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SENATE BILL 67

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

William E. Sharer

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; FUNDING NEW FORMULA-BASED PROGRAMS AND START-UP CHARTER SCHOOLS ON CURRENT-YEAR MEMBERSHIP FOR THE FIRST YEAR OF OPERATION; CHANGING THE PROGRAM UNIT CALCULATION FOR CERTAIN SCHOOL DISTRICTS.

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.

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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 each
5 one thousand dollars (\$1,000) of net taxable value of property
6 allocated to the school district and to the assessed value of
7 products severed and sold in the school district as determined
8 under the Oil and Gas Ad Valorem Production Tax Act and upon
9 the assessed value of equipment in the school district as
10 determined under the Oil and Gas Production Equipment Ad
11 Valorem Tax Act. The school district shall budget and expend
12 twenty percent of the total revenue receipts for capital
13 outlay [~~as defined in the manual of accounting and budgeting~~
14 ~~provided in Section 22-8-5 NMSA 1978~~].

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

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

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1 forest reserve receipts for capital outlay [~~as defined in the~~
2 ~~manual of accounting and budgeting provided in Section 22-8-5~~
3 ~~NMSA 1978~~]; and

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

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

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

25 (2) calculate the number of program units to

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1 which a school district operating under an approved year-round
2 school calendar is entitled using [~~the basic program~~
3 ~~membership~~] an average of the MEM on [an] appropriate [date]
4 dates established by the state board; or

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

15 (4) calculate the number of program units to
16 which a start-up charter school is entitled for its first year
17 of operation by using the membership of the charter school on
18 the fortieth day of the current year; and

19 (5) calculate the number of program units to
20 which a school district is entitled for the establishment of a
21 new formula-based program for its first year of operation by
22 using the membership in the new program on the fortieth day of
23 the current year; and

24 [~~(4)~~] (6) using the results of the
25 calculations in Paragraph (1), (2) or (3) and Paragraphs (4)

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1 and (5) of this subsection and the instructional staff
2 training and experience index from the October report of the
3 prior school year, establish a total program cost of the
4 school district;

5 [~~(5)~~] (7) calculate the local and federal
6 revenues as defined in this section;

7 [~~(6)~~] (8) deduct the sum of the calculations
8 made in Paragraph [~~(5)~~] (7) of this subsection from the
9 program cost established in Paragraph [~~(4)~~] (6) of this
10 subsection; and

11 [~~(7)~~] (9) deduct the total amount of
12 guaranteed energy savings contract payments that the state
13 superintendent determines will be made to the school district
14 from the public school utility conservation fund during the
15 fiscal year for which the state equalization guarantee
16 distribution is being computed.

17 E. The amount of the state equalization guarantee
18 distribution to which a school district is entitled is the
19 balance remaining after the deductions made in Paragraphs
20 [~~(6)~~] (8) and [~~(7)~~] (9) of Subsection D of this section.

21 F. The state equalization guarantee distribution
22 shall be distributed prior to June 30 of each fiscal year.
23 The calculation shall be based on the local and federal
24 revenues specified in this section received from June 1 of the
25 previous fiscal year through May 31 of the fiscal year for

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1 which the state equalization guarantee distribution is being
2 computed. In the event that a district has received more
3 state equalization guarantee funds than its entitlement, a
4 refund shall be made by the district to the state general
5 fund. "

6 Section 2. EFFECTIVE DATE. -- The effective date of the
7 provisions of this act is July 1, 2002.

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