

Prosperity & Economic Resiliency Fund

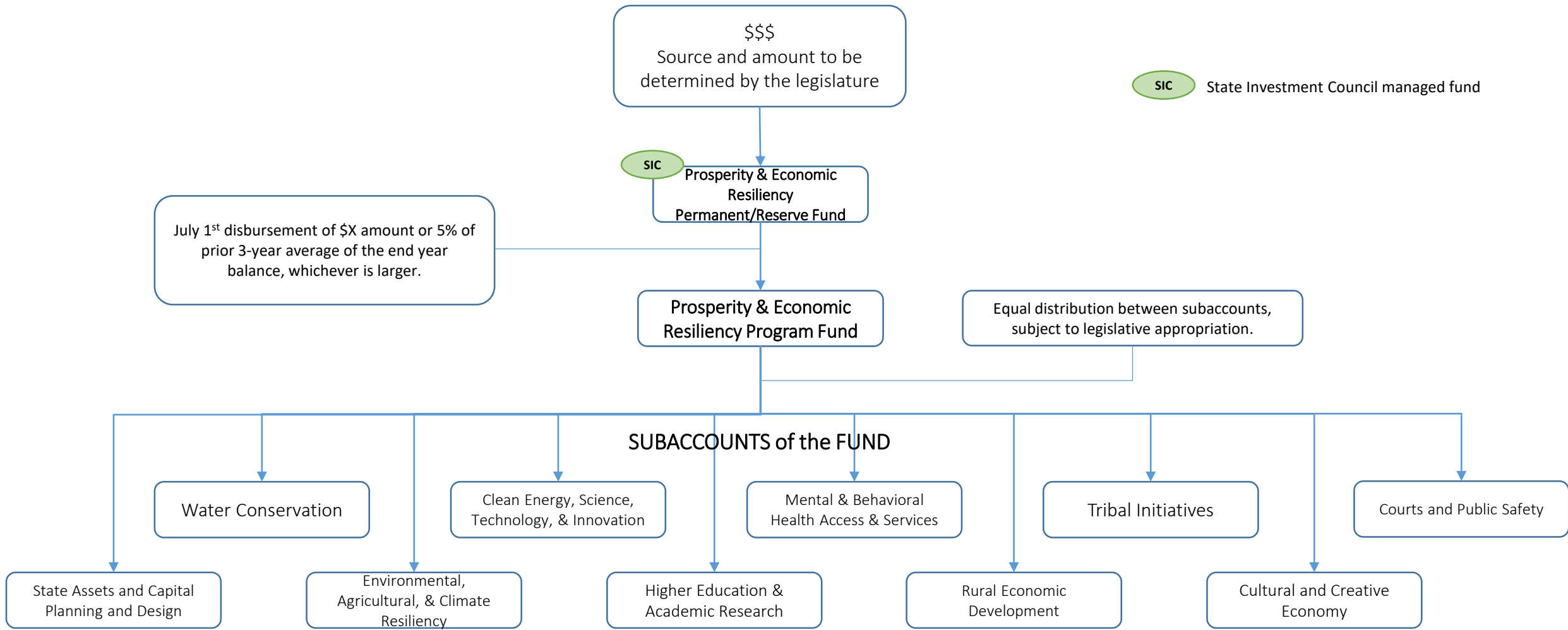
****Conceptualization For Discussion Purposes****

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Rural Economic Opportunities Task Force

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***To enable instant appropriation/use during 2023 legislative session an emergency clause will be required. Or contingency language within an Appropriation bill for identified initial beneficiaries. ***

Structural Considerations for the “New” Funds

- Disbursements from cash inflow (first) to ensure a relatively stable corpus allowing longer term investment for a higher average return.
- Permanent Fund or Reserve (or Hybrid of both?)
- July 1st disbursements to program fund of \$X amount or 5%, whichever is greater. Each subaccount would then be credited with an equal share. Or set each subaccount at a fixed amount and leave the subaccount alone.
- Money in subaccounts of “new” program fund may be appropriated to state agencies, statutory funds, and/or fund individual projects.
- Establish an oversight mechanism to vet projects to bring to the legislature.
- Incorporate an emergency/crisis response mechanism to make some of the funding available instantly to address issues related to health, safety, and wellness in response to an emergency (e.g. wildfires).

