

TITLE 5 POST-SECONDARY EDUCATION
CHAPTER 3 POST-SECONDARY EDUCATION INSTITUTION FINANCES
PART 6 HIGHER EDUCATION ENDOWMENT FUND

5.3.6.1 ISSUING AGENCY: State of New Mexico Higher Education Department.
[5.3.6.1 NMAC - N, 10/15/2015]

5.3.6.2 SCOPE: Provisions for 5.3.6 NMAC apply to all public post-secondary institutions in New Mexico.
[5.3.6.2 NMAC - N, 10/15/2015]

5.3.6.3 STATUTORY AUTHORITY: Sections 21-1-26 and 21-1-27 NMSA 1978.
[5.3.6.3 NMAC - N, 10/15/2015]

5.3.6.4 DURATION: Permanent.
[5.3.6.4 NMAC - N, 10/15/2015]

5.3.6.5 EFFECTIVE DATE: October 15, 2015, unless a later date is cited at the end of a section.
[5.3.6.5 NMAC - N, 10/15/2015]

5.3.6.6 OBJECTIVE: The objective and purpose of 5.3.6 NMAC is to outline the distribution of monies in the higher education endowment fund. Money in the higher education endowment fund is appropriated by the legislature to the higher education department. The department shall distribute funds to New Mexico public post-secondary educational institutions that submit proposals and receive award determinations from the department to establish endowments at the institutions for purposes outlined in 21-1-27 NMSA 1978 and 5.3.6 NMAC.
[5.3.6.6 NMAC - N, 10/15/2015]

5.3.6.7 DEFINITIONS:

- A.** “Committee” means the higher education endowment committee.
 - B.** “Department” means the New Mexico higher education department.
 - C.** “Eligible institution” means a New Mexico public post-secondary institution.
 - D.** “Endowment” means the higher education endowment fund.
 - E.** “Non-Government Funds” as used in Subsection E of 5.3.6.8 NMAC herein means no portion of the matching funds from an eligible institution may be derived from any federal, state or local government grant, allocation or appropriation of any type without limitation.
 - F.** “Proposal” means a formal request submitted to the higher education endowment committee to establish endowments at an eligible institution for endowment purposes.
- [5.3.6.7 NMAC - N, 10/15/2015]

5.3.6.8 HIGHER EDUCATION ENDOWMENT FUND:

- 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 department. Money shall be disbursed only on warrant of the secretary of finance and administration upon receipt of 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 5.3.6.8 NMAC 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) 62% 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) 20% 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) 18% 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 non-governmental sources in an amount equal to at least 50% 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 5.3.6.8 NMAC.

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. [5.3.6.8 NMAC - N, 10/15/2015]

5.3.6.9 HIGHER EDUCATION ENDOWMENT COMMITTEE: The committee is composed of the secretaries of higher education, economic development and finance and administration or their designees.

A. Additional ex-officio members of the committee may be appointed by the department pursuant to policies and procedures set forth by the committee. Ex-officio members will serve only in an advisory capacity and shall not make any vote or otherwise determine the outcome of any proposal submitted to the committee. The advisory members shall be composed of:

(1) two representatives of the council of university presidents, consisting of one person representing the research institutions and one person representing the comprehensive institutions;

(2) a representative of New Mexico independent community colleges;

(3) a representative of the New Mexico association of community colleges; and

(4) other representatives as appointed by the department.

B. The responsibilities of the committee shall include:

(1) review proposals submitted to the committee for sufficiency, quality and merit;

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

(3) determine whether the endowment funds are being distributed pursuant to the provisions

of this section;

(4) recommend ways to support or change the endowment purposes award and distribution

processes;

(5) make recommendations to the department for the purpose of distribution of endowment

funds; and

(6) give advice or other assistance to the department as requested.

C. The committee shall meet no less than twice per year to review proposals and make award determinations.

[5.3.6.9 NMAC - N, 10/15/2015]

5.3.6.10 PROPOSAL REQUIREMENTS:

A. To be considered eligible for a distribution from the endowment, a proposal submitted by a public postsecondary institution shall:

(1) demonstrate how the funds will be used to enhance the quality of public post-secondary education in New Mexico;

(2) indicate which of the governor's initiatives the proposal addresses; and

(3) identify the source and eligibility of matching funds.

B. All proposals shall include a report identifying:

(1) The status of all legislative endowment funds held by the institution, including the value of the corpus and any income from investment of said corpus; and

(2) All activities currently supported by the investment income from the endowment.
[5.3.6.10 NMAC - N, 10/15/2015]

5.3.6.11 SELECTION OF PROPOSALS:

A. The committee shall develop a timeline of application periods setting forth deadlines for proposal submission and a schedule of review.

B. The committee shall develop a scoring matrix that scores all proposals received pursuant to the requirements of 5.3.6.10 NMAC.

C. No award determination shall be made until all proposals submitted within an application period have been reviewed and scored by the committee.

[5.3.6.11 NMAC - N, 10/15/2015]

5.3.6.12 REPORTS: 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.

[5.3.6.12 NMAC - N, 10/15/2015]

HISTORY OF 5.3.6 NMAC: [RESERVED]