

SENATE EDUCATION COMMITTEE SUBSTITUTE FOR

SENATE BILL 460

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
PROVIDING FOR START-UP CHARTER SCHOOLS TO BE FUNDED ACCORDING
TO CURRENT YEAR MEMBERSHIP; AMENDING SECTIONS OF THE NMSA
1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-6.1 NMSA 1978 (being Laws 1993,
Chapter 227, Section 8, as amended) is amended to read:

"22-8-6.1. CERTAIN SCHOOL DISTRICT BUDGETS.--Each
charter school shall submit to the local school board a
school-based budget. The budget shall be based upon the
projected number of program units generated by that charter
school and its students, using the at-risk index and the
instructional staff training and experience index of the
district. Pursuant to the 1999 Charter Schools Act, program
units for charter schools shall be calculated using the

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1 average of the membership on the fortieth, eightieth and one
2 hundred twentieth days of either the current year or prior
3 year, whichever is greater. The budget shall be submitted to
4 the local school board for approval or amendment. The
5 approval or amendment authority of the local school board
6 relative to the charter school budget is limited to ensuring
7 that sound fiscal practices are followed in the development
8 of the budget and that the charter school budget is within
9 the allotted resources. The local school board shall have no
10 veto authority over individual line items within the charter
11 school's proposed budget, but shall approve or disapprove the
12 budget in its entirety. Upon final approval of the local
13 budget by the local school board, the individual charter
14 school budget shall be included separately in the budget
15 submission to the department of education required pursuant
16 to the Public School Finance Act and the 1999 Charter Schools
17 Act."

18 Section 2. Section 22-8-25 NMSA 1978 (being Laws 1981,
19 Chapter 176, Section 5, as amended) is amended to read:

20 "22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
21 DEFINITIONS--DETERMINATION OF AMOUNT.--

22 A. The state equalization guarantee distribution
23 is that amount of money distributed to each school district
24 to ensure that the school district's operating revenue,
25 including its local and federal revenues as defined in this
section, is at least equal to the school district's program
cost.

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1 B. "Local revenue", as used in this section, means
 2 seventy-five percent of receipts to the school district
 3 derived from that amount produced by a school district
 4 property tax applied at the rate of fifty cents (\$.50) to
 5 each one thousand dollars (\$1,000) of net taxable value of
 6 property allocated to the school district and to the assessed
 7 value of products severed and sold in the school district as
 8 determined under the Oil and Gas Ad Valorem Production Tax
 9 Act and upon the assessed value of equipment in the school
 10 district as determined under the Oil and Gas Production
 11 Equipment Ad Valorem Tax Act. The school district shall
 12 budget and expend twenty percent of the total revenue
 13 receipts for capital outlay [~~as defined in the manual of~~
 14 ~~accounting and budgeting provided in~~] pursuant to Section 22-
 15 8-5 NMSA 1978.

16 C. "Federal revenue", as used in this section,
 17 means receipts to the school district, excluding amounts
 18 [~~which~~] that, if taken into account in the computation of the
 19 state equalization guarantee distribution, result, under
 20 federal law or regulations, in a reduction in or elimination
 21 of federal school funding otherwise receivable by the school
 22 district, derived from the following:

23 (1) seventy-five percent of the school
 24 district's share of forest reserve funds distributed in
 25 accordance with Section 22-8-33 NMSA 1978. The school
 district shall budget and expend twenty percent of the total
 forest reserve receipts for capital outlay [~~as defined in the~~

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1 ~~manual of accounting and budgeting provided in]~~ pursuant to
2 Section 22-8-5 NMSA 1978; and

3 (2) seventy-five percent of grants from the
4 federal government as assistance to those areas affected by
5 federal activity authorized in accordance with Title 20 of
6 the United States Code, commonly known as "PL 874 funds" or
7 "impact aid". The school district shall budget and expend
8 twenty percent of the grant receipts for capital outlay [~~as~~
9 ~~defined in the manual of accounting and budgeting provided~~
10 ~~in]~~ pursuant to Section 22-8-5 NMSA 1978.