Subaccount #1: State Assets and Capital Design and Planning

- To be used for any special appropriation related to state assets and capital design planning throughout the state.
 - Improve, maintain and replace state assets;
 - Fund planning and design components of capital outlay projects proposed for funding with severance tax or other bonds or funds; and
 - For capital projects approved through the four-year program of major state capital improvement projects approved by the secretaries of general services and finance and administration; or
 - By projects approved by the governing bodies of local governments through the local government-approved infrastructure capital improvement plans submitted to the local government division of the department of finance and administration; and
 - Support other related state assets and capital planning and design purposes.

Subaccount #2: Water Conservation

- To be used for any special appropriation related to water conservation throughout the state.
 - Fund innovations in water conservation and reuse and protection and preservation of ground, surface and drinking water resources;
 - Improve the quantity or quality of agricultural, industrial or domestic water;
 - Improve and maintain public infrastructure related to water, wastewater, nonfederal dams and reservoirs and acequias and community ditches;
 - Fund state water rights acquisition, litigation and settlements; and
 - Provide support for other related water purposes.
- This subaccount can also transfer \$ directly to any existing fund related to water conservation. For example:
 - Water Trust Board; drinking water state revolving loan fund; emergency water supply fund; state supplemental land and water conservation fund; wastewater facility construction loan fund; water and wastewater project grant fund; water conservation fund; water, research conservation and development fund; water trust fund; etc.

Subaccount #3: Environmental, Agricultural and Climate Resiliency

- To be used for any special appropriation related to environmental, agricultural and climate resiliency throughout the state.
 - Protect public infrastructure, utilities, wild lands and wildlife from the consequences of drought or other extreme weather events;
 - Plan for or respond to public health emergencies as a result of extreme weather events;
 - Invest in fire prevention and mitigation strategies and measures to protect the state from the effects of climate change;
 - Mitigate environmental damage from natural or human causes;
 - Improve and maintain public infrastructure;
 - Address agricultural sustainability and innovations;
 - Fund environmental improvements;
 - Enable the state to adapt to climate;
 - Provide support for other related environmental, agricultural and climate resiliency purposes.
- This subaccount can also transfer \$ directly to any existing fund related to the environment, agriculture and climate. For example:
 - Agricultural building repair and maintenance fund; hazardous waste fund; abandoned mine reclamation fund; uranium mining reclamation revolving fund; green jobs fund; conservation planting revolving fund; etc.

Subaccount #4: Clean Energy, Science, Technology & Innovation

- To be used for any special appropriation related to clean energy, science, technology and innovation throughout the state.
 - Invest in initiatives that develop or strengthen innovation ecosystems, including university research parks, small business development centers and incubators;
 - Invest in clean energy initiatives;
 - Invest in scientific and technological research and development, including aerospace, bioscience, medicine, energy, sustainable food systems, robotics, cybersecurity and digital and industrial technologies;
 - Support applied research and facilitate knowledge and technology transfers; and
 - Provide support for **other** related clean energy, science, technology and innovation purposes.
- This subaccount can also transfer \$ directly to any existing fund related to clean energy, broadband, science, technology and innovation. For example:
 - Connect New Mexico fund; bioscience development fund; library broadband infrastructure fund; clean energy grants fund; community energy efficiency block grant fund; energy transition displaced workers assistance fund; higher education new energy development fund; grid modernization grant fund; etc.

Subaccount #5: Higher Education and Academic Research

- To be used for any special appropriation related to higher education and academic research throughout the state.
 - Fund higher education endowments and other special statutory higher education funds;
 - Support academic research;
 - Support high skill workforce development;
 - Provide higher education scholarships; and
 - Support other related higher education and academic research purposes.
- This subaccount can also transfer \$ directly to any existing fund related to higher education, scholarships and academic research. For example:
 - Opportunity scholarship; lottery scholarship; higher ed program development enhancement fund; faculty endowment fund; higher education endowment fund etc.

