



# LAND GRANT PERMANENT FUND

The LGPF is derived from lands granted by the United States to the territory of New Mexico under the Ferguson Act of 1898 and from additional lands granted by the Enabling Act of 1910. These state trust lands are held in perpetual trust for twenty-one designated beneficiaries, and are administered by the Commissioner of Public Lands. Revenues from minerals extracted or the sale of these lands are periodically transferred to the LGPF and invested as a permanent endowment by the State Investment Council.

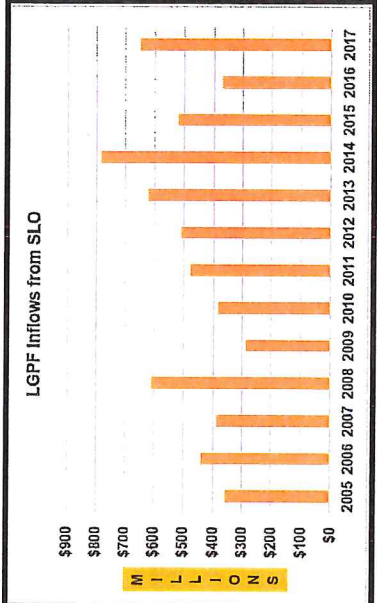
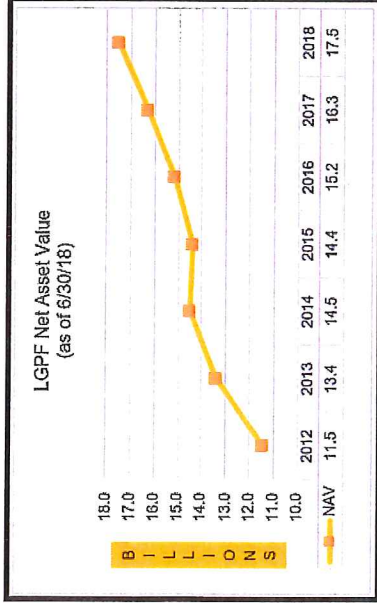
Royalties from oil and gas production on New Mexico state trust lands have provided 93% of the revenues to the LGPF

LGPF Investment Performance (7% Target)				
	1 yr	3 yr	5 yr	10 yr
	7.9	9.6	7.6	7.2
(Net of fees; 9/30/2018)				



# LAND GRANT PERMANENT FUND

**Land Maintenance Fund**  
SLO operating costs are deducted, then balance is distributed to beneficiaries



**Constitutional Distribution Formula to the Beneficiaries**  
5.5% of 5-year calendar average market value for FY13-FY16, then 5% thereafter

**DISTRIBUTIONS TO THE BENEFICIARIES**

2014	\$535,156,608
2015	\$595,993,902
2016	\$655,785,169
2017	\$638,074,458
2018	\$689,190,723

Averages 8-10% of General Fund  
**\$5.8 billion over the past 10 years**

Public schools receive about 85% of the distributions from LGPF  
**\$586.6 million in FY18**

BENEFICIARIES (distribution % as of 6/30/17)	% of LGPF distribution
Common (public) Schools	85.01%
University of NM	1.32%
UNM Saline Lands	0.04%
NM State University	0.42%
Western NM University	0.02%
N.M. Highlands University	0.02%
Northern NM College	0.02%
Eastern NM University	0.08%
NM Inst. Mining & Tech	0.19%
N.M. Military Institute	3.04%
NM Boys School	0.01%
DHI Miners Hospital	0.88%
N.M. State Hospital	0.33%
NM State Penitentiary	1.88%
NM School for the Deaf	1.86%
NM School for Blind & Vis. Imp.	1.85%
Charitable Penal & Reform	0.78%
Water Reservoir	0.98%
Improve Rio Grande	0.22%
Public Buildings Capital Improvement	1.06%
Carrie Tingley Hospital	0.00%

**Land Grant Permanent Fund**  
**FUND BALANCE AND INCOME DISTRIBUTION SUMMARY FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
(Unaudited)

INSTITUTIONS	July 1, 2017 BEGINNING BAL	% OF FUND	INCOME DISTRIBUTION	LAND TRANSFER	CAPITAL G/L	UNREALIZED G/L	INCOME EARNINGS	BOOK VALUE ENDING BAL June 30, 2018
COMMON SCHOOLS	\$13,829,968,010.28	85.01%	(\$586,560,648.91)	\$545,761,722.27	\$950,344,525.62	\$201,848,804.82	(\$44,245.18)	\$14,941,318,168.90
UNIVERSITY OF N.M.	\$214,912,359.31	1.32%	(\$9,029,524.74)	\$3,211,546.25	\$14,688,063.93	\$3,114,251.36	(\$2,183.83)	226,894,512.28
UNM SALINE LANDS	\$7,292,624.17	0.04%	(\$311,792.25)	\$306,157.00	\$503,806.54	\$109,239.74	(\$8.55)	7,900,026.65
NM STATE UNIVERSITY	\$68,102,132.74	0.42%	(\$2,852,237.89)	\$409,902.15	\$4,645,914.40	\$986,738.26	(\$897.66)	71,291,552.00
WESTERN NM UNIV	\$3,996,269.76	0.02%	(\$167,638.54)	\$39,862.00	\$272,873.16	\$57,959.02	(\$47.71)	4,199,277.69
N.M. HIGHLANDS UNIV	\$3,975,763.28	0.02%	(\$166,782.01)	\$39,862.00	\$271,476.44	\$57,662.59	(\$47.40)	4,177,934.90
NO. NM COLLEGE	\$3,227,086.29	0.02%	(\$135,512.96)	\$39,978.00	\$220,484.30	\$46,840.32	(\$36.17)	3,398,839.78
EASTERN NM UNIVERSITY	\$12,462,212.73	0.08%	(\$522,694.35)	\$108,422.00	\$850,878.20	\$180,863.15	(\$152.70)	13,079,529.03
NM INST. MINING & TECH	\$30,462,790.13	0.19%	(\$1,280,670.65)	\$406,959.00	\$2,082,683.16	\$443,652.57	(\$337.60)	32,115,076.61
N.M. MILITARY INSTITUTE	\$494,634,711.08	3.04%	(\$20,876,844.35)	\$15,033,137.00	\$33,890,874.05	\$7,176,097.38	(\$2,624.11)	529,855,351.05
NM BOYS SCHOOL	\$876,612.91	0.01%	(\$36,614.75)	\$0.00	\$59,708.00	\$12,672.14	(\$13.13)	912,365.17
DHI MINERS HOSPITAL	\$142,356,387.40	0.88%	(\$5,965,501.59)	\$1,044,744.00	\$9,714,493.45	\$2,064,702.44	(\$1,808.07)	149,213,017.63
N.M. STATE HOSPITAL	\$54,203,241.22	0.33%	(\$2,302,493.97)	\$2,304,682.00	\$3,727,966.06	\$789,802.21	(\$59.20)	58,723,138.32
NM STATE PENITENTIARY	\$305,241,922.36	1.88%	(\$12,842,777.41)	\$5,403,494.00	\$20,878,786.46	\$4,433,821.47	(\$2,910.63)	323,112,336.25
NM SCHOOL FOR THE DEAF	\$301,934,648.03	1.86%	(\$12,699,833.04)	\$5,276,800.28	\$20,648,507.56	\$4,384,392.15	(\$2,930.14)	319,541,584.84
SCH. FOR VISUALLY HAND.	\$301,302,062.78	1.85%	(\$12,673,476.00)	\$5,279,988.81	\$20,605,480.99	\$4,375,266.48	(\$2,919.53)	318,886,403.53
CHAR. PENAL & REFORM	\$126,323,698.80	1.85%	(\$5,295,140.30)	\$1,035,817.36	\$8,621,966.40	\$1,830,554.36	(\$1,570.85)	132,515,325.77
WATER RESERVOIR	\$159,090,616.82	0.98%	(\$6,664,822.04)	\$1,116,551.90	\$10,854,704.52	\$2,304,461.74	(\$2,030.42)	166,699,482.52
IMPROVE RIO GRANDE	\$35,593,009.12	0.22%	(\$1,490,234.06)	\$185,893.00	\$2,427,704.38	\$515,340.53	(\$475.42)	37,231,237.55
PUBLIC BLDGS. CAP. INC.	\$172,530,783.07	1.06%	(\$7,306,251.17)	\$7,694,108.50	\$11,844,836.97	\$2,499,064.77	(\$308.81)	187,262,233.33
CARRIE TINGLEY HOSPITAL	\$221,028.34	0.00%	(\$9,232.02)	\$0.00	\$15,054.77	\$3,195.15	(\$3.30)	230,042.94
	\$16,268,707,970.62	100%	(\$689,190,723.00)	\$594,699,627.52	\$1,117,170,789.36	\$237,235,382.65	(\$65,610.41)	\$17,528,557,436.74