11 D. To determine the amount of the state
12 equalization guarantee distribution, the state superintendent
13 shall:

14 (1) effective July 1, 1999, calculate the
15 number of program units to which each school district is
16 entitled using the basic program membership of the fortieth
17 day of the prior year for all programs; provided that special
18 education program units shall be calculated using the
19 membership in special education programs on December 1 of the
20 prior year; effective July 1, 2000, calculate the number of
21 program units to which each school district is entitled using
22 an average of the membership on the fortieth, eightieth and
23 one hundred twentieth days of the prior year; provided that,
24 pursuant to the 1999 Charter Schools Act, program units for
25 charter schools shall be calculated using the average of the
membership on the fortieth, eightieth and one hundred
twentieth days of either the current or prior year, whichever

1 is greater; or

2 (2) calculate the number of program units to
3 which a school district operating under an approved year-
4 round school calendar is entitled using the basic program
5 membership on an appropriate date established by the state
6 board; or

7 (3) calculate the number of program units to
8 which a school district with a basic program MEM of two
9 hundred or less is entitled by using the basic program
10 membership on the fortieth day of either the prior or the
11 current year, whichever is greater; provided that special
12 education program units shall be calculated using the
13 membership in special education programs on December 1 of
14 either the prior or the current year; and

15 (4) using the results of the calculations in
16 Paragraph (1), (2) or (3) of this subsection and the
17 instructional staff training and experience index from the
18 October report of the prior school year, establish a total
19 program cost of the school district;

20 (5) calculate the local and federal revenues
21 as defined in this section;

22 (6) deduct the sum of the calculations made
23 in Paragraph (5) of this subsection from the program cost
24 established in Paragraph (4) of this subsection; and

25 (7) deduct the total amount of guaranteed
energy savings contract payments that the state
superintendent determines will be made to the school district

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1 from the public school utility conservation fund during the
2 fiscal year for which the state equalization guarantee
3 distribution is being computed.

4 E. The amount of the state equalization guarantee
5 distribution to which a school district is entitled is the
6 balance remaining after the deductions made in Paragraphs (6)
7 and (7) of Subsection D of this section.

8 F. The state equalization guarantee distribution
9 shall be distributed prior to June 30 of each fiscal year.
10 The calculation shall be based on the local and federal
11 revenues specified in this section received from June 1 of
12 the previous fiscal year through May 31 of the fiscal year
13 for which the state equalization guarantee distribution is
14 being computed. In the event that a district has received
15 more state equalization guarantee funds than its entitlement,
16 a refund shall be made by the district to the state general
17 fund."

18 Section 3. Section 22-8B-13 NMSA 1978 (being Laws 1999,
19 Chapter 281, Section 13) is amended to read:

20 "22-8B-13. CHARTER SCHOOL FINANCING.--

21 A. The amount of funding allocated to the charter
22 school shall be not less than ninety-eight percent of the
23 school-generated program cost.

24 B. Notwithstanding the provisions of Subsection A
25 of this section, charter schools shall be funded according to
the average of the membership on the fortieth, eightieth and
one hundred twentieth days of either the current or prior

1 year, whichever is greater.

2 ~~[B.]~~ C. That portion of money from state or
3 federal programs generated by students enrolled in a charter
4 school shall be allocated to charter schools serving students
5 eligible for that aid. Any other public school program not
6 offered by the charter school shall not be entitled to the
7 share of money generated by a charter school program.

8 ~~[C.]~~ D. All services centrally or otherwise
9 provided by the local school district, including custodial,
10 maintenance and media services, libraries and warehousing,
11 shall be subject to negotiation between the charter school
12 and the local school district. Any services for which a
13 charter school contracts with a school district shall be
14 provided by the district at a reasonable cost."

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