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HOUSE BILL 63

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Rick Miera

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; REVERTING CERTAIN
EDUCATIONAL APPROPRIATIONS TO THE STATE-SUPPORT RESERVE FUND.

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 as a nonreverting fund in the state treasury.

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.

underscored material = new
[bracketed material] = delete

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

17 D. At least forty-five days before the money is
18 needed, the [~~chief~~] department shall notify the state treasurer
19 in writing of the amount that will be needed for distribution.

20 E. In the event that local or federal revenues as
21 defined in Section [~~77-6-19 NMSA 1953~~] 22-8-25 NMSA 1978 are
22 received after May 31 of the fiscal year for which the state
23 equalization guarantee distribution is being computed and it is
24 therefore necessary to use money from the state-support reserve
25 fund to augment the appropriation for the state equalization

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underscored material = new
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1 guarantee distribution, the [~~chief~~] department, upon receipt by
2 the school district of the delayed local or federal revenues,
3 shall deduct the appropriate amount from the current state
4 equalization guarantee distribution to that school district and
5 reimburse the state-support reserve fund in the amount of the
6 deduction.

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

13 G. Distribution from [~~this~~] the state-support
14 reserve fund shall be made in the same manner and on the same
15 basis as the state equalization guarantee distribution. For
16 fiscal year 2007 and subsequent fiscal years, any unexpended or
17 unencumbered balances in general fund appropriations to the
18 department and to the state equalization guarantee distribution
19 remaining at the end of a fiscal year shall revert to the
20 state-support reserve fund to carry out the purposes of the
21 fund."