

SENATE EDUCATION COMMITTEE SUBSTITUTE FOR
SENATE BILL 317

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

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
CREATING THE FEDERALLY IMPACTED LOCATION SUPPORT FUND;
PROVIDING ANNUAL GRANTS TO CERTAIN SCHOOL DISTRICTS AND STATE-
CHARTERED CHARTER SCHOOLS.

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

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

"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT FUND--
ANNUAL GRANTS.--

A. The "federally impacted location support fund"
is created as a nonreverting fund in the state treasury. The
fund consists of appropriations, gifts, grants and donations.
The fund shall be administered by the department to provide
grants to federally impacted school districts and state-

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1 chartered charter schools as provided in this section. Money
2 in the fund shall be expended only as provided by legislative
3 appropriation. Money in the fund shall be disbursed on warrant
4 of the secretary of finance and administration pursuant to
5 vouchers signed by the secretary of public education or the
6 secretary's authorized representative.

7 B. Grants made pursuant to this section shall not
8 exceed an amount equal to the average amount of federal revenue
9 calculated pursuant to Paragraph (2) of Subsection C of Section
10 22-8-25 NMSA 1978 that was included in the calculation of the
11 school district's or state-chartered charter school's state
12 equalization guarantee distribution for the immediately
13 preceding five fiscal years, not including the immediately
14 preceding fiscal year; provided that if sufficient funding is
15 not available in the federally impacted location support fund
16 to make a distribution to each school district and state-
17 chartered charter school in that average amount, the secretary
18 shall reduce each school district's and state-chartered charter
19 school's grant proportionately.

20 C. The department shall not make a grant to any
21 school district or state-chartered charter school in any fiscal
22 year in which the department has not received final
23 certification from the United States department of education
24 that the state has in effect a program of state aid that
25 equalizes expenditures for free public education among local

1 education agencies in the state pursuant to 20 U.S.C. 7709.

2 D. A school district or state-chartered charter
3 school that receives a grant from the federally impacted
4 location support fund shall:

5 (1) use the grant only for:

6 (a) capital expenditures;

7 (b) debt service;

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

12 (d) community services;

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

15 (3) submit a detailed report by October 1 of
16 each year to the department, the legislative education study
17 committee and the legislative finance committee of all
18 expenditures of the annual grant in the previous fiscal year
19 and data on how use of the grant has affected student outcomes.

20 E. As appropriated by the legislature and upon
21 application by school districts and state-chartered charter
22 schools, the department may make annual grants each fiscal year
23 from the fund to school districts and state-chartered charter
24 schools that received federal impact aid for which the
25 department took credit as provided in Section 22-8-25 NMSA 1978

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1 in the immediately preceding five fiscal years, not including
2 the immediately preceding fiscal year, and is receiving federal
3 impact aid in the current fiscal year. Applications for grants
4 shall be due to the department by March 1. The department
5 shall notify applicants of a preliminary award no later than
6 April 15.

7 F. Prior to May 1 of each year, each school
8 district or state-chartered charter school that has applied for
9 a grant pursuant to this section shall submit to the department
10 a budget for the grant consistent with Subsection D of this
11 section. If a school district or state-chartered charter
12 school fails to submit a grant budget by May 1 of any year, the
13 department shall not award a grant to that school district or
14 state-chartered charter school. A school district or state-
15 chartered charter school shall be considered as failing to
16 submit a budget pursuant to this section if the budget
17 submitted exceeds the total projected grant pursuant to
18 Subsection B of this section.

19 G. On or before July 1 of each year, the department
20 shall approve and certify to each applicable school district
21 and state-chartered charter school a grant budget for use by
22 the school district or state-chartered charter school if the
23 budget it submitted was approved and complies with the
24 requirements of Subsection D of this section."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

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1 provisions of this act is July 1, 2020.

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