

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 691

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Shannon Robinson

AN ACT

RELATING TO POST-SECONDARY EDUCATION; AMENDING PROVISIONS FOR
LOTTERY TUITION SCHOLARSHIPS TO PROVIDE FOR SCHOLARS' AWARDS
FOR OTHER EDUCATIONAL EXPENSES IN ADDITION TO TUITION;
AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 6-24-23 NMSA 1978 (being Laws 1995,
Chapter 155, Section 23, as amended) is amended to read:

"6-24-23. LOTTERY [~~TUITION~~] SCHOLARS' AWARDS FUND
CREATED- - PURPOSE. - -

A. The "lottery [~~tuition~~] scholars' awards fund"
is created in the state treasury. The fund shall be
administered by the [~~commission on higher education~~] state
treasurer. Earnings from investment of the fund shall accrue
to the credit of the fund. Any balance in the fund at the end

underscored material = new
[bracketed material] = del ete

underscored material = new
[bracketed material] = delete

1 of any fiscal year shall remain in the fund for appropriation
2 by the legislature as provided in this section.

3 B. After appropriation, if any, by the legislature
4 for ~~[scholarships]~~ scholars' awards pursuant to Subsection C
5 of Section 21-1-2 NMSA 1978, the remaining money in the
6 lottery ~~[tuition]~~ scholars' awards fund is appropriated to
7 ~~[the commission on higher education for distribution to]~~ New
8 Mexico's public post-secondary educational institutions
9 proportional to their freshman full-time-equivalent enrollment
10 in the fall semester in the previous fiscal year to provide
11 ~~[tuition]~~ assistance for New Mexico resident ~~[undergraduates]~~
12 undergraduate educational expenses as provided by law. "

13 Section 2. Section 6-24-24 NMSA 1978 (being Laws 1995,
14 Chapter 155, Section 24) is amended to read:

15 "6-24-24. DISPOSITION OF REVENUE. --

16 A. As nearly as practical, an amount equal to at
17 least fifty percent of the gross annual revenues from the sale
18 of lottery tickets shall be returned to the public in the form
19 of lottery prizes.

20 B. The authority shall transmit all net revenues
21 to the state treasurer, who shall deposit sixty percent of the
22 revenues in the public school capital outlay fund for
23 expenditure pursuant to the provisions of the Public School
24 Capital Outlay Act and forty percent in the lottery ~~[tuition]~~
25 scholars' awards fund. Estimated net revenues shall be

underscored material = new
[bracketed material] = del ete

1 transmitted monthly to the state treasurer for deposit in the
2 funds, provided the total amount of annual net revenues for
3 the fiscal year shall be transmitted no later than August 1
4 each year.

5 C. In determining net revenues, operating expenses
6 of the lottery include all costs incurred in the operation and
7 administration of the lottery and all costs resulting from any
8 contracts entered into for the purchase or lease of goods or
9 services required by the lottery, including [~~but not limited~~
10 ~~to~~] the costs of supplies, materials, tickets, independent
11 audit services, independent studies, data transmission,
12 advertising, promotion, incentives, public relations,
13 communications, commissions paid to lottery retailers,
14 printing, distribution of tickets, purchases of annuities or
15 investments to be used to pay future installments of winning
16 lottery tickets, debt service and payment of any revenue bonds
17 issued, contingency reserves, transfers to the reserve fund
18 and any other necessary costs incurred in carrying out the
19 provisions of the New Mexico Lottery Act.

20 D. An amount up to two percent of the gross annual
21 revenues shall be set aside as a reserve fund to cover bonuses
22 and incentive plans for lottery retailers, special promotions
23 for retailers, purchasing special promotional giveaways,
24 sponsoring special promotional events, compulsive gambling
25 rehabilitation and such other purposes as the board deems

underscored material = new
[bracketed material] = delete

1 necessary to maintain the integrity and meet the revenue goals
2 of the lottery. The board shall report annually to the
3 governor and each regular session of the legislature on the
4 use of the money in the reserve fund. Any balance in excess
5 of fifty thousand dollars (\$50,000) at the end of any fiscal
6 year shall be transferred to the lottery [~~tuition~~ scholars'
7 awards fund. "

