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SENATE BILL 128

**45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002**

INTRODUCED BY

Linda M. Lopez

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO HIGHER EDUCATION; PROVIDING A SCHOLARSHIP PROGRAM FOR CERTAIN SINGLE PARENTS RETURNING TO SCHOOL; LIMITING ELIGIBILITY AND AWARDS; CREATING A FUND; CHANGING THE DISTRIBUTION OF NET REVENUES FROM THE LOTTERY; MAKING AN APPROPRIATION.

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

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

"6-24-24. DISPOSITION OF REVENUE.--

A. As nearly as practical, an amount equal to at least fifty percent of the gross annual revenues from the sale of lottery tickets shall be returned to the public in the form of lottery prizes.

B. The authority shall transmit all net revenues to the state treasurer, who shall deposit them ~~[in the lottery tuition fund]~~ as provided in Subsection E of this section.

Estimated net revenues shall be transmitted monthly to the state treasurer for deposit ~~[in the fund]~~; provided that the

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1 total amount of annual net revenues for the fiscal year shall  
2 be transmitted no later than August 1 each year.

3 C. In determining net revenues, operating expenses  
4 of the lottery include all costs incurred in the operation and  
5 administration of the lottery and all costs resulting from any  
6 contracts entered into for the purchase or lease of goods or  
7 services required by the lottery, including the costs of  
8 supplies, materials, tickets, independent audit services,  
9 independent studies, data transmission, advertising,  
10 promotion, incentives, public relations, communications,  
11 commissions paid to lottery retailers, printing, distribution  
12 of tickets, purchases of annuities or investments to be used  
13 to pay future installments of winning lottery tickets, debt  
14 service and payment of any revenue bonds issued, contingency  
15 reserves, transfers to the reserve fund and any other  
16 necessary costs incurred in carrying out the provisions of the  
17 New Mexico Lottery Act.

18 D. An amount up to two percent of the gross annual  
19 revenues shall be set aside as a reserve fund to cover bonuses  
20 and incentive plans for lottery retailers, special promotions  
21 for retailers, purchasing special promotional giveaways,  
22 sponsoring special promotional events, compulsive gambling  
23 rehabilitation and such other purposes as the board deems  
24 necessary to maintain the integrity and meet the revenue goals  
25 of the lottery. The board shall report annually to the  
governor and each regular session of the legislature on the  
use of the money in the reserve fund. Any balance in excess  
of fifty thousand dollars (\$50,000) at the end of any fiscal  
year shall be transferred to the lottery tuition fund.

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E. The state treasurer shall deposit the net revenues transmitted monthly as follows:

(1) for fiscal years 2003 through 2006:

(a) one hundred sixty-seven thousand dollars (\$167,000) or so much as is necessary to equal two million dollars (\$2,000,000) of the annual lottery distribution into the single parent scholarship fund; and

(b) the remainder of the net revenues into the lottery tuition fund; and

(2) after fiscal year 2006, into the lottery tuition fund."

Section 2. Section 6-24-27 NMSA 1978 (being Laws 1995, Chapter 155, Section 27, as amended) is amended to read:

"6-24-27. REVENUE AND BUDGET REPORTS--RECORDS--INDEPENDENT AUDITS.--

A. The board shall:

(1) submit quarterly and annual reports to the governor and the legislative finance committee disclosing the total lottery revenue, prizes, commissions, ticket costs, operating expenses and net revenues of the authority during the reporting period and, in the annual report, describe the organizational structure of the authority and summarize the functions performed by each organizational division within the authority;

(2) maintain weekly or more frequent records of lottery transactions, including the distribution of lottery tickets to retailers, revenue received, claims for prizes, prizes paid, prizes forfeited and other financial transactions of the authority; and

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1 (3) use the state government fiscal year.

2 B. The board shall provide, for informational  
3 purposes, to the department of finance and administration and  
4 the legislative finance committee, by December 1 of each year,  
5 a copy of the annual proposed operating budget for the  
6 authority for the succeeding fiscal year. This budget  
7 proposal shall also be accompanied by an estimate of the net  
8 revenues to be deposited [~~in the public school capital outlay~~  
9 ~~fund and the lottery tuition fund~~] as provided by law for the  
10 current and succeeding fiscal years.

