

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

SB86 amends 21-21G NMSA 1978, the Graduate Scholarship Act, and makes an appropriation of five million dollars (\$5,000,000) from the General Fund to the Graduate Scholarship Fund. The bill removes United States citizenship or naturalization requirements, adds Grade Point Average (GPA) qualification criteria, and removes full-time enrollment. The bill removes unpaid internship requirements and requires continuous enrollment in consecutive academic years to maintain qualifications for the scholarship. The bill removes the maximum award of \$7,200 per academic year to award one hundred percent (100%) of tuition and fees provide the student remains enrolled. SB86 makes several non-substantive amendments to correct outdated references within the statute. The bill adds new material requiring students to serve in an internship or assistantship at the eligible institution approved by the students' academic department.

FISCAL IMPLICATIONS

SB86 amends 21-21G NMSA 1978, the Graduate Scholarship Act and appropriates five million dollars (\$5,000,000) from the General Fund to the Graduate Scholarship Fund under the New Mexico Higher Education Department (NMHED) in FY25. This is a nonrecurring expense to the General Fund.

SIGNIFICANT ISSUES

Graduate scholarships are funded through the New Mexico Higher Education Department (NMHED) Student Financial Aid line item in the General Appropriations Act. The FY24 General Fund appropriation for the graduate scholarships was \$488,300 and supported approximately 68 students based on funding criteria established by NMHED. The FY24 average per-semester, full tuition and fees for New Mexico institutions offering graduate programs is \$4,746. The current scholarship awards are per academic year and are distributed in equal installments over the period of an academic year or period of enrollment. If an award recipient is enrolled in the program for less than an academic year will then receive a pro rata share of the stipend.

While SB86 removes citizenship or other naturalization requirements to qualify for the scholarship, graduate students remain legally authorized to study in the United States. SB86 identifies an award recipient to be a New Mexico resident student. Many graduate programs allow for part-time enrollment, particularly toward the end of a program as a student is completing their thesis or dissertation. SB86 changes this requirement to allow part-time enrollment of six credit hours or more but requires students to maintain enrollment and a 3.0 GPA in consecutive academic years to continue to receive scholarship awards. SB86 removes a Doctor of Medicine and nursing degrees other than a Doctor of Nursing practice as eligible programs of study.

SB86 adds new language providing graduate scholarships to recipients until the award recipient either received a terminal degree or has qualified and received eight semesters of scholarship, whichever occurs first. Recipients must agree to serve the eligible institution during the academic year in an internship or assistantship approved by the student's academic department.

PERFORMANCE IMPLICATIONS

There are not any performance measures specified in the bill.

ADMINISTRATIVE IMPLICATIONS

The NMHED Financial Aid Division administers regulations promulgated pursuant to the Graduate Scholarship Act in 5.7.15 NMAC. Currently, allocations to Higher Education Institutions (HEI's) are based on an enrollment-based formula. Public postsecondary educational institutions are responsible for packaging awards to eligible graduate students. In addition, institutions would need to track graduate awards to ensure that the recipient serves in an internship or assistantship at that eligible institution.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB86 isn't enacted the Graduate Scholarship Act would remain in place.

AMENDMENTS

N/A