AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; AMENDING A CERTAIN SECTION OF THE NMSA 1978 PERTAINING TO THE METHODS OF CALCULATING 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 by Laws 1993, Chapter 226, Section 23 and also by Laws 1993, Chapter 231, Section 14) 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

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1   least equal to the school district's program cost.

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

3   ninety-five percent of receipts to the school district derived

4   from that amount produced by a school district property tax

5   applied at the rate of fifty cents ($.50) to each one thousand

6   dollars ($1,000) of net taxable value of property allocated to

7   the school district and to the assessed value of products

8   severed and sold in the school district as determined under the

9   Oil and Gas Ad Valorem Production Tax Act and upon the assessed

10   value of equipment in the school district as determined under

11   the Oil and Gas Production Equipment Ad Valorem Tax Act.

12   C.   "Federal revenue", as used in this section, means

13   ninety-five percent of receipts to the school district,

14   excluding amounts which, if taken into account in the

15   computation of the state equalization guarantee distribution,

16   result, under federal law or regulations, in a reduction in or

17   elimination of federal school funding otherwise receivable by

18   the school district, derived from the following:

19   (1)   the school district's share of forest

20   reserve funds distributed in accordance with Section 22-8-33

21   NMSA 1978; and

22   (2)   grants from the federal government as

23   assistance to those areas affected by federal activity

24   authorized in accordance with Sections 236 through 240 of Title

25   20 of the United States Code (commonly known as "PL 874 funds")

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1   or an amount equal to the revenue the district was entitled to

2   receive if no application was made for such funds but deducting

3   from those grants the additional amounts to which school

4   districts would be entitled because of the provisions of

5   Subparagraph (D) of Paragraph (2) of Subsection (d) of Section

6   238 of Title 20 of the United States Code.

7   D.   To determine the amount of the state equalization

8   guarantee distribution, the state superintendent shall:

9   (1)   calculate the number of program units to

10   which each school district is entitled using the membership of

11   the fortieth day of the school year, except for school districts

12   with a MEM of [200] two hundred or less where the number of

13   program units shall be calculated on the fortieth day membership

14   of either the prior year or the current year, whichever is

15   greater, for all programs except special education, which shall

16   be calculated by using the membership on December 1 of the

17   school year; or

18   (2)   calculate the number of program units to

19   which a school district operating under an approved year-round

20   school calendar is entitled using the membership on an

21   appropriate date established by the state board;

22   (3)   using the results of the calculations in

23   Paragraph (1) or (2) of this subsection and the instructional

24   staff training and experience index from the October report of

25   the prior school year, establish a total program cost of the

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1   school district;

2   (4)   calculate the local and federal revenues as

3   defined in this section;

4   (5)   deduct the sum of the calculations made in

5   Paragraph (4) of this subsection from the program cost

6   established in Paragraph (3) of this subsection; and

7   (6)   deduct the total amount of guaranteed

8   energy savings contract payments that the state superintendent

9   determines will be made to the school district from the public

10   school energy efficiency fund during the fiscal year for which

11   the state equalization guarantee distribution is being computed.

12   E.   The amount of the state equalization guarantee

13   distribution to which a school district is entitled is the

14   balance remaining after the deductions made in Paragraphs (5)

15   and (6) of Subsection D of this section.

16   F.   The state equalization guarantee distribution

17   shall be distributed prior to June 30 of each fiscal year.   The

18   calculation shall be based on the local and federal revenues

19   specified in this section received from June 1 of the previous

20   fiscal year through May 31 of the fiscal year for which the

21   state equalization guarantee distribution is being computed.   In

22   the event that a district has received more state equalization

23   guarantee funds than its entitlement, a refund shall be made by

24   the district to the state general fund.

