



State of New Mexico

Office of the Governor

Bill Richardson
Governor

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Contact: Gilbert Gallegos
505-476-2217

Governor Bill Richardson Proposes \$50 million Investment in Endowment for Scholarships

Governor's College Affordability Plan Part of "Year of the Child" Legislative Proposals

SANTA FE -- Governor Bill Richardson today pledged to work with legislators to invest \$50 million in a College Affordability endowment, freeing investment income that can be used to increase opportunities for thousands of New Mexicans to attend colleges and universities and increase graduation rates.

The centerpiece of Governor Richardson's higher education plan, part of his 2006 "Year of the Child" agenda, is an investment of \$50 million to fully fund the College Affordability Act, which was signed into law earlier this year. By fully funding the Act, the endowment created by the Act will immediately generate investment income that can be used for need-based scholarships at New Mexico colleges and universities.

"I am proposing that we invest \$50 million into this unique endowment," Governor Bill Richardson said at a news conference today at Santa Fe Community College. The Governor was joined by Higher Education Secretary Dr. Beverlee McClure and Public Education Secretary Veronica Garcia. "And let's do it now – so students can take advantage of the investment income from that endowment in the form of need-based scholarships.

"Rather than holding that money in reserves or spending it on new programs, we should invest it in New Mexicans. And let's invest it in a fiscally prudent manner – by putting it in an endowment that will benefit thousands of New Mexico students and help us build a high-wage economy."

The new scholarships will enable thousands of new students to enroll in higher education institutions in New Mexico. And with just a modest return on a \$50-million dollar endowment, the state can help many New Mexicans begin – and most importantly – complete their education.

The College Affordability scholarships would be available to students based on financial need, as opposed to the Lottery Success Scholarship, which is merit based. Scholarships would be worth as much as \$1,000 per semester, and would fund unmet need of financially disadvantaged students. In other words, this money would be able to supplement students eligible for Pell grants but whose awards are not enough.

Governor Richardson also proposed two other initiatives that are designed to help prepare high school students to successfully attend and graduate from New Mexico colleges and universities.

1. **\$10 million for Career Technical-Vocational programs** – Last year, Governor Richardson and the Legislature invested \$10 million in Career Technical Centers/Vocational Charter High Schools at 18 different institutions.

This year, with another \$10 million, these programs can be expanded and additional ones added to increase the number of students served. These Centers create career pathways for juniors and seniors in high school and help prepare them for the future, beginning now.

2. **\$1 million to align High Schools with Higher Education** – Governor Richardson is proposing to redefine the New Mexico High School Competency Exam by making it more relevant, especially for students who going on to college.

“The current exam that 10th-graders take is not cutting it,” Governor Richardson said. “The test does not represent our new rigorous standards, and gives a false impression that our students are ready for college and the world of work.”

Governor Richardson is proposing \$1 million to develop a new test that meets both the requirements of graduation and provides students with greater clarity about which skills they need for higher education.