

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR  
HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR

HOUSE BILL 86

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

AN ACT

RELATING TO PUBLIC SCHOOLS; PROVIDING FOR A CHANGE IN THE  
QUALIFYING REQUIREMENTS FOR FUNDING THROUGH THE PUBLIC SCHOOL  
CAPITAL OUTLAY ACT; PROVIDING FOR PRIORITY FACTORS; MAKING AN  
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-24-5 NMSA 1978 (being Laws 1975,  
Chapter 235, Section 5, as amended) is amended to read:

"22-24-5. FUND--DISTRIBUTION.--

A. The council shall approve an application for  
grant assistance from the fund when the council determines  
that:

- (1) a critical need exists requiring action;
- (2) the residents of the school district  
have provided available resources to the school district to  
meet its capital outlay requirements;

.132639.1

underscored material = new  
~~[bracketed material]~~ = delete

1 (3) the school district has used its  
2 resources in a prudent manner;

3 (4) the school district is in a county or  
4 counties which have participated in a reappraisal program and  
5 the reappraised values are on the tax rolls or will be used  
6 for the tax year 1979 as certified by the property tax  
7 division of the taxation and revenue department;

8 (5) the school district has provided  
9 insurance for buildings of the school district in accordance  
10 with the provisions of Section 13-5-3 NMSA 1978;

11 (6) unless a determination and a  
12 certification have been made pursuant to Subsection D of this  
13 section, the school district is indebted at not less than  
14 seventy-five percent of the total debt authorized by law; and

15 (7) the school district has submitted a  
16 five-year facilities plan that includes enrollment  
17 projections.

18 B. The council shall consider all applications for  
19 assistance from the fund and, after a public hearing, shall  
20 either approve or deny the application. Applications for  
21 grant assistance shall only be accepted by the council after  
22 a district has complied with the provisions of this section.  
23 The council shall list all applications in order of priority,  
24 and all allocations shall be made on a priority basis;  
25 provided, however, except in the case of an emergency, that  
the order of priority shall first reflect those projects  
which have been previously funded but are not as yet

1 completed, excluding expansion of those projects and  
 2 contingent upon maintenance of the required local support.

3 C. Money in the fund shall be disbursed by warrant  
 4 of the department of finance and administration on vouchers  
 5 signed by the secretary of finance and administration  
 6 following certification by the council that the application  
 7 has been approved.

8 D. If the council makes a determination and  
 9 certifies to the state board that, after January 1, 2000, a  
 10 constitutional amendment has been adopted or legislation has  
 11 been enacted that provides additional or supplemental revenue  
 12 sources for public school capital outlay funding, then, in  
 13 all subsequent application and allocation cycles, the  
 14 following provisions apply:

15 (1) all school districts are eligible to  
 16 apply for funding from the fund, regardless of percentage of  
 17 indebtedness;

18 (2) priorities for funding shall be given to  
 19 those capital projects that:

20 (a) are necessary for health and  
 21 safety;

22 (b) were previously funded by the  
 23 council but are not yet completed;

24 (c) are for school districts with  
 25 relatively low property values;

(d) provide necessary classrooms due to  
student population increases or that improve existing school

underscored material = new  
 [bracketed material] = delete

1 facilities; and

2 (e) are renovation projects rather than  
3 new construction, except where health and safety concerns  
4 require new construction;

5 (3) after consulting with the staff  
6 architect of the property control division of the general  
7 services department, the council shall establish criteria and  
8 standards to be used in public school capital outlay projects  
9 that receive grant assistance pursuant to the Public School  
10 Capital Outlay Act. In establishing the criteria and  
11 standards, the council shall consider:

12 (a) the feasibility of using design,  
13 build and finance arrangements for public school capital  
14 outlay projects;

15 (b) the potential use of more durable  
16 construction materials that may reduce long-term operating  
17 costs; and

18 (c) any other financing or construction  
19 concept that may maximize the dollar effect of the state  
20 grant assistance;

21 (4) a project approved and ranked by the  
22 council shall be funded within available resources in  
23 accordance with the following formula:

24 (district final prior year assessed  
25 valuation per MEM ÷ the state average  
final prior year assessed valuation per  
MEM) x 0.5. The product is subtracted

1           from 1.0 and the difference is then  
 2           multiplied by seventy-five percent. The  
 3           product of that calculation added to  
 4           (the percent of bonding capacity used x  
 5           0.25) equals the percentage of the cost  
 6           of the approved project to be funded  
 7           from the fund. "MEM" means the total  
 8           enrollment of students attending public  
 9           school in a school district in the final  
 10          funded prior school year, with  
 11          kindergarten being counted as 0.5. In  
 12          those instances in which the formula  
 13          provides less than 0.1, 0.1 shall be  
 14          used as the state's share; and

15                   (5) in those instances in which a school  
 16          district has used all of its local resources, the state may  
 17          fund the total amount of its projects."

18           Section 2. APPROPRIATION.--Four hundred thousand  
 19          dollars (\$400,000) is appropriated from the general fund to  
 20          the state department of public education for expenditure in  
 21          fiscal years 2000 and 2001 to contract for an assessment of  
 22          school districts' capital improvement needs and to complete  
 23          an associated database. Any unexpended or unencumbered  
 24          balance remaining at the end of fiscal year 2001 shall revert  
 25          to the general fund.

underscored material = new  
~~[bracketed material] = delete~~

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

underscored material = new  
~~[bracketed material]~~ = delete