

1 HOUSE BILL 191

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 Meredith A. Dixon and Siah Correa Hemphill and
5 Doreen Y. Gallegos and Tara Jaramillo

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7
8 FOR THE LEGISLATIVE FINANCE COMMITTEE

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10 AN ACT

11 RELATING TO PUBLIC FINANCE; INCREASING THE AMOUNT THAT IS
12 ANNUALLY TRANSFERRED TO THE EARLY CHILDHOOD EDUCATION AND CARE
13 PROGRAM FUND.

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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 9-29A-1 NMSA 1978 (being Laws 2020,
17 Chapter 3, Section 1) is amended to read:

18 "9-29A-1. EARLY CHILDHOOD EDUCATION AND CARE FUND.--

19 A. The "early childhood education and care fund" is
20 created within the state treasury. The fund shall consist of
21 distributions, appropriations, gifts, grants and donations.
22 Income from investment of the fund shall be credited to the
23 fund. Money in the fund shall be expended only as provided in
24 this section.

25 B. The state investment officer, subject to the

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1 approval of the state investment council, shall invest money in
2 the early childhood education and care fund:

3 (1) in accordance with the prudent investor
4 rule set forth in the Uniform Prudent Investor Act; and

5 (2) in consultation with the state treasurer.

6 C. The state investment officer shall report
7 quarterly to the legislative finance committee and the state
8 investment council on the investments made pursuant to this
9 section. Annually, a report shall be submitted no later than
10 October 1 each year to the legislative finance committee, the
11 revenue stabilization and tax policy committee and any other
12 appropriate interim committees.

13 D. On July 1 [2021, ~~a distribution shall be made~~
14 ~~from the early childhood education and care fund to the early~~
15 ~~childhood education and care program fund in the amount of~~
16 ~~twenty million dollars (\$20,000,000) and on July 1, 2022 and on~~
17 ~~each July 1 thereafter] of each year, a distribution shall be
18 made from the early childhood education and care fund to the
19 early childhood education and care program fund in an amount
20 equal to the greater of five percent of the average of the
21 year-end market values of the fund for the immediately
22 preceding three calendar years or [~~thirty million dollars~~
23 ~~(\$30,000,000)] one hundred million dollars (\$100,000,000).~~~~

24 E. In addition to the distribution pursuant to
25 Subsection D of this section, money in the early childhood

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1 education and care fund may be expended in the event that
2 general fund balances, including all authorized revenues and
3 transfers to the general fund and balances in the general fund
4 operating reserve, the appropriation contingency fund, the
5 tobacco settlement permanent fund, the state-support reserve
6 fund and the tax stabilization reserve, will not meet the level
7 of appropriations authorized from the general fund for a fiscal
8 year. In that event, to avoid an unconstitutional deficit, the
9 legislature may appropriate from the early childhood education
10 and care fund to the general fund only in the amount necessary
11 to meet general fund appropriations for that fiscal year and
12 only if the legislature has authorized transfers from the
13 appropriation contingency fund, the general fund operating
14 reserve, the tax stabilization reserve and the tobacco
15 settlement permanent fund that exhaust those fund balances."

16 SECTION 2. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is July 1, 2023.

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