



# State of New Mexico

## *Office of the Governor*

**Bill Richardson**  
Governor

For immediate release

Contact: Charles Wollmann

1/12/04  
231-3334

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### **Governor Bill Richardson announces \$2,000,000,000 growth To New Mexico's Permanent Funds during 2003**

**Santa Fe** - Governor Bill Richardson today announced a dramatic \$2 billion increase in the State's Permanent Endowment Funds during his first year in office, reversing two straight years of declines under the previous administration.

"Compared to what we had just a year ago, today New Mexicans and their children have an extra \$2 billion in the state's savings account," said Governor Bill Richardson. "Under prudent guidance of the State Investment Council, the Land Grant and Severance Tax Permanent Funds have now ballooned to more than \$11 billion, helping ensure lower taxes in New Mexico for generations to come."

The State's Permanent Funds are structured to make every dollar work hard for New Mexico, providing more than \$500 million in benefits to the state's schools, taxpayers and economy last year alone. Fund distributions save every New Mexican about \$270 a year in taxes, and account for more than 15% of the state's annual operating budget. Distributions from the State's Permanent Funds will rise again in 2004.

Returns from the Land Grant and Severance Tax Funds compared very well to their benchmark indexes in 2003, returning net gains of 22.5% and 22.4% respectively, even after subtracting fees. Estimated December 31, 2003 figures show the Land Grant Permanent fund with a balance of more than \$7.54 billion, while the Severance Tax Permanent Fund's value was more than \$3.62 billion.

“As a result of implementing some major changes last year in the management of the state’s money, we recorded record gains,” said State Investment Officer Gary Bland. “Following the leadership and vision of Governor Richardson, we anticipate another year of moving New Mexico’s investments forward in 2004.”

The State’s Permanent Funds were created by statute to establish returns for New Mexicans in perpetuity, and replace financial benefits of the state’s oil and gas resources as they diminish over time.

New innovations at the State Investment Council also allow the State to invest a percentage of the its Permanent Funds right here in New Mexico, creating economic development opportunities in our own backyard. These innovations include direct investments in New Mexico businesses and equity funds, as well as the state’s blossoming film industry.

NM State Investment Council  
Summary of calendar year 2003 activity

**Based on Estimated December 31, 2003 figures**

**LAND GRANT PERMANENT FUND:**

Balance 1/1/03	6,255,967,063
Contributions	247,108,445
Distributions	(339,970,842)
<b>Net Gains, income, less fees</b>	<b><u>1,381,279,879</u></b>
<b>Balance 12/31/03</b>	<b>\$7,544,384,545</b>

**SEVERANCE TAX PERMANENT FUND:**

Balance 1/1/03	3,123,175,567
Contributions	1,032,283
Distributions	(171,694,488)
<b>Net Gains, income, less fees</b>	<b><u>668,099,184</u></b>
<b>Balance 12/31/03</b>	<b>\$3,620,612,546</b>

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**Gilbert Gallegos**  
*Deputy Director of Communications*

*Office of New Mexico Governor Bill Richardson*

*Phone: (505) 476-2217*

*Fax: (505) 476-2226*

*E-MAIL: [gilbert.gallegos@state.nm.us](mailto:gilbert.gallegos@state.nm.us)*