11 C. The board shall contract with an independent  
12 certified public accountant or firm for an annual financial  
13 audit of the authority. The certified public accountant or  
14 firm shall have no financial interest in any lottery  
15 contractor. The certified public accountant or firm shall  
16 present an audit report no later than March 1 for the prior  
17 fiscal year. The certified public accountant or firm shall  
18 evaluate the internal auditing controls in effect during the  
19 audit period. The cost of this financial audit shall be an  
20 operating expense of the authority. The legislative finance  
21 committee may, at any time, order an audit of any phase of the  
22 operations of the authority, at the expense of the authority,  
23 and shall receive a copy of the annual independent financial  
24 audit. A copy of any audit performed by the certified public  
25 accountant or ordered by the legislative finance committee  
shall be transmitted to the governor, the speaker of the house  
of representatives, the president pro tempore of the senate  
and the legislative finance committee."

Section 3. [NEW MATERIAL] SHORT TITLE.--Sections 3

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1 through 9 of this act may be cited as the "Single Parent  
2 Scholarship Act".

3 Section 4. [NEW MATERIAL] DEFINITIONS.--As used in the  
4 Single Parent Scholarship Act:

5 A. "award recipient" means a student who has been  
6 awarded a single parent scholarship;

7 B. "commission" means the commission on higher  
8 education;

9 C. "eligible institution" means a New Mexico  
10 public post-secondary educational institution that is funded  
11 for instruction and general purposes in the general  
12 appropriation act;

13 D. "fund" means the single parent scholarship  
14 fund;

15 E. "program" means the single parent scholarship  
16 program;

17 F. "qualifying semester" means the semester of  
18 attendance at an eligible institution in which the student  
19 demonstrates initial satisfactory academic progress and  
20 otherwise meets program eligibility requirements;

21 G. "satisfactory academic progress" means  
22 maintenance of a grade point average of 3.0 or higher on a 4.0  
23 grading scale each regular semester of enrollment;

24 H. "semester" does not include summer sessions;  
25 and

I. "single parent" means an unmarried natural or  
adoptive custodial parent of a dependent minor.

Section 5. [NEW MATERIAL] SINGLE PARENT SCHOLARSHIP  
FUND--CREATED--ADMINISTRATION.--

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1           A. The "single parent scholarship fund" is created  
2 in the state treasury. Earnings from investment of the fund  
3 shall be credited to the fund. Any unexpended or unencumbered  
4 balance remaining at the end of a fiscal year shall not revert  
5 to any other fund.

6           B. The commission shall administer the fund.  
7 Money in the fund is appropriated to the commission for  
8 distribution to eligible institutions to provide scholarships  
9 to single parents who meet the eligibility requirements of the  
10 program.

11           Section 6. [NEW MATERIAL] SINGLE PARENT SCHOLARSHIP  
12 PROGRAM--ELIGIBILITY--AWARDS--LIMITATIONS.--

13           A. The "single parent scholarship program" is  
14 created to provide unrestricted monetary award scholarships to  
15 low-income single parents who are returning students. The  
16 scholarship may be used for tuition, books, fees, child care  
17 or other costs incurred while attending an eligible  
18 institution. A single parent scholarship is in addition to  
19 any other scholarships the student may receive.

20           B. A single parent scholarship is available to a  
21 student attending an eligible institution who:

22                   (1) is a United States citizen or permanent  
23 resident alien and a resident of New Mexico for in-state  
24 tuition purposes;

25                   (2) is a single parent who demonstrates  
financial need in accordance with rules adopted by the  
commission;

                  (3) returned to school after not being  
enrolled in a post-secondary educational institution for at

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1 least two semesters prior to the qualifying semester;

2 (4) is enrolled in a certificate or degree-  
3 granting program and is attending the eligible institution as  
4 a full-time student;

5 (5) made satisfactory academic progress  
6 during his qualifying semester and continues to make  
7 satisfactory academic progress during the succeeding semesters  
8 of his single parent scholarship award;

9 (6) meets income eligibility requirements of  
10 the program; and

11 (7) complies with rules of the commission and  
12 the eligible institution pertaining to the program.