25   [G.   Notwithstanding the methods of calculating the

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- 4 -

state equalization guarantee distribution in this section and

Laws 1974, Chapter 8, Section 22, if a school district received

funds under Section 2391 of Title 42 U.S.C.A. and if the federal

government takes into consideration grants authorized by

Sections 236 through 240 of Title 20 of the United States Code

and all other revenues available to the school district in

determining the level of federal support for the school district

for the sixty-fourth and succeeding fiscal years, the state

equalization guarantee distribution for school districts

receiving funds under this subsection shall be computed as

follows:

fiscal year program cost		prior fiscal year
excluding special education		state equalization
for the year for which the	x	guarantee distribution
state equalization guarantee		excluding special
distribution is being computed		education
prior fiscal year program cost		
excluding special education		

plus special education funding in accordance with Paragraphs (1)

or (2) and (3) of Subsection D of this section and Section

22-8-21 NMSA 1978 plus an amount that would be produced by

applying a rate of eight dollars forty-two and one-half cents

($8.425) to each one thousand dollars ($1,000) of net taxable

value of property as defined in the Property Tax Code for

property taxation purposes in the school district and to each

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1   one thousand dollars ($1,000) of the assessed value of products

2   severed and sold in the school district as determined under the

3   Oil and Gas Ad Valorem Production Tax Act and upon the assessed

4   value of equipment in the school district as determined under

5   the Oil and Gas Production Equipment Ad Valorem Tax Act and then

6   reduced by the total amount of guaranteed energy savings

7   contract payments, if any, that the state superintendent

8   determines will be made to the school district from the public

9   school energy efficiency fund during the fiscal year for which

10 the state equalization guarantee distribution is being computed,

11 equals the fiscal year state equalization guarantee distribution

12 for the year for which the state equalization guarantee

13 distribution is being computed.

14   If at any time grants from the federal government as

15 assistance to those areas affected by federal activity

16 authorized in accordance with Sections 236 through 240 of Title

17 20 of the United States Code (commonly known as "PL 874 funds")

18 are reduced or are no longer available, the state equalization

19 guarantee distribution shall be computed by the formula

20 contained in this subsection plus an increase by fifty percent

21 of the amount the prior year's PL 874 funds exceed PL 874 funds

22 for the year for which the state equalization guarantee

23 distribution is being computed.]"

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FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

JANUARY 29, 1996

Mr. President:

Your **COMMITTEES' COMMITTEE**, to whom has been referred

SENATE BILL 400

has had it under consideration and finds same to be **GERMANE**, PURSUANT
TO CONSTITUIONAL PROVISIONS, and thence referred to the **EDUCATION**
COMMITTEE.

Respectfully submitted,

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SENATOR MANNY M ARAGON, Chairman

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Adopted_____ Not Adopted_____

(Chief Clerk)   (Chief Clerk)

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Underscored material = new
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FORTY-SECOND LEGISLATURE

SECOND SESSION

February 6, 1996

SENATE FLOOR AMENDMENT number _____ to SENATE BILL 400

Amendment sponsored by Senator Manny M. Aragon

    1.   On page 2, line 21, strike "and".

    2.   On page 3, line 6, strike the period and insert in lieu thereof
"; and".

    3.   On page 3, between lines 6 and 7, insert the following to read:

        "(3)   grants from the federal government received by a
school district pursuant to Section 2391 of Title 42 U.S.C.A.".

SB 100   Page 11

_____

Manny M. Aragon

Adopted _____   Not Adopted _____

(Chief Clerk)   (Chief Clerk)

Date _____

Underscored material = new
[bracketed material] = delete

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State of New Mexico
House of Representatives

FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996

February 14, 1996

Mr. Speaker:

Your **EDUCATION COMMITTEE,** to whom has been referred

SENATE BILL 400, as amended

has had it under consideration and reports same with
recommendation that it **DO PASS**, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

_____

Samuel F. Vigil, Chairman

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2   Adopted _____   Not Adopted _____

3   (Chief Clerk)   (Chief Clerk)

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                          Date _____
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6   The roll call vote was 6 For 4 Against

7   Yes: 6

8   No: Charley, Dolliver, Nicely, WC Williams

9   Excused: Weeks, SM Williams

10   Absent: None

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