8 Section 3. Section 6-24-27 NMSA 1978 (being Laws 1995,
9 Chapter 155, Section 27) is amended to read:

10 "6-24-27. REVENUE AND BUDGET REPORTS--RECORDS--
11 INDEPENDENT AUDITS. --

12 A. The board shall:

13 (1) submit quarterly and annual reports to
14 the governor, legislative finance committee and lottery
15 oversight committee disclosing the total lottery revenue,
16 prizes, commissions, ticket costs, operating expenses and net
17 revenues of the authority during the reporting period and, in
18 the annual report, describe the organizational structure of
19 the authority and summarize the functions performed by each
20 organizational division within the authority;

21 (2) maintain weekly or more frequent records
22 of lottery transactions, including the distribution of lottery
23 tickets to retailers, revenue received, claims for prizes,
24 prizes paid, prizes forfeited and other financial transactions
25 of the authority; and

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(3) use the state government fiscal year.

B. The board shall provide, for informational purposes, to the department of finance and administration and the legislative finance committee, by December 1 of each year, a copy of the annual proposed operating budget for the authority for the succeeding fiscal year. This budget proposal shall also be accompanied by an estimate of the net revenues to be deposited in the public school capital outlay fund and the lottery [~~tuition~~] scholars' awards fund for the current and succeeding fiscal years.

C. The board shall contract with an independent certified public accountant or firm for an annual financial audit of the authority. The certified public accountant or firm shall have no financial interest in any lottery contractor. The certified public accountant or firm shall present an audit report no later than March 1 for the prior fiscal year. The certified public accountant or firm shall evaluate the internal auditing controls in effect during the audit period. The cost of this financial audit shall be an operating expense of the authority. The legislative finance committee may, at any time, order an audit of any phase of the operations of the authority, at the expense of the authority, and shall receive a copy of the annual independent financial audit. A copy of any audit performed by the certified public accountant or ordered by the legislative finance committee

underscored material = new
[bracketed material] = delete

1 shall be transmitted to the governor, the speaker of the house
2 of representatives, the president pro tempore of the senate,
3 the legislative finance committee and the lottery oversight
4 committee. "

5 Section 4. Section 21-1-2 NMSA 1978 (being Laws 1970,
6 Chapter 9, Section 1, as amended) is amended to read:

7 "21-1-2. MATRICULATION AND TUITION FEES. --

8 A. Except as otherwise provided in this section
9 and in Section 21-1-4.3 NMSA 1978, the boards of regents of
10 the university of New Mexico, New Mexico state university, New
11 Mexico highlands university, western New Mexico university,
12 eastern New Mexico university, New Mexico military institute,
13 New Mexico institute of mining and technology and New Mexico
14 junior college shall establish and charge matriculation fees
15 and tuition fees as follows:

16 (1) each student shall be charged a
17 matriculation fee of not less than five dollars (\$5.00) upon
18 enrolling in each institution;

19 (2) each student who is a resident of New
20 Mexico shall be charged a tuition fee of not less than twenty
21 dollars (\$20.00) a year;

22 (3) each student who is not a resident of New
23 Mexico shall be charged a tuition fee of not less than fifty
24 dollars (\$50.00) a year;

25 (4) each student shall be charged a tuition

underscored material = new
[bracketed material] = delete

1 fee of not less than ten dollars (\$10.00) for each summer
2 session; and

3 (5) each student may be charged a tuition fee
4 for extension courses.

5 B. Except as otherwise provided in this section
6 and in Section 21-1-4.3 NMSA 1978, the board of regents of
7 northern New Mexico state school shall establish and charge
8 each student a matriculation fee and a tuition fee.

9 C. The board of regents of each institution may
10 establish and grant scholars' awards or gratis scholarships to
11 students who are residents of New Mexico. [~~in an amount~~]
12 Gratis scholarships shall not [~~to~~] exceed the matriculation
13 fee or tuition and fees, or both. Except as provided in
14 Section 21-1-4.3 NMSA 1978, the number of scholarships
15 established and granted shall not exceed three percent of the
16 preceding fall semester enrollment in each institution and
17 shall not be established and granted for summer sessions. The
18 president of each institution shall select and recommend to
19 the board of regents of his institution, as recipients of
20 scholarships, students who possess good moral character and
21 satisfactory initiative, scholastic standing and personality.
22 At least thirty-three and one-third percent of the gratis
23 scholarships established and granted by each board of regents
24 each year shall be granted on the basis of financial need.

