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SENATE BILL

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE GRADUATE BEHAVIORAL HEALTH SCHOLARSHIP ACT TO PROVIDE FREE EDUCATION TO ELIGIBLE GRADUATE STUDENTS WHO ARE STUDYING TO BECOME BEHAVIORAL HEALTH PROFESSIONALS; REQUIRING THE HIGHER EDUCATION DEPARTMENT TO ADMINISTER THE GRADUATE BEHAVIORAL HEALTH SCHOLARSHIP PROGRAM; 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 "Graduate Behavioral Health Scholarship Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Graduate Behavioral Health 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;

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1           B. "department" means the higher education  
2 department;

3           C. "eligible institution" means any graduate-  
4 degree-granting institution of higher education that is  
5 enumerated in Article 12, Section 11 of the constitution of New  
6 Mexico;

7           D. "eligible student" means a person enrolled in a  
8 graduate behavioral health degree program at an eligible  
9 institution who:

10                   (1) has not earned a master's or doctoral  
11 degree from a graduate behavioral health degree program at the  
12 time the scholarship is awarded;

13                   (2) remains in good academic standing as  
14 determined by the eligible institution where the eligible  
15 student is enrolled;

16                   (3) is enrolled as a full-time graduate  
17 student, as determined by the eligible institution where the  
18 eligible student is enrolled; and

19                   (4) has complied with other rules promulgated  
20 by the department to carry out the provisions of the Graduate  
21 Behavioral Health Scholarship Act;

22           E. "graduate behavioral health degree program"  
23 means a program of study intended to result in a master's or  
24 doctoral degree in the field of:

25                   (1) counseling;

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- 1 (2) psychiatric nursing;
- 2 (3) psychology; or
- 3 (4) social work; and

4 F. "scholarship" means the graduate behavioral  
5 health scholarship.

6 SECTION 3. [NEW MATERIAL] GRADUATE BEHAVIORAL HEALTH  
7 SCHOLARSHIP FUND CREATED.--The "graduate behavioral health  
8 scholarship fund" is created as a nonreverting fund in the  
9 state treasury, consisting of income from investment of the  
10 fund and any specified distributions, appropriations, gifts,  
11 grants and donations to the fund. Expenditures from the fund  
12 shall be by warrant of the secretary of finance and  
13 administration pursuant to vouchers signed by the secretary of  
14 higher education or the secretary's authorized representative.

15 SECTION 4. [NEW MATERIAL] SCHOLARSHIP CREATED--  
16 ADMINISTRATION.--

17 A. Scholarships shall be awarded to eligible  
18 students in an amount not to exceed one hundred percent of  
19 tuition and fees after all other state financial aid has been  
20 applied.

21 B. The department shall administer the Graduate  
22 Behavioral Health Scholarship Act and shall promulgate rules to  
23 carry out the provisions of that act.

24 C. An eligible student may only be awarded a  
25 scholarship for one graduate behavioral health degree program.

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1           D. Prior to June 1 of each year, based on the  
2 amount appropriated by the legislature from the graduate  
3 behavioral health scholarship fund and on the projected  
4 enrollment of eligible students at eligible institutions, the  
5 department shall:

6                   (1) determine the total amount of money  
7 available for scholarships; and

8                   (2) distribute to each eligible institution an  
9 amount based on the projected enrollment in graduate behavioral  
10 health degree programs at each eligible institution; provided  
11 that the amount shall not exceed the remaining balance of the  
12 graduate behavioral health scholarship fund.

13           E. Prior to receiving a scholarship, an eligible  
14 student shall commit to practice in New Mexico for as many  
15 years as the eligible student receives a scholarship. The  
16 commitment shall be evidenced by a contract between the  
17 eligible student and the department.

18           F. If an eligible student graduates from a graduate  
19 behavioral health degree program and fails to fulfill the  
20 contractual commitment to practice in New Mexico, the  
21 department shall assess a penalty of up to three times the  
22 amount of the value of the scholarship awarded to the student,  
23 unless the department finds acceptable extenuating  
24 circumstances for why the eligible student cannot fulfill the  
25 commitment.

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1           SECTION 5.   [NEW MATERIAL] DURATION OF SCHOLARSHIP.--

2           A.   Each scholarship is for a period of one academic  
3   year.

4           B.   Scholarships may be provided to an eligible  
5   student until the eligible student completes a graduate  
6   behavioral health degree program.

7           SECTION 6.   [NEW MATERIAL] TERMINATION OF SCHOLARSHIP.--A

8   scholarship is terminated upon the occurrence of:

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 set by the eligible institution  
13   where the eligible student is enrolled; or

14          C.   substantial noncompliance by the eligible  
15   student with the Graduate Behavioral Health Scholarship Act or  
16   the rules promulgated pursuant to that act.

17          SECTION 7.   [NEW MATERIAL] DEPARTMENT RULEMAKING AND  
18   REPORTING.--

19          A.   The department shall promulgate rules setting  
20   forth explicit criteria in accordance with the Graduate  
21   Behavioral Health Scholarship Act for:

22               (1)   student eligibility; and

23               (2)   calculating the total amount of money  
24   necessary to pay for scholarships at each eligible institution.

25          B.   The department shall report by November 1 of

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1 each year to the legislative finance committee, the legislative  
2 health and human services committee and the department of  
3 finance and administration on the:

4 (1) status of the graduate behavioral health  
5 scholarship fund; and

6 (2) aggregated data for each eligible  
7 institution that shows the:

8 (a) number of eligible students who  
9 received scholarships in the prior academic year;

10 (b) total number of students enrolled in  
11 graduate behavioral health degree programs in the prior  
12 academic year; and

13 (c) number of eligible students who  
14 graduated with a degree from a graduate behavioral health  
15 degree program in the prior academic year.

16 SECTION 8. APPROPRIATION.--

17 A. Three million dollars (\$3,000,000) is  
18 appropriated from the general fund to the graduate behavioral  
19 health scholarship fund for expenditure in fiscal year 2026 and  
20 subsequent fiscal years to:

21 (1) provide scholarships to eligible students;  
22 and

23 (2) provide the higher education department  
24 with up to one hundred fifty thousand dollars (\$150,000) to  
25 administer the fund and make reports required by the Graduate

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1 Behavioral Health Scholarship Act.

2 B. Any unexpended or unencumbered balance remaining  
3 at the end of a fiscal year shall not revert to the general  
4 fund.

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