



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

For Immediate Release

Contact:

Emily Strickler, Assistant Commissioner for Communications

(505) 827-3650 - office

(505) 470-8829 - mobile

[estrickler@slo.state.nm.us](mailto:estrickler@slo.state.nm.us)

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

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC FINANCE; ENACTING THE EARLY CHILDHOOD LAND GRANT ACT; CREATING THE EARLY CHILDHOOD LAND GRANT PERMANENT FUND AND THE EARLY CHILDHOOD INCOME FUND; PROVIDING FOR ANNUAL DISTRIBUTIONS FROM THE EARLY CHILDHOOD 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 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 for children;

B. brain and biological development during the

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1 first years of life is highly influenced by environment, and  
2 early childhood experiences may determine health, education,  
3 economic and social participation for the rest of a person's  
4 life;

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

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

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

18 F. in its report on early childhood, the world  
19 health organization noted that "globally, societies that invest  
20 in children and families in early years, whether rich or poor,  
21 have the most literate and numerate populations. These are  
22 also the societies that have the best health status and lowest  
23 levels of health inequality in the world";

24 G. investing in young children is an essential  
25 component for the development of New Mexico, as early

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1 opportunities for learning increase the likelihood that a child  
2 will attend school and, as an adult, achieve higher income,  
3 maintain better health, experience less crime and have lower  
4 levels of welfare dependence than those who do not receive  
5 early development support;

6 H. long-term studies have shown that for every one  
7 dollar (\$1.00) the state invests in early childhood programs,  
8 it can receive a return of up to approximately ten dollars  
9 (\$10.00) over the life of the child, and, because these  
10 programs improve academic outcomes, early childhood programs  
11 can improve workforce readiness and job productivity;

12 I. the state of New Mexico does not currently have  
13 sufficient resources to address these problems;

14 J. addressing these issues may reduce both the  
15 federal and state need to allocate future resources to  
16 remediate the lasting effects on these children's educational  
17 and life development;

18 K. the federal government holds a vast amount of  
19 unleased federal subsurface mineral acreage beneath private  
20 land within New Mexico; and

21 L. this unleased federal subsurface mineral acreage  
22 beneath private land within New Mexico could be transferred to  
23 the state of New Mexico and managed by the state land office to  
24 be held in trust for the purpose of raising revenue to  
25 specifically support and fund early childhood services.

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1           SECTION 3.   [NEW MATERIAL] EARLY CHILDHOOD LAND GRANT

2   PERMANENT FUND--INVESTMENT--DISTRIBUTION.--

3           A.   The "early childhood land grant permanent fund"  
4   is created in the state treasury.  The state treasurer shall  
5   deposit in the early childhood land grant permanent fund all  
6   money generated by the commissioner of public lands and the  
7   state land office through the management, care, custody,  
8   control and disposition of any and all unleased federal  
9   subsurface mineral acreage beneath private land transferred to  
10   the state of New Mexico after the effective date of the Early  
11   Childhood Land Grant Act; provided that none of the lands were  
12   granted or could be construed to have been granted under the  
13   Enabling Act for New Mexico.

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

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1 provided by law. Earnings from investment of the fund shall be  
2 credited to the fund.

3 C. An annual distribution shall be made from the  
4 early childhood land grant permanent fund to the early  
5 childhood income fund in an amount equal to the interest,  
6 dividends and capital gains of the early childhood land grant  
7 permanent fund as generated under the care of the state  
8 investment officer. The annual distribution shall be made no  
9 later than September 1 of each fiscal year.

10 SECTION 4. [NEW MATERIAL] EARLY CHILDHOOD INCOME FUND  
11 CREATED--PURPOSES.--

12 A. The "early childhood income fund" is created in  
13 the state treasury and shall consist of distributions made to  
14 the fund from the early childhood land grant permanent fund.  
15 Money in the fund may be appropriated by the legislature solely  
16 for the purposes specified in Subsections B and C of this  
17 section.

18 B. Ninety-five percent of the early childhood  
19 income fund shall be appropriated annually by the legislature  
20 for early childhood services as provided by law. As used in  
21 this section, "early childhood services" means nonsectarian  
22 services for children from birth until the age of kindergarten  
23 eligibility as provided by law.

24 C. Five percent of the early childhood income fund  
25 shall be appropriated annually to the state land office to

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1 provide for the costs incurred in generating revenue from the  
2 management, care, custody, control and disposition of the lands  
3 identified in Section 3 of the Early Childhood Land Grant Act  
4 for the benefit of early childhood services.

5 D. Unexpended or unencumbered balances remaining in  
6 the early childhood income fund at the end of any fiscal year  
7 shall revert to the early childhood land grant permanent fund.