

House Bill 207 and Senate Bill 76 Review

Presented to the Public School Capital Outlay Oversight Task Force

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Outline

1. House Bill 207 Review and Implications
2. Senate Bill 76 Review and Implications
3. Q&A





House Bill 207

[Laws 2024, Chapter 37 \(House Bill 207\)](#) (Public School Capital Outlay and Grants) was passed during the 2024 Regular session. HB 207 requires that the Public School Capital Outlay Council (PSCOC) to make an annual distribution for the lease assistance program.

- Previously, disbursements for the lease assistant program were optional and made at the discretion of the PSCOC.
- Although this distribution has long been discretionary, the PSCOC has never opted to forego an annual distribution to the fund.
- The PSCOC will continue its role of setting the per-MEM multiplier in the lease assistance formula.



House Bill 207: Implications

Establishing a permanent and reliable source of funding for the lease assistance program may enable charter schools to secure more advantageous financing options.

Two specific sources of funding that charter schools have access to are:

- Charter School Facility Revolving Fund , which was established by HB 43 during the 2022 Regular Session;
- Public Project Revolving Loan Fund.

Both of these funds are administered by the New Mexico Finance Authority (NMFA). The NMFA is able to offer low-cost loans to New Mexico borrowers due to its AAA bond rating. NMFA's conservative underwriting practices are a key factor in maintaining this high credit rating. Having borrowers with stable and enduring revenue streams available to service loans is crucial to NMFA's practices.



Senate Bill 76

[Laws 2024, Chapter 22 \(Senate Bill 76\)](#)) (School Local Share Adjustment Waiver) was passed during the 2024 Regular Session. SB 76 made a technical change to the Public School Capital Outlay Act, clarifying that a school district's eligibility for a local match waiver is to be based on the local match amount calculated before a temporary local match reduction, which was established by [Senate Bill 131](#) during the 2023 Regular Session.

- The implementation Senate Bill 131 may result in temporary local match reductions that range from 33 to 50 percent for some districts.
- Evaluating a district's eligibility for a local match waiver after a temporary local match reduction could result in a district not qualifying for local match waiver based on the three criteria [three criteria](#) utilized by the PSCOC award process.



Senate Bill 76: Implications

Without the implementation of SB 76, a district could face the situation where a local match reduction disqualifies it from receiving a local match waiver. This waiver is could be essential for the district's ability to fund vital projects to replace or repair public school facilities.

The temporary local match reduction instituted SB 131 will sunset at the end of Fiscal Year 2026. LESC, LFC, and the appropriate start agencies will continue to study the State and Local Match formula and recommend changes to better reflect a district's actual ability to fund construction projects.

Thank you!

Q & A

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