



**Press Release – for Immediate Release**

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## **New Mexico Business Coalition calls on Congress to deny changes to the state’s Land Grant Permanent Fund**

**New Mexico (December 20, 2022)** — The New Mexico Business Coalition (NMBC) today called on Congress to deny changes to the state’s Land Grant Permanent Fund. A copy of the letter sent to New Mexico’s Congressional delegates is provided.

**Despite numerous policy proposals and actions, New Mexico’s expenditures on its educational challenges have not yielded the return on investment promised.** The answer is not to increase the rate of LGPF disbursements, but instead to focus on direct learning programs that yield beneficial results without violating federal requirements.

### **Key Points:**

- From 1995 to 2021, educational funding in New Mexico increased \$5.15 billion per year (\$1.45 Billion to \$6.6 Billion).
- New Mexico is ranked 14<sup>th</sup> in the nation for per pupil funding, yet 51<sup>st</sup> (including the District of Columbia) in the nation for quality of education.
- The state is currently taking a distribution of this fund at a rate of 5%. If passed, there would be an additional 1.25% taken out annually. According to the SIC, distributions will continue to grow (with a 5% distribution rate) reaching a distribution of a billion dollars a year by 2025.
- **New Mexico’s Democratic leadership recognizes that this money is not needed for education in New Mexico.** Representative Patricia Lundstrom, Democrat Chair of the House Appropriations and Finance and Legislative Finance Committees stated publicly on 8/26/21, **“We have more money than we need,”**

The **Land Grant Permanent Fund** (oil and gas extraction tax) was established by Congress when NM became a state in 1912. **The LGPF is NOT a rainy-day fund; it is an asset depletion fund.**

Carla Sonntag, president, New Mexico Business Coalition said, “Responsible withdrawals from the LGPF are key to providing for our children’s education in perpetuity. It also saves taxpayers approximately \$950/year per household in taxes. **To increase withdrawal rates and risk our children’s future is irresponsible and would jeopardize the fund.**”

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*New Mexico Business Coalition (NMBC) is a statewide nonpartisan, probusiness organization and state affiliate for the National Association of Manufacturing. NMBC focuses on improving the business environment for companies and the quality of life for all New Mexicans. For more information, please visit our website at [www.nmbizcoalition.org](http://www.nmbizcoalition.org).*