Source: State Investment Council



# Severance Tax Permanent Fund

The Severance Tax Permanent Fund (STPF) was established by the legislature as a permanent endowment in 1973, to receive and invest severance taxes collected on natural resources extracted from New Mexico lands.

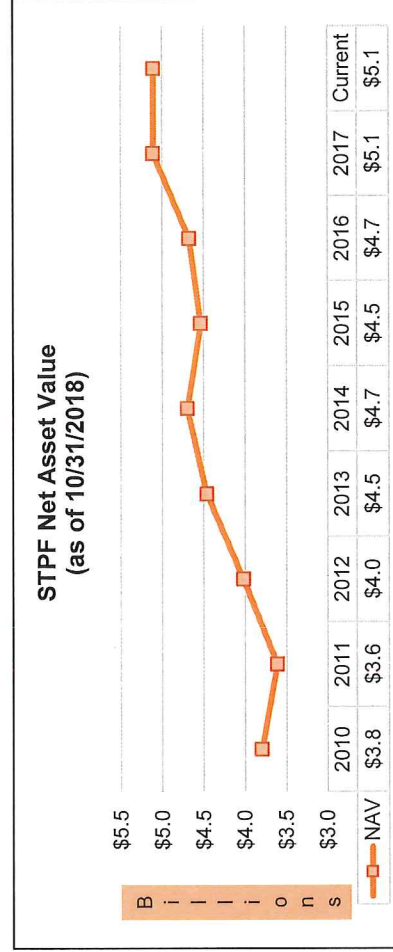
General Fund Distribution	
2014	\$170,472,647
2015	\$182,722,980
2016	\$193,509,941
2017	\$200,442,327
2018	\$210,377,644

Year	Severance Tax Revenue	STPF Contribution
2001	\$320,319,533	\$114,325,831
2002	\$173,002,808	\$32,034,751
2003	\$251,511,296	\$1,032,283
2004	\$302,407,701	\$16,318,268
2005	\$379,563,891	\$12,371,958
2006	\$481,351,229	\$123,217,261
2007	\$425,125,817	\$24,073,242
2008	\$556,483,273	\$41,421,926
2009	\$367,130,310	\$30,186,623
2010	\$348,457,519	\$3,488,067
2011	\$399,656,464	\$7,617,058
2012	\$420,319,850	\$103,888,282
2013	\$320,319,533	\$5,325,323
2014	\$541,058,099	\$124,650,731
2015	\$412,283,250	\$817,455
2016	\$257,494,439	\$7,650,686
2017	\$338,101,761	\$37
2018	\$498,534,038	\$117,026,819

STPF Investment Performance (6.75% Target)				
1 yr	3 yr	5 yr	10 yr	
8.2	9.8	7.7	6.7	
(Net of Fees; 9/30/2018)				

Taxes are transferred monthly to the **Severance Tax Bonding Fund** administered by the State Treasurer's Office for **Debt Service Requirements on Senior and Supplemental Bonds** issued under the **Severance Tax Bonding Act** for capital projects

Amounts in the Bonding Fund in excess of the amounts necessary to service bond principal and interest payments are transferred twice a year to the **Severance Tax Permanent Fund**



25 CORRECTIONS DEPARTMENT:



Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
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1 (1) Inmate management and control:

2 The purpose of the inmate management and control program is to incarcerate in a humane, professionally

3 sound manner offenders sentenced to prison and to provide safe and secure prison operations. This

4 includes quality hiring and in-service training of correctional officers, protecting the public from

5 escape risks and protecting prison staff, contractors and inmates from violence exposure to the extent

6 possible within budgetary resources.

7 Appropriations:

8 (a) Personal services and 109,188.8

9 employee benefits 13,742.1 970.2

10 (b) Contractual services 53,119.6 53,119.6

11 (c) Other 108,463.2 109.0 109,522.7

12 The other state funds appropriations to the inmate management and control program include one million

13 dollars (\$1,000,000) from the corrections industries revolving fund. Any remaining balance at the end of

14 fiscal year 2018 shall revert to the corrections industries revolving fund.

15 The corrections department may use unspent funds that have been appropriated in the inmate

16 management and control program to address pay compaction resulting from changes to the correctional

17 officer salary structure.



5

18 NEW MEXICO MILITARY INSTITUTE:  
 19 The purpose of the New Mexico military institute is to provide college-preparatory instruction for  
 20 students in a residential, military environment culminating in a high school diploma or associate degree.  
 21 (1) Main campus:  
 22 Appropriations:  
 23 (a) Instruction and general 1,312.4 24,300.0 100.0 25,712.4  
 24 purposes  
 25 (b) Other 8,500.0 900.0 9,400.0

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Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Frnsf	Federal Funds	Total/Target
1 (c) Athletics	259.3	400.0			659.3
2 (d) Knowles legislative scholarship program	1,284.7				1,284.7
3 Performance measures:					
4 (a) Outcome: Average American college testing composite scores for graduating high school seniors					22.5
5 (b) Outcome: Collegiate assessment of academic proficiency reading scores for graduating college sophomores					60
6 Subtotal					37,056.4

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General Fund Consensus Revenue Estimate December 2018

