

The Legislature  
of the  
State of New Mexico

49th Legislature, 1st Session

LAWS 2009

CHAPTER 91

HOUSE BILL 766

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Introduced by

REPRESENTATIVE HENRY "KIKI" SAAVEDRA AND  
REPRESENTATIVE ANDREW J. BARRERAS

REPRESENTATIVE DANICE PICRAUX  
REPRESENTATIVE JONI MARIE GUTIERREZ  
REPRESENTATIVE ANTONIO LUJAN



# Chapter 91

## AN ACT

1  
2 RELATING TO HIGHER EDUCATION; CHANGING THE DISTRIBUTION OF THE  
3 HIGHER EDUCATION ENDOWMENT FUND.

4  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

6 Section 1. Section 21-1-27.1 NMSA 1978 (being Laws  
7 2002, Chapter 31, Section 1, as amended) is amended to read:

8 "21-1-27.1. HIGHER EDUCATION ENDOWMENT FUND CREATED.--

9 A. The "higher education endowment fund" is  
10 created in the state treasury. The fund shall consist of  
11 appropriations, income from investment of the fund, gifts,  
12 grants, donations and bequests.

13 B. The higher education endowment fund shall be  
14 administered by the higher education department. Money shall  
15 be disbursed only on warrant of the secretary of finance and  
16 administration upon voucher signed by the secretary of higher  
17 education or the secretary's authorized representative.

18 C. Money shall be disbursed from the higher  
19 education endowment fund only to establish endowments at  
20 public post-secondary educational institutions as provided in  
21 this section. An institution shall not receive a disbursement  
22 for an endowment until that institution has notified the  
23 department that it has received matching funds for the  
24 endowment from other than governmental sources in the amount  
25 specified in this section.

1           D. Money in the higher education endowment fund is  
2 appropriated to the department to be disbursed for endowment  
3 purposes, including endowed chairs, lectureships,  
4 professorships, scholarships for students, graduate  
5 assistantships and faculty development programs that will  
6 enhance the quality of public post-secondary education in New  
7 Mexico. The department, by rule, shall establish procedures  
8 for disbursing money from the fund. Not less than five  
9 percent of each institution's total endowment effort resulting  
10 from amounts specified in this section shall address one or  
11 more of the governor's initiatives.

12           E. Appropriations to the higher education  
13 endowment fund shall be disbursed to public post-secondary  
14 educational institutions based on the following distribution  
15 proportions and matching requirements:

16           (1) the university of New Mexico shall be  
17 entitled to draw eighteen percent of each appropriation and  
18 New Mexico state university and the New Mexico institute of  
19 mining and technology shall each be entitled to draw sixteen  
20 percent of each appropriation; provided that no disbursement  
21 shall be made pursuant to this paragraph until an institution  
22 has shown to the satisfaction of the department that it has  
23 received matching funds in an amount equal to at least fifty  
24 percent of the disbursement;

25           (2) the university of New Mexico health

1 sciences center shall be entitled to draw twelve percent of  
2 each appropriation; provided that no disbursement shall be  
3 made pursuant to this paragraph until the center has shown to  
4 the satisfaction of the department that it has received  
5 matching funds in an amount equal to at least fifty percent of  
6 the disbursement;

7 (3) New Mexico highlands university, eastern  
8 New Mexico university, western New Mexico university and  
9 northern New Mexico college shall each draw an equal share of  
10 a total of eighteen percent of each appropriation; provided  
11 that no disbursement shall be made pursuant to this paragraph  
12 until an institution has shown to the satisfaction of the  
13 department that it has received matching funds in an amount  
14 equal to at least forty percent of the disbursement; and

15 (4) the New Mexico military institute,  
16 independent community colleges, branch community colleges and  
17 technical and vocational institutes may draw a share of a  
18 total of twenty percent of each appropriation using a  
19 distribution formula approved by the higher education  
20 department; provided that no disbursement shall be made  
21 pursuant to this paragraph until an institution has shown to  
22 the satisfaction of the department that it has received  
23 matching funds in an amount equal to at least thirty percent  
24 of the disbursement.

25 F. Distributions from the higher education

1 endowment fund are made over a three-year cycle with unmatched  
2 balances reverting to the general fund at the end of the third  
3 fiscal year. The department shall notify each eligible  
4 institution of the specific amount it may match during the  
5 first two fiscal years of each three-year cycle. Allocations  
6 not matched during the first two years of each cycle are made  
7 available for supplemental or second round matching by other  
8 eligible public post-secondary educational institutions during  
9 the third fiscal year. Four-year public post-secondary  
10 educational institutions may apply for supplemental matches to  
11 amounts originally designated for other four-year  
12 institutions. Two-year public post-secondary educational  
13 institutions may apply for supplemental matches to amounts  
14 originally designated for other two-year institutions.  
15 Successful submissions for supplemental matches shall be  
16 determined by the department in a manner that affords  
17 equitable participation over time based on guidelines for  
18 supplemental distributions from the fund.

19 G. The endowment funds of the institutions shall  
20 not be expended but shall be invested by the institutions in  
21 accordance with the prudent investor rule and in accordance  
22 with the provisions of Section 21-1-38 NMSA 1978. The income  
23 from the investments shall be used by the institutions to  
24 provide funding for chairs, lectureships, professorships,  
25 scholarships for students, graduate assistantships and faculty

1 development programs, including paying all or a portion of the  
2 salary of the faculty member or the expenses necessary to  
3 support associated academic activities.

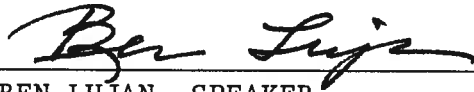
4 H. The department shall report annually to the  
5 legislative finance committee on disbursements made pursuant  
6 to this section. The report shall include the amounts  
7 disbursed to each institution, the amount of matching funds  
8 and their source and the purpose of the endowments."

9 Section 2. APPLICABILITY.--The provisions of Section 1  
10 of this act apply to appropriations and distributions for  
11 fiscal year 2010 and subsequent fiscal years.

12 Section 3. EFFECTIVE DATE.--The effective date of the  
13 provisions of this act is July 1, 2009. \_\_\_\_\_

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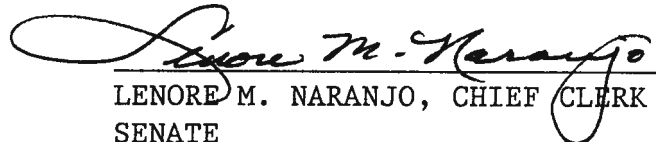
BEN LUJAN, SPEAKER  
HOUSE OF REPRESENTATIVES



STEPHEN R. ARIAS, CHIEF CLERK  
HOUSE OF REPRESENTATIVES



DIANE D. DENISH, PRESIDENT  
SENATE



LENORE M. NARANJO, CHIEF CLERK  
SENATE

Approved by me this 6<sup>th</sup> day of April, 2009



BILL RICHARDSON, GOVERNOR  
STATE OF NEW MEXICO

SECRETARY OF STATE  
OFFICE OF THE CLERK  
STATE OF NEW MEXICO