

The Legislature
of the
State of New Mexico

52nd Legislature, 1st Session

LAWS 2015

CHAPTER 7

HOUSE EDUCATION COMMITTEE SUBSTITUTE

FOR HOUSE BILL 170, as amended

Introduced by



CHAPTER 7

AN ACT

1
2 RELATING TO HIGHER EDUCATION; CHANGING THE DISTRIBUTION
3 PROCESS AND USES OF THE HIGHER EDUCATION ENDOWMENT FUND;
4 CREATING THE HIGHER EDUCATION ENDOWMENT COMMITTEE AND
5 PRESCRIBING DUTIES; MAKING AN APPROPRIATION.
6

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

8 SECTION 1. Section 21-1-27.1 NMSA 1978 (being Laws
9 2002, Chapter 31, Section 1, as amended) is amended to read:

10 "21-1-27.1. HIGHER EDUCATION ENDOWMENT FUND CREATED.--

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

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

20 C. Money in the higher education endowment fund is
21 appropriated to the department for distribution to the public
22 post-secondary educational institutions listed in Subsection D
23 of this section that submit proposals and receive award
24 determinations from the department to establish endowments at
25 the institutions for endowment purposes. Endowment purposes

1 shall include:

2 (1) establishing endowed chairs,
3 lectureships, professorships, research positions, graduate
4 assistantships and faculty development programs that will
5 enhance the quality of public post-secondary education in New
6 Mexico; and

7 (2) addressing one or more of the governor's
8 initiatives, including research and development initiatives;
9 technology transfer initiatives; science, technology,
10 engineering and mathematics initiatives; health, education,
11 water and agriculture initiatives; and work force development
12 initiatives.

13 D. Appropriations to the higher education
14 endowment fund shall be distributed to public post-secondary
15 educational institutions as awards made by the department or
16 the higher education endowment committee pursuant to
17 competitive proposals submitted by institutions, as follows:

18 (1) sixty-two percent of the total amount to
19 be distributed may be awarded to the university of New Mexico,
20 the university of New Mexico health sciences center, New
21 Mexico state university and the New Mexico institute of mining
22 and technology;

23 (2) twenty percent of the total amount to be
24 distributed may be awarded to the New Mexico military
25 institute and any independent community college, branch

1 community college and technical and vocational institute; and
2 (3) eighteen percent of the total amount to
3 be distributed may be awarded to New Mexico highlands
4 university, eastern New Mexico university, western New Mexico
5 university and northern New Mexico college.

6 E. Following an award determination, a public
7 post-secondary educational institution shall not receive a
8 distribution until that institution provides documentation to
9 the department that it has received or will receive matching
10 funds, pursuant to a written gift agreement, for the endowment
11 from nongovernmental sources in an amount equal to at least
12 fifty percent of the award amount. Distributions from the
13 higher education endowment fund are made over a two-year cycle
14 with unmatched balances reverting to the general fund at the
15 end of the second fiscal year. Allocations not matched
16 during the first year of a cycle are made available during the
17 second year of a cycle for supplemental or second round
18 matching by any institution listed in Subsection D of this
19 section.

20 F. The endowment funds of the institutions shall
21 not be expended but shall be invested by the institutions in
22 accordance with the Uniform Prudent Management of
23 Institutional Funds Act and the provisions of Section 21-1-38
24 NMSA 1978. The income from the investments shall be expended
25 only for endowment purposes.

1 G. The "higher education endowment committee" is
2 created. The committee is composed of the secretaries of
3 higher education, economic development and finance and
4 administration or their designees. The committee shall meet
5 no less than twice per year to review proposals and award
6 determinations to:

7 (1) determine whether the proposals and
8 award determinations meet endowment purposes;


9 (2) determine whether the endowment funds
10 are being distributed pursuant to the provisions of this
11 section; and


12 (3) recommend ways to support or change the
13 endowment purposes award and distribution processes.

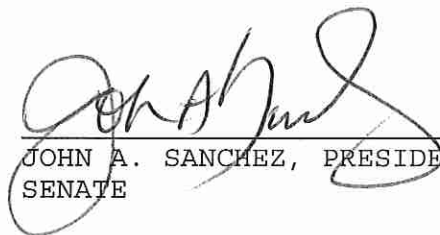
14 H. The department shall establish rules setting
15 forth the procedures for making award determinations and
16 distributing money from the higher education endowment fund
17 pursuant to the provisions of this section.

18 I. The department shall report annually to the
19 legislative finance committee on award determinations made
20 pursuant to this section. The report shall include the
21 amounts awarded to each institution, the amount of matching
22 funds and their sources and the purposes of the endowments and
23 awards."

24 **SECTION 2. EFFECTIVE DATE.**--The effective date of the
25 provisions of this act is July 1, 2015. _____


DON TRIPP, SPEAKER
HOUSE OF REPRESENTATIVES


DENISE RAMONAS, CHIEF CLERK
HOUSE OF REPRESENTATIVES


JOHN A. SANCHEZ, PRESIDENT
SENATE


LENORE M. NARANJO, CHIEF CLERK
SENATE

Approved by me this 30th day of March, 2015


SUSANA MARTINEZ, GOVERNOR
STATE OF NEW MEXICO