

HOUSE BILL 4

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Patricia A. Lundstrom and Brian Egolf and Harry Garcia and
Anthony Allison and Eliseo Lee Alcon

This document incorporates amendments that have been adopted during the current legislative session. The document is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; CREATING THE FEDERALLY IMPACTED LOCATION SUPPORT PROGRAM TO PROVIDE ANNUAL GRANT AWARDS TO SCHOOL DISTRICTS AND STATE-CHARTERED CHARTER SCHOOLS THAT RECEIVE IMPACT AID; CREATING A FUND HAFc →; ~~MAKING AN APPROPRIATION ←~~ HAFc.

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

HEC → ~~SECTION 1. A new section of the Public School Finance Act is enacted to read:~~

~~"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT PROGRAM CREATED -- GRANTS. ---"~~

.216582.1AIC February 6, 2020 (3:22pm)

underscored material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight ←
delete = → bold, red, highlight, strikethrough ←

underscored material = new

[bracketed material] = delete

Amendments: new = → bold, blue, highlight ←

delete = → bold, red, highlight, strikethrough ←

~~A. As used in this section, "annual award" means a percentage, as provided in this section and as solely determined by the department, of the average amount of impact aid received by a school district or state-chartered charter school for the preceding five school years. The annual award percentage shall be phased in over three years so that the annual award percentage in fiscal year 2021 is twenty-five percent, in fiscal year 2022 is fifty percent and in fiscal year 2023 and subsequent fiscal years is seventy-five percent of the average amount of impact aid received by a school district or state-chartered charter school.~~

~~B. The "federally impacted location support program" is created to provide support to school districts and state-chartered charter schools for the additional costs associated with operating in or near federally impacted locations and serving students associated with those locations while maintaining the state's equalized education funding system. The department shall promulgate rules to implement the program.~~

~~C. A federally impacted location support grant is available annually to school districts and state-chartered charter schools that received impact aid during the immediately preceding five school years if those funds were included in the calculation of federal revenue as provided in Section 22-8-25~~

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

~~NMSA 1978.~~

~~D. A school district or state-chartered charter school that receives an annual award shall:~~

~~(1) use the award only for expenditures associated with:~~

~~(a) capital expenditures;~~

~~(b) debt service;~~

~~(c) educating students who: 1) receive special education services; 2) have a disability; 3) are economically disadvantaged; 4) are English language learners; or 5) are participants in gifted education programs;~~

~~(d) community services; or~~

~~(e) purposes described in department rule;~~

~~(2) spend no more than fifty percent of the award for capital expenditures and debt service; and~~

~~(3) submit a biannual certification to the department that all expenditures of the annual awards are made in accordance with the provisions of this section and rules promulgated by the department."~~←HEC

HAFC→~~HAFC~~→SECTION 1. A new section of the Public School Finance Act is enacted to read:

~~"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT PROGRAM CREATED--GRANTS.--"~~

.216582.1AIC February 6, 2020 (3:22pm)

underscored material = new

[bracketed material] = delete

Amendments: new = →bold, blue, highlight←

delete = →bold, red, highlight, strikethrough←

~~A. As used in this section, "annual award" means a percentage, as provided in this section and as solely determined by the department, of the average amount of impact aid received by a school district or state-chartered charter school for the preceding five school years. The annual award percentage shall be phased in over three years so that the annual award percentage in fiscal year 2021 is twenty-five percent, in fiscal year 2022 is fifty percent and in fiscal year 2023 and subsequent fiscal years is seventy-five percent of the average amount of impact aid received by a school district or state-chartered charter school.~~

~~B. The "federally impacted location support program" is created to provide support to school districts and state-chartered charter schools for the additional costs associated with operating in or near federally impacted locations and serving students associated with those locations while maintaining the state's equalized education funding system. The department shall promulgate rules to implement the program.~~

~~C. A federally impacted location support grant is available annually to school districts and state-chartered charter schools that received impact aid during the immediately preceding five school years if those funds were included in the calculation of federal revenue as provided in Section 22-8-25~~

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

~~NMSA 1978.~~

~~D. A school district or state-chartered charter school that receives an annual award shall:~~

~~(1) use the award only for expenditures associated with:~~

~~(a) capital expenditures;~~

~~(b) debt service;~~

~~(c) educating students who: 1) receive special education services; 2) have a disability; 3) are economically disadvantaged; 4) are English language learners; or 5) are participants in gifted education programs;~~

~~(d) community services; or~~

~~(e) purposes described in department rule;~~

~~(2) spend no more than fifty percent of the award for capital expenditures and debt service; and~~

~~(3) submit a biannual certification to the department that all expenditures of the annual awards are made in accordance with the provisions of this section and rules promulgated by the department."~~←HAFG←HAFG

HAFG→HEC→SECTION 1. A new section of the Public School Finance Act is enacted to read:

~~"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT PROGRAM CREATED--ANNUAL AWARD.--"~~

