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SENATE BILL 240

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Ben D. Altamirano

AN ACT

RELATING TO HIGHER EDUCATION; PROVIDING FOR DISTRIBUTIONS FROM THE FACULTY ENDOWMENT FUND TO CREATE ENDOWMENTS AT FOUR-YEAR AND TWO-YEAR PUBLIC POST-SECONDARY EDUCATIONAL INSTITUTIONS; RECONCILING CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAW BY REPEALING LAWS 2003, CHAPTER 379, SECTION 1; 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 by Laws 2003, Chapter 379, Section 1 and by Laws 2003, Chapter 392, 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, .159844.2

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1 income from investment of the fund, gifts, grants, donations
2 and bequests. Money in the fund shall not revert at the end of
3 any fiscal year.

4 B. The faculty endowment fund shall be administered
5 by the [~~commission on~~] higher education department. [~~Except as~~
6 ~~provided in Subsection J of this section~~] Money shall be
7 disbursed only on warrant of the secretary of finance and
8 administration upon voucher signed by the [~~executive director~~
9 ~~of the commission on~~] secretary of higher education or [~~his~~
10 the secretary's] authorized representative.

11 C. Money shall be disbursed from the faculty
12 endowment fund only to establish endowments [~~for chairs,~~
13 ~~professorships and faculty development programs at four-year~~
14 at public post-secondary educational institutions as provided
15 in this section. [~~Except as provided in Subsection J of this~~
16 ~~section~~] An institution shall not receive a disbursement for an
17 endowment until that institution has notified the [~~commission~~
18 ~~on~~] higher education department that it has received matching
19 funds for the endowment from other than governmental sources in
20 [~~an amount that is equal to or greater than the amount~~
21 ~~authorized by this section to be disbursed for the endowment~~]
22 the amount required by this section.

23 D. [~~Except as provided in Subsection J of this~~
24 ~~section~~] Money in the faculty endowment fund is appropriated to
25 the [~~commission on~~] higher education department to be disbursed

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1 for ~~[the following endowment purposes in the following amounts:~~

2 ~~(1) for endowed chairs, five hundred thousand~~
3 ~~dollars (\$500,000) for each endowed chair;~~

4 ~~(2) for endowed professorships, two hundred~~
5 ~~thousand dollars (\$200,000) for each endowed professorship; and~~

6 ~~(3) for endowed faculty development programs,~~
7 ~~to include lectureships, graduate fellowships and other faculty~~
8 ~~support programs, thirty-seven thousand five hundred dollars~~
9 ~~(\$37,500) for each endowed faculty development program]~~

10 endowment purposes approved by the department, including
11 endowed chairs, lectureships, professorships, scholarships,
12 graduate assistantships, faculty development programs and other
13 purposes that will enhance the quality of public education in
14 New Mexico. The department, by rule, shall establish
15 procedures for disbursing money from the fund.

16 E. ~~[Except as provided in Subsection J of this~~
17 ~~section until June 30, 2005]~~ Until July 1, 2009, the following
18 institutions shall be eligible for the following disbursements
19 from the fund:

20 ~~[(1) the university of New Mexico for four~~
21 ~~endowed chairs;~~

22 ~~(2) New Mexico state university for four~~
23 ~~endowed chairs;~~

24 ~~(3) New Mexico institute of mining and~~
25 ~~technology for two endowed chairs;~~

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1 ~~(4) the university of New Mexico for two~~
2 ~~endowed chairs at the university of New Mexico medical center;~~
3 ~~and~~

