

TIMELINE OF KEY EVENTS RELATED TO THE ZUNI LAWSUIT
January 1998-September 2019

January 1998	<i>Zuni</i> lawsuit filed first lawsuit against the State for injunctive relief, violation of civil rights and monetary relief. (Court granted a later-filed Motion to Intervene filed by Gallup-McKinley County School District and Grants-Cibola County School District.) Second amended Complaint filed in Zuni Lawsuit naming Michael Davis as Defendant in December 1998.
March 1998	Public Education Department appointed a task force to study public school capital outlay issues. Co-chairs of the PED task force were Representative Ben Lujan and Senator Linda Lopez. MGT, of America conducted initial inventory and assessment of school facilities.
January 15, 1999	Plaintiffs filed Motion for Temporary Restraining Order, which Motion subsequently withdrawn.
January 26, 1999	AG filed a Notice of Removal to US District Court and subsequent Motion to dismiss the Complaint in Intervention against the State. On May 13, 1999 US district Court Judge Vasquez filed a Memorandum Opinion and Order granting Plaintiffs' Motion of Remand of Proceedings to the State court—11 th Amendment “claims in this action against the State must be litigated in the first instance in their entirety in NM courts.”
1999 Regular & Special Sessions	State reduced impact aid credit from 95% to 75% with the 20% earmarked for capital outlay; increased funding for critical capital outlay program; created new supplemental severance tax bonds and authorized \$100 million for public school capital improvements to be issued over a 4 year period; limited their issuance to 62.5% of previous year severance tax revenues.
May 26, 1999	Plaintiffs and Plaintiffs-in-Intervention filed a Motion for Partial Summary Judgment in state district court. AG filed a Petition for Writ of Prohibition against Judge Rich and a Motion to Expedite Stay of Pending Motion for Summary Judgment with NM Supreme Court. Supreme Court denied the AG's Petition for Writ and Request for Stay.
October 14, 1999	District court ruled that current system is unconstitutional, gave State until July 28, 2000 to address the issue and provided for status conferences.
November, 1999	Application for Order Allowing Appeal filed with NM court of Appeals and on November 18, Court issued ruling denying the application.
2000 Regular & Special Sessions	State increased the limit for issuance of supplemental severance tax bonds to 87.5% of previous year severance tax revenues; authorized an additional \$475 million of bonds for public school capital improvements

to be issued over an estimated 10-year period; required at least \$20 million in critical capital outlay grants be awarded to impact aid districts in 2001-2003; granted authority to PSCOC to establish criteria and standards for public school capital outlay projects; and created a new 16-member Public School Capital Outlay Task Force which included the Dean of UNM Law School, the Secretary of DFA, State Investment Officer, Supt of Public Instruction, chairs of LFC, Senate Education and House Education committees and 9 public members with expertise in education and finance, including 2 representing the “impact aid” districts (Governor Tortalita, Acoma and Leonard Haskie (Gallup-McKinley Schools). (Chapter 95, Laws 2000, Chapter 11, Laws 2000 Special Session, Chapter 19, Laws 2000 Special Session, House Joint Memorial 22 & Senate Joint Memorial 21, Laws 2000 Special Session)

- April 2000 District court held status conference. State asked Court for additional time until December of 2000 to report on progress by the newly created Task Force chaired by the former Dean of the Law School. Extension granted
- June 2000 Sixteen member Task Force began its meetings to review the current and future needs for public school capital outlay projects; develop and analyze funding options for a permanent revenue stream; review the local participation formula enacted in the 2000 session; and review the issues relating to federal “impact aid” funds and other local and federal revenues received by the districts
- December 2000 Task Force recommended a multi-pronged approach which included: a three-year, 100% state-funded program to correct health and safety and code deficiencies in order to correct “past inequities” per court order; increase of state match amount for SB 9 program; continuation of critical capital outlay program to complete critical capital projects and to give time for PSCOC to complete statewide needs assessment and develop adequacy standards; continuation of \$20 million annual earmark to impact aid districts for 1 more year to 2004; recommendation on permanent funding source and revised state/local match formula
- December 19, 2000 Status conference held before Judge Rich; task force recommendations shared with Court. Court declined to take any further action pending completion of upcoming legislative session.
- 2001 Session State adopted new, statewide capital outlay system based on adequacy standards and a state-share formula to determine state grant amounts as the basis for a long-term funding system and appropriated funds for a statewide assessment of all school facilities to be used to rank schools

against the adequacy standards. It established a short-term 100% state-funded deficiency corrections program; appropriated \$200 million to fund it; and created Deficiency Corrections Unit, a new state agency to administer it. Additional funding for maintenance was provided by increasing the state guarantee amount under the 2 mill levy program (SB 9) from \$35 to \$50 per unit per mill and expanded the existing critical capital outlay program to include more districts. Supplemental severance tax bonds designated as the permanent funding stream for the public school capital outlay program without the need for annual legislative approval. (Chapter 338, Laws 2001)

