

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 426

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

AN ACT

RELATING TO THE LOTTERY SCHOLARSHIP; CHANGING THE SET AND
PROPORTIONAL SCHOLARSHIP AMOUNTS.

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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underscored material = new
[bracketed material] = delete

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~~] one or more program
12 semesters by the end of fiscal year [~~2014~~] 2017 the legislative
13 lottery scholarship awarded pursuant to the [~~former~~] provisions
14 of [~~Sections 21-1-4.3, 21-13-10 and 21-16-10.1 NMSA 1978 prior~~
15 ~~to the enactment of~~] the Legislative Lottery Tuition
16 Scholarship Act;

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

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

24 I. "qualified student" means a full-time student
25 who graduated from a public or accredited private New Mexico

underscored material = new
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1 high school or who received a high school equivalency
2 credential while maintaining residency 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~~] 2018:

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~~] seven; provided that
20 the legacy student maintains residency in New Mexico, maintains
21 a grade point average of 2.5 or higher on a 4.0 scale and
22 completes [~~twelve or more credit hours per program semester~~
23 ~~and~~]:

24 (a) for a student attending a four-year
25 public post-secondary educational institution, fifteen or more

1 credit hours per program semester; and

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

5 (2) a qualified student who is not a legacy
6 student is eligible to receive the tuition scholarship for a
7 maximum of seven program semesters and in an amount determined
8 pursuant to the provisions of Section 21-21N-4 NMSA 1978.

9 C. Except as otherwise provided in this section, a
10 tuition scholarship may be awarded to a qualified student who:

11 (1) maintains residency in New Mexico;

12 (2) maintains a grade point average of 2.5 or
13 higher on a 4.0 scale; and

14 (3) completes:

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

18 (b) for a student attending a two-year
19 public post-secondary educational institution, twelve or more
20 credit hours per program semester.

21 D. For students with disabilities who may require
22 accommodations, the department, in consultation with the
23 student and the office at the public post-secondary educational
24 institution that serves students with disabilities, shall
25 review both the definition of "full time" and the maximum

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1 number of consecutive program semesters of eligibility and
2 adjust either or both as deemed reasonable and appropriate,
3 based on the student's disability needs. In no case, however,
4 shall "full time" mean fewer than six credit hours per
5 semester, and in no case shall eligibility extend beyond
6 fourteen consecutive program semesters."

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

9 "21-21N-4. TUITION SCHOLARSHIP AMOUNT--FUND.--~~[A.]~~ Prior
10 to June 1 of each year, based on the amount appropriated by the
11 legislature from the fund and on the projected enrollment at
12 all public post-secondary educational institutions, the
13 department shall:

14 ~~[(1)]~~ A. determine the total amount of money
15 available for all tuition scholarships for qualified students;

16 ~~[(2)]~~ B. determine the uniform percentage by which
17 to calculate tuition scholarships for ~~[qualified]~~ legacy
18 students attending any public post-secondary educational
19 institution; and

20 ~~[(3)]~~ C. notify all public post-secondary
21 educational institutions of the determinations made pursuant to
22 ~~[Paragraphs (1) and (2) of this subsection]~~ Subsections A and B
23 of this section.

24 ~~[B. In determining distribution and award amounts~~
25 ~~for the tuition scholarship program, the department shall:~~

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

3 ~~(2) distribute to all public post-secondary~~
4 ~~educational institutions an amount not to exceed the remaining~~
5 ~~balance in the fund; and~~

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

9 ~~(a) the projected enrollment at each~~
10 ~~four-year public post-secondary educational institution of~~
11 ~~qualified students in their first through seventh program~~
12 ~~semesters, including qualified students in their fourth through~~
13 ~~seventh program semesters who transferred from community~~
14 ~~colleges;~~

15 ~~(b) the projected enrollment at each~~
16 ~~community college of qualified students in their first through~~
17 ~~third program semesters; and~~

18 ~~(c) a uniform percentage of the average~~
19 ~~of in-state tuition costs charged by: 1) research institutions~~
20 ~~for each research institution; 2) comprehensive institutions~~
21 ~~for each comprehensive institution; and 3) community colleges~~
22 ~~for each community college, except that the uniform percentage~~
23 ~~for a two-year state educational institution shall be based on~~
24 ~~the uniform percentage for community colleges.]"~~

25 SECTION 4. A new section of the Legislative Lottery

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1 Tuition Scholarship Act is enacted to read:

2 "[NEW MATERIAL] DISTRIBUTION.--In determining distribution
3 and award amounts for the tuition scholarship program, the
4 department shall:

5 A. maintain the minimum fund balance pursuant to
6 Section 21-21N-5 NMSA 1978;

7 B. distribute to all public post-secondary
8 educational institutions an amount not to exceed the remaining
9 balance in the fund;

10 C. subject to the provisions of Subsections A and B
11 of this section, distribute to each public post-secondary
12 educational institution an amount based on:

13 (1) the projected enrollment at each four-year
14 public post-secondary educational institution of qualified
15 students in their first through seventh program semesters,
16 including qualified students in their fourth through seventh
17 program semesters who transferred from community colleges;

18 (2) the projected enrollment at each community
19 college of qualified students in their first through third
20 program semesters; and

21 (3) for:

22 (a) legacy students, a uniform
23 percentage of the average of in-state tuition costs charged by:
24 1) research institutions for each research institution; 2)
25 comprehensive institutions for each comprehensive institution;

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1 and 3) community colleges for each community college, except
2 that the uniform percentage for a two-year state educational
3 institution shall be based on the uniform percentage for
4 community colleges; and

5 (b) qualified students, an award for
6 each scholarship recipient distributed in amounts not to
7 exceed: 1) three thousand dollars (\$3,000) per scholarship per
8 program semester for a student enrolled at a research
9 institution; 2) two thousand dollars (\$2,000) per scholarship
10 per program semester for a student enrolled at a comprehensive
11 institution; and 3) one thousand dollars (\$1,000) per
12 scholarship per program semester for a student enrolled at a
13 community college; and

14 D. if the amount calculated in Section 21-21N-4
15 NMSA 1978 is less than the amount calculated in Subparagraphs
16 (a) and (b) of Paragraph (3) of Subsection C of this section,
17 reduce the amounts in a manner that maintains the distribution
18 in the same proportions as provided in Subparagraph (a) of
19 Paragraph (3) of Subsection C of this section for legacy
20 students and Subparagraph (b) of Paragraph (3) of Subsection C
21 of this section for qualified students.

22 E. Notwithstanding provisions of the Legislative
23 Lottery Tuition Scholarship Act to the contrary, an award for a
24 legacy student issued pursuant to the Legislative Lottery
25 Tuition Scholarship Act shall not be less than an award for a

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1 qualified student issued pursuant to the Legislative Lottery
2 Tuition Scholarship Act who attends the same public post-
3 secondary educational institution."

4 SECTION 5. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2017.