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SENATE BILL 205

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

INTRODUCED BY

Cynthia L. Nava

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; 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.

B. "Local revenue", as used in this section, means
seventy-five percent of receipts to the school district

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

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

20 (1) seventy-five percent of the school
21 district's share of forest reserve funds distributed in
22 accordance with Section 22-8-33 NMSA 1978. The school
23 district shall budget and expend twenty percent of the total
24 forest reserve receipts for capital outlay [~~as defined in the~~
25 ~~manual of accounting and budgeting provided in Section 22-8-5~~

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1 ~~NMSA 1978~~]; and

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

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

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

23 (2) calculate the number of program units to
24 which a school district operating under an approved year-round
25 school calendar is entitled using [the basic program

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1 ~~membership]~~ an average of the MEM on [an] appropriate [date]
2 dates established by the state board; or

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

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

18 (5) calculate the local and federal revenues
19 as defined in this section;

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

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

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1 school utility conservation fund during the fiscal year for
2 which the state equalization guarantee distribution is being
3 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 the
12 previous fiscal year through May 31 of the fiscal year for
13 which the state equalization guarantee distribution is being
14 computed. In the event that a school district has received
15 more state equalization guarantee funds than its entitlement,
16 a refund shall be made by the school district to the state
17 general fund. "

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