Revenue Source	FY18			FY19			FY20									
	Aug 2018 Prelim. Actual	Dec 2018 Unaudited Actual	Change from Prior FY17	% Change from FY17	Aug 2018 Est.	Dec 2018 Est.	Change from Prior FY18	% Change from FY18	Aug 2018 Est.	Dec 2018 Est.	Change from Prior FY19	% Change from FY19	Aug 2018 Est.	Dec 2018 Est.	Change from Prior FY19	% Change from FY19
Base Gross Receipts Tax	2,557.7	2,525.9	(31.8)	16.4%	2,751.1	2,736.2	(14.9)	8.3%	2,873.1	2,783.7	(89.4)	1.7%	2,873.1	2,783.7	(89.4)	1.7%
60-Day Money & Other Credits	(53.9)	(21.0)	32.9	-36.4%	(53.9)	(40.0)	13.9	90.5%	(53.9)	(30.0)	23.9	-25.0%	(53.9)	(30.0)	23.9	-25.0%
F&M Hold Harmless Payments	(118.8)	(123.8)	(5.0)	0.9%	(115.0)	(113.5)	1.5	-8.3%	(111.4)	(108.0)	3.4	-4.8%	(111.4)	(108.0)	3.4	-4.8%
NFT Gross Receipts Tax	2,385.0	2,381.1	(3.9)	18.3%	2,582.2	2,582.7	0.5	8.5%	2,707.8	2,645.7	(62.1)	2.4%	2,707.8	2,645.7	(62.1)	2.4%
Compensating Tax	57.0	56.1	(0.9)	15.6%	70.0	70.0	-	24.8%	70.0	70.0	-	0.0%	70.0	70.0	-	0.0%
TOTAL GENERAL SALES	2,442.0	2,437.2	(4.8)	18.2%	2,652.2	2,652.7	0.5	8.8%	2,777.8	2,715.7	(62.1)	2.4%	2,777.8	2,715.7	(62.1)	2.4%
Tobacco Taxes	79.3	78.4	(0.9)	0.6%	77.6	77.4	(0.2)	-1.2%	76.2	76.0	(0.2)	-1.8%	76.2	76.0	(0.2)	-1.8%
Liquor Excise	23.9	23.8	(0.1)	222.6%	25.2	25.6	0.4	7.5%	23.0	23.4	0.4	-8.6%	23.0	23.4	0.4	-8.6%
Insurance Taxes	201.0	179.5	(21.5)	-21.1%	217.7	209.7	(8.0)	16.8%	234.6	216.4	(18.2)	-3.2%	234.6	216.4	(18.2)	-3.2%
Fire Protection Fund Reversion	17.8	20.0	2.2	6.9%	18.3	18.3	-	-8.3%	18.9	18.9	-	3.0%	18.9	18.9	-	3.0%
Motor Vehicle Excise	154.0	154.0	0.0	6.0%	151.7	150.6	(1.1)	-2.2%	154.9	155.5	0.6	3.3%	154.9	155.5	0.6	3.3%
Gaming Excise	61.5	62.1	0.6	4.3%	61.8	63.6	1.8	2.5%	63.1	63.7	0.6	0.2%	63.1	63.7	0.6	0.2%
Leased Vehicle & Other	9.0	8.2	(0.8)	13.1%	8.0	8.0	-	-2.4%	8.0	8.0	-	0.0%	8.0	8.0	-	0.0%
TOTAL SELECTIVE SALES	546.5	525.9	(20.5)	-3.2%	560.2	553.2	(7.0)	5.2%	578.7	561.9	(16.8)	1.6%	578.7	561.9	(16.8)	1.6%
Personal Income Tax	1,492.0	1,519.0	27.0	10.0%	1,557.4	1,564.3	7.0	3.0%	1,604.4	1,605.0	0.6	2.6%	1,604.4	1,605.0	0.6	2.6%
Corporate Income Tax	110.0	106.6	(3.4)	51.9%	110.0	110.0	-	3.2%	115.5	115.5	-	5.0%	115.5	115.5	-	5.0%
TOTAL INCOME TAXES	1,602.0	1,625.6	23.6	12.0%	1,667.4	1,674.3	7.0	3.0%	1,719.9	1,720.5	0.6	2.8%	1,719.9	1,720.5	0.6	2.8%
Oil and Gas School Tax	426.6	450.8	24.2	48.2%	368.6	373.6	5.0	-17.1%	369.0	372.7	3.7	-0.2%	369.0	372.7	3.7	-0.2%
Oil Conservation Tax	22.2	22.9	0.7	31.7%	26.3	25.5	(0.8)	11.4%	28.6	27.1	(1.5)	6.3%	28.6	27.1	(1.5)	6.3%
Resources Excise Tax	8.5	8.6	0.1	-11.2%	7.3	7.5	0.2	-12.5%	7.1	7.4	0.3	-1.3%	7.1	7.4	0.3	-1.3%
Natural Gas Processors Tax	10.8	10.8	0.0	5.1%	14.4	15.3	0.9	41.1%	14.0	16.6	2.6	8.5%	14.0	16.6	2.6	8.5%
TOTAL SEVERANCE TAXES	468.1	493.1	25.0	44.3%	416.6	421.9	5.3	-14.4%	418.7	423.8	5.1	0.5%	418.7	423.8	5.1	0.5%
LICENSE FEES	62.2	61.0	(1.2)	14.4%	55.1	54.5	(0.6)	-10.7%	55.7	55.1	(0.6)	1.1%	55.7	55.1	(0.6)	1.1%
LGPF Interest	584.9	586.6	1.7	8.3%	632.6	636.2	3.6	8.5%	678.6	682.1	3.5	7.2%	678.6	682.1	3.5	7.2%
STO Interest	5.8	5.9	0.1	-284.1%	35.5	28.5	(7.0)	379.4%	66.5	57.8	(8.7)	102.8%	66.5	57.8	(8.7)	102.8%
STPE Interest	210.4	210.4	(0.0)	5.0%	220.6	220.6	0.0	4.9%	229.0	229.8	0.8	4.2%	229.0	229.8	0.8	4.2%
TOTAL INTEREST	801.1	802.9	1.8	8.7%	888.7	885.3	(3.4)	10.3%	974.1	969.7	(4.4)	9.5%	974.1	969.7	(4.4)	9.5%
Federal Mineral Leasing	564.1	564.2	0.1	29.5%	815.0	1,098.0	283.0	94.6%	750.0	758.5	8.5	-30.9%	750.0	758.5	8.5	-30.9%
State Land Office	111.8	111.8	0.0	56.4%	62.7	84.4	21.7	-24.5%	62.9	61.5	(1.4)	-27.1%	62.9	61.5	(1.4)	-27.1%
TOTAL RENTS & ROYALTIES	675.9	676.1	0.2	33.3%	877.7	1,182.4	304.7	74.9%	812.9	820.0	7.1	-30.6%	812.9	820.0	7.1	-30.6%
TRIBAL REVENUE SHARING	65.0	68.1	3.1	8.6%	74.0	74.8	0.8	9.9%	74.8	76.2	1.4	1.9%	74.8	76.2	1.4	1.9%
MISCELLANEOUS RECEIPTS	43.4	46.9	3.5	-5.2%	47.4	48.3	0.9	3.0%	48.8	50.2	1.4	3.9%	48.8	50.2	1.4	3.9%
REVERSIONS	37.0	79.8	42.8	4.3%	40.0	42.5	2.5	-46.7%	40.0	40.0	-	-5.9%	40.0	40.0	-	-5.9%
TOTAL RECURRING	6,743.2	6,816.5	73.3	15.8%	7,279.4	7,590.0	310.6	11.3%	7,501.3	7,433.1	(68.2)	-2.1%	7,501.3	7,433.1	(68.2)	-2.1%
TOTAL NONRECURRING	65.5	64.8	(0.7)	-88.7%	65.5	64.8	(0.7)	-88.7%	-	-	-	0.0%	-	-	-	0.0%
GRAND TOTAL	6,808.7	6,881.3	72.6	6.5%	7,279.4	7,590.0	310.6	10.3%	7,501.3	7,433.1	(68.2)	-2.1%	7,501.3	7,433.1	(68.2)	-2.1%

