

1 HOUSE JOINT MEMORIAL 11
2 45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

3 INTRODUCED BY
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8 FOR THE EDUCATION INITIATIVES AND ACCOUNTABILITY TASK FORCE
9

10 A JOINT MEMORIAL
11 REQUESTING THE STATE INVESTMENT COUNCIL TO CONDUCT A STUDY OF
12 THE STATE PERMANENT FUNDS.
13

14 WHEREAS, over the course of the last few years, the value
15 of the land grant permanent funds and the severance tax
16 permanent fund have soared to eleven billion dollars
17 (\$11,000,000,000), an amount that ranks among the largest
18 endowments in the world; and

19 WHEREAS, only the state of Texas and Harvard university
20 have larger permanent endowments than New Mexico; and

21 WHEREAS, the state of New Mexico has numerous pressing
22 needs, including education; and

23 WHEREAS, with the increased state needs and increased
24 value of the land grant permanent funds and the severance tax
25

underscored material = new
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1 permanent fund, there may be opportunities to address many of
2 the state's pressing needs, including education;

3 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
4 STATE OF NEW MEXICO that the state investment council be
5 requested to conduct a review of the assumptions and
6 methodology underlying the current four and seven-tenths
7 percent distribution formula and an evaluation of that formula
8 in terms of whether it represents the optimal method for
9 maximizing the current distributions to beneficiaries of the
10 funds while protecting the long-term real value of the funds;
11 and

12 BE IT FURTHER RESOLVED THAT the review also identify
13 distribution options that are used by funds of comparable size
14 and with similar goals and evaluate these other options in
15 terms of whether they provide a distribution policy for the
16 state that is more responsive to economic growth, but still
17 ensures a dependable annual revenue stream for operating
18 purposes; and

19 BE IT FURTHER RESOLVED that copies of this memorial be
20 transmitted to the state investment officer, the state
21 investment council and the appropriate legislative interim
22 committee chairmen.