

State of New Mexico
Senate

FIFTY-FOURTH LEGISLATURE
FIRST SESSION

February 28, 2019

SENATE FLOOR AMENDMENT number _____ to SENATE BILL 1, as amended

Amendment sponsored by Senator George K. Munoz

1. On page 1, line 18, after the second semicolon, insert "PROVIDING CAPITAL OUTLAY AND MAINTENANCE FUNDS TO IMPACT AID SCHOOL DISTRICTS WHOSE IMPACT AID IS CREDITED FOR PURPOSES OF THE STATE EQUALIZATION GUARANTEE DISTRIBUTION;".

2. On page 1, between lines 21 and 22, insert the following new sections:

"SECTION 1. Section 6-4-2.1 NMSA 1978 (being Laws 1987, Chapter 184, Section 1) is amended to read:

"6-4-2.1. GENERAL FUND OPERATING RESERVE CREATED--AUTHORIZING EXPENDITURES--TRANSFER BEFORE DEPOSIT TO THE OPERATING RESERVE.--

A. There is hereby created within the general fund the "general fund operating reserve". Notwithstanding any other provision of law to the contrary, there shall be deposited to the general fund operating reserve cash balances in the fund existing pursuant to Laws 1966, Chapter 66, Section 16; Laws 1968, Chapter 71, Section 13; Laws 1970, Chapter 89, Section 4; Laws 1971, Chapter 327, Section 6; Laws 1972, Chapter 98, Section 6; Laws 1973, Chapter 403, Section 6; Laws 1974 (S.S.), Chapter 3, Section 6; Laws 1975 (S.S.), Chapter 17, Section 6; Laws 1976, Chapter 58, Section 7; Laws 1979, Chapter 404, Section 7; Laws 1981, Chapter 38, Section 7; Laws 1983, Chapter 46, Section 8; Laws 1984 (S.S.), Chapter 7, Section 7; and Laws 1986, Chapter 116, Section 1.

B. Prior to cash balances going into the general fund operating reserve at the end of a fiscal year, one hundred eighty million dollars (\$180,000,000) shall be transferred to the impact

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aid school district fund every three years, beginning in fiscal year 2022. In a fiscal year in which cash balances do not equal one hundred eighty million dollars, the amount of the transfer may be per year at sixty million dollars (\$60,000,000).

[B.] C. The general fund operating reserve may be expended only upon specific authorization by the legislature in an amount authorized by the legislature and only in the event general fund revenues and balances, including all other transfers to the general fund authorized by law, are insufficient to meet the level of appropriations authorized."

SECTION 2. Section 6-4-4 NMSA 1978 (being Laws 1987, Chapter 347, Section 4, as amended) is amended to read:

"6-4-4. RESERVATION OF EXCESS GENERAL FUND REVENUES.--For the seventy-seventh and subsequent fiscal years, if the revenues of the general fund exceed the total of appropriations from the general fund, including the transfer to the impact aid school district fund, the excess revenue shall be transferred to the operating reserve; provided that if the sum of the excess revenue plus the balance in the operating reserve prior to the transfer is greater than eight percent of the aggregate recurring appropriations from the general fund for the previous fiscal year, then an amount equal to the smaller of either the amount of the excess revenue or the difference between the sum and eight percent of the aggregate recurring appropriations from the general fund for the previous fiscal year shall be transferred to the tax stabilization reserve."".

3. Renumber succeeding sections accordingly.

4. On page 36, between lines 4 and 5, insert the following new section:

"SECTION 21. A new section of the Public School Finance Act is enacted to read:

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"[NEW MATERIAL] IMPACT AID SCHOOL DISTRICTS--CAPITAL OUTLAY AND MAINTENANCE--FUND CREATED.--

A. By July 15 each year, the department shall transfer to each school district that has applied for and received impact aid for the last three years the proportionate share of cash balances transferred from the general fund pursuant to Section 6-4-2.1 NMSA 1978 for capital improvements and maintenance in impact aid school districts based on the proportionate share of impact aid received by the school district. A school district may use the money it receives pursuant to that section by paying with cash on hand for a project or by bonding and using general fund payments to guarantee payment of bonds, including:

(1) in the same manner and for the same purposes listed in Section 22-18-1 NMSA 1978 for which school districts issue general obligation bonds;

(2) to pay off bonds issued pursuant to the Qualified School Bonds Act;

(3) to use as federal payments as needed pursuant to the School Revenue Bond Act;

(4) to use as federal payments as needed pursuant to the Teacher Housing Revenue Bond Act;

(5) to pledge for the repayment of anticipation notes issued pursuant to the School District Bond Anticipation Notes Act;

(6) as matching funds for approved projects as required by the Public School Capital Outlay Act;

(7) for the purposes of the Public School Capital Improvements Act;

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(8) for the purposes of the Public School Buildings Act;

(9) to pledge for the repayment of revenue bonds issued by the New Mexico finance authority; and

(10) to purchase or enter into a lease-purchase agreement for education technology equipment.

B. The "impact aid school district fund" is created as a nonreverting fund in the state treasury. The fund consists of transfers of general fund cash balances, appropriations, gifts, grants and donations. Money in the fund shall be used by school districts receiving impact aid as provided in this section. The department shall administer the fund, and transfers from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of public education or the secretary's authorized representatives. Any remaining balance at the end of a fiscal year shall not revert to the general fund or any other fund.

C. As used in this section, "impact aid" means grants from the federal government as assistance to those areas affected by federal activity authorized in accordance with Title 20 of the United States Code, commonly known as "PL 874 funds" or "impact aid".

5. Renumber the succeeding sections accordingly.

6. On page 48, between lines 8 and 9, insert the following new section:

"SECTION 29. APPROPRIATION.--

A. One hundred thirty-five million dollars (\$135,000,000) is appropriated from the general fund to the public education

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department for expenditure in fiscal years 2019 through 2021 to carry out the purposes of this act. A school district that has applied for and been granted an impact aid distribution from the federal government for the last three years shall receive its proportionate share of the appropriation based on its proportionate share of impact aid received in the state. The appropriation shall be transferred to school districts as follows:

(1) thirty million dollars (\$30,000,000) for fiscal year 2019, which may be expended in any fiscal year;

(2) forty-five million dollars (\$45,000,000) for fiscal year 2020, which may be expended in any fiscal year; and

(3) sixty million dollars (\$60,000,000) for fiscal year 2021, which may be expended in any fiscal year.

B. Any unexpended or unencumbered balance remaining at the end of fiscal year 2021 shall not revert but shall remain with each school district and used for any of the purposes described in Section 21 of this act."

7. Renumber the succeeding sections accordingly.

8. On page 48, line 15, strike "2" and insert in lieu thereof "4" and on line 16, strike "19" and insert in lieu thereof "20".

9. On page 48, line 18, strike "21" and insert in lieu thereof "24" and strike "24" and insert in lieu thereof "27".

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George K. Munoz

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____