

<b>LFC Requester:</b>	<b>Iglesias</b>
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**AGENCY BILL ANALYSIS  
2021 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)

*and*

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*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:  
**Original**     **Amendment**    \_\_\_\_\_  
**Correction**    \_\_\_\_\_ **Substitute**    \_\_\_\_\_

**Date** 1/26/2021  
**Bill No:** HJR1

**Sponsor:** Antonio "Moe" Maestas  
 Javier Martínez  
 Elizabeth "Liz" Thomson  
**Short Title:** PERMANENT FUND FOR  
 EARLY CHILDHOOD, CA

**Agency Name and Code**    PED-924  
**Number:** \_\_\_\_\_  
**Person Writing**    \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Email** \_\_\_\_\_

**SECTION II: FISCAL IMPACT**

**REVENUE (dollars in thousands)**

Estimated Revenue				Recurring or Nonrecurring	Fund Affected
FY22	FY23	FY24	FY25		
\$0	(\$197,454)	(\$210,783)	(\$225,067)	Recurring	Land Grant Permanent Fund
	\$170,304	\$181,800	\$194,120	Recurring	General Fund (public schools for ECE)
	\$27,150	\$28,983	\$30,947	Recurring	Other Land Grant Permanent Fund Beneficiaries

Note: Data was provided by the State Investment Council  
 (Parenthesis ( ) Indicate Expenditure Decreases)

## **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>		\$150.0				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SJR1

Duplicates/Relates to Appropriation in the General Appropriation Act: Relates to HB2 appropriations for the Early Childhood Education and Care Department

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

House Joint Resolution 1 seeks to amend the New Mexico Constitution to provide for an additional distribution from the Land Grant Permanent Fund (LGPF) of one percent of average of the year-end market values of the fund for the immediately preceding five calendar years. This additional distribution of 1% is to fund early childhood education programs and would increase the annual distribution from the LGPF from 5% to 6% and would automatically be suspended should the 5-year average value of the LGPF fall below \$10 billion. The distribution may also be suspended by a vote of 3/5 of both the House and Senate.

HJR 1 defines early childhood education services as nonsectarian and nondenominational services for children until they are eligible for kindergarten. As a constitutional amendment, upon passage, HJR 1 will be submitted to the voters for approval at the next general election or any special election prior to that date. HJR 1 contains a contingent effective date requiring consent of the U.S. Congress before provisions become effective.

#### **FISCAL IMPLICATIONS**

HJR1 will provide significant increases in revenue to fund early childhood education programs. The State Investment Council has projected that passage of HJR1 would result in an increase of approximately \$170 million for early childhood educational services, and that distributions were expected to rise annually. HJR1 would establish a steady recurring revenue stream to expand early childhood services in perpetuity, given that the bill does not have a sunset clause.

**Other Costs.** Under Section 1-16-13 NMSA 1978 and the New Mexico constitution, the Secretary of State (SoS) is required to print samples of the text of each constitutional amendment, in both Spanish and English, in an amount equal to ten percent of the registered voters in the state. The SoS is also required to publish them once a week for four weeks preceding the election in newspapers in every county in the state. The estimated cost per constitutional amendment is \$125 thousand to \$150 thousand depending upon the size and number of ballots and if additional ballot stations are needed.

#### **SIGNIFICANT ISSUES**

#### **PERFORMANCE IMPLICATIONS**

HJR 1 focuses on early childhood education, creating more opportunities for New Mexico's young children to participate in quality programs to increase positive child outcomes. A large increase in early childhood programs will require additional training, coaching, and technical assistance to ensure quality, as well as scholarships to increase the number of highly qualified teachers and educational assistants. The Early Childhood Education and Care Department (ECECD) and PED would need to work with colleges and universities to ensure expansion of degree programs to serve sufficient numbers of teachers and educational assistants.

#### **ADMINISTRATIVE IMPLICATIONS**

The Early Childhood Education and Care Department and the Public Education Department would require additional personnel to administer the expansion of programs.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

The state could continue to fund early childhood programs through the General Appropriation Act, in combination with, the Early Childhood Education and Care Fund.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

New Mexico will continue to fund early childhood programs through the General Appropriations Act and the Early Childhood Education and Care Fund. It will require more time to reach the goal of universal services for young children. The LGPF will continue to grow to support public schools.

#### **AMENDMENTS**

None as of January 26, 2021.