

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
53rd Legislature, 2nd Session, 2018

Bill Number	<u>SB84</u>	Sponsor	<u>Tallman</u>
Tracking Number	<u>.208793.3</u>	Committee Referrals	<u>SCC/SEC/SFC</u>
Short Title	<u>NM Reconnect Scholarship Act</u>		
Analyst	<u>Terrazas</u>	Original Date	<u>1/25/18</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 84 (SB84) appropriates \$5.8 million to the New Mexico Reconnect Scholarship Fund and enacts the New Mexico Reconnect Scholarship Act to provide low-income, non-traditional students with tuition scholarships to attend community college, helping to fill a gap in the financial assistance available to adult learners.

FISCAL IMPACT

The bill appropriates \$5.8 million from the general fund to the New Mexico Reconnect Scholarship Fund for expenditure in FY19 to carry out the provisions of the New Mexico Reconnect Scholarship Act. Up to \$75 thousand of the appropriation may be used by the Higher Education Department (HED) for administrative purposes. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

SUBSTANTIVE ISSUES

SB84 enacts the New Mexico Reconnect Scholarship Act to award scholarships to low-income, non-traditional students. To be eligible, SB84 requires applicants to meet the rules adopted by HED and be residents of New Mexico for at least the past year. Applicants must submit to the intended public postsecondary educational institution a New Mexico Reconnect Scholarship Act application form or a Free Application for Federal Student Aid form. Applicants must be at least 24 years old, married, a graduate or professional student, a veteran, a member of the United States armed forces, an orphan, a ward of the court, a person who has at least one legal dependent other than a spouse, or an emancipated minor. Applicants must not have earned an associate's, baccalaureate, master's or doctorate degree, and have an adjusted gross income of less than \$36 thousand per year.

Each scholarship is for a period of one academic semester and can be renewed until the award recipient has received four consecutive semester scholarship awards or until the student graduates from an eligible community college with an associate's degree or certificate, whichever occurs

first. Subject to the amount of money in the fund, awards shall not exceed the cost of tuition and mandatory fees charged to all students less all other aid provided to students, which would be credited first to tuition and mandatory fees.

Central New Mexico Community College (CNM) estimates approximately 1,400 of their current students would be eligible for the New Mexico Reconnect Scholarship. Using this estimation, the maximum amount a CNM student would be awarded in a semester (in the absence of any other aid) would be \$603. This amount would cover nine credit hours of academic credit, the \$45 registration fee, and an \$8 per credit hour technology fee. Applied to all potentially eligible current CNM students, this would result in CNM students receiving up to \$845,000 in tuition assistance.

Award recipients will lose their scholarship if they: withdraw from community college; fail to maintain a cumulative grade point average of 2.0 on a scale of 4.0 in the immediately preceding semester; fail to enroll in at least nine hours of course credits per semester; fail to complete at least six hours of course credits in a semester in which they received the award; fail to maintain continuous enrollment in classes leading to an associate's degree or certificate; or if they do not comply with the New Mexico Reconnect Scholarship Act or the rules adopted by HED.

According to a 2016 report by the Department of Workforce Solutions, employment in occupations that typically require a high school diploma or equivalent certificate or less is projected to grow by 11.6 percent, or 66,600 jobs, by 2022. However, jobs that require a bachelor's degree or higher are projected to grow at a faster rate, by 13.4 percent. Jobs that require a master's degree are projected to grow by 21.6 percent.

Available Funding for Non-Traditional Students. Though New Mexico offers the Legislative Lottery Scholarship, it is only available to students who enroll at a public postsecondary educational institution in New Mexico within 16 months of high school graduation, with high school equivalency credential or military service.

In FY19, the Student Incentive Grant Program will be the only state-administered, need-based grant available to adults who choose to return to college. To be eligible for this grant, students must be New Mexico residents, be enrolled at least half time as an undergraduate student at a New Mexico public college or university or tribal college, demonstrate financial need as determined by the eligible college or university, and have a high school diploma or high school equivalency credential. The Student Incentive Program awards \$200 to \$2,500 per year. In the past, non-traditional students could apply for a College Affordability Grant, which awarded a maximum of \$1,000 per semester depending on financial need. The last of the award money available in the College Affordability Fund was awarded this year.

Adult Education Attainment in New Mexico. According to 2016 data from the United States Census Bureau, about 896 thousand New Mexicans 25 years and over (65 percent) have an educational attainment level of "some college, no degree" or less. About 220 thousand New Mexicans 25 years and over (17 percent) live below the poverty line. The five-year estimated median earnings of high school graduates 25 years or older is \$26,050. Attachment 1 shows the 2016-2017 tuition and fee costs at New Mexico public postsecondary institutions.

ADMINISTRATIVE IMPLICATIONS

HED would need to administer the New Mexico Reconnect Scholarship Fund, which must be disbursed on warrants signed by the secretary of finance and administration pursuant to vouchers signed by the secretary of HED or the secretary's authorized representative.

HED would need to administer the New Mexico Reconnect Scholarship Act and adopt rules necessary to administer the act.

HED or public postsecondary educational institutions would need to develop a New Mexico Reconnect Scholarship application form.

HED or public postsecondary educational institutions would need to disseminate information regarding the scholarship to students.

TECHNICAL ISSUES

On page 5, line 3, the sponsor may want to clarify if “all other aid” includes student loans and work-study.

On page 2 line 24, SB84 indicates the scholarship can be awarded to an individual who is a graduate or professional student while page 3 lines 8 and 9 say the scholarship can only be awarded to an individual who has not earned an associate's, baccalaureate, master's or doctorate degree.

OTHER SIGNIFICANT ISSUES

SB84 defines “community college” as “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 of NMSA 1978, respectively.”

SB84 defines “department” as HED.

SB84 defines “student” as “a resident of New Mexico who enrolled or will be enrolled in a community college in New Mexico at the time the scholarship is awarded.”

ALTERNATIVES

Support for non-traditional students could be directed to the College Affordability Endowment Fund.

POSSIBLE QUESTIONS

Will awards come from the fund's interest or the corpus?

SOURCES OF INFORMATION

- LESC Files

DT/rab

2016-2017 Tuition and Fee Costs at New Mexico Public Post-Secondary Two Year Institutions

	Undergraduate Resident Tuition and Fees
Two Year Institutions (Branches)	
ENMU Roswell	1320.00
ENMU Ruidoso	590.00
NMSU Alamogordo	1032.00
NMSU Carlsbad	638.00
NMSU Doña Ana	864.00
NMSU Grants	1032.00
UNM Gallup	-
UNM Los Alamos	1048.00
UNM Taos	951.00
UNM Valencia	984.00
<i>Average Cost</i>	939.89
Two Year institutions (Independent)	
Central New Mexico Community College	789.00
Clovis Community College	688.00
Luna Community College	481.00
Mesalands Community College	850.00
New Mexico Junior College	660.00
San Juan College	922.00
Santa Fe Community College	877.50
<i>Average Cost</i>	752.50

Source: HED