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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number	<u>SB231</u>	Sponsor	<u>Stewart</u>
Tracking Number	<u>.211957.1</u>	Committee Referrals	<u>SEC/SFC;HEC/HTRC</u>
Short Title	<u>Public School Capital Outlay Calculations</u>		
Analyst	<u>Rogne</u>	Original Date	<u>1/24/2019</u>
		Last Updated	<u>3/4/2019</u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 231 (SB231) would make technical corrections to the Public School Capital Outlay Act, particularly concerning the calculation of the state and local match formula that determines the portion of project costs school districts and charter schools must pay for Public School Capital Outlay Council (PSCOC) funded projects, along with other technical cleanup.

FISCAL IMPACT

The bill does not contain an appropriation.

SUBSTANTIVE ISSUES

SB231 would only make technical changes to clarify and rearrange language in Laws 2018, Chapter 66 (Senate Bill 30) which addresses some of the inequities highlighted by the current plaintiffs in the *Zuni* lawsuit by “right-sizing” the state and local match formula by reducing the state match percentage for school districts able to build above adequacy and increasing the state match for school districts with fewer resources. SB231 does not modify any of the calculations enacted in Laws 2018, Chapter 66, but clarifies how the phase-in of the new formula would be carried out. SB231 would also make other technical changes to the Public School Capital Outlay Act, such as deleting language no longer in effect to avoid confusion.

Public school capital outlay funding, used to purchase capital assets like buildings, is both a local and state responsibility in New Mexico. The current standards-based public school capital outlay program was developed and established partially in response to a 1998 lawsuit filed in state district court by the Zuni Public Schools and later joined by the Gallup-McKinley County Public Schools and the Grants-Cibola County Public Schools. The State district court found that through its public school capital outlay funding system the state was violating that portion of the state constitution that guarantees establishment and maintenance of a “uniform system of free public schools sufficient for the education of, and open to, all children of school age” in the state. The court ordered the state to “establish and implement a uniform funding system for capital

improvements... and for correcting past inequities” and set a deadline at the end of the 2001 legislative session. The court appointed a special master to review the state’s progress.

Although the quality of school facilities has improved significantly since the lawsuit, litigant school districts are still concerned the system is inequitable. These alleged ongoing disparities led Gallup-McKinley County Schools (GMCS) two years ago to reopen the *Zuni* lawsuit – which had never been closed – and seek judicial intervention to cure what the school district characterizes as ongoing disparities in the current public school capital outlay funding system. For example, GMCS is concerned that property-wealthy school districts are able to build public school facilities significantly above adequacy without taxing themselves to the same extent that voters in the GMCS school district tax themselves.

RELATED BILLS

Relates to SB230, Pre-K Classroom Facilities Initiative, as this bill would amend the same section of law as SB231.

Relates to SB295, School Facilities Authority Expenditures, as this bill would amend the same section of law as SB231.

SOURCES OF INFORMATION

- LESC Files
- Public School Facilities Authority
- Public Education Department

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