Note: Columns in blue show difference between December 2018 Consensus Revenue Estimate and August 2018 Consensus Revenue Estimate  
 Note: Columns in red show year-over-year growth expected in the December 2018 Consensus Revenue Estimate

Oil & Gas School Tax to Tax Stab. Res.	134.5	122.6	(11.9)	0.0%	177.2	146.6	(30.6)	19.6%	177.2	146.6	(30.6)	19.6%	177.2	146.6	(30.6)	19.6%
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General Fund Consensus Revenue Estimate December 2018

Revenue Source	FY21			FY22			FY23		
	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	Aug 2018 Est.	Dec 2018 Est.	Change from Prior	Aug 2018 Est.	Dec 2018 Est.	Change from Prior
			% Change from FY20			% Change from FY21			% Change from FY22
Base Gross Receipts Tax	2,923.2	2,849.5	(73.7)	3,023.7	2,970.9	(52.8)	3,128.6	3,091.8	(36.8)
60-Day Money & Other Credits	(53.9)	(30.0)	23.9	(53.9)	(30.0)	23.9	(53.9)	(30.0)	23.9
F&M Hold Harmless Payments	(107.8)	(99.7)	8.1	(104.4)	(90.8)	13.6	(101.1)	(81.4)	19.7
NET Gross Receipts Tax	2,761.5	2,719.8	(41.7)	2,865.4	2,850.1	(15.3)	2,973.6	2,980.4	6.8
Compensating Tax	70.0	70.0	-	70.0	70.0	0.0%	70.0	70.0	0.0%
TOTAL GENERAL SALES	2,831.5	2,789.8	(41.7)	2,935.4	2,920.1	(15.3)	3,043.6	3,050.4	6.8
Tobacco Taxes	74.7	74.5	(0.2)	72.9	72.7	(0.2)	71.2	70.8	(0.4)
Liquor Excise	23.1	23.6	0.5	23.2	23.7	0.5	23.3	23.9	0.6
Insurance Taxes	243.1	224.9	(18.2)	252.1	233.7	(18.4)	260.9	242.4	(18.5)
Fire Protection Fund Reversion	19.4	19.4	-	19.9	19.9	-	20.4	20.4	-
Motor Vehicle Excise	158.0	159.2	1.2	160.6	162.5	1.9	163.5	165.6	2.2
Gaming Excise	65.1	66.1	1.0	65.4	67.2	1.8	65.6	66.2	0.6
Leased Vehicle & Other	8.0	8.0	-	8.0	8.0	-	8.0	8.0	-
TOTAL SELECTIVE SALES	591.3	575.7	(15.7)	602.1	587.7	(14.4)	612.9	599.3	(13.6)
Personal Income Tax	1,648.3	1,653.2	4.9	1,695.6	1,702.8	7.1	1,744.4	1,753.8	9.4
Corporate Income Tax	121.3	121.3	-	127.3	127.3	-	133.7	133.7	-
TOTAL INCOME TAXES	1,769.6	1,774.4	4.9	1,823.0	1,830.1	7.1	1,878.1	1,887.5	9.4
Oil and Gas School Tax	403.2	401.5	(1.7)	472.8	464.3	(8.5)	534.9	518.6	(16.3)
Oil Conservation Tax	30.7	28.8	(1.9)	32.3	30.0	(2.3)	33.8	31.0	(2.8)
Resources Excise Tax	6.9	7.3	0.4	6.7	6.9	0.2	6.5	6.4	(0.1)
Natural Gas Processors Tax	13.3	15.5	2.2	13.0	14.4	1.4	13.3	14.5	1.2
TOTAL SEVERANCE TAXES	454.1	453.1	(1.0)	524.8	515.6	(9.2)	588.5	570.5	(18.0)
LICENSE FEES	56.3	55.7	(0.6)	57.1	56.4	(0.7)	57.9	57.2	(0.7)
LGPF Interest	721.5	725.9	4.4	773.7	776.3	2.6	827.9	825.5	(2.4)
STO Interest	74.6	71.4	(3.2)	81.1	79.9	(1.2)	81.1	80.7	(0.4)
STPF Interest	236.6	239.2	2.6	247.2	251.9	4.7	257.8	264.9	7.1
TOTAL INTEREST	1,032.7	1,036.5	3.8	1,102.0	1,108.0	6.0	1,166.8	1,171.1	4.3
Federal Mineral Leasing	775.0	752.3	(22.7)	800.0	766.7	(33.3)	895.0	792.7	(32.3)
State Land Office	63.2	61.5	(1.7)	63.6	62.0	(1.6)	63.8	62.0	(1.8)
TOTAL RENTS & ROYALTIES	838.2	813.8	(24.4)	863.6	828.7	(34.9)	888.8	854.7	(34.1)
TRIBAL REVENUE SHARING	76.1	77.8	1.7	77.6	79.7	2.1	79.2	80.9	1.7
MISCELLANEOUS RECEIPTS	50.3	51.9	1.6	51.7	53.2	1.5	53.5	55.1	1.6
REVERSIONS	40.0	40.0	-	40.0	40.0	-	40.0	40.0	-
TOTAL RECURRING	7,740.0	7,668.7	(71.3)	8,077.2	8,019.5	(57.7)	8,409.3	8,366.8	(42.5)
TOTAL NONRECURRING	-	-	-	-	-	-	-	-	-
GRAND TOTAL	7,740.0	7,668.7	(71.3)	8,077.2	8,019.5	(57.7)	8,409.3	8,366.8	(42.5)

Oil & Gas School Tax to Tax Stab. Res.	181.7	149.7	(32.0)	142.0	111.1	(30.9)	110.1	77.3	(32.8)
			2.1%			-25.8%			-30.4%
			3.1			(38.6)			(33.8)



SIXTY-FIRST CONGRESS, SESS. II, CH. 310, 1910.

