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SENATE BILL 151

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

INTRODUCED BY
Linda M. Lopez

FOR LEGISLATIVE EDUCATION STUDY COMMITTEE

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;

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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) the school district is indebted at not
12 less than seventy-five percent of the total debt authorized
13 by law; and

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

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

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1 contingent upon maintenance of the required local support.

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

7 D. If the council makes a determination and
8 certifies to the state board that the legislature passed and
9 the governor signed legislation providing additional or
10 supplanting revenue sources for public school capital outlay
11 funding that is expected to generate revenue equal to or
12 greater than that provided in 1999, the following provisions
13 apply:

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

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

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

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

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

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

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

4 (3) projects approved and ranked by the
5 council shall be funded within available resources in
6 accordance with the following formula:

7 (district assessed valuation per MEM ÷
8 the state average valuation per MEM) x
9 .7. The product is subtracted from 1.0
10 and multiplied by .8. The sum of that
11 calculation added to (percent of bonding
12 capacity used) x .2 = percentage of
13 approved projects to be funded from the
14 fund. "MEM" is the total enrollment of
15 students attending public school in a
16 school district on a specified day, with
17 kindergarten being counted as .5. In
18 those instances in which the formula
19 provides less than .05, .05 shall be
20 used as the state's share; and

21 (4) in those instances in which a school
22 district has used all of its local resources, the state may
23 fund the total amount of its projects.

24 E. The provisions of Subsection D of this section
25 apply to application and allocation cycles succeeding the
determination and certification by the council."

Section 2. APPROPRIATION.--Four hundred thousand

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1 dollars (\$400,000) is appropriated from the general fund to
2 the state department of public education for expenditure in
3 fiscal years 2000 and 2001 to contract for an assessment of
4 school districts' capital improvement needs and to complete
5 an associated database. Any unexpended or unencumbered
6 balance remaining at the end of fiscal year 2001 shall revert
7 to the general fund.

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