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HOUSE BILL 240

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

ROBERTO J. GONZALES

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO EDUCATION; CHANGING CERTAIN REQUIREMENTS OF PUBLIC SCHOOL ACCOUNTING AND BUDGETING; REMOVING A CERTAIN BUDGETING REQUIREMENT FOR CAPITAL OUTLAY EXPENDITURE; DECLARING AN EMERGENCY.

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

Section 1. Section 22-8-5 NMSA 1978 (being Laws 1967, Chapter 16, Section 59, as amended) is amended to read:

"22-8-5. [~~MANUAL OF ACCOUNTING AND BUDGETING~~] RULES - - PROCEDURES. - -

A. The department shall [~~compile and publish a manual prescribing detailed regulations~~] establish rules and procedures for a uniform system of accounting and budgeting of funds for all public schools and school districts of the state. The [~~manual of regulations and any revision or~~

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1 ~~amendments thereto~~] rules, including revisions or amendments,
2 shall become effective only upon approval by the state board
3 [~~of education and the legislative finance committee~~] and upon
4 filing with the state records center and publication. A copy
5 shall also be filed with the department of finance and
6 administration and the legislative finance committee.

7 B. All public schools and school districts shall
8 comply with the [~~regulations prescribed in the manual of~~
9 ~~accounting and budgeting~~] rules and procedures prescribed and
10 shall, upon request, submit additional reports concerning
11 finances to the department. In addition, upon request, all
12 public schools and school districts shall file reports with
13 the department containing pertinent details regarding
14 applications for federal money or federal grants-in-aid or
15 regarding federal money or federal grants-in-aid received,
16 including but not limited to details of programs, matching
17 funds, personnel requirements, salary provisions and program
18 numbers, as indicated in the catalog of federal domestic
19 assistance, of the federal funds applied for and of those
20 received.

21 C. Upon request by the department of finance and
22 administration, the legislative finance committee or the
23 legislative education study committee, the [~~state~~] department
24 [~~of public education~~] shall timely furnish information and
25 data obtained from public schools and school districts

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1 pursuant to Subsection B of this section. "

2 Section 2. Section 22-8-6 NMSA 1978 (being Laws 1967,
3 Chapter 16, Section 60, as amended by Laws 1993, Chapter 224,
4 Section 2 and also by Laws 1993, Chapter 227, Section 9) is
5 amended to read:

6 "22-8-6. BUDGETS--SUBMISSION--FAILURE TO SUBMIT.--

7 A. Prior to April 15 of each year, each local
8 school board shall submit to the department an [~~estimated~~
9 operating budget for the school district for the ensuing
10 fiscal year. Upon written approval of the state
11 superintendent, the date for the submission of the [~~estimated~~
12 operating budget as required by this section may be extended
13 to a later date fixed by the state superintendent.

14 B. The [~~estimated~~] operating budget required by
15 this section may include:

16 (1) estimates of the cost of insurance
17 policies for periods up to five years if a lower rate may be
18 obtained by purchasing insurance for the longer term; or

19 (2) estimates of the cost of contracts for
20 the transportation of students for terms extending up to four
21 years.

22 C. The [~~estimated~~] operating budget required by
23 this section shall include a proposed breakdown for charter
24 schools in the [~~local~~] school district, by individual charter
25 school, of the membership projected for each charter school,

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1 the total program units generated at that charter school and
2 approximate anticipated disbursements and expenditures at each
3 charter school.

4 D. If a local school board fails to submit a
5 budget pursuant to this section, the department shall prepare
6 the [~~estimated~~] operating budget for the school district for
7 the ensuing fiscal year. A local school board shall be
8 considered as failing to submit a budget pursuant to this
9 section if the budget submitted exceeds the total projected
10 resources of the school district or if the budget submitted
11 does not comply with the law or [~~the manual of accounting and~~
12 ~~budgeting~~] with rules and procedures of the department."

13 Section 3. Section 22-8-7 NMSA 1978 (being Laws 1967,
14 Chapter 16, Section 61, as amended) is amended to read:

15 "22-8-7. BUDGETS--FORM --All budgets submitted to the
16 [~~division~~] department by a school district shall be in a form
17 specified by the [~~manual of accounting and budgeting of the~~
18 ~~division~~] department."