Sec. 6. That in addition to sections sixteen and thirty-six, heretofore granted to the Territory of New Mexico, sections two and thirty-two in every township in said proposed State not otherwise appropriated at the date of the passage of this Act are hereby granted to the said State for the support of common schools; and where sections two, sixteen, thirty-two, and thirty-six, or any parts thereof, are mineral, or have been sold, reserved, or otherwise appropriated or reserved by or under the authority of any Act of Congress, or are wanting or fractional in quantity, or where settlement thereon with a view to preemption or homestead, or improvement thereof with a view to desert-land entry has been made heretofore or hereafter, and before the survey thereof in the field, the provisions of sections twenty-two hundred and seventy-five and twenty-two hundred and seventy-six of the Revised Statutes are hereby made applicable thereto and to the selection of lands in lieu thereof to the same extent as if sections two and thirty-two, as well as sections sixteen and thirty-six, were mentioned therein: *Provided, however,* That the area of such indemnity selections on account of any fractional township shall not in any event exceed an area which, when added to the area of the above-named sections returned by the survey as in place, will equal four sections for fractional townships containing seventeen thousand two hundred and eighty acres or more, three sections for such townships containing eleven thousand five hundred and twenty acres or more, two sections for such townships containing five thousand seven hundred and sixty acres or more, nor one section for such township containing six hundred and forty acres or more: *And provided further,*

That the grants of sections two, sixteen, thirty-two, and thirty-six to said State, within national forests now existing or proclaimed, shall not vest the title to said sections in said State until the part of said national forests embracing any of said sections is restored to the public domain; but said granted sections shall be administered as a part of said forests, and at the close of each fiscal year there shall be paid by the Secretary of the Treasury to the State, as income for its common-school fund, such proportion of the gross proceeds of all the national forests within said State as the area of lands hereby granted to said State for school purposes which are situate within said forest reserves, whether surveyed or unsurveyed, and for which no indemnity has been selected, may bear to the total area of all the national forests within said State, the area of said sections when unsurveyed to be determined by the Secretary of the Interior, by protraction or otherwise, the amount necessary for such payments being appropriated and made available annually from any money in the Treasury not otherwise appropriated.

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Sec. 7. That in lieu of the grant of land for purposes of internal improvements made to new States by the eighth section of the Act of September fourth, eighteen hundred and forty-one, and in lieu of the swamp-land grant made by the Act of September twenty-eighth, eighteen hundred and fifty, and section twenty-four hundred and eighty-nine of the Revised Statutes, and in lieu of the grant of thirty thousand acres for each Senator and Representative in Congress, made by the Act of July second, eighteen hundred and sixty-two, Twelfth Statutes at Large, page five hundred and three, which grants are hereby declared not to extend to the said State, and in lieu of the grant of saline lands heretofore made to the Territory of New Mexico for university purposes by section three of the Act of June twenty-first, eighteen hundred and ninety-eight, which is hereby repealed, except to the extent of such approved selections of such saline lands as may have been made by said Territory prior to the passage of this Act, the following grants of lands are hereby made, to wit:

For university purposes, two hundred thousand acres; for legislative, executive, and judicial public buildings heretofore erected in said Territory or to be hereafter erected in the proposed State, and for the payment of the bonds heretofore or hereafter issued therefor, one hundred thousand acres; for insane asylums, one hundred thousand acres; for penitentiaries, one hundred thousand acres; for schools and asylums for the deaf, dumb, and the blind, one hundred thousand acres; for miners' hospitals for disabled miners, fifty thousand acres; for normal schools, two hundred thousand acres; for state charitable, penal, and reformatory institutions, one hundred thousand acres; for agricultural and mechanical colleges, one hundred and fifty thousand acres; and the national appropriation heretofore annually paid for the agricultural and mechanical college to said Territory shall, until further order of Congress, continue to be paid to said State for the use of said institution; for school of mines, one hundred and fifty thousand acres; for military institutes, one hundred thousand acres; and for the payment of the bonds and accrued interest thereon issued by Grant and Santa Fe Counties, New Mexico, which said bonds were validated, approved, and confirmed by Act of Congress of January sixteenth, eighteen hundred and ninety-seven (Twenty-ninth Statutes, page four hundred and eighty-seven), one million acres: *Provided*, That if there shall remain any of the one million acres of land so granted, or of the proceeds of the sale or lease thereof, or rents, issues, or profits therefrom, after the payment of said debts, such remainder of lands and the proceeds of sales thereof shall be added to and become a part of the permanent school fund of said State, the income therefrom only to be used for the maintenance of the common schools of said State.



**Sec. 1. [Grant of lands for support of schools.]**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* that sections numbered sixteen and thirty-six in every township of the territory of New Mexico, and where such sections, or any parts thereof, are mineral or have been sold or otherwise disposed of by or under the authority of any act of congress, other than non-mineral lands equivalent thereto, in legal subdivisions of not less than one-quarter section, and as contiguous as may be to the section in lieu of which the same is taken, are hereby granted to said territory for the support of **common schools**, such indemnity lands to be selected within said territory in such manner as is hereinafter provided: provided, that the thirty-sixth sections embraced in permanent reservations for national purposes shall not at any time be subject to the grants of this act, nor shall any lands embraced in Indian, military, or other reservations of any character be subject to the grants of this act; but such reservations shall be subject to the indemnity provisions of this act.

**Sec. 2. [Grant of land for public buildings at the capital.]**

That fifty sections of the unappropriated non-mineral lands within said territory, to be selected and located in legal subdivisions as hereinafter provided in this act, shall be, and are hereby, granted to said territory for the purpose of erecting **public buildings** at the capital of the state of New Mexico when said territory shall become a state and be admitted into the union, when said capital shall be permanently located by the people of New Mexico, for legislative, executive, and judicial purposes.

**Sec. 3. [Lands for university and agricultural college.]**

That lands to the extent of two townships in quantity, authorized by the sixth section of the act of July twenty-second, eighteen hundred and fifty-four, to be reserved for the establishment of a university in New Mexico, are hereby granted to the territory of New Mexico for **university purposes**, to be held and used in accordance with the provisions in this section; and any portions of said lands that may not have been heretofore selected by said territory may be selected now by said territory. That in addition to the above, sixty-five thousand acres of non-mineral, unappropriated and unoccupied public land, to be selected and located as hereinafter provided, together with all **saline lands** in said territory, are hereby granted to the said territory for the use of said university, and one hundred thousand acres, to be in like manner selected, for the use of an agricultural college. That the proceeds of the sale of said lands, or any portion thereof, **shall constitute permanent funds**, to be safely invested, and the income thereof to be used exclusively for the purposes of such university and agricultural college, respectively.

**Sec. 4. [School fund.]**

That five per centum of the proceeds of the sales of public lands lying within said territory which shall be sold by the United States subsequent to the passage of this act, after deducting all expenses incident to the same, shall be paid to the said territory, to be used as a permanent fund, the interest of which only shall be expended for the support of the common schools within said territory.

**Sec. 5. [Schools, colleges and university to remain under control of territory; funds not available for sectarian schools.]**

That the schools, colleges, and university provided for in this act shall forever remain under the exclusive control of said territory, and no part of the proceeds arising from the sale or disposal of any lands herein granted for educational purposes, or of the income thereof, shall be used for the support of any sectarian or denominational school, college, or university.

**Sec. 6. [Grant of land for internal improvements in lieu of other grants.]**

That in lieu of the grant of land for purposes of internal improvement, made to new states by the eighth section of the act of September fourth, eighteen hundred and forty-one, which section is hereby repealed as to New Mexico, and in lieu of any claim or demand of the state of New Mexico under the act of September twenty-eighth, eighteen hundred and fifty, and section twenty-four hundred and twenty-nine of the revised statutes, making a grant of swamp and overflowed lands, which grant it is hereby declared is not extended to said state of New Mexico, the following grants of non-mineral, and unappropriated land are hereby made to said territory for the purposes indicated, namely:

For the establishment of permanent **water reservoirs** for irrigating purposes, five hundred thousand acres; for the improvement of the **Rio Grande** in New Mexico, and the increasing of the surface flow of the water in the bed of said river,

(B)



one hundred thousand acres; for the establishment and maintenance of an asylum for the insane, fifty thousand acres; for the establishment and maintenance of a school of mines, fifty thousand acres; for the establishment and maintenance of an asylum for the deaf and dumb, fifty thousand acres; for the establishment and maintenance of normal schools, one hundred thousand acres; for the establishment and maintenance of an institution for the blind, fifty thousand acres; for a miners' hospital for disabled miners, fifty thousand acres; for the establishment and maintenance of a military institute, fifty thousand acres; for the enlargement and maintenance of the territorial penitentiary, fifty thousand acres. The building known as the Palace, in the city of Santa Fe, and all lands and appurtenances connected therewith and set apart and used therewith, are hereby granted to the territory of New Mexico.

