

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	-0-	-0-	-0-	-0-	n/a	n/a

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

HB 207 makes one minor change to Section 22-24-4(I), NMSA 1978 to now mandate that the public school capital outlay fund be expended annually by the public school capital outlay council for grants to school districts for the purpose of making lease payments for facilities, including facilities leased by charter schools, and appropriates \$10,000,000 from the general fund to the Department of Finance and Administration for the New Mexico Finance Authority (“NMFA”) to provide loans for leasing expenses as required to administer the charter school facility revolving fund, which was created within the NMFA at Section 6-21-6.16(D). Any money remaining in the charter school facility revolving fund shall not revert to the general fund.

FISCAL IMPLICATIONS

NMFA does not anticipate additional operating budget impact of the proposed appropriation to the charter school facility revolving fund as implementation of additional lease assistance financing can be supported by current staffing and operating budget.

PERFORMANCE IMPLICATIONS

The bill creates stability in the annual disbursement of grants for facility lease payments from the fund. Public schools rely on annual grants from the council to make current payments under leases and lease purchase arrangements. Stability in grant revenues supporting facilities costs improves affordability and reduces the financial risk public educators must consider when undertaking projects to improve and expand public school facilities.

ADMINISTRATIVE IMPLICATIONS

When underwriting lease purchase financing assistance the NMFA evaluates the financial position of applicants including cash flow available to make annual lease payments for facilities. Grants for lease payments increase cash available to make payments under lease purchase arrangements thereby improving the financial position of public schools applying to NMFA for lease purchase financing assistance.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Public schools will continue to have less certainty around funding available to improve or expand public school facilities.