19 Section 4. Section 22-8-10 NMSA 1978 (being Laws 1967,
20 Chapter 16, Section 65, as amended) is amended to read:

21 "22-8-10. BUDGETS--FIXING THE [~~ESTIMATED~~] OPERATING
22 BUDGET. --

23 A. Prior to June 20 of each year, each local
24 school board shall, at a public hearing of which notice has
25 been published by the local school board, fix the [~~estimated~~]

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1 operating budget for the school district for the ensuing
2 fiscal year. At the discretion of the state superintendent or
3 the local school board, the department may participate in the
4 public hearing.

5 B. Prior to the public hearing held to fix the
6 [~~estimated~~] operating budget for the school district, the
7 local school board shall give notice to parents explaining the
8 budget process and inviting parental involvement and input in
9 that process prior to the date for the public hearing. "

10 Section 5. Section 22-8-11 NMSA 1978 (being Laws 1967,
11 Chapter 16, Section 66, as amended) is amended to read:

12 "22-8-11. BUDGETS-- [~~TEMPORARY--FINAL~~] APPROVAL OF
13 OPERATING BUDGET. --

14 A. The department shall:

15 (1) on or before July 1 of each year, approve
16 and certify to each local school board [~~a temporary~~] an
17 operating budget for use by the local school board [~~pending~~
18 ~~approval by the department of a final budget~~]; and

19 (2) make corrections, revisions and
20 amendments to the [~~estimated~~] operating budgets fixed by the
21 local school boards and the state superintendent to conform
22 the budgets to the requirements of law and [~~to the manual of~~
23 ~~accounting and budgeting~~]; and

24 (3) ~~before the first Monday of September of~~
25 ~~each year, approve and certify to each local school board and~~

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1 ~~to the board of county commissioners of the county in which~~
2 ~~the school district is situated a final budget for use by the~~
3 ~~local school board, based upon the estimated budget fixed by~~
4 ~~the local school board and the state superintendent.] to the~~
5 department's rules and procedures.

6 B. No school board or officer or employee of a
7 school district shall make any expenditure or incur any
8 obligation for the expenditure of public funds unless that
9 expenditure or [~~contractual~~] obligation is made in accordance
10 with an operating budget approved by the department [~~but~~].
11 This prohibition does not prohibit the transfer of funds
12 [~~between line items within series of a budget~~] pursuant to the
13 department's rules and procedures.

14 C. The department shall not approve and certify [a
15 ~~temporary~~] an operating budget of any school district that
16 fails to demonstrate that parental involvement in the budget
17 process was solicited. "

18 Section 6. Section 22-8-12 NMSA 1978 (being Laws 1967,
19 Chapter 16, Section 67, as amended) is amended to read:

20 "22-8-12. [~~FINAL~~] OPERATING BUDGETS-- [~~ALTERATIONS OR~~]
21 AMENDMENTS. -- [~~Final~~] Operating budgets shall not be [~~altered~~
22 ~~or~~] amended after approval and certification by the
23 department, except [~~for the following purposes and according~~
24 ~~to the following procedure:~~

25 A.] upon written request of any local school board

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1 ~~and approval by the state superintendent [may authorize~~
2 ~~transfer within the budget, or provide for items not included,~~
3 ~~when the total amount of the budget will not be increased~~
4 ~~thereby;~~

5 ~~B. upon written request of any local school board,~~
6 ~~the state superintendent, in conformance with the regulations~~
7 ~~of the department, may authorize an increase in any budget if~~
8 ~~the increase is necessary because of the receipt of revenue~~
9 ~~that was not anticipated at the time the budget was fixed and~~
10 ~~if the increase is directly related to a special project or~~
11 ~~program for which the additional revenue was received. The~~
12 ~~state superintendent shall make a written report to the~~
13 ~~legislative finance committee of any such budget increase;~~

14 ~~C. upon written request of any local school board,~~
15 ~~the state superintendent may authorize an increase in a budget~~
16 ~~of not more than one thousand dollars (\$1,000); or~~

