

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 421

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

AN ACT

RELATING TO HIGHER EDUCATION; ALLOWING COLLEGE AFFORDABILITY  
SCHOLARSHIPS TO BE USED AT TRIBAL COLLEGES; DEFINING ELIGIBLE  
STUDENT; MAKING AN APPROPRIATION.

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

Section 1. Section 21-21L-1 NMSA 1978 (being Laws 2005,  
Chapter 192, Section 1) is amended to read:

"21-21L-1. SHORT TITLE. -- ~~[This act]~~ Chapter 21, Article  
21L NMSA 1978 may be cited as the "College Affordability  
Act". "

Section 2. Section 21-21L-3 NMSA 1978 (being Laws 2005,  
Chapter 192, Section 3) is amended to read:

"21-21L-3. DEFINITIONS. -- As used in the College  
Affordability Act:

A. "commission" ~~[means the commission on]~~ or

1 "department" means the higher education department;

2 ~~[B. "returning adult" means a student enrolling in~~  
3 ~~a public post-secondary educational institution at any time~~  
4 ~~later than the first semester following high school graduation~~  
5 ~~or the award of a general educational development certificate;~~  
6 ~~and~~

7 ~~C. "student" means a resident of New Mexico who is~~  
8 ~~enrolled or will be enrolled, at the time the scholarship is~~  
9 ~~awarded, in a public post-secondary educational institution in~~  
10 ~~New Mexico]~~

11 B. "eligible student" means a New Mexico resident  
12 who is enrolled or enrolling at least half-time in a public  
13 post-secondary educational institution or tribal college at  
14 any time later than one hundred twenty days following high  
15 school graduation or the award of a general educational  
16 development certificate;

17 C. "scholarship" means a college affordability  
18 scholarship; and

19 D. "tribal college" means a tribally, federally or  
20 congressionally chartered post-secondary educational  
21 institution located in New Mexico that is accredited by the  
22 north central association of colleges and schools. "

23 Section 3. Section 21-21L-4 NMSA 1978 (being Laws 2005,  
24 Chapter 192, Section 4) is amended to read:

25 "21-21L-4. CONDITIONS FOR ELIGIBILITY. --A [college

1 affordability] scholarship may be awarded to [any person] an  
2 eligible student who:

3 ~~[A. is a resident of New Mexico for the purpose of~~  
4 ~~tuition payment;~~

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

9 ~~[C.] B.~~ B. has demonstrated financial need consistent  
10 with the criteria promulgated by the [~~commission]~~ department;  
11 and

12 ~~[D.] C.~~ C. has complied with other rules promulgated  
13 by the [~~commission]~~ department to carry out the provisions of  
14 the College Affordability Act. "

15 Section 4. Section 21-21L-5 NMSA 1978 (being Laws 2005,  
16 Chapter 192, Section 5) is amended to read:

17 "21-21L-5. SCHOLARSHIP AUTHORIZED-- ADMINISTRATION--  
18 PREFERENCE IN SCHOLARSHIP AWARDS. --

19 A. The [~~commission]~~ department shall administer  
20 the College Affordability Act and shall promulgate rules to  
21 carry out the provisions of that act.

22 B. Scholarships shall be awarded to qualified  
23 [~~applicants]~~ eligible students. Qualifications shall be  
24 determined by rule of the [~~commission]~~ department.

25 C. The [~~commission]~~ department shall allocate

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1 money to public post-secondary educational institutions and  
2 tribal  
3 colleges based on a student need formula calculated according  
4 to income reported on the free application for federal student  
5 aid and on the percentage of the institution's students  
6 classified as returning adults who are otherwise ineligible  
7 for state financial aid.

8 D. Public post-secondary educational institutions  
9 and tribal colleges shall make awards to qualifying eligible  
10 students based on financial need in an amount not to exceed  
11 one thousand dollars (\$1,000) per semester as determined by  
12 rule of the [~~commission~~] department.

13 E. Money for [~~an awarded~~] the scholarship shall be  
14 placed in an account at the public post-secondary educational  
15 institution or tribal college in the name of the eligible  
16 student, and the money may be drawn upon to pay educational  
17 expenses charged by the institution, including tuition, fees,  
18 books and course supplies. "

19 Section 5. Section 21-21L-6 NMSA 1978 (being Laws 2005,  
20 Chapter 192, Section 6) is amended to read:

21 "21-21L-6. DURATION OF SCHOLARSHIP. -- Each scholarship is  
22 for a period of one semester. A scholarship may be renewed,  
23 provided the [~~recipient~~] eligible student continues to meet  
24 the conditions of eligibility, until the [~~award recipient has~~  
25 ~~received eight consecutive semester scholarship awards or~~

1 ~~until the~~ eligible student graduates from ~~[an eligible]~~ a  
2 four-year public post-secondary educational institution  
3 ~~[whichever occurs first]~~. "

4 Section 6. Section 21-21L-7 NMSA 1978 (being Laws 2005,  
5 Chapter 192, Section 7) is amended to read:

6 "21-21L-7. TERMINATION OF SCHOLARSHIP. -- A scholarship is  
7 terminated upon occurrence of one or more of the following:

8 A. withdrawal of the ~~[award recipient]~~ eligible  
9 student from the public post-secondary educational institution  
10 or tribal college or failure to remain as at least a half-time  
11 student;

12 B. failure of the ~~[award recipient]~~ eligible  
13 student to achieve satisfactory academic progress; or

14 C. substantial noncompliance by the ~~[award~~  
15 ~~recipient]~~ eligible student with the College Affordability Act  
16 or the rules promulgated pursuant to that act. "

17 Section 7. Section 21-21L-8 NMSA 1978 (being Laws 2005,  
18 Chapter 192, Section 8) is amended to read:

19 "21-21L-8. FUNDS CREATED. --

20 A. The "college affordability endowment fund" is  
21 created as a nonreverting fund in the state treasury,  
22 consisting of appropriations, unspecified gifts, grants and  
23 donations ~~[and income from investment of the fund]~~. Income  
24 from investment of the fund shall be distributed to the  
25 college affordability scholarship fund ~~[as provided in~~

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1 ~~Subsection C of this section, and no other distributions,~~  
2 ~~transfers or reversions shall be made from the fund at the end~~  
3 ~~of any fiscal year].~~

4 B. The "college affordability scholarship fund" is  
5 created as a nonreverting fund in the state treasury,  
6 consisting of income from investment of the college  
7 affordability endowment fund [~~as provided in Subsection C of~~  
8 ~~this section]~~ and any specified appropriations, gifts, grants  
9 and donations to the fund. Money in the scholarship fund is  
10 appropriated to the [~~commission]~~ department for scholarship  
11 awards as provided in the College Affordability Act.

12 Expenditures from the scholarship fund shall be by warrant of  
13 the secretary of finance and administration pursuant to  
14 vouchers signed by the [~~executive director of the commission~~  
15 ~~on higher education or the executive director's]~~ secretary of  
16 higher education or the secretary's authorized representative.

17 [~~C. Until the corpus of the endowment fund is two~~  
18 ~~hundred fifty million dollars (\$250,000,000), fifty percent of~~  
19 ~~the income from investment of the fund shall be applied to the~~  
20 ~~corpus of the fund and fifty percent shall be distributed~~  
21 ~~annually to the scholarship fund, from which the commission~~  
22 ~~will make scholarship awards as provided in the College~~  
23 ~~Affordability Act.] "~~

24 Section 8. EFFECTIVE DATE. -- The effective date of the  
25 provisions of this act is July 1, 2007.

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