

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
53rd Legislature, 1st Session, 2017

Bill Number	<u>HM113</u>	Sponsor	<u>Townsend</u>
Tracking Number	<u>.208116.1</u>	Committee Referrals	<u>HEC</u>
Short Title	<u>Study Creating Early Childhood Fund</u>		
Analyst	<u>McCorquodale</u>	Original Date	<u>3/11/17</u>
		Last Updated	<u>3/16/17</u>

BILL SUMMARY

Synopsis of Bill

House Memorial 113 (HM113) requests the state land office (SLO) to study the feasibility of creating an early childhood fund from revenue created by the unleased federal subsurface mineral acreage beneath private land in New Mexico. SLO is required to report its findings and recommendations to the Legislative Finance Committee (LFC) and the appropriate interim committees by October 1, 2017.

FISCAL IMPACT

Memorials do not carry appropriations.

SUBSTANTIVE ISSUES

During the 2017 legislative session, Senate Bill 182 (SB182) was introduced to create the Early Childhood Land Grant Act with two fiduciary funds modeled after the existing Land Grant Permanent Fund (LGPF) and Land Grant Maintenance Fund (LGMF):

- The bill would create the Early Childhood Land Grant Permanent Fund (ECPF) from subsurface mineral acreage beneath private land to be transferred in the future from the federal government to the state of New Mexico. The fund would be invested by the state investment officer as the LGPF pursuant to Chapter 6, Article 8 NMSA 1978 and managed by SLO provided that none of the lands were granted or could be construed to have been granted under the Enabling Act for New Mexico; and
- The Early Childhood Land Grant Income Fund (ECIF) would receive state investment officer distributions, made no later than September 1 of each fiscal year, of interest, dividends, and capital gains of the ECPF.

The sponsor removed the bill for consideration in order to further study the feasibility of creating an early childhood fund modeled after the existing LGPF and LGMF.

OTHER SIGNIFICANT ISSUES

The Pew Charitable Trusts, a nonprofit, nonpartisan organization providing analysis to improve public policy, indicated high-quality prekindergarten increases a child's chances of succeeding in school and in life. The foundation stated children who attend high-quality early learning programs are less likely to be retained, need special education services, and more likely to graduate from high school. Additionally, children who participate in a high-quality prekindergarten program have higher-earning opportunities as an adult and are less likely to become dependent on welfare or be incarcerated. All of these statistics are pointed out in the legislative intent in SB182.

Since FY12, the Legislature increased spending on early childhood services by \$100 million. While New Mexico has significantly heightened its focus on early childhood programs, the state is among the three lowest-ranked states in the Annie E. Casey Foundation's annual *Kids Count Data Book*, which ranks states according to 16 child well-being measures, primarily because of the large number of children in need of services.

LFC indicated early childhood funding has grown by more than 80 percent since FY12. However, improved leadership, coordination, and oversight are needed. LFC noted strategic investments, together with careful attention to implementation and monitoring performance, could improve the social and cognitive skills of children, with benefits extending throughout a child's life.

RELATED BILLS

HJR1, Permanent Funds for Early Childhood, CA, proposes to increase the LGPF distribution by 1 percent to be used for early childhood education services.

HJR 2, Land Grant Fund for Economic Stimulus, CA, proposes to withdraw \$7 billion from the LGPF to provide economic stimulus programs to include \$1 billion for early childhood services.

SJR 3, Permanent Funds for Early Childhood, CA, proposes to increase the LGPF distribution by 1.5 percent to be used for early childhood education services.

SJR18, Severance Tax Money for Early Childhood, CA, proposes to amend Article 8, Section 10 of the constitution of New Mexico to require an additional 0.8 percent distribution rate for early childhood education and early childhood care programs.

SOURCES OF INFORMATION

- Legislative Education Study Committee Files
- Legislative Finance Committee

CMC/th