

1 AN ACT
2 RELATING TO EDUCATION; ENACTING THE COLLEGE AFFORDABILITY
3 ACT; PROVIDING FOR SCHOLARSHIPS; CREATING FUNDS.
4

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

6 Section 1. SHORT TITLE.--This act may be cited as the
7 "College Affordability Act".

8 Section 2. PURPOSE.--The purpose of the College
9 Affordability Act is to encourage New Mexico students with
10 financial need to attend and complete educational programs at
11 public post-secondary educational institutions in New Mexico.

12 Section 3. DEFINITIONS.--As used in the College
13 Affordability Act:

14 A. "commission" means the commission on higher
15 education;

16 B. "returning adult" means a student enrolling in
17 a public post-secondary educational institution at any time
18 later than the first semester following high school
19 graduation or the award of a general educational development
20 certificate; and

21 C. "student" means a resident of New Mexico who is
22 enrolled or will be enrolled, at the time the scholarship is
23 awarded, in a public post-secondary educational institution
24 in New Mexico.

25 Section 4. CONDITIONS FOR ELIGIBILITY.--A college

1 affordability scholarship may be awarded to any person who:

2 A. is a resident of New Mexico for the purpose of
3 tuition payment;

4 B. has not earned a baccalaureate degree and is
5 enrolled or will be enrolled at least half-time in a degree
6 program in a public post-secondary educational institution in
7 New Mexico at the time the scholarship is awarded;

8 C. has demonstrated financial need consistent with
9 the criteria promulgated by the commission; and

10 D. has complied with other rules promulgated by
11 the commission to carry out the provisions of the College
12 Affordability Act.

13 Section 5. SCHOLARSHIP AUTHORIZED--ADMINISTRATION--
14 PREFERENCE IN SCHOLARSHIP AWARDS.--

15 A. The commission shall administer the College
16 Affordability Act and shall promulgate rules to carry out the
17 provisions of that act.

18 B. Scholarships shall be awarded to qualified
19 applicants. Qualifications shall be determined by rule of
20 the commission.

21 C. The commission shall allocate money to public
22 post-secondary educational institutions based on a student
23 need formula calculated according to income reported on the
24 free application for federal student aid and on the
25 percentage of the institution's students classified as

1 returning adults who are otherwise ineligible for state
2 financial aid.

3 D. Public post-secondary educational institutions
4 shall make awards to qualifying students based on financial
5 need in an amount not to exceed one thousand dollars (\$1,000)
6 per semester as determined by rule of the commission.

7 E. Money for an awarded scholarship shall be
8 placed in an account at the public post-secondary educational
9 institution in the name of the student, and the money may be
10 drawn upon to pay educational expenses charged by the
11 institution, including tuition, fees, books and course
12 supplies.

13 Section 6. DURATION OF SCHOLARSHIP.--Each scholarship
14 is for a period of one semester. A scholarship may be
15 renewed, provided the recipient continues to meet the
16 conditions of eligibility, until the award recipient has
17 received eight consecutive semester scholarship awards or
18 until the student graduates from an eligible four-year public
19 post-secondary educational institution, whichever occurs
20 first.

21 Section 7. TERMINATION OF SCHOLARSHIP.--A scholarship
22 is terminated upon occurrence of one or more of the
23 following:

24 A. withdrawal of the award recipient from the
25 public post-secondary educational institution or failure to

1 remain as at least a half-time student;

2 B. failure of the award recipient to achieve
3 satisfactory academic progress; or

4 C. substantial noncompliance by the award
5 recipient with the College Affordability Act or the rules
6 promulgated pursuant to that act.

7 Section 8. FUNDS CREATED.--

8 A. The "college affordability endowment fund" is
9 created in the state treasury, consisting of appropriations;
10 unspecified gifts, grants and donations; and income from
11 investment of the fund. Income from investment of the fund
12 shall be distributed to the college affordability scholarship
13 fund as provided in Subsection C of this section and no other
14 distributions, transfers or reversions shall be made from the
15 fund at the end of any fiscal year.

16 B. The "college affordability scholarship fund" is
17 created in the state treasury, consisting of income from
18 investment of the fund as provided in Subsection C of this
19 section and any specified appropriations, gifts, grants and
20 donations. Money in the scholarship fund is appropriated to
21 the commission for scholarship awards as provided in the
22 College Affordability Act. Expenditures from the scholarship
23 fund shall be by warrant of the secretary of finance and
24 administration pursuant to vouchers signed by the executive
25 director of the commission on higher education or the

1 executive director's authorized representative.

2 C. Until the corpus of the endowment fund is two
3 hundred fifty million dollars (\$250,000,000), fifty percent of
4 the income from investment of the fund shall be applied to the
5 corpus of the fund and fifty percent shall be distributed
6 annually to the scholarship fund, from which the commission
7 will make scholarship awards as provided in the College
8 Affordability Act. _____

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