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HOUSE BILL 4

**54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

INTRODUCED BY

Patricia A. Lundstrom and Brian Egolf and Eliseo Lee Alcon and  
Anthony Allison and Harry Garcia

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; CREATING THE FEDERALLY  
IMPACTED LOCATION SUPPORT PROGRAM TO PROVIDE ANNUAL GRANT  
AWARDS TO SCHOOL DISTRICTS AND STATE-CHARTERED CHARTER SCHOOLS  
THAT RECEIVE IMPACT AID; CREATING A FUND; MAKING AN  
APPROPRIATION.

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

**SECTION 1.** A new section of the Public School Finance Act  
is enacted to read:

"[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT  
PROGRAM CREATED--GRANTS.--

A. As used in this section, "annual award" means a  
percentage, as provided in this section and as solely  
determined by the department, of the average amount of impact  
aid received by a school district or state-chartered charter

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1 school for the preceding five school years. The annual award  
2 percentage shall be phased in over three years so that the  
3 annual award percentage in fiscal year 2021 is twenty-five  
4 percent, in fiscal year 2022 is fifty percent and in fiscal  
5 year 2023 and subsequent fiscal years is seventy-five percent  
6 of the average amount of impact aid received by a school  
7 district or state-chartered charter school.

8 B. The "federally impacted location support  
9 program" is created to provide support to school districts and  
10 state-chartered charter schools for the additional costs  
11 associated with operating in or near federally impacted  
12 locations and serving students associated with those locations  
13 while maintaining the state's equalized education funding  
14 system. The department shall promulgate rules to implement the  
15 program.

16 C. A federally impacted location support grant is  
17 available annually to school districts and state-chartered  
18 charter schools that received impact aid during the immediately  
19 preceding five school years if those funds were included in the  
20 calculation of federal revenue as provided in Section 22-8-25  
21 NMSA 1978.

22 D. A school district or state-chartered charter  
23 school that receives an annual award shall:

24 (1) use the award only for expenditures  
25 associated with:

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- 1 (a) capital expenditures;  
2 (b) debt service;  
3 (c) educating students who: 1) receive  
4 special education services; 2) have a disability; 3) are  
5 economically disadvantaged; 4) are English language learners;  
6 or 5) are participants in gifted education programs;  
7 (d) community services; or  
8 (e) purposes described in department  
9 rule;

10 (2) spend no more than fifty percent of the  
11 award for capital expenditures and debt service; and

12 (3) submit a biannual certification to the  
13 department that all expenditures of the annual awards are made  
14 in accordance with the provisions of this section and rules  
15 promulgated by the department."

16 SECTION 2. A new section of the Public School Finance Act  
17 is enacted to read:

18 "[NEW MATERIAL] FEDERALLY IMPACTED LOCATION SUPPORT  
19 PROGRAM FUND.--The "federally impacted location support program  
20 fund" is created as a nonreverting fund in the state treasury.  
21 The fund consists of appropriations, gifts, grants, donations  
22 and income from investment of the fund. The fund shall be  
23 administered by the department to make annual awards to  
24 eligible school districts and state-chartered charter schools  
25 pursuant to the federally impacted location support program.

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1 Money in the fund shall be expended only as provided in the  
2 legislative appropriation. Money in the fund shall be  
3 disbursed on warrants signed by the secretary of finance and  
4 administration pursuant to vouchers signed by the secretary of  
5 public education or the secretary's authorized representative."

6 SECTION 3. APPROPRIATION.--Eighteen million eight hundred  
7 sixty-six thousand six hundred sixty-six dollars (\$18,866,666)  
8 is appropriated from the general fund to the federally impacted  
9 location support program fund for expenditure in fiscal year  
10 2021 to carry out the provisions of the federally impacted  
11 location support program. Any unexpended or unencumbered  
12 balance remaining at the end of the fiscal year shall not  
13 revert to the general fund.

14 SECTION 4. EFFECTIVE DATE.--The effective date of the  
15 provisions of this act is July 1, 2020.