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SENATE BILL 573

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO HIGHER EDUCATION; ALLOWING COLLEGE AFFORDABILITY
SCHOLARSHIPS TO BE USED AT TRIBAL COLLEGES; DEFINING ELIGIBLE
STUDENT; MAKING AN APPROPRIATION.

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]~~ or
"department" means the higher education department;

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

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

10 B. "eligible student" means a New Mexico resident
11 who is enrolled or enrolling at least half-time in a public
12 post-secondary educational institution or tribal college at any
13 time later than one hundred twenty days following high school
14 graduation or the award of a general educational development
15 certificate;

16 C. "scholarship" means a college affordability
17 scholarship; and

18 D. "tribal college" means a tribally, federally or
19 congressionally chartered post-secondary educational
20 institution located in New Mexico that is accredited by the
21 north central association of colleges and schools."

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

24 "21-21L-4. CONDITIONS FOR ELIGIBILITY.--A [college
25 affordability] scholarship may be awarded to [any person] an

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1 eligible student who:

2 ~~[A. is a resident of New Mexico for the purpose of~~
3 ~~tuition payment;~~

4 ~~B.]~~ A. has not earned a baccalaureate degree [~~and~~
5 ~~is enrolled or will be enrolled at least half time in a degree~~
6 ~~program in a public post-secondary educational institution in~~
7 ~~New Mexico]~~ at the time the scholarship is awarded;

8 ~~[C.]~~ B. has demonstrated financial need consistent
9 with the criteria promulgated by the [~~commission~~] department;
10 and

11 ~~[D.]~~ C. has complied with other rules promulgated
12 by the [~~commission~~] department to carry out the provisions of
13 the College Affordability Act."

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

16 "21-21L-5. SCHOLARSHIP AUTHORIZED--ADMINISTRATION--
17 PREFERENCE IN SCHOLARSHIP AWARDS.--

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

21 B. Scholarships shall be awarded to qualified
22 [~~applicants~~] eligible students. Qualifications shall be
23 determined by rule of the [~~commission~~] department.

24 C. The [~~commission~~] department shall allocate money
25 to public post-secondary educational institutions and tribal

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1 colleges based on a student need formula calculated according
2 to income reported on the free application for federal student
3 aid and on the percentage of the institution's students
4 classified as returning adults who are otherwise ineligible for
5 state financial aid.

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

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

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

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

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1 ~~first~~]."

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

4 "21-21L-7. TERMINATION OF SCHOLARSHIP.--A scholarship is
5 terminated upon occurrence of one or more of the following:

6 A. withdrawal of the [~~award recipient~~] eligible
7 student from the public post-secondary educational institution
8 or tribal college or failure to remain as at least a half-time
9 student;

10 B. failure of the [~~award recipient~~] eligible
11 student to achieve satisfactory academic progress; or

12 C. substantial noncompliance by the [~~award~~
13 ~~recipient~~] eligible student with the College Affordability Act
14 or the rules promulgated pursuant to that act."

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

17 "21-21L-8. FUNDS CREATED.--

18 A. The "college affordability endowment fund" is
19 created as a nonreverting fund in the state treasury,
20 consisting of appropriations, unspecified gifts, grants and
21 donations [~~and income from investment of the fund~~]. Income
22 from investment of the fund shall be distributed to the college
23 affordability scholarship fund [~~as provided in Subsection C of~~
24 ~~this section, and no other distributions, transfers or~~
25 ~~reversions shall be made from the fund at the end of any fiscal~~

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1 year].

2 B. The "college affordability scholarship fund" is
3 created as a nonreverting fund in the state treasury,
4 consisting of income from investment of the college
5 affordability endowment fund [~~as provided in Subsection C of~~
6 ~~this section~~] and any specified appropriations, gifts, grants
7 and donations to the fund. Money in the scholarship fund is
8 appropriated to the [~~commission~~] department for scholarship
9 awards as provided in the College Affordability Act.
10 Expenditures from the scholarship fund shall be by warrant of
11 the secretary of finance and administration pursuant to
12 vouchers signed by the [~~executive director of the commission on~~
13 ~~higher education or the executive director's~~] secretary of
14 higher education or the secretary's authorized representative.

15 [~~C. Until the corpus of the endowment fund is two~~
16 ~~hundred fifty million dollars (\$250,000,000), fifty percent of~~
17 ~~the income from investment of the fund shall be applied to the~~
18 ~~corpus of the fund and fifty percent shall be distributed~~
19 ~~annually to the scholarship fund, from which the commission~~
20 ~~will make scholarship awards as provided in the College~~
21 ~~Affordability Act.]"~~

22 Section 8. EFFECTIVE DATE.--The effective date of the
23 provisions of this act is July 1, 2007.