**Sec. 7. [Act to be partial grant only.]**

That this act is intended only as a partial grant of the lands to which said territory may be entitled upon its admission into the union as a state, reserving the question as to the total amount of lands to be granted to said territory until the admission of said territory as a state shall be determined on by congress.

**Sec. 8. [Commission to select lands granted.]**

That all grants of land made in quantity or as indemnity by this act shall be selected by the governor of the territory of New Mexico, the surveyor-general of the territory of New Mexico, and the solicitor-general of said territory, acting as a commission, under the direction of the secretary of the interior, from the unappropriated public lands of the United States within the limits of the said territory of New Mexico.

**Sec. 9. [Selection of lands; report.]**

That said commission shall proceed, upon the passage of this act, to select said lands, for each purpose as hereinbefore designated, in legal subdivisions, of not less than one quarter section, and shall report to the secretary of the interior such selections, designating in such report the purpose for which such bodies of land as selected are to be respectively used as provided above in this act.

**Sec. 10. [Lease and sale of certain lands.]**

That the lands reserved for university purposes, including all saline lands, and sections sixteen and thirty-six reserved for public schools, may be leased under such laws and regulations as may be hereafter prescribed by the legislative assembly of said territory; but until the meeting of the next legislature of said territory the governor, secretary of the territory, and the solicitor-general shall constitute a board for the leasing of said lands; and all necessary expenses and costs incurred in the leasing, management, and protection of said lands and leases may be paid out of the proceeds derived from such leases. And it shall be unlawful to cut, remove, or appropriate in any way any timber growing upon the lands leased under the provisions of this act, and not more than one section of land shall be leased to any one person, corporation, or association of persons, and no lease shall be made for a longer period than five years, and all leases shall terminate on the admission of said territory as a state; and all money received on account of such leases in excess of actual expenses necessarily incurred in connection with the execution thereof shall be placed to the credit of separate funds for the use of said institutions, and shall be paid out only as directed by the legislative assembly of said territory, and for the purposes indicated herein. The remainder of the lands granted by this act, except those lands which may be leased only as above provided, may be sold under such laws and regulations as may be hereafter prescribed by the legislative assembly of said territory; and all such necessary costs and expenses as may be incurred in the management, protection, and sale of said lands may be paid out of the proceeds derived from such sales; and not more than one-quarter section of land shall be sold to any one person, corporation, or association of persons, and no sale of said lands or any portion thereof shall be made for less than one dollar and twenty-five cents per acre; and all money received on account of such sales, after deducting the actual expenses necessarily incurred in connection with the execution thereof, shall be placed to the credit of separate funds created for the respective purposes named in this act, and shall be used only as the legislative assembly of said territory may direct, and only for the use of the institutions or purposes for which the respective grants of lands are made: provided, that such legislative assembly may provide for leasing all or any part of the lands granted in this act on the same terms and under the same limitations prescribed above as to the lands that may be leased only, but all leases made under the provisions of this act shall be subject to the approval of the secretary of the interior, and all investments made or securities purchased with the proceeds of sales or leases of lands provided for by this act shall be subject to like approval by the secretary of the interior.



## Article XXI Compact with the United States

### Sec. 9. [Consent to Enabling Act provisions.]

This state and its people consent to all and singular the provisions of the said act of congress, approved June twentieth, nineteen hundred and ten, concerning the lands by said act granted or confirmed to this state, the terms and conditions upon which said grants and confirmations were made and the means and manner of enforcing such terms and conditions, all in every respect and particular as in said act provided.

Cross references. — For provisions regarding administration and disposition of public lands, see N.M. Const., art. XIII.

"Act of congress". — This section refers to Enabling Act (June 20, 1910, 36 Stat. 557, ch. 310, §§ 2, 6 to 12, 18), which is set out in Pamphlet 3.

## ANNOTATIONS

**Enabling Act part of New Mexico fundamental law.** — Enabling Act became as much a part of New Mexico fundamental law as if it had been directly incorporated into New Mexico constitution, and provision forbidding donations or pledges of credit by state, except as otherwise permitted (N.M. Const., art. IX, § 14), allowed use of trust funds as required under Enabling Act. State ex rel. Interstate Stream Comm'n v. Reynolds, 1963-NMSC-023, 71 N.M. 389, 378 P.2d 622.

**Constitutional amendment required to overcome Enabling Act provisions.** — Not only must congress consent to diversion from their original objects and purposes of proceeds from lands granted by congress to state, but state constitution must be amended before such consent can be effectuated. Bryant v. Board of Loan Comm'rs, 1922-NMSC-069, 28 N.M. 319, 211 P. 597. See N.M. Const., art. XXI, § 10, on irrevocability of compact.

## Article XII Education

### Sec. 11. [State educational institutions.]

The university of New Mexico, at Albuquerque; the New Mexico state university, near Las Cruces, formerly known as New Mexico college of agriculture and mechanic arts; the New Mexico highlands university, at Las Vegas, formerly known as New Mexico normal university; the western New Mexico university, at Silver City, formerly known as New Mexico western college and New Mexico normal school; the eastern New Mexico university, at Portales, formerly known as eastern New Mexico normal school; the New Mexico institute of mining and technology, at Socorro, formerly known as New Mexico school of mines; the New Mexico military institute, at Roswell, formerly known as New Mexico military institute; the New Mexico school for the blind and visually impaired, at Alamogordo, formerly known as New Mexico school for the visually handicapped; the New Mexico school for the deaf, at Santa Fe, formerly known as New Mexico asylum for the deaf and dumb; the northern New Mexico state school, at El Rito, formerly known as Spanish-American school; are hereby confirmed as state educational institutions. All lands, together with the natural products thereof and the money proceeds of any of the lands and products, held in trust for the institutions, respectively, under their former names, and all properties heretofore granted to, or owned by, or which may hereafter be granted or conveyed to, the institutions respectively, under their former names, shall, in like manner as heretofore, be held in trust for, or owned by or be considered granted to, the institutions individually under their names as hereinabove adopted and confirmed. The appropriations made and which may hereafter be made to the state by the United States for agriculture and mechanical colleges and experiment stations in connection therewith shall be paid to the New Mexico state university, formerly known as New Mexico college of agriculture and mechanic arts. (As repealed and reenacted November 8, 1960; as amended November 3, 1964; November 2, 2004.)

