

AN ACT

RELATING TO HIGHER EDUCATION; CHANGING THE DISTRIBUTION  
PROCESS AND USES OF THE HIGHER EDUCATION ENDOWMENT FUND;  
CREATING THE HIGHER EDUCATION ENDOWMENT COMMITTEE AND  
PRESCRIBING DUTIES; 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, as amended) is amended to read:

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

A. The "higher education 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.

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

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

shall include:

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

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

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

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

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

community college and technical and vocational institute; and

(3) eighteen percent of the total amount to be distributed may be awarded to New Mexico highlands university, eastern New Mexico university, western New Mexico university and northern New Mexico college.

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

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

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

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

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

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

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

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

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