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AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE OPPORTUNITY
SCHOLARSHIP ACT; REPEALING AND ENACTING SECTIONS OF THE NMSA
1978; 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
"Opportunity Scholarship Act".

SECTION 2. DEFINITIONS.--As used in the Opportunity
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;

B. "department" means the higher education
department;

C. "eligible student" means a New Mexico resident
who is enrolled or enrolling in at least six credit hours,
excluding the summer semester, in a public post-secondary
educational institution or tribal college at any time
following high school graduation or the award of a high
school equivalency credential;

D. "public post-secondary educational institution"
means a four-year state educational institution or a

1 community college;

2 E. "scholarship" means an opportunity scholarship;

3 F. "state educational institution" means an
4 institution of higher education enumerated in Article 12,
5 Section 11 of the constitution of New Mexico; and

6 G. "tribal college" means a tribally, federally
7 or congressionally chartered post-secondary educational
8 institution located in New Mexico that is accredited by the
9 higher learning commission.

10 SECTION 3. CONDITIONS FOR ELIGIBILITY.--

11 A. A scholarship may be awarded to an eligible
12 student who:

13 (1) has not earned a baccalaureate degree at
14 the time the scholarship is awarded;

15 (2) is enrolled in a minimum of six credit
16 hours per semester and no more than eighteen credit hours per
17 fall or spring semester;

18 (3) maintains a cumulative grade point
19 average of 2.5 on a 4.0 scale; and

20 (4) has complied with other rules
21 promulgated by the department to carry out the provisions of
22 the Opportunity Scholarship Act.

23 B. A scholarship may be awarded for the summer
24 semester; provided that the student enrolls in no less than
25 three and no more than nine credit hours.

1 C. A scholarship may be awarded for one
2 credit-bearing certificate or certificates, only one
3 associate degree and only one bachelor's degree per student.

4 D. A scholarship for a credit-bearing certificate
5 may only be awarded where data indicates that the certificate
6 is in high demand by New Mexico employers as determined by
7 the department in consultation with the workforce solutions
8 department.

9 E. Students with disabilities or exceptional
10 mitigating circumstances may petition for a waiver of
11 eligibility requirements on a per semester basis. The
12 lead financial aid officer of the public post-secondary
13 institution or tribal college shall exercise professional
14 judgment in consideration of any request for a waiver.

15 SECTION 4. SCHOLARSHIP AUTHORIZED--ADMINISTRATION.--

16 A. The department shall administer the Opportunity
17 Scholarship Act and shall promulgate rules to carry out the
18 provisions of that act.

19 B. Scholarships shall be awarded to qualified
20 eligible students in an amount not to exceed one hundred
21 percent of tuition and fees after all other state financial
22 aid has been applied. Qualifications shall be determined by
23 rule of the department.

24 C. Prior to June 1 of each year, based on the
25 amount appropriated by the legislature from the opportunity

1 scholarship fund and on the projected enrollment at all
2 public post-secondary educational institutions and tribal
3 colleges, the department shall:

4 (1) determine the total amount of money
5 available for all scholarships for eligible students;

6 (2) determine the award amount for public
7 post-secondary educational institutions and tribal colleges;
8 and

9 (3) notify all public post-secondary
10 educational institutions and tribal colleges of the
11 determinations made pursuant to Paragraphs (1) and (2) of
12 this subsection.

13 D. In determining distribution and award amounts
14 for the scholarships, the department shall:

15 (1) distribute to all public post-secondary
16 educational institutions and tribal colleges an amount not to
17 exceed the remaining balance in the opportunity scholarship
18 fund; and

19 (2) subject to the provisions of Paragraph
20 (1) of this subsection, distribute to each public
21 post-secondary educational institution and tribal college
22 an amount based on the projected enrollment at each public
23 post-secondary educational institution and tribal college.

24 SECTION 5. DURATION OF SCHOLARSHIP AUTHORIZED.--

25 A. Each scholarship is for a period of one

1 semester, including the summer semester. A scholarship may
2 be renewed; provided that the eligible student continues to
3 meet the conditions of eligibility.

4 B. Scholarships may be provided to an eligible
5 student until the eligible student receives a credit-bearing
6 certificate or certificates.

7 C. Scholarships may be provided to an eligible
8 student for up to ninety credit hours for the completion of
9 an associate degree.

10 D. Scholarships may be provided to an eligible
11 student for up to one hundred sixty credit hours for the
12 completion of a bachelor's degree.

13 E. Scholarships may be provided to an eligible
14 student until the eligible student graduates from a four-year
15 public post-secondary educational institution or tribal
16 college.

17 SECTION 6. TERMINATION OF SCHOLARSHIP AUTHORIZED.--A
18 scholarship is terminated upon occurrence of:

19 A. withdrawal of the eligible student from the
20 public post-secondary educational institution or tribal
21 college or failure to remain enrolled in at least six credit
22 hours per semester, excluding the summer semester;

23 B. failure of the eligible student to
24 achieve satisfactory academic progress set by the public
25 post-secondary educational institution or tribal college; or

1 C. substantial noncompliance by the eligible
2 student with the Opportunity Scholarship Act or the rules
3 promulgated pursuant to that act.

4 SECTION 7. FUND CREATED.--The "opportunity scholarship
5 fund" is created as a nonreverting fund in the state
6 treasury, consisting of income from investment of the fund
7 and any specified distributions, appropriations, gifts,
8 grants and donations to the fund. Money in the fund is
9 appropriated to the department for scholarship awards as
10 provided in the Opportunity Scholarship Act. Expenditures
11 from the fund shall be by warrant of the secretary of finance
12 and administration pursuant to vouchers signed by the
13 secretary of higher education or the secretary's authorized
14 representative.

15 SECTION 8. DEPARTMENT RULEMAKING AND REPORTING.--

16 A. The department shall promulgate rules setting
17 forth explicit criteria in accordance with the Opportunity
18 Scholarship Act for:

19 (1) student qualification and continuing
20 eligibility;

21 (2) calculating the total amount of money
22 necessary to pay for opportunity scholarships at each
23 eligible institution pursuant to Section 4 of the Opportunity
24 Scholarship Act and guidelines for the administration of the
25 Opportunity Scholarship Act; and

1 (3) requirements for the memoranda of
2 understanding regarding institution eligibility to
3 participate in the opportunity scholarship program.

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

7 (1) status of the opportunity scholarship
8 fund; and

9 (2) Opportunity Scholarship Act
10 participation data aggregated for each eligible institution
11 to show the:

12 (a) number of eligible students who
13 received scholarships in the prior academic year;

14 (b) total number of students enrolled
15 in eligible institutions in the prior academic year; and

16 (c) number of eligible students who
17 graduated with a degree and, for each eligible student, the
18 number of consecutive semesters and nonconsecutive semesters
19 attended prior to graduation.

20 SECTION 9. TEMPORARY PROVISION.--Upon the effective
21 date of the Opportunity Scholarship Act:

22 A. all balances of the legislative endowment
23 scholarship fund and the college affordability endowment fund
24 shall be transferred to the opportunity scholarship fund; and

25 B. any appropriation to the opportunity

1 scholarship program within the General Appropriation Act of
2 2022 shall be transferred to the opportunity scholarship
3 fund.

4 SECTION 10. REPEAL.--Sections 21-21J-1 through 21-21J-8
5 and 21-21L-1 through 21-21L-8 NMSA 1978 (being Laws 1995,
6 Chapter 35, Sections 1 through 8 and Laws 2005, Chapter 192,
7 Sections 1 through 8, as amended) are repealed.

8 SECTION 11. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2022. _____

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