

SENATE EDUCATION COMMITTEE SUBSTITUTE FOR

SENATE BILL 151

**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;

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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) 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

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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.

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