

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 150

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE MEDICAL SCHOOL
SCHOLARSHIP ACT; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Medical School Scholarship Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Medical School Scholarship Act:

A. "academic year" means any consecutive period of
two semesters, three quarters or other comparable units
commencing with the fall term each year;

B. "award recipient" means a student awarded a
scholarship;

C. "department" means the higher education
department;

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1 D. "eligible institution" means the university of
2 New Mexico school of medicine; and

3 E. "scholarship" means a medical school scholarship
4 that the eligible institution administers pursuant to the
5 Medical School Scholarship Act.

6 SECTION 3. [NEW MATERIAL] CREATION OF SCHOLARSHIP.--There
7 are created "medical school scholarships" that the eligible
8 institution shall administer pursuant to the Medical School
9 Scholarship Act.

10 SECTION 4. [NEW MATERIAL] CONDITIONS FOR FIRST-YEAR
11 ELIGIBILITY.--A scholarship may be awarded to an individual
12 who:

13 A. is authorized to work in the United States;

14 B. has met the admission requirements and is
15 accepted for enrollment as a full-time student at the eligible
16 institution;

17 C. has complied with all the rules adopted by the
18 eligible institution for award of the scholarship and the
19 provisions regarding the administration of scholarships adopted
20 pursuant to the Medical School Scholarship Act; and

21 D. agrees to practice medicine in New Mexico for
22 the same number of years that the individual received a
23 scholarship once the individual has completed medical school;
24 provided that the individual may defer that practice to
25 complete residency and fellowship.

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1 SECTION 5. [NEW MATERIAL] CONDITIONS FOR CONTINUING
2 ELIGIBILITY.--A scholarship may be awarded to a student who:

- 3 A. has been an award recipient at the eligible
4 institution;
- 5 B. is enrolled as a full-time student as determined
6 by the eligible institution;
- 7 C. is pursuing a doctor of medicine degree; and
- 8 D. agrees to live and practice medicine in New
9 Mexico for the same number of years that the individual
10 received a scholarship once the individual has completed
11 medical school; provided that the individual may defer that
12 practice to complete residency and fellowship.

13 SECTION 6. [NEW MATERIAL] DURATION OF SCHOLARSHIP--AMOUNT
14 OF SCHOLARSHIPS.--Each scholarship is for a period of one
15 academic year. Scholarship awards shall be for the cost of
16 attendance as calculated by the eligible institution.

17 SECTION 7. [NEW MATERIAL] TERMINATION OF SCHOLARSHIPS.--A
18 scholarship shall be terminated upon the occurrence of:

- 19 A. withdrawal from the eligible institution by the
20 award recipient;
- 21 B. failure of the award recipient to be a full-time
22 student; or
- 23 C. substantial noncompliance by the award recipient
24 with the Medical School Scholarship Act or rules promulgated by
25 the eligible institution.

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1 SECTION 8. [NEW MATERIAL] AWARD CRITERIA--CONTRACT
2 TERMS--PAYMENT.--

3 A. Scholarship criteria shall provide that:

4 (1) awards shall be made available to
5 graduates of high schools in New Mexico and of high schools
6 located on the Navajo Nation in New Mexico;

7 (2) awards shall be given to individuals who
8 have graduated from a New Mexico high school or New Mexicans
9 who have graduated from home school programs or high school
10 equivalency programs;

11 (3) preference in making awards shall be given
12 to individuals who agree to practice in specializations in
13 which health profession vacancies are difficult to fill;

14 (4) awards shall be given only to individuals
15 who agree to practice in rural and underserved urban locations
16 where vacancies are difficult to fill;

17 (5) award amounts may be modified based upon
18 available funding or other special circumstances; and

19 (6) an award shall not exceed the total cost
20 of attendance at the eligible institution.

21 B. The scholarship shall be evidenced by a contract
22 between the award recipient and the eligible institution acting
23 on behalf of the state. The contract shall provide for the
24 repayment by the award recipient of all scholarship awards to
25 the eligible institution in the event that the recipient fails

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1 to meet the recipient's obligations under the contract and
2 shall state the obligations of the award recipient under the
3 program, including a minimum period of service and other
4 requirements established by the eligible institution.

5 C. Award recipients shall complete a complete year
6 to receive credit for that year. The minimum credit for a year
7 shall be established by the eligible institution.

8 D. If an award recipient does not comply with the
9 terms of the contract, the eligible institution shall assess a
10 penalty of up to three times the amount of award disbursed plus
11 an annual percentage rate of eighteen percent interest, unless
12 the eligible institution finds acceptable extenuating
13 circumstances for why the award recipient cannot comply with
14 the terms of the contract. If the eligible institution does
15 not find acceptable extenuating circumstances for the award
16 recipient's failure to comply with the contract, the eligible
17 institution shall require repayment plus the amount of the
18 penalty.

19 E. The eligible institution shall adopt rules to
20 implement the provisions of this section. The rules may
21 provide for the disbursement of repayment amounts in annual or
22 other periodic installments.

23 SECTION 9. [NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The
24 general form of the contract required shall be prepared and
25 approved by the attorney general and signed by the award

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1 recipient and the designated representative of the eligible
2 institution on behalf of the state. The eligible institution
3 is vested with full and complete authority and power to sue in
4 its own name to recover any balance due the state from any
5 student based on any such contract.

6 SECTION 10. [NEW MATERIAL] FUND CREATED--METHOD OF
7 PAYMENT.--The "medical school scholarship fund" is created as a
8 nonreverting fund in the state treasury. All money
9 appropriated for the medical school scholarship program shall
10 be credited to the fund, and all payments for penalties or
11 repayment of awards based on a scholarship contract received by
12 the eligible institution shall be credited to the fund or shall
13 be deposited with the eligible institution's administrative
14 agent. All payments from the fund shall be made pursuant to
15 vouchers signed by the designated representative of the
16 eligible institution and upon warrant issued by the secretary
17 of finance and administration.

18 SECTION 11. APPROPRIATION.--Six million dollars
19 (\$6,000,000) is appropriated from the general fund to the
20 medical school scholarship fund for expenditure in fiscal year
21 2022 and subsequent fiscal years to carry out the provisions of
22 the Medical School Scholarship Act. Any unexpended or
23 unencumbered balance remaining at the end of a fiscal year
24 shall not revert to the general fund.

25 SECTION 12. EFFECTIVE DATE.--The effective date of the
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1 provisions of this act is July 1, 2021.

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