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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
53rd Legislature, 2nd Session, 2018

Bill Number	<u>HB48</u>	Sponsor	<u>Roch</u>
Tracking Number	<u>.208825.2</u>	Committee Referrals	<u>HEC/HAFC</u>
Short Title	<u>Prior Year Data for School Distributions</u>		
Analyst	<u>Rogne</u>	Original Date	<u>1/26/18</u>
		Last Updated	<u></u>

FOR THE PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE

BILL SUMMARY

Synopsis of Bill

House Bill 48 (HB48) amends the Public School Capital Improvements Act, commonly referred to as SB9, to require the Public Education Department (PED) to determine capital outlay distribution amounts to school districts and charter schools using prior year tax valuations at the rate certified by the Department of Finance and Administration (DFA). HB48 changes the calculation of total program units from the first 40 days to the average of the school district's or charter school's prior year second and third reporting dates' total program units.

FISCAL IMPACT

HB48 does not contain an appropriation.

The fiscal implication on the public school capital outlay fund is indeterminate as it depends on the number of school districts that have imposed a tax under the Public School Capital Improvements Act, reported property tax valuations from eligible school districts, and enrollment for eligible school districts.

SUBSTANTIVE ISSUES

HB48 requires PED to use prior year reporting data to distribute SB9 revenue pursuant to the Public School Capital Improvements Act at a rate certified by DFA. The Public School Capital Improvements Act allows school districts to ask voters to approve the imposition of up to two mills for a maximum of six years on the net taxable value of property in the district for capital improvements. Any locally chartered or state-chartered charter school located within the school district may be included in the tax as long as the charter school provides the necessary information for inclusion to the school district in a timely fashion, including the capital improvements for which the charter school proposes to use the revenue.

HB48 amends the methodology for the calculation of SB9 revenue by PED to school districts and charter schools. PED will use an average of school districts' and charter schools' prior year second and third reporting dates for the purpose of calculating distribution amounts to school districts and charter schools.

Using the prior year's data for distribution amounts to school districts will facilitate timeliness of the data, and could enable PED to distribute SB9 revenues earlier. Earlier distribution amounts to school districts and charter schools could reduce fund balance carry over amounts and promote expeditious spending of SB9 revenues.

The effective date of this bill is July 1, 2018.

RELATED BILLS

Relates to HB39, School District Tax Revenue Distribution, which requires school districts to distribute a charter school's share of local tax revenue in the event the charter school's share is distributed to a school district.

Relates to SB30, Change Capital Outlay Funding Formula, which gradually changes the formula determining the state and local match for funding through the Public School Capital Outlay Act.

SOURCES OF INFORMATION

- LESC Files
- Public School Facilities Authority

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