

HOUSE BILL 579

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; ESTABLISHING A MINIMUM STATE
EQUALIZATION GUARANTEE DISTRIBUTION OF EIGHT THOUSAND DOLLARS
(\$8,000) PER ELIGIBLE STUDENT.

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--MINIMUM AMOUNT.--

A. The state equalization guarantee distribution is
that amount of money distributed to each school district to
ensure that its operating revenue, including its local and
federal revenues as defined in this section, is at least equal
to the school district's program cost, but no less than eight
thousand dollars (\$8,000) per eligible student. For state-

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1 chartered charter schools, the state equalization guarantee
2 distribution is the difference between the state-chartered
3 charter school's program cost or the equivalent of eight
4 thousand dollars (\$8,000) per eligible student, whichever is
5 greater, and the two percent withheld by the department for
6 administrative services.

7 B. "Local revenue", as used in this section, means
8 seventy-five percent of receipts to the school district derived
9 from that amount produced by a school district property tax
10 applied at the rate of fifty cents (\$.50) to each one thousand
11 dollars (\$1,000) of net taxable value of property allocated to
12 the school district and to the assessed value of products
13 severed and sold in the school district as determined under the
14 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
15 value of equipment in the school district as determined under
16 the Oil and Gas Production Equipment Ad Valorem Tax Act.

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

24 (1) seventy-five percent of the school
25 district's share of forest reserve funds distributed in

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1 accordance with Section 22-8-33 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 "impact
6 aid".

7 D. To determine the amount of the state
8 equalization guarantee distribution, the department shall:

9 (1) calculate the number of program units to
10 which each school district or charter school is entitled using
11 an average of the MEM on the second and third reporting dates
12 of the prior year; or

13 (2) calculate the number of program units to
14 which a school district or charter school operating under an
15 approved year-round school calendar is entitled using an
16 average of the MEM on appropriate dates established by the
17 department; or

18 (3) calculate the number of program units to
19 which a school district or charter school with a MEM of two
20 hundred or less is entitled by using an average of the MEM on
21 the second and third reporting dates of the prior year or the
22 fortieth day of the current year, whichever is greater; and

23 (4) using the results of the calculations in
24 Paragraph (1), (2) or (3) of this subsection and the
25 instructional staff training and experience index from the

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1 October report of the prior school year, establish a total
2 program cost of the school district or charter school;

3 (5) for school districts, calculate the local
4 and federal revenues as defined in this section;

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

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

14 (8) deduct ninety percent of the amount
15 certified for the school district by the department pursuant to
16 the Energy Efficiency and Renewable Energy Bonding Act.

17 E. Reduction of a school district's state
18 equalization guarantee distribution shall cease when the school
19 district's cumulative reductions equal its proportional share
20 of the cumulative debt service payments necessary to service
21 the bonds issued pursuant to the Energy Efficiency and
22 Renewable Energy Bonding Act.

23 F. The amount of the state equalization guarantee
24 distribution to which a school district is entitled is the
25 balance remaining after the deductions made in Paragraphs (6)

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1 through (8) of Subsection D of this section.

2 G. The state equalization guarantee distribution
3 shall be distributed prior to June 30 of each fiscal year. The
4 calculation shall be based on the local and federal revenues
5 specified in this section received from June 1 of the previous
6 fiscal year through May 31 of the fiscal year for which the
7 state equalization guarantee distribution is being computed.
8 In the event that a school district or charter school has
9 received more state equalization guarantee funds than its
10 entitlement, a refund shall be made by the school district or
11 charter school to the state general fund."