

AN ACT

RELATING TO HIGHER EDUCATION; PROVIDING FOR ADDITIONAL ENDOWED  
CHAIRS AT MAJOR RESEARCH INSTITUTIONS FOR THE PURPOSE OF ECONOMIC  
DEVELOPMENT; MAKING AN APPROPRIATION.

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

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

"21-1-27.1. FACULTY ENDOWMENT FUND CREATED.--

A. The "faculty endowment fund" is created in the state treasury. The fund shall consist of appropriations, income from investment of the fund, gifts, grants, donations and bequests. Money in the fund shall not revert at the end of any fiscal year.

B. The faculty endowment fund shall be administered by the commission on higher education. Except as provided in Subsection J of this section, money shall be disbursed only on warrant of the secretary of finance and administration upon voucher signed by the executive director of the commission on higher education or his authorized representative.

C. Money shall be disbursed from the faculty endowment fund only to establish endowments for chairs, professorships and faculty development programs at four-year public post-secondary educational institutions as provided in this section. Except as provided in Subsection J of this section, an institution shall not receive a disbursement for an endowment until that institution has notified the commission on higher education that it has received matching funds for the endowment from other

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than governmental sources in an amount that is equal to or greater than the amount authorized by this section to be disbursed for the endowment.

D. Except as provided in Subsection J of this section, money in the faculty endowment fund is appropriated to the commission on higher education to be disbursed for the following endowment purposes in the following amounts:

- (1) for endowed chairs, five hundred thousand dollars (\$500,000) for each endowed chair;
- (2) for endowed professorships, two hundred thousand dollars (\$200,000) for each endowed professorship; and
- (3) for endowed faculty development programs, to include lectureships, graduate fellowships and other faculty support programs, thirty-seven thousand five hundred dollars (\$37,500) for each endowed faculty development program.

E. Except as provided in Subsection J of this section, until June 30, 2005, the following institutions shall be eligible for the following disbursements from the fund:

- (1) the university of New Mexico for four endowed chairs;
- (2) New Mexico state university for four endowed chairs;
- (3) New Mexico institute of mining and technology for two endowed chairs;
- (4) the university of New Mexico for two endowed chairs at the university of New Mexico medical center; and
- (5) the university of New Mexico, New Mexico state university, New Mexico highlands university, New Mexico institute of mining and technology,

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western New Mexico university and eastern New Mexico university for endowed professorships and endowed faculty development programs. The number of endowed professorships and endowed faculty development programs allocated to each of the named institutions shall be in the same ratio to the total number of endowed professorships and endowed faculty development programs allocated to all of the named institutions as the main campus full-time-equivalent enrollment of the institution bears to the total main campus full-time-equivalent enrollment of all of the named institutions. For purposes of this paragraph, the main campus full-time-equivalent enrollment of each institution shall be based on enrollment figures for the second semester of the 2001-2002 school year.

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F. On or after July 1, 2005, money remaining in the faculty endowment fund shall be available for additional disbursements by the commission on higher education to any of the institutions named in this section, subject to receipt of matching funds. Disbursements may be made based on the date requests for additional disbursement are received by the commission.

G. The endowment funds of the institutions shall not be expended but shall be invested by the institutions in accordance with the prudent man rule, and in accordance with the provisions of Section 21-1-38 NMSA 1978. The income from the investments shall be used by the institutions to provide funding for chairs, professorships and faculty development programs, including paying all or a portion of the salary of the faculty member or the expenses necessary to support associated academic activities.

H. Except as provided in Subsection J of this section, disbursements of the faculty endowment fund by the commission on higher education shall be allocated

as follows:

- (1) fifty percent of the disbursements shall be for endowed chairs;
- (2) thirty-five percent of the disbursements shall be for endowed professorships; and
- (3) fifteen percent of the disbursements shall be for endowed faculty development programs.

I. If the disbursements allocated for endowed chairs are not sufficient to fund the number of positions specified in Paragraphs (1) through (4) of Subsection E of this section, the number of endowed chairs for each of those four institutions shall be proportioned by the commission on higher education in the same manner as endowed professorships and endowed faculty development programs are proportioned in Paragraph (5) of Subsection E of this section, except that each of the four institutions shall be allocated at least one endowed chair.

J. Up to three million dollars (\$3,000,000) of the faculty endowment fund may be disbursed after July 1, 2003 to the commission on higher education to endow and disburse the money for one endowed chair each to the university of New Mexico, New Mexico state university and the New Mexico institute of mining and technology. Each endowed chair shall be eligible for one million dollars (\$1,000,000) upon notification by the institution that it has received matching funds for the endowment from other than state sources in an amount equal to or greater than two-thirds of that amount for establishment of an endowed chair that is directly related to the economic development of the state."

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