

**TITLE 5            POST-SECONDARY EDUCATION**  
**CHAPTER 7        TUITION AND FINANCIAL AID**  
**PART 11           STUDENT CHOICE PROGRAM**

**5.7.11.1            ISSUING AGENCY:** State of New Mexico Higher Education Department  
[7/15/98; 5.7.11.1 NMAC - Rn & A, 5 NMAC 7.11.1, 8/30/2007]

**5.7.11.2            SCOPE:** Provisions of 5.7.11 NMAC apply to the higher education department and selected private non-profit post-secondary institutions in New Mexico.  
[7/15/98; 5.7.11.2 NMAC - Rn & A, 5 NMAC 7.11.2, 8/30/2007]

**5.7.11.3            STATUTORY AUTHORITY:** Sections 21-21C-1 through 21-21C-9, NMSA 1978.  
[7/15/98; 5.7.11.3 NMAC - Rn, 5 NMAC 7.11.3, 8/30/2007]

**5.7.11.4            DURATION:** Permanent.  
[7/15/98; 5.7.11.4 NMAC - Rn, 5 NMAC 7.11.4, 8/30/2007]

**5.7.11.5            EFFECTIVE DATE:** July 15, 1998.  
[7/15/98; 5.7.11.5 NMAC - Rn, 5 NMAC 7.11.5, 8/30/2007]

**5.7.11.6            OBJECTIVE:** The objective and purpose of the Student Choice Act and of the regulations promulgated thereunder is to make available state funds to students attending independent not-for-profit institutions of higher education, thereby broadening student choice and maximizing use of existing post-secondary educational resources and facilities, both public and independent, and thus benefitting the residents of the state of New Mexico. The broadening of educational choice will reduce the financial demands on the taxpayers of New Mexico.  
[7/15/98; 5.7.11.6 NMAC - Rn, 5 NMAC 7.11.6, 8/30/2007]

**5.7.11.7            DEFINITIONS:**

- A. "Academic year" means a period of time during which a full-time student is expected to complete the equivalent of two semesters.
  - B. "Act" means the New Mexico Student Choice Act.
  - C. "Department" means the higher education department.
  - D. "Cost of education" means the cost of attending an institution, as defined by the institution and approved by the state agency.
  - E. "Expected family contribution" is defined and calculated according to a formula established by federal law.
  - F. "Full-time student" means a student carrying twelve semester credit hours or more in a semester.
  - G. "Institution" means a financially independent non-profit nonsectarian four-year college or university whose New Mexico campus is accredited by the north central accreditation association.
  - H. "Part-time student" means a student carrying less than twelve semester credit hours, but at least six semester credit hours in a semester.
  - I. "Student choice grant" means a grant awarded to a student by the department pursuant to the provisions of the Student Choice Act.
  - J. "Substantial financial need" is defined as the relative need, as measured by cost of attendance minus available resources.
  - K. "Undergraduate student" means a student who:
    - (1) is in attendance at an institution of higher education;
    - (2) has not earned his or her first baccalaureate degree.
- [7/15/98; 5.7.11.7 NMAC - Rn & A, 5 NMAC 7.11.7, 8/30/2007]

**5.7.11.8            STUDENT ELIGIBILITY:** To be eligible for a grant, a student shall:

- A. be a resident of New Mexico as defined in 5.7.18.9 NMAC or be eligible for a waiver as defined in 5.7.18.10 NMAC, provided all other eligibility requirements are fulfilled;
- B. be enrolled at the time the grant is awarded and disbursed, for at least six semester credit hours in a program leading to a degree, at an eligible institution;

- C. offer proof of substantial financial need;
- D. be in satisfactory academic standing, as defined by the institution, or be making his first application to the institution;
- E. not owe a refund on a grant received for attendance at any institution under the federal Pell grant, federal supplemental educational opportunity grant, New Mexico student incentive grant program or student choice grant program;
- F. not be in default on a loan made by the institution under the Perkins loan program unless the student has made arrangements satisfactory to the institution to repay the loan;
- G. not be in default on a loan insured under the Stafford loan or the parent loans for undergraduate students (PLUS) program unless the secretary of education or a guarantee agency determines that the student has made satisfactory arrangements to repay the loan;
- H. complete an application for financial assistance supplied by the institution the student wishes to attend.

