in the United States. SB 68 identifies an award recipient to be a New Mexico resident student. Many graduate programs allow for part-time enrollment, particularly toward the end of a program as a student is completing their thesis or dissertation. SB 68 changes this requirement to allow part-time enrollment of six credit hours or more but requires students to maintain enrollment and a 3.0 GPA in consecutive academic years to continue to receive scholarship awards. SB 68 removes a Doctor of Medicine as eligible programs of study.

SB 68 adds new language providing graduate scholarships to recipients until the award recipient either received a terminal degree or has qualified and received eight semesters of scholarship, whichever occurs first. Recipients must agree to serve the eligible institution during the academic year in an internship or assistantship approved by the student's academic department.

Student Financial Aid:

Providing additional resources to assist students to meet the expenses associated with post-secondary enrollment and graduate degree attainment are consistent with the State's commitment to higher education and a well-educated citizenry and workforce.

UNM Graduate Studies:

Bill sponsor may want to reconsider some of the language choices in the amendment, as they may lead to potential confusion and/or unintended consequences.

Section 2.B – Removing the criterion of “full-time student” and replacing it with a criterion of “enrollment in at least six credit hours” may create confusion because “full-time” status is calculated differently based on whether the student has an assistantship:

- For students with an assistantship, “full-time” status requires enrollment in 6 credits.
- For students without an assistantship, “full-time” status requires enrollment in 9 credits.

Bill sponsor should review intentions before finalizing language.

3.A.2 – Adding specific GPA criteria of “maintains a grade point average of 3.0 or higher on a 4.0 scale” introduces a significant issue when paired with the existing language “remains in good standing as determined by the institution” because:

- UNM Law students are considered to be in good standing with a GPA of 2.0 or above, so the 3.0 GPA requirement would prove detrimental to Law students by holding them to a higher standard than other disciplines/schools.
- The language will also create confusion because of the mismatch between “good academic standing” and a specific GPA.

PERFORMANCE IMPLICATIONS

Student Financial Aid:

The Graduate Scholarship fund is understood to be underfunded, which means that if existing resources are going to substantially more students and/or for additional semesters—without additional resources added the fund—it will likely create a greater strain on the fund and result in a reduction of the amounts that all students receive. However, if additional funding is added it could function as intended.

ADMINISTRATIVE IMPLICATIONS

GPSA:

The NMHED Financial Aid Division administers regulations promulgated pursuant to the Graduate Scholarship Act in 5.7.15 NMAC. Currently, allocations to Higher Education Institutions (HEI's) are based on an enrollment-based formula. Public postsecondary educational institutions are responsible for packaging awards to eligible graduate students. In addition, institutions would need to track graduate awards to ensure that the recipient serves in an internship or assistantship at that eligible institution.

Student Financial Aid:

Existing management of the Graduate Scholarship fund resources is an established process for The University of New Mexico (UNM) and therefore this Bill is not anticipated to create the need for additional staff to administer financial aid. Some additional staff time to re-evaluate and update our current monitoring reports and processes will be required but utilizing existing resources.

UNM Graduate Studies:

At UNM, Graduate Studies administers the HED Graduate Scholarships strategically to recruit graduate students from underrepresented groups in each field. Limiting the award to (a) NM residents and (b) those with greatest financial need will substantially contract the strategic use of this fund by excluding underrepresented students who are (a) nonresident or (b) have lower financial need.

Section 4 changes the amount of the scholarship from \$7,200 to a value “not to exceed 100% of tuition and fees for the graduate program at the eligible institution.” it is not clear how this would be implemented administratively. As written, every single eligible student could theoretically get a small/meaningless scholarship of only \$100, if an institution simply wanted to spread the money around. If the bill’s intent is to provide tuition awards, or to limit the variation in scholarship amounts, there should be a minimum scholarship amount stated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is the Senate mirror bill to Representative Dayan Hochman-Vigil’s HB 89.

UNM Graduate Studies:

POTENTIAL CONFLICT/CONFUSION in language that states both that **priority shall be given** to students who are NM residents and that scholarship **is limited to** students who are NM residents.

- Text indicating scholarship funds **are limited to** NM residents: Section 1.B – “‘award recipient’ means a New Mexico resident student awarded a graduate scholarship”
- Text indicating **priority is given to** NM residents: Section 2.(opening)—“Priority shall be given to students who are New Mexico residents...”

TECHNICAL ISSUES

Monitoring students continuing eligibility will require additional clarification from NMHED.

OTHER SUBSTANTIVE ISSUES

UNM Graduate Studies:

By removing the requirement that recipients hold some sort of assistantship or internship, the bill will open eligibility to a wider range of students, although we do not have a calculation for how many students will be affected. General impacts:

- **Students with assistantships:** At UNM, approximately 1,500 students receive an assistantship each year, and these positions typically already cover tuition/fees. Students who additionally receive the HED scholarship will be receiving a generous bonus to support their studies, on top of the funding they already receive for tuition and fees plus their monthly assistantship stipends.
- **Students with internships or outside employment:** We do not track internship recipients, but many internships are unpaid. The proposed requirements will make tuition/fees funds available to students without requiring them to engage in unpaid employment as a condition of the scholarship.
- **Students without any assistantship or internship:** For students who do not have an assistantship to cover tuition/fees, or another kind of paid employment, the scholarships will provide a crucial support to help fund tuition/fees expenses.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 68 is not enacted the Graduate Scholarship Act will remain in place. If the bill is not enacted, existing scholarships will continue to be awarded at NM institutions of higher ed, providing up to \$7200 to full-time students who remain in good academic standing and complete assistantship/internship of 10 hours/week during the scholarship period. Students will be able to collect scholarship funds for only two or three years (for Masters and PhD students, respectively) instead of four as amended. Students who are US citizens will be eligible for the award, regardless of whether they are NM residents. The Graduate Scholarship will continue to be underfunded and serving a small population of students, while requiring them to serve in unpaid internships.

AMENDMENTS

N/A

Responses received from:

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