



**Aubrey Dunn, State Land Commissioner
State of New Mexico**

For Immediate Release

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Commissioner Dunn Pitches New Idea for Funding Early Childhood Education in New Mexico

Santa Fe, NM (August 3, 2016) – New Mexico State Land Commissioner Aubrey Dunn today proposed the “Early Childhood Education Land Grant Act,” a draft bill for consideration during the 2017 legislative session that would create the Early Childhood Education Land Grant Permanent Fund and the Early Childhood Education Land Grant Income Fund. A copy of the legislation is attached.

The federal government currently holds a vast amount of unleased federal subsurface mineral acreage beneath private land within New Mexico – at least 5.3 million acres and potentially upwards of 6.5 million acres (acreage is still being identified by the State Land Office). Any and all unleased subsurface mineral acreage beneath private land that is transferred by Congress from the federal government to the state after the effective date of the Early Childhood Education Land Grant Act would then be leased out by the State Land Office for the purposes of revenue generation, with all funds earned to be deposited to the Early Childhood Education Land Grant Permanent Fund.

“We have a unique opportunity to ‘grow the pie’ for education funding by asking the federal government to transfer their unleased subsurface mineral acreage beneath private land within New Mexico to the State Land Office, which can then be leased out to generate revenue for the benefit of early childhood education,” said Commissioner Dunn.

In FY 16, the State Land Office earned an average of \$32.29 per acre from mining, oil and gas extraction activities across its 13 million subsurface acres. Once transferred from the federal government to the state and leased out by the State Land Office, the approximately 5.3 million to 6.5 million acres currently under consideration for transfer could potentially generate a range of \$171 million to \$210 million in annual royalties to the Early Childhood Education Land Grant Permanent Fund – based on average SLO subsurface earnings of \$32.29 per acre.

Annual distributions equal to the interest, dividends and capital gains of the Early Childhood Education Land Grant Permanent Fund would be transferred to the Early Childhood Education Land Grant Income Fund. Ninety-five percent of the Income Fund would be appropriated annually by the State Legislature for early childhood education programs as provided by law. Five percent of the Income Fund would be appropriated annually by the State Legislature to the State Land Office to provide for the costs incurred in generating revenue from the management, care, custody, control and disposition of the subsurface mineral acreage transferred from the federal government to the state for the purpose of funding early childhood education.

In addition to the passage of this legislation at the state level, New Mexico’s federal congressional delegation in Washington, DC, would need to spearhead the effort to transfer the unleased federal subsurface mineral acreage beneath private land to the state. Land access would not be an issue since private landowners already manage the surface above these minerals.

“Addressing the issue of early childhood education would help to reduce both the federal and state need to allocate resources in the future to remediate the effects of challenges facing New Mexico’s children,” said Commissioner Dunn. “As opposed to being a ‘quick fix’ solution, the Early Childhood Education Land Grant Permanent Fund would grow over time and provide a long-term, sustainable endowment and funding stream for early childhood education in New Mexico.”

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BILL

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC FINANCE; ENACTING THE EARLY CHILDHOOD
EDUCATION LAND GRANT ACT; CREATING THE EARLY CHILDHOOD
EDUCATION NONSECTARIAN SERVICES LAND GRANT PERMANENT FUND AND
THE EARLY CHILDHOOD EDUCATION NONSECTARIAN SERVICES INCOME
FUND; PROVIDING FOR ANNUAL DISTRIBUTIONS FROM THE EARLY
CHILDHOOD EDUCATION NONSECTARIAN SERVICES LAND GRANT PERMANENT
FUND AND AUTHORIZING EXPENDITURE OF THOSE DISTRIBUTIONS.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Early Childhood Education Land Grant Act".

SECTION 2. [NEW MATERIAL] FINDINGS AND PURPOSE.--The
legislature finds that:

A. New Mexico has the highest rate of child poverty
in the United States, according to a study by New Mexico voices

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1 for children;

2 B. brain and biological development during the
3 first years of life is highly influenced by environment, and
4 early childhood experiences may determine health, education,
5 economic and social participation for the rest of a person's
6 life;

7 C. achievement gaps among children begin extremely
8 early and persist. Science has shown that achievement gaps
9 that exist between children in poverty and their more
10 economically advantaged peers are evident as early as eighteen
11 months;

12 D. children who start behind in school tend to stay
13 behind, an achievement gap that multiplies over time. To break
14 this cycle, it is important to focus on children when they are
15 very young;

16 E. the social and financial costs to New Mexico and
17 the United States for failed potential in children are
18 enormous, and these costs could be ameliorated by adequate
19 funding for early childhood services;

20 F. as New Mexico faces financial crises and
21 struggles to fund necessary public services, early childhood
22 programs have been drastically reduced and, in some cases,
23 eliminated, even though research and data show the cost-
24 effectiveness of such programs, and the result of such cutbacks
25 is a continued cycle of income, educational and social

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1 disparity;

2 G. in its report on early childhood, the world
3 health organization noted that "globally, societies that invest
4 in children and families in early years, whether rich or poor,
5 have the most literate and numerate populations. These are
6 also the societies that have the best health status and lowest
7 levels of health inequality in the world";

