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HOUSE BILL 194

**53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

INTRODUCED BY

Debra M. Sariñana and Christine Trujillo and Angelica Rubio  
and Patricia Roybal Caballero

AN ACT

RELATING TO HIGHER EDUCATION; MAKING THE LOTTERY TUITION  
SCHOLARSHIP A FULL SCHOLARSHIP BASED ON FINANCIAL NEED.

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

**SECTION 1.** Section 21-21N-2 NMSA 1978 (being Laws 2014,  
Chapter 80, Section 2, as amended) is amended to read:

"21-21N-2. DEFINITIONS.--As used in the Legislative  
Lottery Tuition Scholarship Act:

A. "community college" means a branch community  
college of a four-year state educational institution, a two-  
year state educational institution or a community college or  
technical and vocational institute established pursuant to  
Chapter 21, Article 13 or 16 NMSA 1978, respectively;

B. "comprehensive institution" means eastern New  
Mexico university, western New Mexico university, New Mexico

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1 highlands university or northern New Mexico college;

2 C. "department" means the higher education  
3 department;

4 D. "full time" means fifteen or more credit hours  
5 each semester of the regular academic year in state educational  
6 institutions and twelve or more credit hours each semester of  
7 the regular academic year in community colleges or for legacy  
8 students in any program semester;

9 E. "fund" means the lottery tuition fund;

10 F. "legacy student" means a full-time resident  
11 student who has received for three or more program semesters by  
12 the end of fiscal year 2014 the legislative lottery scholarship  
13 awarded pursuant to the former provisions of Sections 21-1-4.3,  
14 21-13-10 and 21-16-10.1 NMSA 1978 prior to the enactment of the  
15 Legislative Lottery Tuition Scholarship Act;

16 G. "program semesters" means those semesters for  
17 which a legacy or qualified student may receive a tuition  
18 scholarship and excludes the first semester of attendance at a  
19 public post-secondary educational institution;

20 H. "public post-secondary educational institution"  
21 means a four-year state educational institution or a community  
22 college;

23 I. "qualified student" means a full-time student  
24 who demonstrates financial need and graduated from a public or  
25 accredited private New Mexico high school or who received a

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1 high school equivalency credential while maintaining residency  
2 in New Mexico and who:

3 (1) either:

4 (a) immediately upon graduation or  
5 receipt of a credential was accepted for entrance to and  
6 attended a public post-secondary educational institution; or

7 (b) within one hundred twenty days of  
8 completion of a high school curriculum or receipt of a high  
9 school equivalency credential began service in the United  
10 States armed forces and within one year of completion of  
11 honorable service or medical discharge from the service,  
12 attended a public post-secondary educational institution; and

13 (2) successfully completed the first semester  
14 at a public post-secondary educational institution with a grade  
15 point average of 2.5 or higher on a 4.0 scale during the first  
16 semester of full-time enrollment;

17 J. "research institution" means the university of  
18 New Mexico, New Mexico state university or New Mexico institute  
19 of mining and technology;

20 K. "state educational institution" means an  
21 institution of higher education enumerated in Article 12,  
22 Section 11 of the constitution of New Mexico; and

23 L. "tuition scholarship" means the scholarship that  
24 provides tuition assistance per program semester for a  
25 qualified student or legacy student attending a public post-

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1 secondary educational institution."

2 SECTION 2. Section 21-21N-3 NMSA 1978 (being Laws 2014,  
3 Chapter 80, Section 3, as amended) is amended to read:

4 "21-21N-3. TUITION SCHOLARSHIPS AUTHORIZED--QUALIFIED  
5 STUDENTS.--

6 A. To the extent that funds are made available by  
7 the legislature from the fund, the boards of regents or  
8 governing bodies of public post-secondary educational  
9 institutions shall award tuition scholarships in department-  
10 approved amounts to qualified students and legacy students  
11 attending their respective public post-secondary educational  
12 institutions.

13 B. Beginning in fiscal year 2015:

14 (1) a legacy student is eligible to receive a  
15 tuition scholarship until the total number of program semesters  
16 for which the legislative lottery scholarship is received  
17 pursuant to the former provisions of Sections 21-1-4.3,  
18 21-13-10 and 21-16-10.1 NMSA 1978 or the Legislative Lottery  
19 Tuition Scholarship Act reaches eight; provided that the legacy  
20 student maintains residency in New Mexico, maintains a grade  
21 point average of 2.5 or higher on a 4.0 scale and completes  
22 twelve or more credit hours per program semester; and

23 (2) a qualified student who is not a legacy  
24 student is eligible to receive ~~the~~ a full tuition scholarship  
25 for a maximum of seven program semesters and in an amount

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1 determined pursuant to the provisions of Section 21-21N-4 NMSA  
2 1978.

3 C. Except as otherwise provided in this section, a  
4 tuition scholarship may be awarded to a qualified student  
5 [~~who~~]:

6 (1) who maintains residency in New Mexico;

7 (2) who maintains a grade point average of 2.5  
8 or higher on a 4.0 scale; [~~and~~]

9 (3) who completes:

10 (a) for a student attending a four-year  
11 public post-secondary educational institution, fifteen or more  
12 credit hours per program semester; and

13 (b) for a student attending a two-year  
14 public post-secondary educational institution, twelve or more  
15 credit hours per program semester; and

16 (4) whose family's annual net household income  
17 does not exceed seventy-five thousand dollars (\$75,000).

18 D. For students with disabilities who may require  
19 accommodations, the department, in consultation with the  
20 student and the office at the public post-secondary educational  
21 institution that serves students with disabilities, shall  
22 review both the definition of "full time" and the maximum  
23 number of consecutive program semesters of eligibility and  
24 adjust either or both as deemed reasonable and appropriate,  
25 based on the student's disability needs. In no case, however,

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1 shall "full time" mean fewer than six credit hours per  
2 semester, and in no case shall eligibility extend beyond  
3 fourteen consecutive program semesters."

