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SENATE BILL 669

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO EDUCATION; ENACTING THE COLLEGE AFFORDABILITY ACT;
PROVIDING FOR SCHOLARSHIPS; CREATING FUNDS; MAKING AN
APPROPRIATION.

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

Section 1. SHORT TITLE.--This act may be cited as the
"College Affordability Act".

Section 2. PURPOSE.--The purpose of the College
Affordability Act is to encourage New Mexico students with
financial need to attend and complete educational programs at
public post-secondary educational institutions in New Mexico.

Section 3. DEFINITIONS.--As used in the College
Affordability Act:

A. "commission" means the commission on higher
education; and

underscored material = new
[bracketed material] = delete

1 B. "student" means a resident of New Mexico who is
2 enrolled or will be enrolled, at the time the scholarship is
3 awarded, in a public post-secondary educational institution in
4 New Mexico.

5 Section 4. CONDITIONS FOR ELIGIBILITY. -- A college
6 affordability scholarship may be awarded to any person who:

7 A. is a resident of New Mexico for the purpose of
8 tuition payment;

9 B. has not earned a baccalaureate degree and is
10 enrolled or will be enrolled at least half-time in a degree
11 program in a public post-secondary educational institution in
12 New Mexico at the time the scholarship is awarded;

13 C. has demonstrated financial need consistent with
14 the criteria promulgated by the commission; and

15 D. has complied with other rules promulgated by the
16 commission to carry out the provisions of the College
17 Affordability Act.

18 Section 5. SCHOLARSHIP AUTHORIZED-- ADMINISTRATION--
19 PREFERENCE IN SCHOLARSHIP AWARDS. --

20 A. The commission shall administer the College
21 Affordability Act and shall promulgate rules to carry out the
22 provisions of that act.

23 B. Scholarships shall be awarded to qualified
24 applicants. Qualifications shall be determined by rule of the
25 commission.

underscored material = new
[bracketed material] = delete

1 C. The commission shall allocate money to public
2 post-secondary educational institutions based on student need
3 according to income reported on the free application for
4 federal student aid and on the percentage of the institution's
5 students classified as returning adults who are otherwise
6 ineligible for state financial aid.

7 D. Public post-secondary educational institutions
8 shall make awards to qualifying students based on financial
9 need in an amount not to exceed one thousand dollars (\$1,000)
10 per semester as determined by rule of the commission.

11 E. Money for an awarded scholarship shall be placed
12 in an account at the public post-secondary educational
13 institution in the name of the student, and the money may be
14 drawn upon to pay educational expenses charged by the
15 institution, including tuition, fees, books and course
16 supplies.

17 Section 6. DURATION OF SCHOLARSHIP. -- Each scholarship is
18 for a period of one semester. A scholarship may be renewed,
19 provided the recipient continues to meet the conditions of
20 eligibility, until the award recipient has received eight
21 consecutive semester scholarship awards or until the student
22 graduates from an eligible four-year public post-secondary
23 educational institution, whichever occurs first.

24 Section 7. TERMINATION OF SCHOLARSHIP. -- A scholarship
25 is terminated upon occurrence of one or more of the following:

underscored material = new
[bracketed material] = delete

1 A. withdrawal of the award recipient from the
2 public post-secondary educational institution or failure to
3 remain as at least a half-time student;

4 B. failure of the award recipient to achieve
5 satisfactory academic progress; or

6 C. substantial noncompliance by the award recipient
7 with the College Affordability Act or the rules promulgated
8 pursuant to that act.

9 Section 8. FUNDS CREATED. --

10 A. The "college affordability endowment fund" is
11 created in the state treasury, consisting of appropriations;
12 unspecified gifts, grants and donations; and income from
13 investment of the fund. Income from investment of the fund
14 shall be distributed to the college affordability scholarship
15 fund as provided in Subsection C of this section and no other
16 distributions, transfers or reversions shall be made from the
17 fund at the end of any fiscal year.

18 B. The "college affordability scholarship fund" is
19 created in the state treasury, consisting of income from
20 investment of the fund as provided in Subsection C of this
21 section and any specified appropriations, gifts, grants and
22 donations. Money in the scholarship fund is appropriated to
23 the commission for scholarship awards as provided in the
24 College Affordability Act. Expenditures from the scholarship
25 fund shall be by warrant of the secretary of finance and

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1 administration pursuant to vouchers signed by the executive
2 director of the commission on higher education or the executive
3 director's authorized representative.

4 C. Until the corpus of the endowment fund is two
5 hundred fifty million dollars (\$250,000,000), fifty percent of
6 the income from investment of the fund shall be applied to the
7 corpus of the fund and fifty percent shall be distributed
8 annually to the scholarship fund, from which the commission
9 will make scholarship awards as provided in the College
10 Affordability Act.

11 Section 9. APPROPRIATION. --

12 A. Ten million dollars (\$10,000,000) is
13 appropriated from the general fund to the college affordability
14 endowment fund for fiscal year 2005 and subsequent fiscal
15 years. The first distribution from the fund shall not occur
16 until fiscal year 2007. Balances in the fund shall not revert
17 to the general fund at the end of a fiscal year.

18 B. Fifteen million dollars (\$15,000,000) is
19 appropriated from the general fund to the college affordability
20 scholarship fund for expenditure in fiscal years 2005 and 2006
21 to carry out the purposes of the fund and the College
22 Affordability Act. Any unexpended or unencumbered balance
23 remaining at the end of fiscal year 2006 shall not revert to
24 the general fund.