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SENATE BILL 158

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO HIGHER EDUCATION; AMENDING THE COLLEGE
AFFORDABILITY ACT TO INCREASE ELIGIBILITY FOR AND DURATION OF
GRANTS; CLARIFYING THAT RECIPIENTS OF LOTTERY TUITION
SCHOLARSHIPS ARE NOT ELIGIBLE FOR COLLEGE AFFORDABILITY GRANTS.

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

Section 1. Section 21-21L-1 NMSA 1978 (being Laws 2005,
Chapter 192, Section 1) is amended to read:

"21-21L-1. SHORT TITLE.--~~[This act]~~ Chapter 21, Article
21L NMSA 1978 may be cited as the "College Affordability Act"."

Section 2. Section 21-21L-3 NMSA 1978 (being Laws 2005,
Chapter 192, Section 3) is amended to read:

"21-21L-3. DEFINITIONS.--As used in the College
Affordability Act:

A. [~~"commission" means the commission on]~~

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1 "department" means the higher education department;

2 B. "grant" means a college affordability grant;

3 ~~[B.]~~ C. "returning adult" means a student enrolling
4 in a public post-secondary educational institution at any time
5 later than the first semester following high school graduation
6 or the award of a general educational development certificate;
7 and

8 ~~[C.]~~ D. "student" means a resident of New Mexico
9 who is enrolled or will be enrolled, at the time the
10 ~~[scholarship]~~ grant is awarded, in a public post-secondary
11 educational institution in New Mexico."

12 Section 3. Section 21-21L-4 NMSA 1978 (being Laws 2005,
13 Chapter 192, Section 4) is amended to read:

14 "21-21L-4. CONDITIONS FOR ELIGIBILITY.--A college
15 affordability ~~[scholarship]~~ grant may be awarded to any person
16 who:

17 A. is a resident of New Mexico for the purpose of
18 tuition payment;

19 B. has not earned a baccalaureate degree and is
20 enrolled or will be enrolled for at least ~~[half-time]~~ three
21 credit hours in a degree program in a public post-secondary
22 educational institution in New Mexico at the time the
23 ~~[scholarship]~~ grant is awarded;

24 C. has demonstrated financial need consistent with
25 the criteria promulgated by the ~~[commission]~~ department; and

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1 D. has complied with other rules promulgated by the
2 [~~commission~~] department to carry out the provisions of the
3 College Affordability Act."

4 Section 4. Section 21-21L-5 NMSA 1978 (being Laws 2005,
5 Chapter 192, Section 5) is amended to read:

6 "21-21L-5. [~~SCHOLARSHIP~~] GRANTS AUTHORIZED--
7 ADMINISTRATION--PREFERENCE IN [~~SCHOLARSHIP AWARDS~~] GRANTS--
8 LIMITATION.--

9 A. The [~~commission~~] department shall administer the
10 College Affordability Act and shall promulgate rules to carry
11 out the provisions of that act.

12 B. [~~Scholarships~~] Grants shall be awarded to
13 qualified applicants. Qualifications shall be determined by
14 rule of the [~~commission~~] department.

15 C. The [~~commission~~] department shall allocate money
16 to public post-secondary educational institutions based on a
17 student need formula calculated according to income reported on
18 the free application for federal student aid and on the
19 percentage of the institution's students classified as
20 returning adults who are otherwise ineligible for state
21 financial aid, including lottery tuition scholarships.

22 D. Public post-secondary educational institutions
23 shall make [~~awards~~] grants to qualifying students based on
24 financial need in an amount not to exceed one thousand dollars
25 (\$1,000) per semester as determined by rule of the [~~commission~~]

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1 department.

2 E. Money [~~for an awarded scholarship~~] from a grant
3 shall be placed in an account at the public post-secondary
4 educational institution in the name of the student, and the
5 money may be drawn upon to pay educational expenses charged by
6 the institution, including tuition, fees, books and course
7 supplies."

8 Section 5. Section 21-21L-6 NMSA 1978 (being Laws 2005,
9 Chapter 192, Section 6) is amended to read:

10 "21-21L-6. DURATION OF [SCHOLARSHIP] GRANTS.--Each
11 [~~scholarship~~] grant is for a period of one semester. A
12 [~~scholarship~~] grant may be renewed, provided the [~~recipient~~]
13 grantee continues to meet the conditions of eligibility, until
14 the [~~award recipient~~] grantee has received eight [~~consecutive~~]
15 semester [~~scholarship awards~~] grants or until the student
16 graduates from an eligible four-year public post-secondary
17 educational institution, whichever occurs first."

18 Section 6. Section 21-21L-7 NMSA 1978 (being Laws 2005,
19 Chapter 192, Section 7) is amended to read:

20 "21-21L-7. TERMINATION OF [SCHOLARSHIP] GRANT.--A
21 [~~scholarship~~] grant is terminated upon occurrence of one or
22 more of the following:

23 A. withdrawal of the [~~award recipient~~] grantee from
24 the public post-secondary educational institution or failure to
25 remain [~~as at least a half-time student~~] enrolled for at least

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1 three credit hours;

2 B. failure of the [~~award recipient~~] grantee to
3 achieve satisfactory academic progress; or

4 C. substantial noncompliance by the [~~award~~
5 ~~recipient~~] grantee with the College Affordability Act or the
6 rules promulgated pursuant to that act."

7 Section 7. Section 21-21L-8 NMSA 1978 (being Laws 2005,
8 Chapter 192, Section 8) is amended to read:

9 "21-21L-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 grant fund as provided in Subsection C of this section, and no
16 other distributions, transfers or reversions shall be made from
17 the fund at the end of any fiscal year.

18 B. The "college affordability [~~scholarship~~] grant
19 fund" is created in the state treasury, consisting of income
20 from 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~~] grant fund is
23 appropriated to the [~~commission~~] department for [~~scholarship~~
24 ~~awards~~] grants as provided in the College Affordability Act.
25 Expenditures from the [~~scholarship~~] grant fund shall be by

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1 warrant of the secretary of finance and administration pursuant
2 to vouchers signed by the [~~executive director of the commission~~
3 ~~on higher education or the executive director's~~] secretary of
4 higher education or the secretary's authorized representative.

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

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