25 D. The board of regents of each institution set

underscored material = new
[bracketed material] = delete

1 out in this subsection may establish and grant, in addition to
2 those scholarships provided for in Subsection C of this
3 section, athletic scholarships for tuition and fees. In no
4 event shall the board of regents of any institution be allowed
5 to award scholarships for tuition and fees for more than the
6 number of athletic scholarships set out in this subsection and
7 in no event shall more than seventy-five percent of the
8 scholarships granted be for out-of-state residents:

9 (1) the board of regents of the university of
10 New Mexico may grant up to two hundred ninety-three athletic
11 scholarships;

12 (2) the board of regents of New Mexico state
13 university may grant up to two hundred seventy athletic
14 scholarships;

15 (3) the boards of regents of New Mexico
16 highlands university, eastern New Mexico university and
17 western New Mexico university may each grant up to one hundred
18 forty athletic scholarships; and

19 (4) the board of regents of New Mexico junior
20 college may grant up to fifty-two athletic scholarships.

21 E. In the event that the number of athletic
22 scholarships exceeds the number of athletic scholarships
23 permitted that institution by regulations and bylaws of the
24 national collegiate athletic association or the national
25 association of intercollegiate athletics of which that

underscored material = new
[bracketed material] = delete

1 institution is a member, the appropriate board of regents
2 shall reduce the number of authorized tuition scholarships to
3 comply with association rules and regulations.

4 F. Matriculation fees and tuition fees shall be
5 fixed and made payable as directed by the board of regents of
6 each institution, collected by the officers of each
7 institution and accounted for as are other funds of the
8 institutions. Matriculation fees shall be charged only once
9 for each institution in which a student enrolls."

10 Section 5. Section 21-1-4.3 NMSA 1978 (being Laws 1996,
11 Chapter 71, Section 3) is amended to read:

12 "21-1-4.3. [~~TUITION SCHOLARSHIPS~~] SCHOLARS' AWARDS
13 AUTHORIZED--CERTAIN EDUCATIONAL INSTITUTIONS.--

14 A. To the extent that funds are made available by
15 the legislature from the [~~lottery tuition~~] scholars' awards
16 fund, the boards of regents of New Mexico state university,
17 New Mexico institute of mining and technology, eastern New
18 Mexico university, western New Mexico university, the
19 university of New Mexico, New Mexico highlands university
20 [~~and~~], northern New Mexico state school, Albuquerque
21 Technical-Vocational Institute, San Juan college, Mesa
22 technical college, Santa Fe community college, New Mexico
23 junior college, Clovis community college and Luna vocational-
24 technical institute shall [~~award tuition scholarships~~] grant
25 scholars' awards for qualified resident students attending

underscored material = new
[bracketed material] = delete

1 their respective institutions and branches of those
2 institutions.

3 B. ~~[Except as authorized in Subsection C of this~~
4 ~~section]~~ The ~~[tuition scholarships]~~ scholars' awards
5 authorized in this section shall apply only to full-time
6 resident students who, immediately upon completion of a high
7 school curriculum at a public or accredited private New Mexico
8 high school or upon receiving a graduate equivalent diploma,
9 are accepted for entrance to and attend one of the state
10 educational institutions set forth in this section or one of
11 the branches of those institutions. Each ~~[tuition~~
12 ~~scholarship]~~ scholars' award shall be awarded for up to four
13 consecutive years beginning the ~~[second]~~ first semester of the
14 recipient's first year of enrollment, provided that the
15 recipient has maintained residency in New Mexico and
16 maintained a grade point average of 2.5 or higher on a 4.0
17 scale ~~[during his first semester of full-time enrollment.]~~

18 C. ~~The tuition scholarships authorized in this~~
19 ~~section shall also apply to full-time resident students who,~~
20 ~~immediately upon completion of a high school curriculum at a~~
21 ~~public or accredited private New Mexico high school or upon~~
22 ~~receiving a graduate equivalent diploma, attend a two-year~~
23 ~~public post-secondary educational institution in New Mexico~~
24 ~~and who, upon the completion of that curriculum or at the end~~
25 ~~of two years, whichever is sooner, transfer to one of the~~

underscored material = new
[bracketed material] = delete

1 ~~post-secondary state educational institutions set forth in~~
2 ~~this section. Those students shall be eligible for a tuition~~
3 ~~scholarship for two consecutive years, provided that those~~
4 ~~students maintain residency in New Mexico, maintain a grade-~~
5 ~~point average of 2.5 or higher on a 4.0 scale and attend the~~
6 ~~institution full time during the regular academic year.~~

7 ~~D.]~~ C. The commission on higher education shall
8 prepare guidelines setting forth explicit student continuing
9 eligibility criteria and guidelines for administration of the
10 ~~[tuition scholarship]~~ scholars' awards program. The post-
11 secondary educational institutions shall cooperate with the
12 commission by providing data and information necessary to
13 develop the criteria and guidelines. Guidelines shall be
14 distributed to the board of regents of each institution to
15 enable a uniform availability of the resident student ~~[tuition~~
16 ~~scholarships]~~ scholars' awards.