4 ~~(5) the university of New Mexico, New Mexico~~
5 ~~state university, New Mexico highlands university, New Mexico~~
6 ~~institute of mining and technology, western New Mexico~~
7 ~~university and eastern New Mexico university for endowed~~
8 ~~professorships and endowed faculty development programs. The~~
9 ~~number of endowed professorships and endowed faculty~~
10 ~~development programs allocated to each of the named~~
11 ~~institutions shall be in the same ratio to the total number of~~
12 ~~endowed professorships and endowed faculty development programs~~
13 ~~allocated to all of the named institutions as the main campus~~
14 ~~full-time-equivalent enrollment of the institution bears to the~~
15 ~~total main campus full-time-equivalent enrollment of all of the~~
16 ~~named institutions. For purposes of this paragraph, the main~~
17 ~~campus full-time-equivalent enrollment of each institution~~
18 ~~shall be based on enrollment figures for the second semester of~~
19 ~~the 2001-2002 school year.~~

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

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1 ~~commission]~~

2 (1) eight million dollars (\$8,000,000) each
3 for the university of New Mexico, New Mexico state university,
4 New Mexico institute of mining and technology and the
5 university of New Mexico school of medicine; provided that no
6 disbursement shall be made pursuant to this paragraph unless
7 the institution has shown to the satisfaction of the higher
8 education department that it has received matching funds in an
9 amount equal to at least forty percent of the disbursement;

10 (2) two million dollars (\$2,000,000) each for
11 New Mexico highlands university, eastern New Mexico university,
12 western New Mexico university and northern New Mexico state
13 school; provided that no disbursement shall be made pursuant to
14 this paragraph unless the institution has shown to the
15 satisfaction of the higher education department that it has
16 received matching funds in an amount equal to at least thirty
17 percent of the disbursement; and

18 (3) for the total endowments at New Mexico
19 military institute, community colleges authorized pursuant to
20 the Community College Act, branch community colleges authorized
21 pursuant to Chapter 21, Article 14 NMSA 1978 and technical and
22 vocational institutes authorized pursuant to the Technical and
23 Vocational Institute Act, ten million dollars (\$10,000,000);
24 provided that:

25 (a) the total amount shall be

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1 distributed pursuant to rules of distribution adopted by the
2 higher education department that ensure each eligible
3 institution an opportunity to receive an equitable share of the
4 total amount to be distributed; and

5 (b) no disbursement shall be made
6 pursuant to this paragraph unless the institution has shown to
7 the satisfaction of the department that it has received
8 matching funds in an amount equal to at least thirty percent of
9 the disbursement.

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

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

24 ~~(1) fifty percent of the disbursements shall~~
25 ~~be for endowed chairs;~~

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

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

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

15 ~~J. Up to three million dollars (\$3,000,000) of~~
16 ~~the faculty endowment fund may be disbursed after July 1,~~
17 ~~2003 to the commission on higher education to endow and~~
18 ~~disburse the money for one endowed chair each to the~~
19 ~~university of New Mexico, New Mexico state university and the~~
20 ~~New Mexico institute of mining and technology. Each endowed~~
21 ~~chair shall be eligible for one million dollars (\$1,000,000)~~
22 ~~upon notification by the institution that it has received~~
23 ~~matching funds for the endowment from other than state~~
24 ~~sources in an amount equal to or greater than five hundred~~
25 ~~thousand dollars (\$500,000) for establishment of an endowed~~

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1 ~~chair that is directly related to the economic development of~~
2 ~~the state.]~~

3 G. No later than July 1 of calendar years 2007,
4 2008 and 2009, the higher education department shall report
5 to the legislative finance committee on disbursements made
6 pursuant to this section. The report shall include the
7 amounts disbursed to each institution, the amount of matching
8 funds and their source and the purpose of the endowments."

9 Section 2. APPROPRIATION.--Fifty million dollars
10 (\$50,000,000) is appropriated from the general fund to the
11 faculty endowment fund for expenditure in fiscal year 2006
12 and subsequent fiscal years for the purpose of making
13 disbursements for endowments pursuant to Section 21-1-27.1
14 NMSA 1978. Any unexpended or unencumbered balance remaining
15 at the end of a fiscal year shall not revert to the general
16 fund.

17 Section 3. REPEAL.--Laws 2003, Chapter 379, Section 1
18 is repealed.