

**FIFTY-FOURTH LEGISLATURE
SECOND SESSION, 2020**

February 18, 2020

Mr. Speaker:

Your **TAXATION AND REVENUE COMMITTEE**, to whom has been referred

SENATE BILL 31

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, lines 11 and 12, strike "CAPITAL OUTLAY ACT" and insert in lieu thereof "CODE".

2. On page 1, line 14, before the period, insert "; PROVIDING GRANTS TO CERTAIN SCHOOL DISTRICTS AND STATE-CHARTERED CHARTER SCHOOLS THAT MAY BE USED FOR CAPITAL OUTLAY, DEBT SERVICE AND OTHER PURPOSES".

3. On page 11, between lines 11 and 12, insert the following new section:

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

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

A. The "federally impacted location support program" is created in the department to provide annual awards to school districts and state-chartered charter schools that receive impact aid. The department shall make an annual award from the federally impacted location support program fund to a school district or state-chartered charter school in the following amounts if that impact aid was included in the calculation of federal revenue as provided in Section 22-8-25 NMSA 1978 for each of the preceding five fiscal years, not including the immediately preceding fiscal year, as follows:

(1) in fiscal year 2021, in an amount equal to one-third of the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately

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preceding fiscal year;

(2) in fiscal year 2022, in an amount equal to two-thirds of the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year; and

(3) in fiscal year 2023 and subsequent fiscal years, an amount equal to the average amount of federal revenue included in Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that was included in the calculation of the school district's or state-chartered charter school's state equalization guarantee distribution for the preceding five fiscal years, not including the immediately preceding fiscal year.

B. A school district or state-chartered charter school that receives an annual award from the federally impacted location support program fund shall:

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

(a) capital expenditures;

(b) debt service;

(c) educating students who: 1) receive special education services; 2) have a disability; 3) are economically disadvantaged; 4) are English language learners; or 5) are participants in gifted education programs; or

(d) community services;

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

(3) submit a detailed report by October 1 of each year to the department, the legislative education study committee and the legislative finance committee of all actual expenditures of

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the annual award in the previous fiscal year.

C. Each school district and state-chartered charter school that receives an annual award from the federally impacted location support program shall engage in meaningful consultation with Indian nations, tribes and pueblos located in New Mexico whose enrolled members are students in that school district or state-chartered charter school. The department shall verify that each school district and state-chartered charter school has consulted with the one or more applicable Indian nations, tribes or pueblos and shall submit a verification report by October 1 of each year to the legislative education study committee and the legislative finance committee."".

Respectfully submitted,

Javier Martinez, Co-Chair

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 9 For 2 Against
Yes: 9
No: Lewis, Strickler
Excused: Maestas
Absent: Scott

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