

New Mexico Land Grant Permanent Fund

The Land Grant Permanent Fund (LGPF) was established when New Mexico became a state in 1912 and is held in trust primarily for the benefit of our public schools. It is often referred to as New Mexico's education endowment fund.

While enrollment in New Mexico's schools from pre-K through 12th grade has been consistently just over 300,000 students, our education budget has increased by almost \$900 million in the last 12 years. So while we're not seeing huge increases in enrollment, the amount of money for public education has increased significantly.

The question is: Where is that money going?

The fact that 40 groups are pushing for increased funding of education provides a clue. Most, if not all, of these groups are receiving funding from the state for their nonprofits. Under the department of Children, Youth and Family Division, nonprofits are paid or seeking funding for such services as childhood health screenings, prenatal care, parental coaching, and birth to pre-kindergarten care among many other issues.

While some may argue that these services provide for a well-rounded child, it would be much more appropriate for health screenings, prenatal care and birthing to be handled under health care services. New Mexico has become quite the nanny state, but adding prenatal care to education takes it to a whole new level.

Are these groups helping our children – or just themselves – by seeking funding for these nonprofits? Furthermore, is it legal?

Gary King, the state's prior Attorney General, reviewed the federal constitutional requirements of the LGPF use in 2003 and confirmed that: 1) the state constitution directly prohibits the state from using money from the LGPF for private, ..., entities; and 2) distributions from the LGPF must be limited to learning programs provided by the public schools. This was confirmed by the Rody Law firm in 2014.

There are some nonprofits providing necessary services that the state cannot handle. Others seeking funding for healthcare or babysitting services should be seriously scrutinized by taxpayers questioning why anyone would agree to fund those services under our failing educational system.

New Mexico continues to be ranked among the worst of all states for educational achievement. Many young adults leave school unable to read or grasp basic math skills. While some argue that additional funding will fix our educational system, the facts speak for themselves. Increased funding alone has not improved the academic achievement of our public schools. At least some of the blame may go to the money pouring into special interest groups rather than our teachers' salaries and educational materials.

What New Mexico desperately needs is accountability for the funds currently being spent. With the substantial increased funding, why are many of our children still failing to meet minimum standards? And who's responsible for this failure?

The LGPF distribution rate is scheduled to drop to five percent in FY2017. That is considered a prudent rate to protect the corpus of the fund. New Mexico has two permanent funds, Tobacco and Severance Tax that are either dead or dying due to over depletion. We don't need to use the LGPF as another example of how to kill a fund.

The distribution rate decrease amounts to about a \$15 million decrease from FY2016 levels. That is insignificant compared to the almost \$900 million increases previously noted.

The good news is that if the fund is left alone and allowed to grow, it should produce distributions of \$1 billion by about FY2025. That is almost double the distributions from 2013 and is in addition to general funds.

Patience is key to providing for our children's education in perpetuity while saving taxpayers approximately \$900/year per household in taxes. And in the meantime, let's all understand that education funding has not been neglected, but accountability is woefully inadequate.

Perhaps if the state would stop funding special interest groups and actually put the money into the education of our children, New Mexico might see our educational system improve.