

LFC Requester:	Ellen Rabin
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**AGENCY BILL ANALYSIS
2019 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 1/31/19
Original **Amendment** **Bill No:** SB230
Correction **Substitute**

Sponsor: Sen. Mimi Stewart **Agency Code:** 924
Short Title: PRE-K CLASSROOM FACILITIES INITIATIVE **Person Writing:** Daniel Manzano
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
		Recurring through FY24	PSCOF

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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

Synopsis: SB-230 creates a new section of the Public School Capital Outlay Act (PSCOA) that requires the Public School Capital Outlay Council (PSCOC) to develop a pre-kindergarten classroom facilities grant initiative to include the establishment and adoption of pre-k classroom standards. The initiative is permissive to the extent that money is available in the fund. The initiative may be funded in FY20 through FY24. The state match share percentage shall be the same as a regular standards based project.

SB-230 also contains clean-up language. Section 2 of this bill contains references to the public school facilities authority which is corrected to read “authority” to match the definition within the PSCOA. Reference to “No Child Left Behind Act of 2001” is also deleted due to the fact that this Act no longer exists.

Definitions of the Public School Capital Improvements Act (SB-9) and the Public Buildings Act (HB-33) are amended to clarify that these two funds can be used for pre-kindergarten grounds and facilities.

SB-230 is endorsed by the Legislative Education Study Committee.

FISCAL IMPLICATIONS

The PSCOF is funded from Supplemental Severance Tax Bonds (SSTB’s) that were originally dedicated by the Legislature solely for financing standards-based projects as defined in the PSCOA. The provisions of this bill are adding another initiative that shall be made through a standards-based process and school districts will be required to participate with their local share of project cost based on the state/local match calculation of the Act. There will be a reduction of regular standards based projects through FY24.

In recent years a number of initiatives have been added to the list of eligible programs funded by the Act. Currently funds are used to support the Capital Improvements Act (SB-9), the lease payment assistance program, Construction Industries Division reimbursements, State Fire Marshall reimbursements, the Public School Facilities Authority (PSFA) operating budget, master facility plans, broadband deficiencies, demolition allocations, school buses, instructional materials and emergency allocations. These additional uses of the fund have increased considerably in recent years meaning that available revenues for regular standard-based construction projects are being reduced significantly by the additional programs. Enacting this

bill will continue this trend further reducing funding available to be used for standards based projects.

SB-230 requires that all pre-k facilities grant funds be expended by school districts within three years.

SIGNIFICANT ISSUES

Currently the standards based program does not include funding for pre-k classrooms. The current system only funds classrooms that are funded through the State Equalization Guarantee formula. The current standards-based public school capital outlay program was developed and established in response to a 1998 lawsuit filed in state district court. As this lawsuit has never been closed, it is essential to fully fund the standards based and systems-based award programs, which fulfill the core mission of PSCOC to ensure educational adequacy before pre-k classrooms are funded.

ADMINISTRATIVE IMPLICATIONS

The PSCOC and PSFA will need to develop guidelines and standards for the pre-k facilities initiative, to include an application and ranking methodology.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB-231 is also contains clean-up language for section 22-24-4 NMSA 1978.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The PSCOC will continue to only fund the current projects that have been established.