Subaccount #6: Mental and Behavioral Health Access and Service

- To be used for any special appropriation related to mental and behavioral health access and service throughout the state.
 - Develop and expand the statewide mental and behavioral health delivery system and fund public capital and programmatic infrastructure to enable the success of that system;
 - Invest in the educational and career development pipeline for mental and behavioral health providers; and
 - Provide support for other related mental and behavioral health access and services purposes.
- This subaccount can also transfer \$ directly to any existing fund related to mental and behavioral health access and service. For example:
 - Behavioral health capital funds; domestic violence offender treatment or intervention fund; etc.

Subaccount #7: Rural Economic Development

- To be used for any special appropriation related to rural economic development throughout the state.
 - Fund state initiatives to help rural and frontier communities attract and retain small businesses and agricultural, commercial and industrial sectors;
 - Support initiatives that reduce poverty and hunger in rural and frontier communities; and
 - Support other related rural economic development purposes.
- This subaccount can also transfer \$ directly to any existing fund related to rural economic development. For example:
 - Rural air service enhancement fund; rural infrastructure revolving fund; energy transition economic development assistance fund; local economic development act fund; minority business assistance fund; New Mexico artisans business development fund; state rural universal service fund; etc.

Subaccount #8: Tribal Initiatives

- To be used for any special appropriation related to tribal initiatives throughout the state.
 - Assist tribal governments in meeting federal match requirements for tribal projects and initiatives wholly within New Mexico and approved by state agencies or by the tribal infrastructure board.
 - Fund tribal capital projects approved by the legislature or the tribal infrastructure board; and
 - Support other related tribal initiatives purposes.
- This subaccount can also transfer \$ directly to any existing fund related to tribal initiatives. For example:
 - Tribal Infrastructure Project Fund, Tribal Infrastructure Trust Fund, Rural Libraries Fund, Indian Education Fund; etc.

Subaccount #9: Cultural and Creative Economy

- To be used for any special appropriation related to state museums, state parks, cultural affairs, recreation and tourism throughout the state.
 - Improve and maintain state cultural assets, including museums and monuments;
 - Expand recreational opportunities statewide;
 - Support culture-related tourism and economic development initiatives;
 - Invest in the educational and career development pipeline for the creative industries, including film and television, publishing, fine arts, computer-generated imagery and other digital arts programming and arts trades; and
 - Support other related cultural and creative economy purposes.
- This subaccount can also transfer \$ directly to any existing fund related to state museums, state parks, cultural affairs, recreation and tourism. For example:
 - County and municipality recreational fund; state museums improvements and exhibits fund; tourism enterprise fund; trail safety fund; youth conservation corps fund; arts and cultural district fund; cultural affairs department enterprise fund; cultural properties restoration fund; cultural affairs facilities infrastructure fund; etc.

Subaccount #10: Courts and Public Safety

- To be used for any special appropriation related to the courts and public safety throughout the state.
 - Improve and expand court and public safety services;
 - Fund court initiatives such as specialty courts and other strategies to improve criminal justice outcomes and reduce recidivism and reduce docket backlogs in all courts;
 - Fund public safety communications technology;
 - Support evidence-based, data-driven projects or initiatives that address the complex factors that drive crime and recidivism; and
 - Support other related courts and public safety purposes.
- This subaccount can also transfer \$ directly to any existing fund related to the courts and public safety. For example:
 - Community corrections grant fund; crime victims reparation fund; corrections department building fund; corrections department intensive supervision fund; crime laboratory fund; peace officers', New Mexico mounted patrol members' & reserve police officers' survivors fund; domestic relations mediation fund; juvenile community corrections grant fund; law enforcement training and recruiting fund; violence intervention program fund; etc.