17 D. Scholars' awards may be granted for educational
18 expenses, including tuition, books, fees, room or board. "

19 Section 6. Section 21-1-4.4 NMSA 1978 (being Laws 1996,
20 Chapter 71, Section 4) is amended to read:

21 "21-1-4.4. COMMISSION ON HIGHER EDUCATION-- DETERMINATION
22 OF ~~[TUITION]~~ SCHOLARS' AWARDS SCHOLARSHIPS-- USE OF LOTTERY
23 [TUITION] SCHOLARS' AWARDS FUND. -- Prior to ~~[June]~~ September 1
24 of each year, the commission on higher education shall
25 ~~[determine]~~ estimate the amount of money available for

underscored material = new
[bracketed material] = delete

1 ~~[tuition]~~ scholars' awards scholarships at state public post-
2 secondary educational institutions based on information
3 provided by the New Mexico lottery authority. Based on the
4 amount appropriated by the legislature from the lottery
5 ~~[tuition]~~ scholars' awards fund and on the projected
6 enrollment at all public post-secondary educational
7 institutions, the commission on higher education shall
8 establish the ~~[percentage of tuition]~~ maximum amount of
9 educational expenses that shall be awarded for qualified
10 resident students attending New Mexico public post-secondary
11 educational institutions. The ~~[percentage of tuition]~~ maximum
12 amount of educational expenses awarded shall be the same for
13 each institution, regardless of the actual cost of ~~[tuition~~
14 ~~at]~~ attending each institution."

15 Section 7. Section 21-13-10 NMSA 1978 (being Laws 1963,
16 Chapter 17, Section 9, as amended) is amended to read:

17 "21-13-10. BOARD DUTIES. --

18 A. It ~~[shall be]~~ is the duty of the community
19 college board to determine financial and educational policies
20 of the community college. The community college board shall
21 provide for the management of the community college and
22 execution of these policies by selecting a competent president
23 for the community college, and, upon the president's
24 recommendation, the board shall employ other administrative
25 personnel, instructional staff or other personnel as may be

underscored material = new
[bracketed material] = delete

1 needed for the operation, maintenance and administration of
2 the community college.

3 B. The community college board shall have the
4 power to fix tuition and fee rates for resident and
5 nonresident students of the district, to accept gifts, to
6 accept federal aid, to purchase, hold, sell and rent property
7 and equipment and to promote the general welfare of the
8 institution for the best interest of educational service to
9 the people of the community college district.

10 C. To the extent that funds are made available by
11 the legislature from the lottery [~~tuition~~] scholars' awards
12 fund, the community college board shall [~~award tuition~~
13 ~~scholarships~~] grant scholars' awards for qualified resident
14 students attending their respective institutions.

15 D. The [~~tuition scholarships~~] scholars' awards
16 authorized in this section shall apply only to full-time
17 resident students who, immediately upon completion of a high
18 school curriculum at a public or accredited private New Mexico
19 high school or upon receiving a graduate equivalent diploma,
20 are accepted for entrance to and attend a community college.
21 Each [~~tuition scholarship~~] scholars' award shall be awarded
22 for up to two consecutive years [~~beginning the second semester~~
23 ~~of the recipient's first year of enrollment~~], provided that
24 the recipient has maintained residency in New Mexico and
25 maintained a grade-point average of 2.5 or higher on a 4.0

underscored material = new
[bracketed material] = delete

1 scale [~~during his first semester of full-time enrollment~~].

