

1 A JOINT RESOLUTION

2 PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
3 CONSTITUTION OF NEW MEXICO TO PROVIDE FOR ADDITIONAL ANNUAL
4 DISTRIBUTIONS OF THE PERMANENT SCHOOL FUND FOR ENHANCED
5 INSTRUCTION FOR STUDENTS AT RISK OF FAILURE, EXTENDING THE
6 SCHOOL YEAR, TEACHER COMPENSATION AND EARLY CHILDHOOD
7 EDUCATION; REQUIRING CONGRESSIONAL APPROVAL FOR DISTRIBUTIONS
8 FOR EARLY CHILDHOOD EDUCATION.

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

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

13 "A. As used in this section, "land grant permanent
14 funds" means the permanent school fund described in Article
15 12, Section 2 of this constitution and all other permanent
16 funds derived from lands granted or confirmed to the state by
17 the act of congress of June 20, 1910, entitled "An act to
18 enable the people of New Mexico to form a constitution and
19 state government and be admitted into the union on an equal
20 footing with the original states."

21 B. The land grant permanent funds shall be
22 invested by the state investment officer in accordance with
23 policy rules promulgated by the state investment council.

24 C. In making investments, the state investment
25 officer, under the supervision of the state investment

1 council, shall invest and manage the land grant permanent
2 funds in accordance with the Uniform Prudent Investor Act.

3 D. The legislature may establish criteria for
4 investing the land grant permanent funds if the criteria are
5 enacted by a three-fourths' vote of the members elected to
6 each house, but investment of the land grant permanent funds
7 is subject to the following restrictions:

8 (1) not more than sixty-five percent of the
9 book value of the land grant permanent funds shall be
10 invested at any given time in corporate stocks;

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

13 (3) stocks eligible for purchase shall be
14 restricted to those stocks of businesses listed upon a
15 national stock exchange or included in a nationally
16 recognized list of stocks.

17 E. All additions to the land grant permanent funds
18 and all earnings, including interest, dividends and capital
19 gains from investment of the land grant permanent funds shall
20 be credited to the land grant permanent funds.

21 F. The annual distributions from the land grant
22 permanent funds to the beneficiaries specified in the
23 Ferguson Act and the Enabling Act shall be five percent of
24 the average of the year-end market values of the land grant
25 permanent funds for the immediately preceding five calendar

1 years.

2 G. In addition to the annual distributions made
3 pursuant to Subsection F of this section, unless suspended
4 pursuant to Subsection J of this section, an annual
5 distribution of one and one-fourth percent of the average of
6 the year-end market value of the permanent school fund for
7 the immediately preceding five calendar years shall be made
8 as provided in Subsection H of this section; provided that
9 the additional distribution shall not be made in any fiscal
10 year if the average of the year-end market values of the land
11 grant permanent funds for the immediately preceding five
12 calendar years is less than seventeen billion dollars
13 (\$17,000,000,000).

14 H. Unless suspended pursuant to Subsection G
15 or J of this section, the additional distribution from the
16 permanent school fund provided for in Subsection G of this
17 section shall be as follows and as provided by law:

18 (1) forty percent of the additional
19 distribution shall be for the public school permanent fund
20 beneficiary for enhanced instruction for students at risk of
21 failure, extending the school year and public school teacher
22 compensation; and

23 (2) sixty percent of the additional
24 distribution shall be for the provision of early childhood
25 education.

1 I. As used in this section, "early childhood
2 education" means nonsectarian and nondenominational education
3 for children until they are eligible for kindergarten.

4 J. The legislature, by a three-fifths' vote of the
5 members elected to each house, may suspend any additional
6 distribution provided for in Subsection G of this section."

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

12 SECTION 3. The distribution provided for in Paragraph
13 (2) of Subsection H of Section 7 of Article 12 of the
14 constitution of New Mexico shall not become effective without
15 the consent of congress. _____

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