

1 HOUSE JOINT RESOLUTION 1

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Antonio "Moe" Maestas

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10 A JOINT RESOLUTION

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

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

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

23 "A. As used in this section, "fund" means the
24 permanent school fund described in Article 12, Section 2 of
25 this constitution and all other permanent funds derived from

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1 lands granted or confirmed to the state by the act of congress
2 of June 20, 1910, entitled "An act to enable the people of New
3 Mexico to form a constitution and state government and be
4 admitted into the union on an equal footing with the original
5 states.".

6 B. The fund shall be invested by the state
7 investment officer in accordance with policy regulations
8 promulgated by the state investment council.

9 C. In making investments, the state investment
10 officer, under the supervision of the state investment council,
11 shall invest and manage the fund in accordance with the Uniform
12 Prudent Investor Act.

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

18 (1) not more than sixty-five percent of the
19 book value of the fund shall be invested at any given time in
20 corporate stocks;

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

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

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1 stocks.

2 E. All additions to the fund and all earnings,
3 including interest, dividends and capital gains from investment
4 of the fund shall be credited to the fund.

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

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

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

25 ~~(2) in fiscal years 2013 through 2016 an~~

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1 ~~amount equal to one-half percent of the average of the year-end~~
2 ~~market values of the fund for the immediately preceding five~~
3 ~~calendar years; provided that any additional distribution from~~
4 ~~the permanent school fund pursuant to this paragraph shall be~~
5 ~~used to implement and maintain educational reforms as provided~~
6 ~~by law] at least twelve billion dollars (\$12,000,000,000),~~
7 additional annual distributions shall be made as follows,
8 unless suspended pursuant to Subsection I of this section:

9 (1) in fiscal year 2020:

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

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

23 (2) in fiscal year 2021:

24 (a) three-tenths percent of the year-end
25 market values of the fund for the immediately preceding five

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1 calendar years; provided that the amount of the additional
2 distribution pursuant to this subparagraph from the permanent
3 school fund shall be used for the implementation and
4 maintenance of educational programs administered by the state,
5 as provided by law; and

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

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

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

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

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

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

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

14 (a) are locally owned;

15 (b) are minority-owned;

16 (c) are women-owned;

17 (d) partner with public community
18 schools;

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

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

25 (5) contractors shall implement employment

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1 standards that are comparable to public schools' employment
2 standards; and

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

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

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

15 SECTION 3. The amendment proposed by Section 1 of this
16 resolution shall not become effective without the consent of
17 the United States congress.