

LFC Requester:	Jorgensen
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

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SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date January 17, 2024

Bill No: HB100

Sponsor: Castellano, Sanchez
Short Title: Adult Online Learner Scholarship Act

Agency Name and Code NMICC-994
Number: _____
Person Writing Vanessa K. Hawker
Phone: _____ **Email** vhawker@hawkerhynson.com

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$5,000.0		R	GF
\$2,000.0		R	GF

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 100 (HB100) creates a new postsecondary education scholarship program, the adult online learner scholarship program, establishing definitions, criteria for receiving the scholarship, termination of the scholarship, establishing reporting requirements, and creating the adult online learner scholarship fund.

HB100 appropriates \$5 million from the general fund to the adult online learner endowment fund and \$2 million from the general fund to the adult online learner scholarship fund.

FISCAL IMPLICATIONS

HB100 appropriates \$5 million from the general fund to the adult online learner endowment fund for the purpose of endowing the adult online scholarship program.

HB100 appropriates \$2 million from the general fund to the adult online learner scholarship program.

Neither appropriation reverts.

SIGNIFICANT ISSUES

In creating the adult online learner scholarship program HB100 establishes institution and student eligibility requirements.

Eligible institutions: Only students attending eligible institutions may be considered for the scholarship. Eligible institutions include any New Mexico public post-secondary education institution, tribal college, or a nonprofit post-secondary education institution established in New Mexico in cooperation with other western states. The only nonprofit post-secondary institution that meets this definition is the Western Governors University (WGU).

Eligible student: must be a New Mexico resident, at least 26 years of age, has not earned a terminal certificate or degree in a profession or occupation on the critical workforce needs list, must have finance need as determined by higher education department criteria, is enrolled at least half time in an online post-secondary degree program or vocational certificate program in a field of study on the critical workforce needs list.

Critical workforce need: a list of public- or private-sector professions and occupations for which New Mexico has a critical shortage of qualified residents. HB100 specifies the higher education department is to work with other cabinet departments to develop an annual critical workforce list.

The higher education department is responsible for promulgating rules to carry out the provisions in HB100, including determining the criteria for financial need, procedures for applications, priorities for allocating funds to students from rural areas, minority students, low-income students, and students who are first generation higher education students.

HB100 stipulates if a student receives the scholarship and their program is removed from the critical workforce list, the higher education department shall continue to provide the scholarship to the student until the student completes their program of study -- so long as the student remains eligible.

For institutions who measure education progress in semesters, an eligible student shall not receive more than 10 semesters of this scholarship. The student must maintain in-state residency and earn at least a 2.0 on a 4.0 grading system each semester.

For institutions who measure education process via competency, an eligible student will receive the scholarship for each course the student takes until they receive the vocational certificate or degree for which the scholarship is granted, so long as the student maintains in-state residency

and demonstrates satisfactory progress towards completion. HB100 does not limit the number of courses the eligible student may take.

Upon accepting the adult online scholarship, the eligible student agrees to work in New Mexico in a profession or occupation on the critical workforce need list for at least two years after completing their program of study. The higher education department shall develop rules for tracking students who complete their programs.

HB100 does not stipulate consequences if the eligible student does not fulfill the work requirement.

The adult online learner scholarship is terminated if the student:

- withdraws from an eligible institution;
- fails to achieve satisfactory academic progress;
- fails to maintain New Mexico residency;
- is substantially in noncompliance with the provisions of HB100 or associated rules promulgated by the higher education department;
- has not received a certificate or degree within the number of allowed semesters, or, in a competency based educational program has not taken a competency-based course for more than six consecutive months.

This bill establishes reporting requirements on the efficacy of the scholarship program to include:

- number of scholarship recipients at each eligible institution;
- the average scholarship award;
- program outcomes
 - number of certificates and degrees awarded annually;
 - number of program completers who have remained in New Mexico, are employed, and are employed in their field of study;
 - the number of businesses who have benefitted from program completers;
 - recommendations for program modifications and funding levels

HB100 creates the adult online learner endowment fund and the adult online learner scholarship fund. It establishes requirements for both funds.

OTHER SUBSTANTIVE ISSUES

HB100 provides an eligible student has not received a terminal certificate/degree in a profession or occupation on the critical workforce needs list. Based upon this language a student who has a certificate or degree in a profession or occupation on the critical workforce needs list, so long as it is not a terminal degree or certificate, are eligible for this scholarship. For example, an individual with a Bachelor of Science in Nursing would be eligible for this scholarship as they do not have a terminal degree (a Doctorate of Nursing Practice)

Section 3.E. (2) – this section appears to limit the scholarships and financial aid a student may receive to the cost of tuition and fees. Typically, post-secondary education financial aid considers the total cost of attendance which includes books, housing. With only tuition and fees

covered, it appears this scholarship assumes the adult learner has other means to cover their living expenses.

HB100 raises the policy question of the use of New Mexico taxpayer funds in supporting private postsecondary education.

The higher education department in 5.7.18 NMAC establishes residency for tuition purposes. Residency status is determined at the time a person applies for admission. In general an individual must reside in New Mexico for a minimum of 12 consecutive months, sign a written declaration of intent to remain in New Mexico, and provide proof of completion of two overt acts, such as a New Mexico driver's license, New Mexico voter registration, utility bills with a New Mexico address. 5.7.18.9.E NMAC provides for exceptions to the 12 month requirement.

New Mexico adult residents, attending one of New Mexico's public post-secondary institutions are eligible to receive the opportunity scholarship, so long as they are pursuing a for-credit program of study. It appears New Mexico adult resident students pursuing a non-credit online program of study would be eligible for the scholarship HB100 establishes.