

EDITORIAL

NM's rolling in cash; vote no to keep funds solvent for NM's kids

It sounds like the right thing to do: Take a little more money out of a huge trust fund to spend on public schools and early childhood education, which in New Mexico have struggled for years and were hit hard by the pandemic.

But is it right to go into your 401(k) when you win the Powerball?

That's the situation New Mexico voters need to consider this general election with Constitutional Amendment No. 1. Because while it sounds like increasing the annual distribution from the \$24 billion Land Grant Permanent Fund from 5% to 6.25% will do right by our students and children, the fact is those programs are not short of money.

Not by a longshot.

New Mexico is already rolling in more new revenue — \$2.5 billion at last count — thanks to high oil and gas production. Without the amendment the permanent fund is expected to distribute \$952 million just to education in fiscal 2024 and more than \$1 billion in 2025. And the state established an Early Childhood Education and Care Fund in 2020, with the original \$300 million growing to an estimated \$2 billion this summer and expected to hit \$4 billion by 2025. Like the permanent fund, that growth is also courtesy of oil and gas and investments. Meanwhile, annual funding for early childhood programs has exploded from \$179 million to \$579 million over a 10-year period.

Voters need to step back from the emotions of wanting to invest in our kids and decide if, with all this extra money already dedicated to children and schools, we really need to go into our children and grandchildren's savings accounts to provide more money now.

According to a recent Journal poll, 69% of likely voters supported taking more money from the fund "to be used for early childhood education, teacher compensation and K-12 education programs." The poll question was modeled on the ballot language, which was written by lawmakers who have made the raid a Holy Grail and fought for years to increase the distribution. It did not include the budget update that the state already has extra billions — with a "b" — available.

So it's not surprising only 15% of likely voters expressed opposition to raiding the land grant fund.

But critics correctly point out increasing withdrawals would leave the state with smaller annual distributions over the long haul because of slowed growth in the fund. The math would really kick in after about 20 years — and while you can argue that's a problem for another day, why would we take money from our grandchildren's futures (and public schools, universities, water systems and more) when we simply do not need it? We also need to recognize the state and nation are moving away from fossil fuels, and now is the time to shore up these funds so they truly are "permanent."

Sen. Bill Tallman, a rare Democratic skeptic of raiding the land grant fund, notes the state has a long history of throwing money at problems without achieving measurable results. It feels like déjà vu all over again because there's no guarantee increased distributions will be spent in classrooms, increase achievement or require accountability — none whatsoever.

The permanent fund has grown from \$19.7 billion from the end of 2019 to \$24.4 billion *because* the corpus has been left alone. It will distribute \$1.3 billion this fiscal year to New Mexico's public schools, universities and other beneficiaries *because* the fund hasn't been raided since 2003 and has been allowed to earn greater investment income.

We hope voters take a hard look at this in coming weeks and don't fall for the platitudes being offered by well-funded special interest groups and political action committees. Vote Yes for Kids alone has raised more than a million bucks to try to convince voters to raid the fund. Voters should instead reject the constitutional amendment and vote no — for the sake of New Mexico's children, grandchildren, great-grandchildren and on and on.