

SENATE BILL 81

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Gay G. Kernan

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO HIGHER EDUCATION; INCREASING THE PER-STUDENT PER-SEMESTER COLLEGE AFFORDABILITY SCHOLARSHIP MAXIMUM AMOUNT; INCREASING THE DISTRIBUTION FROM THE COLLEGE AFFORDABILITY ENDOWMENT FUND; MAKING AN APPROPRIATION.

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

SECTION 1. Section 21-21L-5 NMSA 1978 (being Laws 2005, Chapter 192, Section 5, as amended by Laws 2007, Chapter 70, Section 4 and by Laws 2007, Chapter 71, Section 4 and also by Laws 2007, Chapter 85, Section 4) is amended to read:

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"21-21L-5. SCHOLARSHIP AUTHORIZED--ADMINISTRATION--

PREFERENCE IN SCHOLARSHIP AWARDS.--

A. The department shall administer the College Affordability Act and shall promulgate rules to carry out the provisions of that act.

B. Scholarships shall be awarded to qualified eligible students. Qualifications shall be determined by rule of the department.

C. The department shall allocate money to public post-secondary educational institutions and tribal colleges based on a student need formula calculated according to income reported on the free application for federal student aid and on the percentage of the institution's students classified as returning adults who are otherwise ineligible for state financial aid.

D. Public post-secondary educational institutions and tribal colleges shall make awards to qualifying eligible students based on financial need in an amount not to exceed ~~[one thousand dollars (\$1,000)]~~ one thousand five hundred dollars (\$1,500) per semester as determined by rule of the department.

E. Money for the scholarship shall be placed in an account at the public post-secondary educational institution or tribal college in the name of the eligible student, and the money may be drawn upon to pay educational expenses charged by

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the institution, including tuition, fees, books and course supplies."

SECTION 2. Section 21-21L-8 NMSA 1978 (being Laws 2005, Chapter 192, Section 8, as amended by Laws 2007, Chapter 70, Section 7 and by Laws 2007, Chapter 71, Section 7 and also by Laws 2007, Chapter 85, Section 7) is amended to read:

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

A. The "college affordability endowment fund" is created as a nonreverting fund in the state treasury, consisting of appropriations; unspecified gifts, grants and donations to the fund; and income from investment of the fund except as provided in Subsection C of this section.

B. The "college affordability scholarship fund" is created as a nonreverting fund in the state treasury, consisting of income from investment of the fund and any specified distributions, appropriations, gifts, grants and donations to the fund. Money in the scholarship fund is appropriated to the department for scholarship awards as provided in the College Affordability Act. Expenditures from the scholarship fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of higher education or the secretary's authorized representative.

C. Until fifty percent of the annual income from investment of the college affordability endowment fund is equal

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to or exceeds [~~two million dollars (\$2,000,000)~~] three million dollars (\$3,000,000), an annual distribution of [~~two million dollars (\$2,000,000)~~] three million dollars (\$3,000,000) shall be made from the college affordability endowment fund to the college affordability scholarship fund. Thereafter, until the corpus of the endowment fund is two hundred fifty million dollars (\$250,000,000), fifty percent of the income from investment of the fund shall be applied to the corpus of the fund and fifty percent shall be distributed annually to the scholarship fund. After the corpus of the endowment fund is two hundred fifty million dollars (\$250,000,000), all of the income from investment of the fund shall be distributed to the college affordability scholarship fund."

SFC → ~~SECTION 3. APPROPRIATION. -- Fifty million dollars (\$50,000,000) is appropriated from the general fund to the college affordability endowment fund in fiscal year 2020 to increase the endowment and, thus, the distribution to the college affordability scholarship fund that provides college scholarships to qualified students. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.~~ ← SFC