### Sec. 12. [Acceptance and use of Enabling Act educational grants.]

All lands granted under the provisions of the act of congress, 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; and to enable the people of Arizona to form a constitution and state government and be admitted into the union on an equal footing with the original states," for the purposes of said several institutions are hereby accepted and confirmed to said institutions, and shall be exclusively used for the purposes for which they were granted; provided, that one hundred and seventy thousand acres of the land granted by said act for normal school purposes are hereby equally apportioned between said three normal institutions, and the remaining thirty thousand acres thereof is reserved for a normal school which shall be established by the legislature and located in one of the counties of Union, Quay, Curry, Roosevelt, Chaves or Eddy.



## Article XIV Public Institutions

### Section 1. [State institutions.]

The penitentiary at Santa Fe, the miners' hospital at Raton, the New Mexico state hospital at Las Vegas, the New Mexico boys' school at Springer, the girls' welfare home at Albuquerque, the Carrie Tingley crippled children's hospital at Truth or Consequences and the Los Lunas mental hospital at Los Lunas are hereby confirmed as state institutions. (As amended September 20, 1955 and November 8, 1960.)

### Sec. 2. [Federal land grants and donations.]

All lands which have been or which may be granted to the state by congress for the purpose of said several institutions are hereby accepted for said several institutions with all other grants, donations or devices for the benefit of the same and shall be exclusively used for the purpose for which they were or may be granted, donated or devised.

## ANNOTATIONS

**Miners' hospital.** — In its constitution New Mexico expressly accepted conditions imposed on land grant trusts for miners' hospitals for disabled miners, confirmed the miners' hospital at Raton as a state institution, accepted all of the trust lands and stated that they would be "exclusively used for the purpose" for which they were granted. *United States v. New Mexico*, 536 F.2d 1324 (10th Cir. 1976).

**No amendment necessary should land grant beneficiary move.** — So long as the seven institutions named in N.M. Const., art. XIV, § 1, remain named as the land grant beneficiaries, no amendment of that section is necessary should one of the institutions move to another location. 1980 Op. Atty Gen. No. 80-16.

**Hospital entitled to funds if remains essentially as defined.** — If the Carrie Tingley crippled children's hospital should move from Truth or Consequences to another location, but, nevertheless, remain essentially the institution defined in N.M. Const., art. XIV, § 1, it would retain its entitlement to the funds derived from lands granted under the Enabling Act. 1980 Op. Atty Gen. No. 80-16.

**Sec. 10. [Severance tax permanent fund.]**

A. There shall be deposited in a permanent trust fund known as the "severance tax permanent fund" that part of state revenue derived from excise taxes that have been or shall be designated severance taxes imposed upon the severance of natural resources within this state, in excess of that amount that has been or shall be reserved by statute for the payment of principal and interest on outstanding bonds to which severance tax revenue has been or shall be pledged. Money in the severance tax permanent fund shall be invested as provided by law. **Distributions** from the fund shall be appropriated by the legislature as other general operating revenue is appropriated for the benefit of the people of the state.

B. All additions to the fund and all earnings, including interest, dividends and capital gains from investment of the fund shall be credited to the corpus of the fund.

C. The annual distributions from the fund shall be one hundred two percent of the amount distributed in the immediately preceding fiscal year until the annual distributions equal four and seven-tenths percent of the average of the year-end market values of the fund for the immediately preceding five calendar years. Thereafter, the amount of the annual distributions shall be four and seven-tenths percent of the average of the year-end market values of the fund for the immediately preceding five calendar years.

D. The frequency and the time of the distributions made pursuant to Subsection C of this section shall be as provided by law. (As added November 2, 1976; as amended November 2, 1982 and November 5, 1996.)

**The 1996 amendment**, which was proposed by S.J.R. No. 2 (Laws 1996) and adopted at the general election held November 5, 1996, by a vote of 307,442 for and 153,021 against, divided the section into subsections, rewrote Subsection A, and added Subsections B, C, and D.

**The 1982 amendment**, which was proposed by H.J.R. No. 12 (Laws 1981) and adopted at the general election held on November 2, 1982, by a vote of 125,727 for and 125,324 against, deleted the third sentence of the first paragraph, as set out in the original pamphlet.

**The 1976 amendment**, which was proposed by H.J.R. No. 5 (Laws 1975) and adopted at the general election held on November 2, 1976, with a vote of 155,365 for and 99,386 against, added a new Section 10 to Article VIII. The resolution did not state whether the provision would be a new Section 10, but the former compiler so designated it, and the present compiler has left it as such for the sake of consistency.

**Compiler's notes.** — See compiler's note to N.M. Const., art. VIII, § 8.

An amendment proposed by H.J.R. No. 7 (Laws 1994), which would have rewritten this section to provide that all earnings of the fund be deposited in it and providing for limited distributions from the fund was submitted to the people in the general election held on November 8, 1994. It was defeated by a vote of 173,924 for and 208,556 against.

**Cross references.** — For creation of severance tax permanent and income funds, see 7-27-3 NMSA 1978.

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## ANNOTATIONS

**Constitutionality of 1990 workers' compensation legislation.** — The 1990 workers' compensation legislation is constitutionally infirm under this section to the extent the legislature intends to supplant its judgment for that of the state investment council and the state investment officer in determining whether to invest the severance tax permanent fund in bonds issued by the employers mutual company and to direct that the severance tax permanent fund purchase those bonds. To that extent also, the legislation may constitute a prohibited loan guaranty arrangement under N.M. Const., art. IX, § 14. However, the legislature has not clearly and unequivocally mandated the purchase. Consequently, it may not be concluded that the legislation is patently unconstitutional on those grounds. 1990 Op. Atty Gen. No. 90-25.

**Fund not "permanent" as contemplated in investment of permanent school fund.** — The severance tax permanent fund is not a permanent fund as contemplated by N.M. Const., art. XII, § 7, relating to investment of permanent school fund. The severance tax fund and the various land grant permanent funds are fundamentally different. 1977 Op. Atty Gen. No. 77-10.

## What are the Permanent Funds?

### Land Grant Permanent Fund (LGPF)

- Established in 1912 through New Mexico's entry into statehood.

- Tied to the federal Ferguson Act of 1898 and the federal Enabling Act of 1910, which stipulated that land grants to be held in trust for the benefit of the public schools, universities, and other specific beneficiary institutions.

- Oil and gas revenues (rents, royalties, and bonuses) make up over 90 percent of contributions to the fund – 2018 contributions totaled about \$690 million.

- One of the largest sovereign wealth funds in the country – currently about \$17.38 billion.

- General fund distributions are earmarked for public schools.

### Severance Tax Permanent Fund (STPF)

- Created by the New Mexico Legislature in 1973 as a way to save and invest the severance taxes not being used to bond capital projects [i.e. whatever severance tax funds not used for bonding then flow into the permanent fund].

- Voters approved constitutional protections for the fund restricting the legislature's ability to appropriate from the corpus of the fund. This, coupled with investment earnings, allows the fund to grow.

- Some years the legislature used almost all bonding capacity, leaving little for distribution into the permanent fund – 2015 contributions totaled \$817 thousand, 2016 contributions totaled \$7.7 million, and 2017 contributions totaled \$37 (compared to a historical average of about \$40 million) – however, 2018 contributions were \$117 million and the Department of Finance and Administration estimates FY19 contributions at \$176 million.

- Currently about \$5.1 billion.