4 SECTION 3. Section 21-21N-4 NMSA 1978 (being Laws 2014,  
5 Chapter 80, Section 4, as amended) is amended to read:

6 "21-21N-4. TUITION SCHOLARSHIP AMOUNT--FUND.--

7 ~~[A. Prior to June 1 of each year, based on the~~  
8 ~~amount appropriated]~~ Subject to appropriation by the  
9 legislature from the fund ~~[and on the projected enrollment at~~  
10 ~~all public post-secondary educational institutions]~~, the  
11 department shall

12 ~~[(1) determine the total amount of money~~  
13 ~~available for all tuition scholarships for qualified students;~~

14 ~~(2) determine the uniform percentage by which~~  
15 ~~to calculate tuition scholarships for qualified students~~  
16 ~~attending any public post-secondary educational institution;~~  
17 and

18 ~~(3) notify all public post-secondary~~  
19 ~~educational institutions of the determinations made pursuant to~~  
20 ~~Paragraphs (1) and (2) of this subsection.~~

21 ~~B. In determining distribution and award amounts~~  
22 ~~for the tuition scholarship program, the department shall:~~

23 ~~(1) maintain the minimum fund balance pursuant~~  
24 ~~to Section 21-21N-5 NMSA 1978;~~

25 ~~(2) distribute to all public post-secondary~~

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1 ~~educational institutions an amount not to exceed the remaining~~  
2 ~~balance in the fund; and~~

3 ~~(3) subject to the provisions of Paragraphs~~  
4 ~~(1) and (2) of this subsection]~~ distribute to each public post-  
5 secondary educational institution an amount based on:

6 [~~(a)~~] A. the projected enrollment at each four-year  
7 public post-secondary educational institution of qualified  
8 students in their first through seventh program semesters,  
9 including qualified students in their fourth through seventh  
10 program semesters who transferred from community colleges;

11 [~~(b)~~] B. the projected enrollment at each community  
12 college of qualified students in their first through third  
13 program semesters; and

14 [~~(c) a uniform percentage of~~] C. the average of  
15 in-state tuition costs charged by:

16 [~~(1)~~] (1) research institutions for each  
17 research institution;

18 [~~(2)~~] (2) comprehensive institutions for each  
19 comprehensive institution; and

20 [~~(3)~~] (3) community colleges for each community  
21 college, except that the uniform percentage for a two-year  
22 state educational institution shall be based on the uniform  
23 percentage for community colleges."

24 **SECTION 4.** Section 21-21N-5 NMSA 1978 (being Laws 1995,  
25 Chapter 155, Section 23, as amended) is amended to read:

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1 "21-21N-5. LOTTERY TUITION FUND CREATED--PURPOSE.--

2 A. The "lottery tuition fund" is created in the  
3 state treasury. The fund shall be administered by the  
4 department. Earnings from investment of the fund shall accrue  
5 to the credit of the fund. The fund shall maintain an annual  
6 average balance of [~~two million dollars (\$2,000,000)~~] one  
7 million dollars (\$1,000,000), and any balance in the fund at  
8 the end of any fiscal year shall remain in the fund for  
9 appropriation by the legislature as provided in this section.

10 B. Money in the fund shall be appropriated by the  
11 legislature to the department for distribution to New Mexico's  
12 public post-secondary educational institutions to provide  
13 tuition assistance for qualified students and legacy students  
14 as provided in the Legislative Lottery Tuition Scholarship  
15 Act."

16 SECTION 5. Section 21-21N-6 NMSA 1978 (being Laws 2014,  
17 Chapter 80, Section 6) is amended to read:

18 "21-21N-6. DEPARTMENT RULEMAKING AND REPORTING.--

19 A. The department shall promulgate rules setting  
20 forth explicit criteria in accordance with the Legislative  
21 Lottery Tuition Scholarship Act for [~~(1)~~] student qualification  
22 and continuing eligibility [~~and~~

23 ~~(2) calculating the tuition scholarship award~~  
24 ~~amount pursuant to Section 4 of the Legislative Lottery Tuition~~  
25 ~~Scholarship Act and guidelines for the administration of the~~

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1 ~~tuition scholarship program~~].

2 B. The department shall report by November 1 of each  
3 year to the legislative finance committee and the department of  
4 finance and administration on:

5 (1) the status of the fund;

6 (2) tuition scholarship program

7 participation data aggregated for each public post-secondary  
8 educational institution to show:

9 (a) the number of qualified students and  
10 the number of legacy students who received tuition scholarships  
11 in the prior twelve-month period;

12 (b) the total number of students,  
13 including qualified students and legacy students, enrolled in  
14 the prior twelve-month period;

15 (c) for each semester, the amount of  
16 tuition scholarships funded and the amount of tuition costs  
17 that were not offset by the tuition scholarship; and

18 (d) the number of qualified students and  
19 the number of legacy students who graduated with a degree and,  
20 for each qualified student, the number of consecutive semesters  
21 and nonconsecutive semesters attended prior to graduation; and

22 (3) any additional information required or  
23 requested by the legislative finance committee or the  
24 department of finance and administration."

25 SECTION 6. A new section of the Legislative Lottery

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Tuition Scholarship Act is enacted to read:

"[NEW MATERIAL] LOTTERY TUITION SCHOLARSHIP--APPLICATION BY STUDENT.--Prior to consideration for a lottery tuition scholarship each year, a student shall submit to the intended public post-secondary educational institution a completed:

A. lottery tuition scholarship application form developed by the public post-secondary educational institution or the department; or

B. free application for federal student aid provided pursuant to the federal Higher Education Act of 1965."