A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
CONSTITUTION OF NEW MEXICO, SUBJECT TO THE APPROVAL OF
CONGRESS, TO PROVIDE FOR ADDITIONAL ANNUAL DISTRIBUTIONS OF THE
PERMANENT FUNDS, INCLUDING DISTRIBUTIONS FROM THE PERMANENT
SCHOOL FUND IN FISCAL YEARS 2020 AND 2021 FOR EDUCATIONAL
PROGRAMS AND EARLY CHILDHOOD EDUCATIONAL SERVICES AND IN
SUBSEQUENT FISCAL YEARS FOR EARLY CHILDHOOD EDUCATIONAL
SERVICES.

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, "fund" 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 fund shall be invested by the state investment officer in accordance with policy regulations 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 fund in accordance with the Uniform Prudent Investor Act.

D. The legislature may establish criteria for investing the fund if the criteria are enacted by a three-fourths' vote of the members elected to each house, but investment of the fund is subject to the following restrictions:

   (1) not more than sixty-five percent of the book value of the fund 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 fund and all earnings, including interest, dividends and capital gains from investment of the fund shall be credited to the fund.

F. Except as provided in Subsection G of this section, the annual distributions from the fund shall be five percent of the average of the year-end market values of the fund for the immediately preceding five calendar years.

G. [In addition to the annual distribution made pursuant to Subsection F of this section, unless suspended pursuant to Subsection H of this section, an additional annual distribution shall be made pursuant to the following schedule, provided that no distribution shall be made pursuant to the provisions of this subsection in any fiscal year] If the average of the year-end market values of the fund for the immediately preceding five calendar years is [less than ten billion dollars ($10,000,000,000)]:

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

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 at least twelve billion dollars ($12,000,000,000),
additional annual distributions shall be made as follows,
unless suspended pursuant to Subsection I of this section:

(1) in fiscal year 2020:

(a) seven-tenths percent of the year-end
market values of the fund for the immediately preceding five
calendar years; provided that the amount of the additional
distribution pursuant to this subparagraph from the permanent
school fund shall be used for the implementation and
maintenance of educational programs administered by the state,
as provided by law; and

(b) three-tenths percent of the year-end
market values of the fund for the immediately preceding five
calendar years; provided that the amount of the additional
distribution pursuant to this subparagraph from the permanent
school fund shall be used for early childhood educational
services administered by the state, as provided by law;

(2) in fiscal year 2021:

(a) three-tenths percent of the year-end
market values of the fund for the immediately preceding five
calendar years; provided that the amount of the additional
distribution pursuant to this subparagraph from the permanent
school fund shall be used for the implementation and
maintenance of educational programs administered by the state,
as provided by law; and

(b) seven-tenths percent of the year-end
market values of the fund for the immediately preceding five
calendar years; provided that the amount of the additional
distribution pursuant to this subparagraph from the permanent
school fund shall be used for early childhood educational
services administered by the state, as provided by law; and

(3) in fiscal year 2022 and each subsequent
fiscal year, one percent of the year-end market values of the
fund for the immediately preceding five calendar years;
provided that the amount of the additional distribution
pursuant to this paragraph from the permanent school fund shall
be used for early childhood educational services administered
by the state, as provided by law.

H. As used in this section, "early childhood
educational services" means nonsectarian services for children
until they are eligible for kindergarten. Such services may be
provided by a school district, an entity of an Indian nation,
tribe or pueblo, the New Mexico school for the blind and
visually impaired or the New Mexico school for the deaf;
provided that:

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(1) funds are allocated to increase the availability and quality of early childhood education and not to supplant existing early childhood educational service providers;

(2) school districts providing early childhood educational services use the allocated funds to strengthen and expand programs in low-income communities first;

(3) school districts contract only with early childhood educational service providers that have employment standards that are comparable to public schools' employment standards;

(4) school districts give preference during the procurement process to contractors that:

(a) are locally owned;

(b) are minority-owned;

(c) are women-owned;

(d) partner with public community schools;

(e) participate in programs that assist students with their transition to kindergarten; or

(f) participate in programs intended to align early childhood educational services with the public education provided to students in kindergarten through grade twelve;

(5) contractors shall implement employment
standards that are comparable to public schools' employment standards; and

(6) early childhood educational services available from the New Mexico school for the blind and visually impaired or the New Mexico school for the deaf shall not be delivered by a state contractor.

[ عموم ] I. 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 amendment proposed by Section 1 of this resolution shall not become effective without the consent of the United States congress.