

1 HOUSE JOINT MEMORIAL 18

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

3 INTRODUCED BY

4 Dennis J. Roch

5
6
7
8 FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

9
10 A JOINT MEMORIAL

11 REQUESTING THE LEGISLATIVE EDUCATION STUDY COMMITTEE CREATE A
12 WORK GROUP TO STUDY THE PROCESS OF FUNDING AND DISTRIBUTING
13 EMERGENCY SUPPLEMENTAL FUNDS TO SCHOOL DISTRICTS.

14
15 WHEREAS, the legislature recognizes school districts
16 encounter unforeseen financial challenges and provides
17 emergency supplemental funds to address these challenges; and

18 WHEREAS, recent budget cuts have disproportionately
19 affected small rural districts and persistent underfunding has
20 put some districts in unsustainable financial situations; and

21 WHEREAS, there has been significant variation in the
22 financial status and budgeting practices of districts receiving
23 emergency supplemental funding; and

24 WHEREAS, some districts require additional funds to
25 address true emergencies, while other districts use additional

.184198.1

underscored material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 funds to sustain existing services; and

2 WHEREAS, some districts have applied for and received
3 emergency supplemental funds each year for the past ten years,
4 some districts have occasionally applied for and received
5 emergency supplemental funds and some districts have not
6 applied for these funds; and

7 WHEREAS, the rationale and criteria used by the public
8 education department to award the funds have been unclear or
9 inconsistent; and

10 WHEREAS, the legislature determines there is a need to
11 study the process of distributing emergency supplemental funds
12 to school districts;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the legislative education study
15 committee be requested to appoint a work group to study the
16 emergency supplemental process, and its membership should
17 include:

18 A. at least two members from the house and two
19 members from the senate who serve on the legislative education
20 study committee;

21 B. one superintendent from a school district that
22 has received supplemental funds in six or more of the last ten
23 years;

24 C. one superintendent from a school district that
25 has received supplemental funds between three and six times in

.184198.1

underscored material = new
~~[bracketed material] = delete~~

1 the last ten years;

2 D. one superintendent from a school district that
3 has not received supplemental funds in the last ten years;

4 E. one school business manager from a district with
5 an enrollment of fewer than two hundred students;

6 F. one school business manager from a district with
7 an enrollment between two hundred students and thirty thousand
8 students;

9 G. one school business manager from a district with
10 an enrollment greater than thirty thousand; and

11 H. one representative from the public education
12 department's school budget and finance analysis bureau; and

13 BE IT FURTHER RESOLVED that the work group study the
14 process of funding, awarding and distributing emergency
15 supplemental funds to school districts and provide a report to
16 the legislative education study committee by November 2011; and

17 BE IT FURTHER RESOLVED that the study include an
18 examination of the following:

19 A. criteria used to qualify for funds and the
20 minimum information that should be included in the application
21 to the department;

22 B. whether and under what circumstances charter
23 schools should be eligible to apply for emergency supplemental
24 funds;

25 C. the financial status of districts that have

.184198.1

underscored material = new
~~[bracketed material] = delete~~

1 received emergency supplemental funds and the status of those
2 district's financial audits;

3 D. what, if any, cost-saving measures have
4 districts implemented before receiving emergency supplemental
5 funds;

6 E. the need for emergency supplemental funds to
7 assist districts in dealing with challenges stemming from
8 economies of scale;

9 F. the extent to which emergency supplemental funds
10 should be restricted to certain uses or expenditures;

11 G. whether requiring local school boards to approve
12 applications for emergency supplemental funds would improve the
13 process;

14 H. the extent to which cash balances should be
15 limited for recipients of emergency supplemental funds;

16 I. whether different qualifying criteria for
17 emergency funds, as opposed to supplemental funds, would be
18 appropriate; and

19 J. whether approval by the state board of finance
20 or other entity should be required; and

21 BE IT FURTHER RESOLVED that the work group shall also make
22 recommendations:

23 A. about what criteria the department should use to
24 evaluate applications for emergency supplemental funds;

25 B. about the types of information the department

.184198.1

underscoring material = new
~~[bracketed material] = delete~~

1 should be reporting to the legislature regarding emergency
2 supplemental funds;

3 C. for changes needed to the law or rules to
4 improve the process; and

5 D. to ensure that the process in awarding funding
6 is transparent and logical and well-supported with a documented
7 demonstration of need; and

8 BE IT FURTHER RESOLVED that copies of this memorial be
9 transmitted to the director of the legislative education study
10 committee, the director of the legislative finance committee
11 and the secretary of public education.