

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 73

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO HIGHER EDUCATION; CHANGING THE DISTRIBUTION OF THE COLLEGE AFFORDABILITY ENDOWMENT FUND.

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

Section 1. Section 21-21L-8 NMSA 1978 (being Laws 2005, Chapter 192, Section 8, as amended by Laws 2007, Chapter 70, Section 7 and by Laws 2007, Chapter 71, Section 7 and also by Laws 2007, Chapter 85, Section 7) is amended to read:

"21-21L-8. FUNDS CREATED.--

A. The "college affordability endowment fund" is created as a nonreverting fund in the state treasury, consisting of appropriations; unspecified gifts, grants and donations to the fund; and income from investment of the fund except as provided in Subsection C of this section.

B. The "college affordability scholarship fund" is

underscoring material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 created as a nonreverting fund in the state treasury,
2 consisting of income from investment of the fund and any
3 specified distributions, appropriations, gifts, grants and
4 donations to the fund. Money in the scholarship fund is
5 appropriated to the department for scholarship awards as
6 provided in the College Affordability Act. Expenditures from
7 the scholarship fund shall be by warrant of the secretary of
8 finance and administration pursuant to vouchers signed by the
9 secretary of higher education or the secretary's authorized
10 representative.

11 ~~[G. Until fifty percent of the annual income from~~
12 ~~investment of the college affordability endowment fund is equal~~
13 ~~to or exceeds two million dollars (\$2,000,000), an annual~~
14 ~~distribution of two million dollars (\$2,000,000) shall be made~~
15 ~~from the college affordability endowment fund to the college~~
16 ~~affordability scholarship fund. Thereafter, until the corpus~~
17 ~~of the endowment fund is two hundred fifty million dollars~~
18 ~~(\$250,000,000), fifty percent of the income from investment of~~
19 ~~the fund shall be applied to the corpus of the fund and fifty~~
20 ~~percent shall be distributed annually to the scholarship fund.~~
21 ~~After the corpus of the endowment fund is two hundred fifty~~
22 ~~million dollars (\$250,000,000), all of the income from~~
23 ~~investment of the fund shall be distributed to the college~~
24 ~~affordability scholarship fund.]~~

25 C. The annual distribution to the scholarship fund

.174943.3GR

underscored material = new
[bracketed material] = delete

1 shall be five percent of the average of the year-end market
2 values of the endowment fund for the immediately preceding five
3 calendar years. Until the corpus of the endowment fund is two
4 hundred fifty million dollars (\$250,000,000), fifty percent of
5 the annual distribution amount shall be applied to the corpus
6 of the fund and fifty percent shall be distributed annually to
7 the scholarship fund; provided, however, that at least two
8 million dollars (\$2,000,000) shall be distributed annually to
9 the scholarship fund. After the corpus of the endowment fund
10 is two hundred fifty million dollars (\$250,000,000), all of the
11 annual distribution amount shall be distributed to the college
12 affordability scholarship fund."

13 - 3 -
14
15
16
17
18
19
20
21
22
23
24
25

.174943.3GR