8 H. investing in young children is an essential
9 component for the development of New Mexico, as early
10 opportunities for learning increase the likelihood that a child
11 will attend school and, as an adult, achieve higher income,
12 maintain better health, experience less crime and have lower
13 levels of welfare dependence than those who do not receive
14 early development support;

15 I. long-term studies have shown that for every one
16 dollar (\$1.00) the state invests in early childhood programs,
17 it gets back approximately ten dollars (\$10.00) over the life
18 of the child, and, because these programs improve academic
19 outcomes, early childhood education improves workforce
20 readiness and job productivity;

21 J. the state of New Mexico does not currently have
22 sufficient resources to address these problems;

23 K. addressing these issues may reduce both the
24 federal and state need to allocate future resources to
25 remediate the lasting effects on these children's educational

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1 and life development;

2 L. the federal government holds a vast amount of
3 unleased federal subsurface mineral acreage beneath private
4 land within New Mexico, some of which has been identified by
5 the federal bureau of land management as being suitable for
6 disposal; and

7 M. this unleased federal subsurface mineral acreage
8 beneath private land within New Mexico, identified as disposal
9 lands by the federal bureau of land management, could be
10 transferred to the state of New Mexico and managed by the state
11 land office to be held in trust for the purpose of raising
12 revenue to specifically support and fund early childhood
13 education nonsectarian services.

14 SECTION 3. [NEW MATERIAL] EARLY CHILDHOOD EDUCATION
15 NONSECTARIAN SERVICES LAND GRANT PERMANENT FUND--INVESTMENT--
16 DISTRIBUTION.--

17 A. The "early childhood education nonsectarian
18 services land grant permanent fund" is created in the state
19 treasury. The state treasurer shall deposit in the early
20 childhood education nonsectarian services land grant permanent
21 fund all money generated by the commissioner of public lands
22 and the state land office through the management, care,
23 custody, control and disposition of any and all unleased
24 federal subsurface mineral acreage beneath private land
25 identified by the federal bureau of land management as being

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1 subject to disposal and subsequently transferred to the state
2 of New Mexico after the effective date of the Early Childhood
3 Education Land Grant Act; provided that none of the lands were
4 granted or could be construed to have been granted under the
5 Enabling Act for New Mexico.

6 B. Money in the fund shall be invested by the state
7 investment officer as land grant permanent funds are invested
8 pursuant to Chapter 6, Article 8 NMSA 1978. Money in the fund
9 shall not be expended for any purpose, but an annual
10 distribution shall be made to the early childhood education
11 nonsectarian services income fund in accordance with Subsection
12 C of this section for appropriation by the legislature for
13 early childhood education nonsectarian education services and
14 for state land office management of any and all unleased
15 federal subsurface mineral acreage beneath private land
16 transferred from the federal government to the state of New
17 Mexico after the effective date of the Early Childhood
18 Education Land Grant Act for the benefit of early childhood
19 education nonsectarian services as provided by law. Earnings
20 from investment of the fund shall be credited to the fund.

21 C. An annual distribution shall be made from the
22 early childhood education nonsectarian services land grant
23 permanent fund to the early childhood education nonsectarian
24 services income fund in an amount equal to the interest,
25 dividends and capital gains of the early childhood education

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1 nonsectarian services land grant permanent fund as generated
2 under the care of the state investment officer. The annual
3 distribution shall be made no later than September 1 of each
4 fiscal year.

5 SECTION 4. [NEW MATERIAL] EARLY CHILDHOOD EDUCATION
6 NONSECTARIAN SERVICES INCOME FUND CREATED--PURPOSES.--

7 A. The "early childhood education nonsectarian
8 services income fund" is created in the state treasury and
9 shall consist of distributions made to the fund from the early
10 childhood education nonsectarian services land grant permanent
11 fund. Money in the fund may be appropriated by the legislature
12 for the purposes specified in Subsections B and C of this
13 section.

14 B. Ninety-five percent of the early childhood
15 education nonsectarian services income fund shall be
16 appropriated annually by the legislature for early childhood
17 education nonsectarian services as provided by law. As used in
18 this section, "early childhood education nonsectarian services"
19 means nonsectarian services for children from birth until the
20 age of kindergarten eligibility that are provided by a school
21 district, pueblo or tribal entity, the New Mexico school for
22 the blind and visually impaired or the New Mexico school for
23 the deaf; provided that, in the event that a school district,
24 pueblo or tribal entity, the New Mexico school for the blind
25 and visually impaired or the New Mexico school for the deaf is

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1 unable to provide early childhood education nonsectarian
2 services, such services shall be delivered by a contractor.

3 C. Five percent of the early childhood education
4 nonsectarian services income fund shall be appropriated
5 annually to the state land office to provide for the costs
6 incurred in generating revenue from the management, care,
7 custody, control and disposition of the lands identified in
8 Section 3 of the Early Childhood Education Land Grant Act for
9 the benefit of early childhood education nonsectarian services.