- April 18, 2001 Status conference held; Judge Rich appointed a special master, former NM Supreme Court Justice, Dan McKinnon, to review the state's progress in developing a uniform system for funding public school capital improvements in May 2001.
- October 2001 Special master held a three-day hearing and proposed Findings of Fact and Conclusion of Law submitted to the Special Master on October 31, 2001.
- January 2002 Special master issued a report recommending the following conclusions of law: (1) at commencement of litigation, state's method of financing capital needs of school districts violated Article 12, Section 1 of the NM constitution; (2) since 1998 the state has made a substantial effort to rectify the disparities... the state "is in good faith and with substantial resources attempting to comply with the requirements" of the court; (3) the state should take into account in its funding formula [direct] appropriations "because the use of direct appropriations necessarily removes substantial funds from the capital outlay process where merit and need on a priority basis dictate how funds are to be distributed"; (4) while the state has shown good faith, it should be required to account to this court in detail about the status of all of its efforts and programs to bring the state into compliance with constitutional requirements.
- May 2002 District court requested the parties submit recommendations regarding the Report of the Special Master and on May 30, 2002 adopted the report of the special master and reserved the right to hold status conferences or review legislative activity subsequent to any session of the legislature to continue to review the state's progress.
- September 2002 Public School Capital Outlay Council adopted newly developed adequacy standards as required by the law after two full years of development and public hearings around the state.

2003 Session	State revised state-share formula to include millage consideration along with bonded indebtedness in determination of local effort and also, in response to Special Master's concern regarding direct appropriations, provided for an offset against state grant awards for direct appropriations for non-operating purposes. The offset amount was calculated based on the local share percentage of the district, so that wealthy districts would have a greater offset percentage than poorer ones. Additional funding for maintenance was provided by adding a \$5 per unit per mill minimum distribution to districts through the SB 9 program; up to \$40 million of additional funds was appropriated for the deficiencies correction program; and a new, permanent Public School Facilities Authority (PSFA) was created to implement the standards-based process and Deficiency Corrections Unit became a part of PSFA. (Chapter 147, Laws 2003 & Chapter 238, Laws 2003)
October 2003	Public School Capital Outlay Council implemented standards-based funding process for 2003-04 grant award requests.
2004 Session	State increased the limit for issuance of supplemental severance tax bonds from 87.5% to 95% and designated \$67 million of additional funding for projects begun under the critical capital outlay program but not yet completed and for the deficiencies correction program. (Chapter 147, Laws 2004 & Chapter 126, Laws 2004) The Public School Capital Outlay Task Force was recreated to serve until January 1, 2005 to complete its work.
October 2004	Public School Capital Outlay Council provided \$125 million of grant awards under the first year (Pilot year) of the standards-based program.
2005 Session	A permanent Public School Capital Outlay Oversight Task Force was created effective July 1, 2005; \$62 million authorized for roof repair and replacement as part of the deficiencies correction program and as part of the standards-based process. The SB 9 guarantee was increased from \$50 to \$60 per unit per mill. The state-share formula was modified to allow the local share to be reduced or eliminated in certain circumstances. (Chapter 274, Laws 2005)
July 1, 2005	Public School Capital Outlay Oversight Task Force appointed and began its oversight and monitoring role.
December, 2005	As of December, 2005, State had allocated about \$247 million for deficiency projects at over 330 schools. Remaining funds to be allocated by June 30, 2007.

2006 Session	State created a new "high-priority" program for projects meeting specified criteria in high-growth areas and provided an additional \$90 million of funds for these projects. The high-priority projects subject to the same standards and procedures as other projects but eligible for advanced funding of the local share amount with the requirement that this advanced funding be recouped by future grant offsets. (Chapter 95, Laws 2006)
May 2006	Plaintiffs' requested the District Court to schedule a status conference for the State to present evidence to the court to determine if compliance with Court's mandate has been achieved. State's understanding of role of status conference was to present evidence on 1) efficacy of deficiency corrections program to address "past inequities"; 2) appropriateness of adequacy standards adopted and implemented in light of principle of uniformity; 3) sufficiency of revenue streams; and 4) State's manner of addressing the direct appropriations as a recognized element in the capital funding formula to protect constitutional principle of uniformity.
2007 Session	Concerns expressed during the 2006 interim, especially effects and unintended consequences of earlier legislation, were addressed in Senate Bill 395, including increasing the SB 9 guarantee amount for maintenance from \$60 to \$70 per mem and increasing lease reimbursements from \$600 to \$700, increased each year for inflation.
June 18, 2013	District Court administratively dismissed the case for lack of prosecution but Plaintiffs filed to reopen the case.
November 2016	Pursuant to the reopening of the case, a trial, effectively continuing the case initially litigated in 1998, began before Judge DePauli, Jr in Gallup, NM. Plaintiffs, Gallup-McKinley School District, presented for four days but did not conclude their case in chief. Matter rescheduled
May 13-15, 2019	Trial resumed; Grants Cibola County School District (Board) dismissed as a party; State's Motions to dismiss all individually-named plaintiffs granted, leaving Gallup McKinley County School Board and Zuni School Board as the only remaining plaintiffs in lawsuit; State's Motion for Directed Verdict denied.
September 16, 2019	Date for parties to provide the Court written closing arguments and proposed Findings of Fact and Conclusions of Law.