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SENATE BILL 81

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Gay G. Kernan

AN ACT

RELATING TO HIGHER EDUCATION; INCREASING THE PER-STUDENT PER-
SEMESTER COLLEGE AFFORDABILITY SCHOLARSHIP MAXIMUM AMOUNT;
INCREASING THE DISTRIBUTION FROM THE COLLEGE AFFORDABILITY
ENDOWMENT FUND; MAKING AN APPROPRIATION.

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

SECTION 1. Section 21-21L-5 NMSA 1978 (being Laws 2005,
Chapter 192, Section 5, as amended by Laws 2007, Chapter 70,
Section 4 and by Laws 2007, Chapter 71, Section 4 and also by
Laws 2007, Chapter 85, Section 4) is amended to read:

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

A. The department shall administer the College
Affordability Act and shall promulgate rules to carry out the
provisions of that act.

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1 B. Scholarships shall be awarded to qualified
2 eligible students. Qualifications shall be determined by rule
3 of the department.

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

11 D. Public post-secondary educational institutions
12 and tribal colleges shall make awards to qualifying eligible
13 students based on financial need in an amount not to exceed
14 [~~one thousand dollars (\$1,000)~~] one thousand five hundred
15 dollars (\$1,500) per semester as determined by rule of the
16 department.

17 E. Money for the scholarship shall be placed in an
18 account at the public post-secondary educational institution or
19 tribal college in the name of the eligible student, and the
20 money may be drawn upon to pay educational expenses charged by
21 the institution, including tuition, fees, books and course
22 supplies."

23 **SECTION 2.** Section 21-21L-8 NMSA 1978 (being Laws 2005,
24 Chapter 192, Section 8, as amended by Laws 2007, Chapter 70,
25 Section 7 and by Laws 2007, Chapter 71, Section 7 and also by

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1 Laws 2007, Chapter 85, Section 7) is amended to read:

2 "21-21L-8. FUNDS CREATED.--

3 A. The "college affordability endowment fund" is
4 created as a nonreverting fund in the state treasury,
5 consisting of appropriations; unspecified gifts, grants and
6 donations to the fund; and income from investment of the fund
7 except as provided in Subsection C of this section.

8 B. The "college affordability scholarship fund" is
9 created as a nonreverting fund in the state treasury,
10 consisting of income from investment of the fund and any
11 specified distributions, appropriations, gifts, grants and
12 donations to the fund. Money in the scholarship fund is
13 appropriated to the department for scholarship awards as
14 provided in the College Affordability Act. Expenditures from
15 the scholarship fund shall be by warrant of the secretary of
16 finance and administration pursuant to vouchers signed by the
17 secretary of higher education or the secretary's authorized
18 representative.

19 C. Until fifty percent of the annual income from
20 investment of the college affordability endowment fund is equal
21 to or exceeds [~~two million dollars (\$2,000,000)~~] three million
22 dollars (\$3,000,000), an annual distribution of [~~two million~~
23 ~~dollars (\$2,000,000)~~] three million dollars (\$3,000,000) shall
24 be made from the college affordability endowment fund to the
25 college affordability scholarship fund. Thereafter, until the

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1 corpus of the endowment fund is two hundred fifty million
2 dollars (\$250,000,000), fifty percent of the income from
3 investment of the fund shall be applied to the corpus of the
4 fund and fifty percent shall be distributed annually to the
5 scholarship fund. After the corpus of the endowment fund is
6 two hundred fifty million dollars (\$250,000,000), all of the
7 income from investment of the fund shall be distributed to the
8 college affordability scholarship fund."

9 SECTION 3. APPROPRIATION.--Fifty million dollars
10 (\$50,000,000) is appropriated from the general fund to the
11 college affordability endowment fund in fiscal year 2020 to
12 increase the endowment and, thus, the distribution to the
13 college affordability scholarship fund that provides college
14 scholarships to qualified students. Any unexpended or
15 unencumbered balance remaining at the end of a fiscal year
16 shall not revert to the general fund.