.216582.1AIC February 6, 2020 (3:22pm)

underscored material = new

[bracketed material] = delete

Amendments: new = → bold, blue, highlight ←

delete = → bold, red, highlight, strikethrough ←

~~A. The "federally impacted location support program" is created in the department to provide annual awards to school districts and state-chartered charter schools that receive impact aid. The department shall make an annual award from the federally impacted location support program fund to a school district or state-chartered charter school in the following amounts if that impact aid was included in the calculation of federal revenue as provided in Section 22-8-25 NMSA 1978 for each of the preceding five fiscal years, not including the immediately preceding fiscal year, as follows:~~

~~(1) in fiscal year 2021, in an amount equal to one-third of the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year;~~

~~(2) in fiscal year 2022, in an amount equal to two-thirds of the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year; and~~

underscored material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight
delete = → bold, red, highlight, strikethrough

~~(3) in fiscal year 2023 and subsequent fiscal years, an amount equal to the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year.~~

~~B. A school district or state-chartered charter school that receives an annual award from the federally impacted location support program fund shall:~~

~~(1) use the award only for expenditures associated with:~~

~~(a) capital expenditures;~~

~~(b) debt service;~~

~~(c) educating students who: 1) receive special education services; 2) have a disability; 3) are economically disadvantaged; 4) are English language learners; or 5) are participants in gifted education programs; or~~

~~(d) community services;~~

~~(2) spend no more than fifty percent of the annual award for capital expenditures and debt service; and~~

~~(3) submit a detailed report by October 1 of each year to the department, the legislative education study~~

underscored material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight ←
delete = → bold, red, highlight, strikethrough ←

~~committee and the legislative finance committee of all actual expenditures of the annual award in the previous fiscal year."~~ ← HEG ← HAFC

HAFC → SECTION 1. A new section of the Public School Finance Act is enacted to read:

"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT PROGRAM CREATED--ANNUAL AWARD.--

A. The "federally impacted location support program" is created in the department to provide annual awards to school districts and state-chartered charter schools that receive impact aid. The department shall make an annual award from the federally impacted location support program fund to a school district or state-chartered charter school in the following amounts if that impact aid was included in the calculation of federal revenue as provided in Section 22-8-25 NMSA 1978 for each of the preceding five fiscal years, not including the immediately preceding fiscal year, as follows:

(1) in fiscal year 2021, in an amount equal to one-third of the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year;

.216582.1AIC February 6, 2020 (3:22pm)

underscored material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight ←
delete = → bold, red, highlight, strikethrough ←

(2) in fiscal year 2022, in an amount equal to two-thirds of the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year; and

(3) in fiscal year 2023 and subsequent fiscal years, an amount equal to the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year.

B. A school district or state-chartered charter school that receives an annual award from the federally impacted location support program fund shall:

(1) use the award only for expenditures associated with:

- (a) capital expenditures;
- (b) debt service;
- (c) educating students who: 1) receive special education services; 2) have a disability; 3) are

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

economically disadvantaged; 4) are English language learners; or 5) are participants in gifted education programs; or

(d) community services;

(2) spend no more than fifty percent of the annual award for capital expenditures and debt service; and

(3) submit a detailed report by October 1 of each year to the department, the legislative education study committee and the legislative finance committee of all actual expenditures of the annual award in the previous fiscal year.

C. Each school district and state-chartered charter school that receives an annual award from the federally impacted location support program shall engage in meaningful consultation with Indian nations, tribes and pueblos located in New Mexico whose enrolled members are students in that school district or state-chartered charter school. The department shall verify that each school district and state-chartered charter school has consulted with the one or more applicable Indian nations, tribes or pueblos and shall submit a verification report by October 1 of each year to the legislative education study committee and the legislative finance committee."←H AFC

SECTION 2. A new section of the Public School Finance Act is enacted to read:

"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT

.216582.1AIC February 6, 2020 (3:22pm)

underscoring material = new
[bracketed material] = delete
Amendments: new = bold, blue, highlight
delete = bold, red, highlight, strikethrough

PROGRAM FUND.--The "federally impacted location support program fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, gifts, grants, donations and income from investment of the fund. The fund shall be administered by the department to make annual awards to eligible school districts and state-chartered charter schools pursuant to the federally impacted location support program. Money in the fund shall be expended only as provided in the legislative appropriation. Money in the fund shall be disbursed on warrants signed by the secretary of finance and administration pursuant to vouchers signed by the secretary of public education or the secretary's authorized representative."

H AFC → ~~SECTION 3. APPROPRIATION.--Eighteen million eight hundred sixty-six thousand six hundred sixty-six dollars (\$18,866,666) is appropriated from the general fund to the federally impacted location support program fund for expenditure in fiscal year 2021 to carry out the provisions of the federally impacted location support program. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the general fund.~~ ← H AFC

SECTION H AFC → 4 ← H AFC H AFC → 3 ← H AFC. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2020.