[7/15/98; 5.7.11.8 NMAC - Rn & A, 5 NMAC 7.11.8, 8/30/2007]

**5.7.11.9 INSTITUTIONAL REQUIREMENTS:** For its students to participate in the student choice grant program, an institution shall:

- A. grant to the department or its agent authority to inspect any of the academic or financial records of the student in the possession or under the control of the institution, which records are necessary to the proper administration of the provisions of the act and the regulations promulgated thereunder;
- B. determine each applicant's financial need;
- C. recommend the amount of grant for the student in accordance with the established procedures of the department and the institution;
- D. disburse the grant to the student in accordance with the established procedures of the department and the institution;
- E. audit the program annually and report the findings to the department or its agent;
- F. adjust the cost of attendance, expected family contribution or other factors to make the program responsive to a student's special financial circumstances, within the parameters authorized for this program when a financial aid officer may exercise professional judgment in accordance with the institution's and applicable federal financial aid standards to determine that circumstances, for which documentation exists in the student's file, warrant an adjustment.

[7/15/98; 5.7.11.9 NMAC - Rn & A, 5 NMAC 7.11.9, 8/30/2007]

**5.7.11.10 ADMINISTRATION AND ALLOCATION OF FUNDS:**

- A. The department shall administer the student choice grant program in accordance with the act and the regulations promulgated thereunder. Administration shall include but not be limited to disbursements of funds to eligible institutions for students approved by the department.
- B. Administrative costs for the program shall be borne by participating institutions. Each institution shall maintain all records concerning student eligibility.
- C. The department shall maintain financial records of all disbursements made under the act. These records shall include the amount of each student grant and the period for which it was disbursed.
- D. At year end the names of students who received individual grants shall be submitted to the department by each institution via data reporting methods specified by the department. Annual reporting schedules shall be submitted to the participating colleges. Any audit exceptions shall be the responsibility of the participating institution, and not the responsibility of the department.
- E. The department shall allocate student choice grant funds to an institution based on methodology approved by the department.
- F. Any funds which have been allocated to an institution, but cannot be used by that institution, as determined by the department, may be reallocated by the department.
- G. If a student withdraws from an institution and is entitled to a refund of tuition or other charges, as determined by the institution's refund policy, the institution shall refund to the department the amount previously paid by the department to the institution on behalf of the student. Such funds shall be paid at the ratio of the grant to the total financial aid disbursed, not to exceed the amount of the student choice grant disbursed to the student.
- H. The maximum amount of the student choice grant shall be equal to the number of semester credit hours for which the student is enrolled (maximum of eighteen semester credit hours), multiplied by the department

certified hourly rate. The hourly rate shall be calculated by taking the general fund appropriations for instruction and general purposes for the university of New Mexico, New Mexico state university, New Mexico Highlands university, eastern New Mexico university and western New Mexico university for the fiscal year in which the student choice grant is to be made, subtracting from that sum the portion deemed by the department to be attributable to other than undergraduate education, and dividing by the aggregate number of undergraduate credit hours which are used in the calculation by the department of the general fund appropriations.

I. A student choice grant to a part-time student shall be proportional to a student choice grant paid to a full-time student, during the same academic term, and shall be based on the ratio of part-time credit hours to full-time credit hours.

[7/15/98; 5.7.11.10 NMAC - Rn & A, 5 NMAC 7.11.10, 8/30/2007]

**HISTORY OF 5.7.11 NMAC:**

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

BEF Rule 860, Student Choice Program - Administrative Regulations, 2/27/85.

CHE Rule 860, Student Choice Program - Administrative Regulations, 8/29/90.

CHE Rule 860, Student Choice Program - Administrative Regulations, 8/15/91.

History of Repealed Material: [RESERVED]