

\$0.0	\$0.0	\$0.0	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

SB233 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 seven thousand, two hundred dollars (\$7,200) per academic year to award one hundred percent (100%) of tuition and fees provided the student remains enrolled. SB233 makes several non-substantive amendments to correct outdated references within the statute.

FISCAL IMPLICATIONS

SB233 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 four hundred and eighty-eight thousand, three hundred dollars (\$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 four thousand, seven hundred and forty-six dollars (\$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, they will then receive a pro rata share of the stipend.

While SB233 removes citizenship or other naturalization requirements to qualify for the scholarship, graduate students remain legally authorized to study in the United States. SB233 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. SB233 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.

SB233 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.

PERFORMANCE IMPLICATIONS

There are not any performance measures specified in the bill.

ADMINISTRATIVE IMPLICATIONS

The New Mexico Higher Education Department (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 SB233 isn't enacted the Graduate Scholarship Act would remain in place

AMENDMENTS

N/A