

LFC Requester:	Liu
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**AGENCY BILL ANALYSIS
2023 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:
Original **Amendment**
Correction **Substitute**

Date 1/20/2023
Bill No: SB95

Sponsor: Muñoz, George K. **Agency Name and Code Number:** New Mexico Public School Facilities Authority 940
Short Title: Statewide School Safety

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	25,000.0	Nonrecurring	PSCOF (Public School Capital Outlay Fund)

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 95 appropriates \$25 million from the Public School Capital Outlay Fund (PSCOF) to the New Mexico Public Education Department (PED) for school safety statewide. The appropriation will be expended in FY24; any unexpended or unencumbered balance will be reverted to the PSCOF at the end of fiscal year FY24.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

SB 95 does not define a policy, procedure or methodology for disbursing the appropriation funding to school districts to implement school safety projects. It is unclear if districts will need to apply to the PED to receive funding, if all districts will receive a portion of the appropriation, or how the distribution amounts will be calculated or determined.

This bill may be contrary to Section 22-24-4-B NMSA 1978, which provides that money in the fund may only be used for capital expenditures deemed necessary by the council for adequacy educational program.

SB 95 does not define “school safety projects.” This term is broad and may need to be defined to comply with Section 22-24-4-B NMSA 1978, to ensure that money from the fund is used for capital expenditure.

The 2018 Legislature passed House Bill 306 and Senate Bill 239, which allowed the Public School Capital Outlay Council (PSCOC) to fund security projects for New Mexico public schools. In 2019 and 2020 the PSCOC implemented a security program to fund security improvements. School districts were required to apply for specific schools and projects. A total of 350 projects were awarded in the amount of \$24.3 million. These awarded projects were co-managed by the Public School Facilities Authority (PSFA) and school districts, following the typical operating procedures and processes although these projects were much less expensive and complex than the typical PSCOC project. This resulted in PSFA’s regional project managers expending the same workload and time on these smaller projects as the large full school replacement projects.

The appropriation must be expended or encumbered in FY24. The school security projects awarded by the PSCOC in 2019 and 2020 had a three-year limit for the expenditure of awarded

funding. Many districts were unable to complete the security projects in three years. This was in part due to Covid related delays in materials and labor, and Covid related challenges and prioritization at the district level. In an effort to ensure the security projects were completed as planned, the PSCOC approved emergency awards for districts that requested additional time to in order to complete the high priority projects. Therefore, a one-year limit might not be enough time for the districts to expend and encumber the funding.

This bill may be contrary to Section 22-24-4-B NMSA 1978, which provides that money in the fund, may only be used for capital expenditures deemed necessary by the council for adequacy educational program.

This appropriation may run contrary to Section 22-24-5-B NMSA 1978 because moneys with the fund must comply with the funding formula, for state/local match. For example, this appropriation could potentially increase each district's direct legislative appropriation (offset) amounts, thereby hindering future PSCOC funding possibilities.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

It is unclear if this could be considered an appropriation to a school district, which could impact the district's ability to fund the local share of a PSCOC funded project.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS