

## Good Stewardship of the Land Grant Permanent Fund

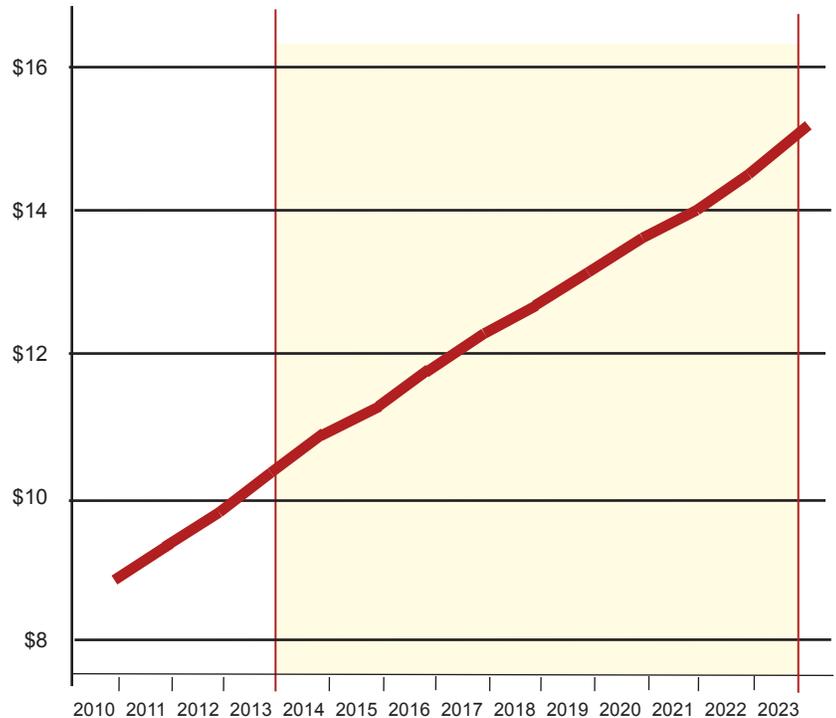
### SJR 10 Protects the Fund

- The Fund will continue to grow
- The additional distribution will stop if the Fund balance dips below \$8 billion
- The Legislature can vote to suspend the additional distribution at any time
- It sunsets in ten years

### SJR 10 is Good Fiscal Policy

- New Mexico has the second largest such fund in the country, at \$10.2 billion
- The Fund's projected average annual growth rate is 12%
- SJR 10 would change the distribution to 7%
- Of that, 1.5% would go to early childhood care and education (ECE) programs

Forecasted\* Annual Growth of NM's Land Grant Permanent Fund Under SJR 10 (in billions)



### SJR 10 Provides Accountability

- The State Auditor will annually certify that the funds are properly directed to early childhood programs
- An in-depth evaluation will be conducted to measure the effectiveness of ECE programs and services

**Good stewardship** ensures a brighter future for our kids by investing in them NOW when they need it the most



1 NM State Investment Council and State Land Office, 2010

\*This forecast of LGPF growth uses the following assumptions: 1) Distribution is 5.8% 2010-2014 as per current law and 7% 2014-2023 as per SJR 10; 2) Values shown are estimated year-end balances based on the 15-year average SIC return on investment of 6.5% and the 15-year income trends for SLO income from royalties and sales.

# Investing in Our Most Valuable Resource — Our Children

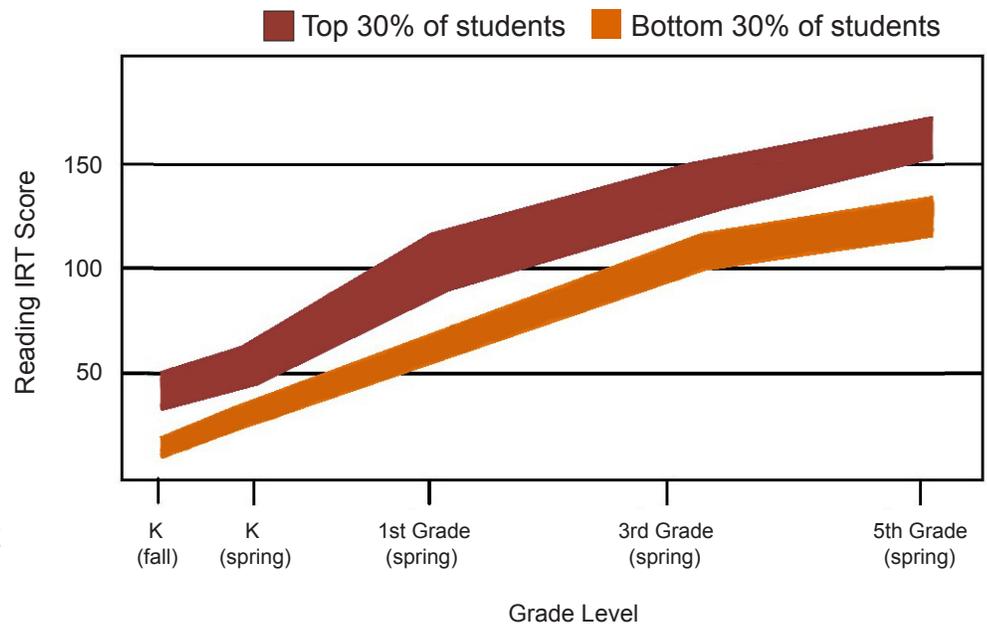
## ECE Programs Get Kids Ready for School

- Kids who start school behind, stay behind
- This achievement gap grows over time
- ECE programs start children on the right path for school so they have a better chance at success

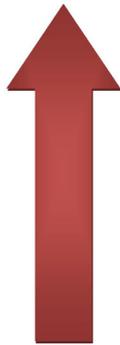
## ECE Programs—A Great Return on Investment

- The return on investment for ECE programs is 10% per child per year — for the life of the child<sup>2</sup>

## Achievement Gap in Reading, K–5<sup>th</sup> Grade<sup>1</sup>



## ECE Programs Produce Results



- School Success
- Graduation Rates
- Workforce Readiness
- Job Productivity
- Community Engagement
- Earnings



- Special Education Costs
- Grade Repetition
- Crime Costs
- Teen Pregnancy
- Welfare Dependency
- Job Training Costs

**Good stewardship** brings a high return on an investment that benefits everyone



<sup>1</sup> Adapted from "Closing the Gap in School Readiness of Low-income Children," Jean Layzer, Belmont Research Associates, Cristofer Price, Abt Associates Inc., Washington, DC, October 2008

<sup>2</sup> James Heckman, Return on Investment: Cost vs. Benefits, University of Chicago, 2008

# New Mexico's Children Cannot Wait

## Our Kids — and Our Future — are at Risk

- Just one out of five New Mexico 4<sup>th</sup> graders reads at grade level<sup>1</sup>
- One-third of our students do not graduate from high school<sup>2</sup>
- More than 80% of brain development occurs before kindergarten
- We spend less than 1% of our budget on the early care and education (ECE) programs that would improve our K-12 outcomes

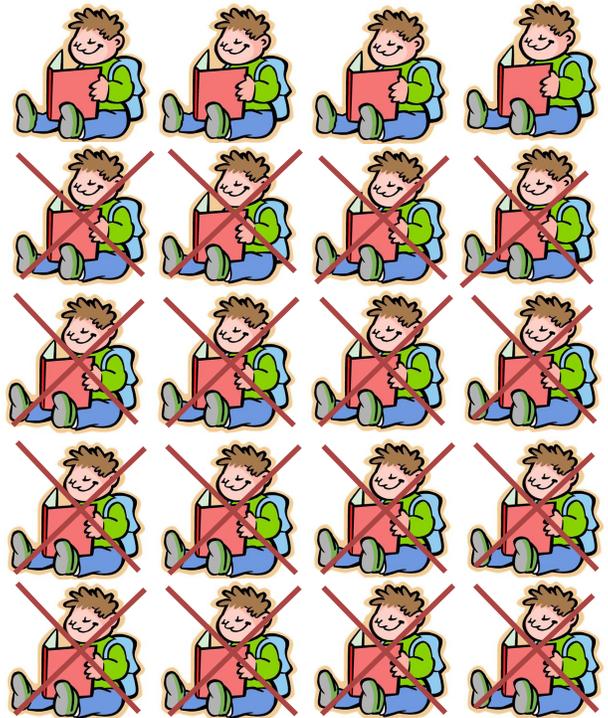
## ECE Programs are Falling Short

- Less than 1% of parents with newborns have access to parent-involvement support programs
- Few children have access to high-quality (4- or 5-star) child care
- Less than half of 4-year-olds can enroll in NM Pre-K or HeadStart
- Child care eligibility cuts mean fewer children have access to high-quality care while their parents are working

## Everyone Benefits When All Children Succeed

- Preparing our children for 21<sup>st</sup> century jobs will mean better economic development for New Mexico
- Studies show that children who have high-quality ECE are more likely to finish school and less likely to become criminals—this improves the quality of life for everyone

20% of New Mexico 4<sup>th</sup> Graders are Proficient Readers (2009)



**Good stewardship** makes the most of the money we already invest in education



<sup>1</sup> National Assessment of Educational Progress (NAEP), National Center for Educational Statistics, 2009

<sup>2</sup> NM Public Education Department, Four-Year Cohort Graduation Rates, Class of 2009