

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HOUSE BILL 210

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Rick Miera

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; ALLOWING THE STATE-SUPPORT RESERVE FUND TO BE USED FOR CERTAIN EMERGENCY NEEDS OF SCHOOL DISTRICTS; MAKING AN APPROPRIATION.

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

Section 1. Section 22-8-31 NMSA 1978 (being Laws 1967, Chapter 16, Section 84, as amended) is amended to read:

"22-8-31. STATE-SUPPORT RESERVE FUND.--

A. The "state-support reserve fund" is created.

B. The state-support reserve fund shall be used ~~[only]~~ to augment the appropriations for the state equalization guarantee distribution in order to ~~[insure]~~ ensure, to the extent of the amount undistributed in the fund, that the maximum figures for such distribution established by law shall not be reduced or to provide for emergency needs of school

underscored material = new  
[bracketed material] = delete

1 districts over and above the emergency distributions provided  
2 to school districts in financial need pursuant to Paragraph (2)  
3 of Subsection A of Section 22-8-30 NMSA 1978. The secretary  
4 shall certify that a school district has exhausted its  
5 resources, including any supplemental distribution, before  
6 providing emergency funding from the state-support reserve  
7 fund.

8 C. The undistributed money in the state-support  
9 reserve fund shall be invested by the state treasurer in  
10 interest-bearing securities of the United States government or  
11 in certificates of deposit in qualified banks and in savings  
12 and [~~loans~~] loan associations whose deposits are insured with  
13 an agency of the United States. The state treasurer may  
14 deposit money from the state-support reserve fund or any other  
15 fund in one or more accounts with any such bank or federally  
16 insured savings and loan association, but the state treasurer,  
17 in any official capacity, shall not deposit money from [~~said~~]  
18 that fund or any other fund in any one [~~such~~] federally insured  
19 savings and loan association the aggregate of which would  
20 exceed the amount of federal savings and loan insurance  
21 corporation insurance for a single public account. Income from  
22 these investments shall be periodically credited to the general  
23 fund.

24 D. At least forty-five days before the money is  
25 needed, the [~~chief~~] secretary shall notify the state treasurer

.160287.1

underscored material = new  
[bracketed material] = delete

1 in writing of the amount that will be needed for distribution.

2 E. In the event that local or federal revenues as  
3 defined in Section [~~77-6-19 NMSA 1953~~] 22-8-25 NMSA 1978 are  
4 received after May 31 of the fiscal year for which the state  
5 equalization guarantee distribution is being computed and it is  
6 therefore necessary to use money from the state-support reserve  
7 fund to augment the appropriation for the state equalization  
8 guarantee distribution, the [~~chief~~] secretary, upon receipt by  
9 the school district of the delayed local or federal revenues,  
10 shall deduct the appropriate amount from the current state  
11 equalization guarantee distribution to that school district and  
12 reimburse the state-support reserve fund in the amount of the  
13 deduction.

14 F. It is the intent of the legislature that the  
15 state-support reserve fund be reimbursed in the amount of the  
16 yearly distribution by appropriation in the year following the  
17 distribution so that the fund at the beginning of each fiscal  
18 year shall have a credit balance of at least ten million  
19 dollars (\$10,000,000).

20 G. Distribution from [~~this~~] the state-support  
21 reserve fund shall be made in the same manner and on the same  
22 basis as the state equalization guarantee distribution."

23 Section 2. APPROPRIATION.--Ten million dollars  
24 (\$10,000,000) is appropriated from the general fund to the  
25 state-support reserve fund for expenditure in fiscal year 2006

.160287.1

underscored material = new  
[bracketed material] = delete

1 and subsequent fiscal years to carry out the purposes of the  
2 fund. Any unexpended or unencumbered balance remaining at the  
3 end of a fiscal year shall not revert to the general fund.

4 - 4 -  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

.160287.1