

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 466

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

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

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

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1 Subsection J of this section, money shall be disbursed only on
2 warrant of the secretary of finance and administration upon
3 voucher signed by the executive director of the commission on
4 higher education or his authorized representative.

5 C. Money shall be disbursed from the faculty
6 endowment fund only to establish endowments for chairs,
7 professorships and faculty development programs at four-year
8 public post-secondary educational institutions as provided in
9 this section. Except as provided in Subsection J of this
10 section, an institution shall not receive a disbursement for an
11 endowment until that institution has notified the commission on
12 higher education that it has received matching funds for the
13 endowment from other than governmental sources in an amount
14 that is equal to or greater than the amount authorized by this
15 section to be disbursed for the endowment.

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

20 (1) for endowed chairs, five hundred thousand
21 dollars (\$500,000) for each endowed chair;

22 (2) for endowed professorships, two hundred
23 thousand dollars (\$200,000) for each endowed professorship; and

24 (3) for endowed faculty development programs,
25 to include lectureships, graduate fellowships and other faculty

1 support programs, thirty-seven thousand five hundred dollars
2 (\$37,500) for each endowed faculty development program.

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

6 (1) the university of New Mexico for four
7 endowed chairs;

8 (2) New Mexico state university for four
9 endowed chairs;

10 (3) New Mexico institute of mining and
11 technology for two endowed chairs;

12 (4) the university of New Mexico for two
13 endowed chairs at the university of New Mexico medical center;
14 and

15 (5) the university of New Mexico, New Mexico
16 state university, New Mexico highlands university, New Mexico
17 institute of mining and technology, western New Mexico
18 university and eastern New Mexico university for endowed
19 professorships and endowed faculty development programs. The
20 number of endowed professorships and endowed faculty
21 development programs allocated to each of the named
22 institutions shall be in the same ratio to the total number of
23 endowed professorships and endowed faculty development programs
24 allocated to all of the named institutions as the main campus
25 full-time-equivalent enrollment of the institution bears to the

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1 total main campus full-time-equivalent enrollment of all of the
2 named institutions. For purposes of this paragraph, the main
3 campus full-time-equivalent enrollment of each institution
4 shall be based on enrollment figures for the second semester of
5 the 2001-2002 school year.

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

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

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

25 (1) fifty percent of the disbursements shall

1 be for endowed chairs;

2 (2) thirty-five percent of the disbursements
3 shall be for endowed professorships; and

4 (3) fifteen percent of the disbursements shall
5 be for endowed faculty development programs.

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

16 J. Up to three million dollars (\$3,000,000) of the
17 faculty endowment fund may be disbursed after July 1, 2003 to
18 the commission on higher education to endow and disburse the
19 money for one endowed chair each to the university of New
20 Mexico, New Mexico state university and the New Mexico
21 institute of mining and technology. Each endowed chair shall
22 be eligible for one million dollars (\$1,000,000) upon
23 notification by the institution that it has received matching
24 funds for the endowment from other than state sources in an
25 amount equal to or greater than five hundred thousand dollars

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1 (\$500,000) for establishment of an endowed chair that is
2 directly related to the economic development of the state."

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