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HOUSE BILL 14

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Tomás E. Salazar

AN ACT

RELATING TO HIGHER EDUCATION; CREATING THE OPPORTUNITY
SCHOLARSHIP ACT; CREATING THE OPPORTUNITY SCHOLARSHIP FUND;
MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Opportunity Scholarship Act".

SECTION 2. [NEW MATERIAL] 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, respectively;

B. "department" means the higher education

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1 department;

2 C. "eligible institution" means a public post-
3 secondary educational institution or tribal college that has a
4 current and valid memorandum of understanding regarding
5 institution eligibility with the department, and which
6 memorandum of understanding is approved by the department;

7 D. "full time" means fifteen or more credit hours
8 each program semester of the regular academic year in four-year
9 programs and twelve or more credit hours each program semester
10 of the regular academic year in two-year programs;

11 E. "fund" means the opportunity scholarship fund;

12 F. "opportunity scholarship" means the scholarship
13 that provides tuition and fees assistance per program semester
14 for a qualified student attending an eligible institution;

15 G. "program semesters" means those semesters for
16 which a qualified student may receive an opportunity
17 scholarship;

18 H. "public post-secondary educational institution"
19 means a state educational institution or a community college;

20 I. "qualified student" means a recent graduate
21 learner or a returning student learner;

22 J. "recent graduate learner" means a full-time
23 student who does not have an associate's, bachelor's, master's
24 or doctoral degree and who 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) within sixteen months of graduation
5 or receipt of a high school equivalency credential, was
6 accepted for entrance to and attended an eligible institution;
7 or

8 (b) within four months of graduation or
9 receipt of a high school equivalency credential, began service
10 in the United States armed forces and, within sixteen months of
11 completion of honorable service or medical discharge from the
12 service, attended an eligible institution; and

13 (2) successfully completed the first semester
14 at an eligible institution with a grade point average of 2.5 or
15 higher on a 4.0 scale during the first semester of full-time
16 enrollment and maintains a cumulative grade point average of
17 2.5 or higher on a 4.0 scale at an eligible institution;

18 K. "returning student learner" means a student
19 twenty-four years of age or older who has a high school diploma
20 or who has received a high school equivalency credential and
21 who does not have an associate's, bachelor's, master's or
22 doctoral degree, who has been a resident of New Mexico for the
23 preceding twelve consecutive months and who maintains a
24 cumulative grade point average of 2.0 or higher on a 4.0 scale
25 at an eligible institution;

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1 L. "state educational institution" means an
2 institution of higher education enumerated in Article 12,
3 Section 11 of the constitution of New Mexico;

4 M. "tribal college" means a tribally, federally or
5 congressionally chartered eligible institution located in New
6 Mexico that is accredited by the higher learning commission;
7 and

8 N. "tuition and fees" means mandatory costs paid by
9 or for a qualified student to an eligible institution for
10 coursework.

11 SECTION 3. [NEW MATERIAL] OPPORTUNITY SCHOLARSHIPS
12 AUTHORIZED--QUALIFIED STUDENTS.--

13 A. To the extent that money is available in the
14 fund, the boards of regents or governing bodies of eligible
15 institutions shall award opportunity scholarships in
16 department-approved amounts to qualified students attending
17 their respective eligible institutions.

18 B. A qualified student is eligible to receive an
19 opportunity scholarship; provided that the student maintains
20 residency in New Mexico and:

21 (1) for a recent graduate learner, for a
22 maximum of seven program semesters, achieves the earlier of:

23 (a) completion of a full-time course
24 load per program semester up to one hundred eighty credit
25 hours; or

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1 (b) receipt of a bachelor's degree; and

2 (2) for a returning student learner, for a
3 maximum of ten program semesters, achieves the earlier of:

4 (a) completion of six or more credit
5 hours per program semester up to ninety credit hours; or

6 (b) receipt of a certificate or
7 associate's degree.

8 C. No qualified student shall simultaneously
9 receive an opportunity scholarship as a recent graduate learner
10 and a returning student learner.

