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HOUSE BILL 563

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

**RELATING TO EDUCATIONAL FUNDING; CAPPING IMPACT AID REVENUE
THAT WHICH CAN BE CONSIDERED AS FEDERAL REVENUE FOR PURPOSES
OF THE STATE EQUALIZATION GUARANTEE DISTRIBUTION.**

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

**Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended) is amended to read:**

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

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

B. "Local revenue", as used in this section, means

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

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

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

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1 ~~manual of accounting and budgeting provided in Section 22-8-5~~
2 ~~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 the
6 United States Code, commonly known as "PL 874 funds" or
7 "impact aid"; provided, however, that the amount of impact aid
8 considered in any year to be federal revenue from a school
9 district for purposes of the state equalization guarantee
10 distribution shall not exceed the amount considered to be
11 federal revenue from that school district in fiscal year 2001.
12 Increases in impact aid above that amount received in fiscal
13 year 2001 by a school district shall be retained by the school
14 district and shall not be considered to be federal revenue for
15 purposes of the state equalization guarantee distribution.

16 The school district shall budget and expend twenty percent of
17 the grant receipts for capital outlay [~~as defined in the~~
18 ~~manual of accounting and budgeting provided in Section 22-8-5~~
19 ~~NMSA 1978~~].

20 D. To determine the amount of the state
21 equalization guarantee distribution, the state superintendent
22 shall:

23 (1) effective July 1, 1999, calculate the
24 number of program units to which each school district is
25 entitled using the basic program membership of the fortieth

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1 day of the prior year for all programs; provided that special
2 education program units shall be calculated using the
3 membership in special education programs on December 1 of the
4 prior year; effective July 1, 2000, calculate the number of
5 program units to which each school district is entitled using
6 an average of the membership on the fortieth, eightieth and
7 one hundred twentieth days of the prior year; or

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

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

20 (4) using the results of the calculations in
21 Paragraph (1), (2) or (3) of this subsection and the
22 instructional staff training and experience index from the
23 October report of the prior school year, establish a total
24 program cost of the school district;

25 (5) calculate the local and federal revenues

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1 as defined in this section;

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

5 (7) deduct the total amount of guaranteed
6 energy savings contract payments that the state superintendent
7 determines will be made to the school district from the public
8 school utility conservation fund during the fiscal year for
9 which the state equalization guarantee distribution is being
10 computed.

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

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

25 Section 2. EFFECTIVE DATE. -- The effective date of the

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provisions of this act is July 1, 2001.

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