



**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

Commissioner Dunn Responds to Attacks on Early Childhood Proposal:

“New Mexico ranks 49th in child well-being and apparently that’s where Conservation Voters New Mexico, New Mexico Wildlife Federation and former Commissioner Baca want our kids to stay.”

Santa Fe, NM (August 8, 2016) – New Mexico State Land Commissioner Aubrey Dunn today responded to recent comments from Conservation Voters New Mexico, New Mexico Wildlife Federation and former Land Commissioner Jim Baca in opposition to his proposal to create a new state permanent fund for early childhood.

“It is shameful but not surprising that Conservation Voters New Mexico, New Mexico Wildlife Federation and former Commissioner Baca are slamming my proposal to fund early childhood in our state,” said Commissioner Dunn. “By their own admission, these folks are more concerned with climate change and keeping money in the hands of Washington politicians than they are about improving the lives of New Mexico’s kids.”

According to an article by staff writer Deborah Baker in the *Albuquerque Journal* on August 5 (“Land Commissioner wants new permanent fund for early childhood”), Ben Shelton from Conservation Voters New Mexico is attributed as follows: “Leasing the lands to oil and gas interests ‘will ultimately fence off and despoil those lands for future generations’ while worsening the effects of climate change”. Shelton also attacked Commissioner Dunn’s approach in an article by Robert Nott and Steve Terrell in the *Santa Fe New Mexican* on August 6. In addition, according to the *Journal*, John Crenshaw from New Mexico Wildlife Federation has said Commissioner Dunn’s proposal would “set a West-wide precedent and negatively impact the national budget.”

In his “Only in New Mexico” blog on August 3, former Commissioner Baca attacked Commissioner Dunn as a “fundamentalist” and as a “crackpot”. “After so many years of service to the state, it is sad that someone of Jim Baca’s stature has become so unhinged and detached from reality that he can only resort to name calling,” said Commissioner Dunn. “These types of negative attacks only serve to shut down honest and reasonable conversations about public policy in our state.”

“At a time when New Mexico’s state budget is in crisis, I am astounded that Conservation Voters New Mexico and former Commissioner Baca want to keep much-needed revenues in the ground, and New Mexico Wildlife Federation wants to keep money in the hands of Washington politicians,” said Commissioner Dunn. “New Mexico ranks 49th in child well-being and apparently that’s where Conservation Voters New Mexico, New Mexico Wildlife Federation and former Commissioner Baca want our kids to stay.”

On August 3, Commissioner Dunn proposed the “Early Childhood Land Grant Act” for consideration during the 2017 legislative session. The bill would create the Early Childhood Land Grant Permanent Fund. Any and all unleased subsurface mineral acreage beneath private land that is transferred from the federal government to the state after the

Legislature's passage of the Early Childhood 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 Land Grant Permanent Fund. A copy of the legislation is attached.

The federal government 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). New Mexico's congressional delegation would need to spearhead the effort to transfer unleased federal subsurface mineral acreage beneath private land from the federal government to the state.

Since Commissioner Dunn's proposal only involves subsurface mineral acreage beneath private land, public land access would not be affected. Much of the land in question is already potentially "fenced off" due to the private status of the surface.

"This mineral transfer would be a 'win-win' for both the federal government and for the state," said Commissioner Dunn. "These millions of subsurface acres are currently unleased by BLM because federal regulations hinder their ability to efficiently lease and generate revenue from these minerals. The State Land Office could more quickly lease and generate revenue from these minerals for the benefit of early childhood."

The transfer of these minerals would require a royalty sharing agreement between the federal government and the state for a period of ten years. In addition to royalties, revenue from lease sale bonuses and rentals would be shared between the federal government and the state during the ten-year period.

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 Land Grant Permanent Fund (based on average State Land Office subsurface earnings of \$32.29 per acre).

"New Mexicans are looking for real solutions to policy issues like early childhood funding – not petty political attacks from special interests," said Commissioner Dunn. "As opposed to being a 'quick fix', the Early Childhood Land Grant Permanent Fund would grow over time and provide a long-term, sustainable endowment and funding stream for early childhood in New Mexico."

The State Land Office is responsible for administering 9 million acres of surface and 13 million acres of subsurface estate for the beneficiaries of the state land trust, which includes schools, universities, hospitals and other important public institutions.

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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.