2 E. The commission on higher education shall
3 prepare guidelines setting forth explicit student continuing
4 eligibility criteria and guidelines for administration of the
5 [~~tuition scholarship~~] scholars' awards program. Guidelines
6 shall be distributed to community college boards to enable a
7 uniform availability of the resident student [~~tuition~~
8 ~~scholarship~~] scholars' awards. "

9 Section 8. Section 21-16-10.1 NMSA 1978 (being Laws
10 1996, Chapter 71, Section 6) is amended to read:

11 "21-16-10.1. [~~TUITION SCHOLARSHIPS~~] SCHOLARS' AWARDS
12 AUTHORIZED. - -

13 A. To the extent that funds are made available by
14 the legislature from the lottery [~~tuition~~] scholars' awards
15 fund, the board of a technical and vocational institute shall
16 award [~~tuition scholarships~~] scholars' awards for qualified
17 resident students attending a technical and vocational
18 institute.

19 B. The [~~tuition scholarships~~] scholars' awards
20 authorized in this section shall apply only to full-time
21 resident students who, immediately upon completion of a high
22 school curriculum at a public or accredited private New Mexico
23 high school or upon receiving a graduate equivalent diploma,
24 are accepted for entrance to and attend a technical and
25 vocational institute. Each [~~tuition scholarship~~] scholars'

underscored material = new
[bracketed material] = delete

1 award shall be awarded for up to two consecutive years
2 [~~beginning the second semester of the recipient's first year~~
3 ~~of enrollment~~], provided that the recipient has maintained
4 residency in New Mexico and maintained a grade-point average
5 of 2.5 or higher on a 4.0 scale [~~during his first semester of~~
6 ~~full-time enrollment~~].

7 C. The commission on higher education shall
8 prepare guidelines setting forth explicit student continuing
9 eligibility criteria and guidelines for administration of the
10 [~~tuition scholarship~~] scholars' awards program. Guidelines
11 shall be distributed to the boards of technical and vocational
12 institutes to enable a uniform availability of the resident
13 student [~~tuition scholarships~~] scholars' awards. "

14 Section 9. Section 21-17-6.1 NMSA 1978 (being Laws 1996,
15 Chapter 71, Section 7) is amended to read:

16 "21-17-6.1. [~~TUITION SCHOLARSHIPS~~] SCHOLARS' AWARDS
17 AUTHORIZED. --

18 A. To the extent that funds are made available by
19 the legislature from the lottery [~~tuition~~] scholars' awards
20 fund, the board of an area vocational school shall award
21 [~~tuition scholarships~~] scholars' awards for qualified resident
22 students attending its area vocational school.

23 B. The [~~tuition scholarships~~] scholars' awards
24 authorized in this section shall apply only to full-time
25 resident students who, immediately upon completion of a high

underscored material = new
[bracketed material] = delete

1 school curriculum at a public or accredited private New Mexico
2 high school or upon receiving a graduate equivalent diploma,
3 are accepted for entrance to and attend an area vocational
4 school. Each [~~tuition scholarship~~] scholars' awards shall be
5 awarded for up to two consecutive years [~~beginning the second~~
6 ~~semester of the recipient's first year of enrollment~~],
7 provided that the recipient has maintained residency in New
8 Mexico and maintained a grade-point average of 2.5 or higher
9 on a 4.0 scale [~~during his first semester of full-time~~
10 ~~enrollment~~].

11 C. The commission on higher education shall
12 prepare guidelines setting forth explicit student
13 qualification criteria and guidelines for administration of
14 the [~~tuition scholarship~~] scholars' awards program.
15 Guidelines shall be distributed to the boards of all area
16 vocational schools to enable a uniform availability of the
17 resident student [~~tuition scholarships~~] scholars' awards. "

18 Section 10. APPLICABILITY. -- The provisions of this act
19 shall apply to students enrolling in New Mexico post-secondary
20 educational institutions beginning after July 1, 1999.

21 Section 11. REPEAL. -- Laws 1995, Chapter 155, Section 38
22 is repealed.

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
3
4
5

6 February 24, 1999
7

8 Mr. President:
9

10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 SENATE BILL 691
13

14 has had it under consideration and reports same WITHOUT
15 RECOMMENDATION.
16

17
18 Respectfully submitted,
19
20
21
22

23 _____
24 Cynthia Nava, Chairman
25

Adopted _____ Not Adopted _____

1 (Chief Clerk)

(Chief Clerk)

2

3

4

5 Date _____

6

7

8 The roll call vote was 8 For 0 Against

9 Yes: 8

10 No: 0

11 Excused: Boitano, Rodriguez

12 Absent: None

13

14

15 S0691ED1

16

17

18

19

20

21

22

23

24

25

underscored material = new
[bracketed material] = delete