- General fund distributions are non-earmarked.

## Current Distributions from the Permanent Funds

Currently, 5 percent of the LGPF five-year average is distributed to 21 beneficiaries of the fund based on land-ownership. The general fund (earmarked for common schools) is the largest fund beneficiary, receiving approximately 85 percent of the distribution. Other beneficiaries include universities, hospitals, and other public institutions. In FY18, LGPF distributions to the general fund were about \$587 million. The FY19 distribution will be about \$636 million.

Currently, 4.7 percent of the STPF five-year average is annually distributed to the general fund. In FY18, STPF distributions to the general fund were about \$210 million. The FY19 distribution will be about \$221 million.

## Distribution History

### LGPF

- Originally, only interest earnings were distributed to beneficiaries.

- 1996, voters passed a constitutional amendment to raise the distribution amount to 4.7 percent of the five-year average value of the fund.

- 2003, by a slim margin (92.2 thousand for, 92.0 thousand against), voters passed a constitutional amendment to:

- Raise the annual distribution to 5 percent,
- Provide an additional distribution of 0.8 percent from FY06 – FY12 (totaling 5.8 percent),
- Reduce the additional distribution to 0.5 percent from FY13 – FY16 (totaling 5.5 percent),
- Earmark the general fund portion of the additional distributions to implement educational reforms.

- FY17, the distribution reverted back to 5 percent.

### STPF

- 1996, voters passed a constitutional amendment to allow for a distribution of 4.7 percent of the five-year average value of the fund.



## Important Considerations

LGPF was established and is required by law to benefit public schools and other beneficiaries indefinitely. STPF was established and is required by law to serve as an endowment fund of the state. They are funded by income from non-renewable resources.

### *As the fund grows, distributions grow.*

- While increasing the distribution rate results in more general fund revenue in the short term, doing so reduces the total value of the fund, limiting the funds' ability to grow and reducing the general fund distributions in the long term.

- If the 2003 amendment to LGPF were never passed, the fund would have been \$1.5 billion greater in FY18. For CY17 an additional \$1.5 billion would have generated another \$223 million in net earnings for the fund.

### *Reaching the "Tipping Point"*

- By 2017, distributions to the general fund were smaller than they would have been if the 2003 amendment had never occurred.
- If the distribution had never increased from 4.7 percent, the annual general fund distribution would have been about \$20 million higher in FY17 and \$25 million higher in FY18.
- The timeframe of this tipping point was accurately projected in the original FIR for this legislation (SJR6, 2013).
- Today, if the LGPF annual distribution increased by 1 percent indefinitely,
  - Within 12 years the fund would be \$2.9 billion less than it would have been at the original distribution rate.
  - Within 26 years, the distribution amount generated from 6 percent of a smaller fund will be less than the distribution amount generated from 5 percent of a larger fund.



**Land Grant Permanent Fund**  
**October 31, 2018**

Long-Term Target	% of Net Assets	Market Value
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Cash / Cash Equivalents / Accruals	1.40%	243,897,288	0.00%
<b>Equities:</b>			
US Large Cap Active Pool	4.98%	865,708,163	
US Large Cap Index Pool	5.88%	1,021,282,870	
US Large Cap Alternative Weighted Index Pool	11.09%	1,928,564,096	
US Small/Mid Cap Active Pool	1.83%	318,910,555	
US SMID Cap Alternative Weighted Index Pool	0.31%	53,817,380	
Total US Equities	23.78%	4,188,283,063	20.00%
Non-US Developed Markets Index Pool	2.63%	456,320,145	
Non-US Developed Markets Active Pool	9.13%	1,586,631,392	
Non-US Emerging Markets Active Pool	3.42%	595,325,275	
Non-US Developed Alternative Weighted Index Pool	4.13%	717,110,814	
Total Non-US Equities	19.31%	3,355,387,626	20.00%
Total Equities	43.30%	7,543,670,689	40.00%
<b>Core Fixed Income</b>			
Core Plus Bonds Pool	5.60%	974,095,088	
Core Bonds Pool	6.08%	1,056,794,861	
Short Term Duration Fixed Income Pool	4.49%	779,919,752	
Total Core Fixed Income	16.17%	2,810,809,701	10.00%
<b>Non-Core Fixed Income</b>			
Unconstrained Fixed Income	1.44%	250,755,187	
Credit & Structured Finance Pool	6.28%	1,092,013,560	
Absolute Return Pool	0.94%	162,568,992	
Bank Loan Pool	1.38%	239,615,146	
Total Non-Core Fixed Income	10.04%	1,744,952,885	15.00%
<b>Real Estate Pool</b>			
Real Estate Pool	9.01%	1,566,258,532	12.00%
<b>Real Return Pool</b>			
Real Return Pool	8.60%	1,495,101,171	11.00%
<b>Private Equity Pool</b>			
Private Equity Pool	11.38%	1,977,925,891	12.00%
<b>Total Fund Net Assets</b>	<b>100.00%</b>	<b>17,382,616,156</b>	<b>100.00%</b>

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**Severance Tax Permanent Fund**  
**October 31, 2018**

Market Value	% of Net Assets	Long-Term Target
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**Cash / Cash Equivalents / Accruals**

82,928,522 1.62% 0.00%

**Equities:**

US Large Cap Active Pool 249,545,982 4.89%  
 US Large Cap Index Pool 246,266,861 4.82%  
 US Large Cap Alternative Weighted Index Pool 571,944,549 11.20%  
 US Small/Mid Cap Active Pool 77,815,244 1.52%  
 US SMID Cap Alternative Weighted Index Pool 19,867,123 0.39%

1,165,439,759 22.82% 20.00%

Non-US Developed Markets Index Pool 172,033,854 3.37%  
 Non-US Developed Markets Active Pool 474,263,445 9.29%  
 Non-US Emerging Markets Active Pool 186,602,863 3.66%  
 Non-US Developed Alternative Weighted Index Pool 184,999,904 3.65%

1,017,900,067 19.97% 20.00%

**Total Equities**

2,183,339,825 42.79% 40.00%

**Core Fixed Income**

Core Plus Bonds Pool 247,694,245 4.85%  
 Core Bonds Pool 329,299,013 6.45%  
 Short Term Duration Fixed Income Pool 181,328,622 3.55%

758,321,880 14.85% 12.00%

**Non-Core Fixed Income**

Unconstrained Fixed Income 85,317,350 1.67%  
 Credit & Structured Finance Pool 326,885,356 6.40%  
 Absolute Return Pool 29,527,869 0.58%  
 Bank Loans Pool 102,692,205 2.01%

544,422,780 10.66% 12.00%

**Small Business Investment Corp & Other misc. loans\***

40,648,961 0.80% 0.00%

**Real Estate Pool**

457,771,980 8.97% 12.00%

**Real Return Pool**

359,985,147 7.05% 12.00%

**Private Equity:**

Private Equity Pool 276,377,609 5.41%  
 Private Equity New Mexico\* 398,777,918 7.81%  
 Stock Distributions/Private Equity 1,841,914 0.04%

676,997,441 0.00% 12.00%

**Total Fund Net Assets**

5,104,416,537 100.00% 100.00%

\*Economically Targeted Investments, which authorize differential rate investments per Section 7-27-5, MMSA 1978.