

1 SENATE BILL 153

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

4 Siah Correa Hemphill

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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; PROVIDING FOR THE REVERSION OF UNEXPENDED AND
14 UNENCUMBERED BALANCE IN THE PROGRAM FUND TO THE EARLY CHILDHOOD
15 EDUCATION AND CARE FUND.

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

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

20 "9-29A-1. EARLY CHILDHOOD EDUCATION AND CARE FUND.--

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

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1 this section.

2 B. The state investment officer, subject to the
3 approval of the state investment council, shall invest money in
4 the early childhood education and care fund:

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

7 (2) in consultation with the state treasurer.

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

15 D. On July 1 of each year, a distribution shall be
16 made from the early childhood education and care fund to the
17 early childhood education and care program fund in an amount
18 equal to the greater of five percent of the average of the
19 year-end market values of the fund for the immediately
20 preceding three calendar years or [~~one hundred fifty million~~
21 ~~dollars (\$150,000,000)] two hundred fifty million dollars
22 (\$250,000,000).~~

23 E. In addition to the distribution pursuant to
24 Subsection D of this section, money in the early childhood
25 education and care fund may be expended in the event that

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

15 SECTION 2. Section 9-29A-2 NMSA 1978 (being Laws 2020,
16 Chapter 3, Section 2) is amended to read:

17 "9-29A-2. EARLY CHILDHOOD EDUCATION AND CARE PROGRAM
18 FUND.--The "early childhood education and care program fund" is
19 created ~~[as a nonreverting fund]~~ in the state treasury. The
20 fund consists of distributions, appropriations, gifts, grants,
21 donations and income from investment of the fund. The early
22 childhood education and care department shall administer the
23 fund. Money in the fund is subject to appropriation by the
24 legislature for early childhood education and care services and
25 programs. Expenditures from the fund shall be by warrant of

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1 the secretary of finance and administration pursuant to
2 vouchers signed by the secretary of early childhood education
3 and care or the secretary's authorized representative. Any
4 unexpended or unencumbered balance in the fund at the end of a
5 fiscal year shall revert to the early childhood education and
6 care fund."

7 SECTION 3. EFFECTIVE DATE.--The effective date of the
8 provisions of this act is July 1, 2024.

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