

Committee on Resources

Subcommittee on Energy & Mineral Resources

Witness Statement

TESTIMONY OF CONGRESSMAN TOM UDALL THIRD DISTRICT, NEW MEXICO

To the
U.S. HOUSE RESOURCES COMMITTEE
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES
WASHINGTON, D.C.
JUNE 15, 2000

Good afternoon, Madame Chairman, Congressman Underwood, and members of the subcommittee. It is my pleasure to speak in support of H.R. 4340, The Mineral Revenue Payments Clarification Act of 2000.

I want to first thank you Madame Chairman and my fellow New Mexican Congressman Joe Skeen for being original cosponsors on this legislation. I also want to thank your staff for their outstanding work in putting this hearing together.

This legislation has broad support from a number of knowledgeable and interested groups, including the Interstate Oil and Gas Compact Commission; Western Governor's Association; Independent Petroleum Association of America; Western State Land Commissioners' Association; and the New Mexico Legislature.

During the course of this hearing, the committee will hear from a number of groups who support this legislation. Speakers will provide information on the background of the Mineral Revenue Payments system, more simply known as Receipts Sharing. Much of the testimony will address the difficulty of calculating the receipts correctly and the fact that the calculations are a source of disagreement and administrative burden for the states and the federal government.

However, I would like to focus my comments on a different aspect of Receipts Sharing; that is, how the additional revenue from reestablishing the pre-1993 method would result in a substantial increase in the money available for education programs in New Mexico. New Mexico is second only to Wyoming, the Honorable Madame Chairwoman's home state, in being negatively impacted by the current receipts sharing method. New Mexico education has lost over 5.7 million dollars of revenue per year due to the manner in which receipts are calculated currently.

I believe that we must give top priority to providing our children with the best education possible. This additional revenue, when applied to education, allows states to better compensate teachers and to lower class sizes. We must insist on high academic standards for our students and teachers, lower class sizes, building accountability into the system, and provide the technology our children will need to compete in the job market.

Smaller class sizes provides the individual attention needed for making students who are better able to compete in training for and getting good jobs. We need to equip new and existing schools with the technology tools that students need for learning in the 21st century. As technology continues to play a larger role in our lives, we must make sure we continue to hook up schools to the Internet and integrate technology into the curriculum. In addition, growth and increased student enrollment have put pressures on communities to build more schools. The needs are great and the resources are scarce. Therefore, it is imperative that we pursue common sense solutions for providing additional funds for education.

That's why H.R. 4340 is necessary for restoring significant amounts of funding where it is most sorely needed. In New Mexico, revenues from federal mineral leasing receipts are set aside, by law, for education. In pertinent part, New Mexico's annual general appropriation act specifies that federal mineral leasing receipts are to be appropriated to New Mexico Tech and for the instructional material fund for the purchase of materials for students. The remainder is provided to the public school fund for distribution to the public schools. This fund supports programs which are critical to the future of our children, including: early childhood education and early literacy; counseling programs; before and after school programs; and art and music programs.

Today you will hear from Dr. Pauline Rindone, the Director of the New Mexico Legislative Education Study Committee, and Harry Montoya, President-Elect of the New Mexico School Board Association. Dr. Rindone and Mr. Montoya are very familiar with the state and needs for education in New Mexico. Their testimony is relevant to all states whose revenue streams for education would similarly benefit by changing receipts calculation methods.

In conclusion, thank you for having this hearing today on legislation that will support education funding and return revenue to the states.

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