11 D. For students with disabilities who may require
12 accommodations, the department, in consultation with the
13 student and the office at the eligible institution that serves
14 students with disabilities, shall review the maximum number of
15 consecutive program semesters of eligibility and adjust it as
16 deemed reasonable and appropriate, based on the student's
17 disability needs. In no case, however, shall eligibility
18 extend beyond fourteen consecutive program semesters. The
19 definition of "qualified student" notwithstanding, a New Mexico
20 resident who had to leave the state to receive an education
21 pursuant to the federal Individuals with Disabilities Education
22 Act shall be eligible for an opportunity scholarship if the
23 student graduated from an accredited high school in another
24 state and otherwise meets the qualifications for an opportunity
25 scholarship pursuant to the definition of "qualified student"

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1 and this section.

2 SECTION 4. [NEW MATERIAL] OPPORTUNITY SCHOLARSHIP
3 AMOUNT.--

4 A. Prior to June 1 of each year, based on the
5 amount appropriated by the legislature from the fund and on the
6 projected enrollment at all eligible institutions, the
7 department shall:

8 (1) determine the total amount of money
9 necessary to pay for all opportunity scholarships for recent
10 graduate learners at eligible institutions;

11 (2) determine the award amount for returning
12 student learners at eligible institutions; and

13 (3) notify all eligible institutions of the
14 determinations made pursuant to Paragraphs (1) and (2) of this
15 subsection.

16 B. The department shall distribute to all eligible
17 institutions an amount not to exceed the remaining balance in
18 the fund; and an amount that shall pay the balance of the full
19 cost of tuition and fees at the eligible institution after all
20 state and federal non-loan-based student financial aid has been
21 paid to or on behalf of the student.

22 SECTION 5. [NEW MATERIAL] OPPORTUNITY SCHOLARSHIP FUND
23 CREATED--PURPOSE.--

24 A. The "opportunity scholarship fund" is created in
25 the state treasury. The fund consists of all money

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1 appropriated to the fund and any grants, gifts and bequests
2 made to the fund. The fund shall be administered by the
3 department. Earnings from investment of the fund shall accrue
4 to the credit of the fund. Any balance in the fund at the end
5 of any fiscal year shall remain in the fund for appropriation
6 by the legislature as provided in this section.

7 B. Money in the fund is subject to appropriation by
8 the legislature to the department for distribution to eligible
9 institutions to provide tuition and fee assistance for
10 qualified students as provided for in the Opportunity
11 Scholarship Act.

12 SECTION 6. [NEW MATERIAL] DEPARTMENT RULEMAKING AND
13 REPORTING.--

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

17 (1) student qualification and continuing
18 eligibility;

19 (2) calculating the opportunity scholarship
20 award amount pursuant to Section 4 of the Opportunity
21 Scholarship Act and guidelines for the administration of the
22 opportunity scholarship program; and

23 (3) requirements for the memoranda of
24 understanding regarding institution eligibility to participate
25 in the opportunity scholarship program.

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

- 4 (1) status of the fund; and
 - 5 (2) opportunity scholarship program
- 6 participation data aggregated for each eligible institution to
7 show the:

- 8 (a) number of qualified students who
- 9 received opportunity scholarships in the prior academic year;
- 10 (b) total number of students enrolled in
- 11 eligible institutions in the prior academic year; and
- 12 (c) number of qualified students who
- 13 graduated with a degree and, for each qualified student, the
- 14 number of consecutive semesters and nonconsecutive semesters
- 15 attended prior to graduation.

16 **SECTION 7. APPROPRIATION.**--Thirty-five million dollars
17 (\$35,000,000) is appropriated from the general fund to the
18 opportunity scholarship fund for expenditure in fiscal year
19 2021 and subsequent fiscal years to fund the Opportunity
20 Scholarship Act and execution of the provisions of that act.
21 Any unexpended or unencumbered balance remaining at the end of
22 a fiscal year shall not revert to the general fund.

23 **SECTION 8. EFFECTIVE DATE.**--The effective date of the
24 provisions of this act is July 1, 2020.