17 ~~D. upon written request of any local school board,~~
18 ~~the state superintendent, after notice and a public hearing,~~
19 ~~may authorize an increase in a school budget in an amount~~
20 ~~exceeding one thousand dollars (\$1,000). The notice of the~~
21 ~~hearing shall designate the school district which proposes to~~
22 ~~alter or amend its budget, together with the time, place and~~
23 ~~date of the hearing. The notice of the hearing shall be~~
24 ~~published at least once a week for two consecutive weeks in a~~
25 ~~newspaper of general circulation in the county in which the~~

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1 ~~school district is situated. The last publication of the~~
2 ~~notice shall be at least three days prior to the date set for~~
3 ~~the hearing]. "~~

4 Section 7. Section 22-8-12.1 NMSA 1978 (being Laws 1978,
5 Chapter 128, Section 5, as amended) is amended to read:

6 "22-8-12.1. MEMBERSHIP PROJECTIONS AND BUDGET
7 REQUESTS. --

8 A. Each local school board shall submit annually,
9 on or before October 15, to the department:

10 (1) an estimate for the succeeding fiscal
11 year of:

12 (a) the membership of qualified
13 students to be enrolled in the basic program;

14 (b) the full-time-equivalent membership
15 of students to be enrolled in approved early childhood
16 education programs; and

17 (c) the membership of students to be
18 enrolled in approved special education programs;

19 (2) all other information necessary to
20 calculate program costs; and

21 (3) any other information related to the
22 financial needs of the school district as may be requested by
23 the department.

24 B. All information requested pursuant to
25 Subsection A of this section shall be submitted on forms

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1 prescribed and furnished by the department and shall comply
2 with the [~~manual of accounting and budgeting published by the~~
3 ~~department~~] department's rules and procedures.

4 C. The department shall:

5 (1) review the financial needs of each school
6 district for the succeeding fiscal year; and

7 (2) submit annually, on or before November
8 30, to the secretary of finance and administration the
9 recommendations of the state board for:

10 (a) amendments to the public school
11 finance formula;

12 (b) appropriations for the succeeding
13 fiscal year to the public school fund for inclusion in the
14 executive budget document; and

15 (c) appropriations for the succeeding
16 fiscal year for pupil transportation and instructional
17 materials. "

18 Section 8. REPEAL. --Section 22-8-12.2 NMSA 1978 (being
19 Laws 1978, Chapter 149, Section 1, as amended) is repealed.

20 Section 9. EMERGENCY. --It is necessary for the public
21 peace, health and safety that this act take effect
22 immediately.

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3 FORTY-THIRD LEGISLATURE
4 SECOND SESSION, 1998
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8 January 30, 1998
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11 Mr. Speaker:
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13 Your RULES AND ORDER OF BUSINESS COMMITTEE, to
14 whom has been referred
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16 HOUSE BILL 240
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19 has had it under consideration and finds same to be GERMANE
20 in accordance with constitutional provisions.
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22 Respectfully submitted,
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R. David Pederson, Chairman

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Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 8 For 2 Against

Yes: 8

No: Gubbels, Knowles

Excused: Hobbs, Nicely, Ryan, Sanchez, Williams, S.M

Absent: None

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 9, 1998
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8 Mr. Speaker:
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10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 HOUSE BILL 240
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14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 APPROPRIATIONS AND FINANCE COMMITTEE.

17 Respectfully submitted,
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22 Rick Miera, Chairman
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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HEC/HB 240

Page 13

4 Adopted _____ Not Adopted _____

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6 (Chief Clerk)

(Chief Clerk)

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8 Date _____

9
10 The roll call vote was 10 For 0 Against

11 Yes: 10

12 Excused: Nicely, Vigil, S. M. Williams

13 Absent: None

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

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4 February 12, 1998

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 240

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13 has had it under consideration and reports same with
14 recommendation that it DO PASS.

15
16 Respectfully submitted,

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21 Max Coll, Chairman
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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 Page 15

4 Adopted _____ Not Adopted _____

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6 (Chief Clerk)

(Chief Clerk)

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8 Date _____

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10 The roll call vote was 14 For 0 Against

11 Yes: 14

12 Excused: Coll, Heaton, Picraux, Vigil

13 Absent: None

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

February 16, 1998

Mr. President:

Your EDUCATION COMMITTEE, to whom has been referred

HOUSE BILL 240

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Cynthia Nava, Chairman

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 6 For 1 Against

Yes: 6

No: Rawson

Excused: Duran, Garcia, Gorham

Absent: None

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