13 C. To the extent that money is available, an award  
14 recipient who makes satisfactory academic progress shall  
15 receive up to three hundred seventy-five dollars (\$375) per  
16 semester for a maximum of nine semesters. The commission  
17 shall provide by rule for how awards will be reduced if the  
18 number of eligible award recipients exceeds the amount of  
19 money available each semester for the program.

20 D. After the qualifying semester and one  
21 additional semester, an award recipient may transfer between  
22 eligible institutions without affecting his eligibility for a  
23 single parent scholarship.

24 E. A single parent scholarship shall not be  
25 awarded to a student who holds a degree, unless that degree is  
an associate's degree and the student is working toward a  
baccalaureate degree.

Section 7. [NEW MATERIAL] COMMISSION--BOARDS OF  
REGENTS--GOVERNING BOARDS--POWERS AND DUTIES.--

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1           A. The commission shall adopt and promulgate rules  
2 to carry out the provisions of the Single Parent Scholarship  
3 Act, including guidelines setting forth explicit initial and  
4 continuing eligibility criteria and guidelines for  
5 administration of the program in accordance with that act.

6           B. The board of regents or governing board of an  
7 eligible institution shall:

8                   (1) to the extent that money is available  
9 from the fund, award single parent scholarships to students  
10 who meet the requirements of the Single Parent Scholarship  
11 Act;

12                   (2) develop a method to notify students of  
13 the program and the eligibility requirements for the program;

14                   (3) designate an officer responsible for  
15 administering the program for the eligible institution, who  
16 shall ensure that participating students meet all initial and  
17 continuing eligibility requirements for single parent  
18 scholarships pursuant to the Single Parent Scholarship Act and  
19 rules promulgated in accordance with that act;

20                   (4) draw down money from the commission on a  
21 semester basis on behalf of award recipients no earlier than  
22 the census date of each semester; provided that all money  
23 drawn down in a fiscal year shall be for award recipients  
24 enrolled during the same fiscal year;

25                   (5) maintain a file for each award recipient,  
including social security number, semester and cumulative  
grade point average and proof of initial and continuing  
enrollment;

(6) provide an annual report to the



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1 commission, including the number of awards granted, amount of  
2 money awarded, number of awards renewed and ethnicity and  
3 gender of award recipients; and

4 (7) carry out the provisions of the Single  
5 Parent Scholarship Act and rules promulgated by the commission  
6 in accordance with that act.

7 Section 8. [NEW MATERIAL] DETERMINATION OF SINGLE PARENT  
8 SCHOLARSHIPS--USE OF FUND--COMMISSION DUTIES.--Prior to June 1  
9 of each year, the commission shall determine the amount of  
10 money available for single parent scholarships at eligible  
11 institutions. Based on the amount available from the fund and  
12 the projected eligible enrollment at all eligible  
13 institutions, the commission shall establish the award amount  
14 for award recipients.

15 Section 9. [NEW MATERIAL] TERMINATION OF SCHOLARSHIP.--

16 A. A single parent scholarship is terminated upon:

17 (1) failure of the award recipient to meet  
18 continuing eligibility requirements, including a change in  
19 single-parent or dependent-minor status, exceeding the family  
20 income limit, failure to make satisfactory academic progress,  
21 withdrawal from the eligible institution or failure to  
22 maintain full-time status; or

23 (2) substantial noncompliance by the award  
24 recipient with the program or rules promulgated by the  
25 commission or the eligible institution.

B. Except as otherwise provided in this  
subsection, an award recipient who drops out of school or who  
drops below full-time status after a semester award has been  
received shall be ineligible to receive future awards. The

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1 commission shall adopt and promulgate rules to provide for  
2 emergency exceptions to this requirement based on a documented  
3 medical condition of the single parent or his dependent minor  
4 child or military or other approved commitments of the single  
5 parent.

6 Section 10. DELAYED REPEAL.--Sections 3 through 9 of  
7 this act are repealed effective July 1, 2006.

8 Section 11. EFFECTIVE DATE.--The effective date of the  
9 provisions of this act is July 1, 2002.

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