

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE JOINT RESOLUTION 1

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
CONSTITUTION OF NEW MEXICO TO PROVIDE FOR ADDITIONAL ANNUAL
DISTRIBUTIONS OF THE PERMANENT SFC→FUNDS, INCLUDING
DISTRIBUTIONS FROM THE PERMANENT SCHOOL FUND FOR EARLY
CHILDHOOD EDUCATIONAL SERVICES.←SFC SFC→SCHOOL FUND FOR
ENHANCED INSTRUCTION FOR STUDENTS AT RISK OF FAILURE, EXTENDING
THE SCHOOL YEAR, TEACHER COMPENSATION AND EARLY CHILDHOOD
EDUCATION; REQUIRING CONGRESSIONAL APPROVAL FOR DISTRIBUTIONS

.219555.1AIC March 17, 2021 (2:01pm)

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FOR EARLY CHILDHOOD EDUCATION. ←SFC

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

SECTION 1. It is proposed to amend Article 12, Section 7 of the constitution of New Mexico to read:

"A. As used in this section, " SFC→**fund**←SFC SFC→**land grant permanent funds**←SFC " means the permanent school fund described in Article 12, Section 2 of this constitution and all other permanent funds derived from lands granted or confirmed to the state by the act of congress of June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and state government and be admitted into the union on an equal footing with the original states.".

B. The SFC→**fund**←SFC SFC→**land grant permanent funds**←SFC shall be invested by the state investment officer in accordance with policy SFC→**regulations**←SFC SFC→**rules**←SFC promulgated by the state investment council.

C. In making investments, the state investment officer, under the supervision of the state investment council, shall invest and manage the SFC→**fund**←SFC SFC→**land grant permanent funds**←SFC in accordance with the Uniform Prudent Investor Act.

D. The legislature may establish criteria for investing the SFC→**fund**←SFC SFC→**land grant permanent funds**←SFC

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if the criteria are enacted by a three-fourths' vote of the members elected to each house, but investment of the SFC→fund←SFC SFC→land grant permanent funds←SFC is subject to the following restrictions:

(1) not more than sixty-five percent of the book value of the SFC→fund←SFC SFC→land grant permanent funds←SFC shall be invested at any given time in corporate stocks;

(2) not more than ten percent of the voting stock of a corporation shall be held; and

(3) stocks eligible for purchase shall be restricted to those stocks of businesses listed upon a national stock exchange or included in a nationally recognized list of stocks.

E. All additions to the SFC→fund←SFC SFC→land grant permanent funds←SFC and all earnings, including interest, dividends and capital gains from investment of the SFC→fund←SFC SFC→land grant permanent funds←SFC shall be credited to the SFC→fund←SFC SFC→land grant permanent funds←SFC .

F. SFC→~~Except as provided in Subsection G of this section, the~~←SFC SFC→The←SFC annual distributions from the SFC→fund←SFC SFC→land grant permanent funds to the beneficiaries specified in the Ferguson Act and the Enabling Act←SFC shall be five percent of the average of the year-end

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market values of the SFC→~~fund~~←SFC SFC→~~land grant permanent funds~~←SFC for the immediately preceding five calendar years.

G. In addition to the annual SFC→~~distribution~~←SFC SFC→~~distributions~~←SFC made pursuant to Subsection F of this section, unless suspended pursuant to Subsection [H] SFC→~~I~~←SFC SFC→~~J~~←SFC of this section, an SFC→~~additional~~←SFC annual distribution SFC→~~of one and one-fourth percent of the average of the year-end market value of the permanent school fund for the immediately preceding five calendar years~~←SFC shall be made [~~pursuant to the following schedule~~] as provided in SFC→~~this subsection~~←SFC_SFC→~~Subsection H of this section~~←SFC ; provided that SFC→~~no~~←SFC SFC→~~the~~←SFC additional distribution shall SFC→~~not~~←SFC be made SFC→~~pursuant to the provisions of this subsection~~←SFC in any fiscal year if the average of the year-end market values of the SFC→~~fund~~←SFC SFC→~~land grant permanent funds~~←SFC for the immediately preceding five calendar years is less than SFC→~~ten billion dollars (\$10,000,000,000)~~←SFC SFC→~~seventeen billion dollars (\$17,000,000,000)~~←SFC .

~~[(1) in fiscal years 2005 through 2012, an amount equal to eight-tenths percent of the average of the year-end market values of the fund for the immediately preceding five calendar years; provided that any additional distribution from the permanent school fund pursuant to this paragraph shall be used to implement and maintain educational reforms as provided by law; and~~

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~~(2) in fiscal years 2013 through 2016, an amount equal to one-half percent of the average of the year-end market values of the fund for the immediately preceding five calendar years; provided that any additional distribution from the permanent school fund pursuant to this paragraph shall be used to implement and maintain educational reforms as provided by law]~~ SFC→Unless suspended pursuant to this subsection or Subsection I of this section, additional annual distributions shall be one percent of the average of the year-end market values of the fund for the immediately preceding five calendar years; provided that the amount of the additional distribution from the permanent school fund shall be for early childhood educational services administered by the state, as provided by law.

H.←SFC SFC→H. Unless suspended pursuant to Subsection G or J of this section, the additional distribution from the permanent school fund provided for in Subsection G of this section shall be as follows and as provided by law:

(1) forty percent of the additional distribution shall be for the public school permanent fund beneficiary for enhanced instruction for students at risk of failure, extending the school year and public school teacher compensation; and

(2) sixty percent of the additional distribution shall be for the provision of early childhood

education.

I. As used in this section, "early childhood educational services" means nonsectarian and nondenominational services education for children until they are eligible for kindergarten.

[H.] I. J. The legislature, by a three-fifths' vote of the members elected to each house, may suspend any additional distribution provided for in Subsection G of this section."

SECTION 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date that may be called for that purpose.

SECTION 3. The distribution provided for in Paragraph (2) of Subsection H of Section 7 of Article 12 of the constitution of New Mexico shall not become effective without the consent of congress.

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