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HOUSE BILL 125

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO EDUCATION; REQUIRING THE USE OF PRIOR YEAR
FORTIETH DAY AND DECEMBER 1 MEMBERSHIP FOR CALCULATION OF
PROGRAM UNITS FOR DISTRIBUTION OF STATE EQUALIZATION GUARANTEE
FUNDS.

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 ninety-five percent of receipts to the school district derived
3 from that amount produced by a school district property tax
4 applied at the rate of fifty cents (\$.50) to each one thousand
5 dollars (\$1,000) of net taxable value of property allocated to
6 the school district and to the assessed value of products
7 severed and sold in the school district as determined under
8 the Oil and Gas Ad Valorem Production Tax Act and upon the
9 assessed value of equipment in the school district as
10 determined under the Oil and Gas Production Equipment Ad
11 Valorem Tax Act.

12 C. "Federal revenue", as used in this section,
13 means 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
25 Title 20 of the United States Code, commonly known as "PL 874

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1 funds", or an amount equal to the revenue the district was
2 entitled to receive if no application was made for such funds
3 but deducting from those grants the additional amounts to
4 which school districts would be entitled because of the
5 provisions of Subparagraph (D) of Paragraph (2) of Subsection
6 (d) of Section 238 of Title 20 of the United States Code.

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

10 (1) calculate the number of program units to
11 which each school district is entitled using the basic program
12 membership of the fortieth day of the prior year for all
13 programs; provided that special education program units shall
14 be calculated using the membership in special education
15 programs on December 1 of the prior year; or

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

20 (3) calculate the number of program units to
21 which a school district with a basic program MEM of 200 or
22 less is entitled by using the basic program membership on the
23 fortieth day of [~~either~~] the prior [~~or the current~~] year
24 [~~whichever is greater~~]; provided that special education
25 program units shall be calculated using the membership in

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1 special education programs on December 1 of [~~either~~] the prior
2 [~~or the current~~] year; and

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

8 (5) calculate the local and federal revenues
9 as defined in this section;

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

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

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

23 F. The state equalization guarantee distribution
24 shall be distributed prior to June 30 of each fiscal year.
25 The calculation shall be based on the local and federal

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1 revenues specified in this section received from June 1 of the
2 previous fiscal year through May 31 of the fiscal year for
3 which the state equalization guarantee distribution is being
4 computed. In the event that a district has received more
5 state equalization guarantee funds than its entitlement, a
6 refund shall be made by the district to the state general
7 fund.

8 G. Notwithstanding the methods of calculating the
9 state equalization guarantee distribution in this section and
10 Laws 1974, Chapter 8, Section 22, if a school district
11 received funds under Section 2391 of Title 42 USCA and if the
12 federal government takes into consideration grants authorized
13 by Sections 236 through 240 of Title 20 of the United States
14 Code and all other revenues available to the school district
15 in determining the level of federal support for the school
16 district for the sixty-fourth and succeeding fiscal years, the
17 state equalization guarantee distribution for school districts
18 receiving funds under this subsection shall be computed as
19 follows:

20	fiscal year program cost	prior fiscal year
21	excluding special education	state equalization
22	for the year for which the	guarantee distribution
23	state equalization guarantee	excluding special
24	distribution is being computed	education

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1 prior fiscal year program cost
2 excluding special education
3 plus special education funding in accordance with Paragraphs
4 (1), (2) or (3) and (4) of Subsection D of this section and
5 Section 22-8-21 NMSA 1978 plus an amount that would be
6 produced by applying a rate of eight dollars forty-two and
7 one-half cents (\$8.425) to each one thousand dollars (\$1,000)
8 of net taxable value of property as defined in the Property
9 Tax Code for property taxation purposes in the school district
10 and to each one thousand dollars (\$1,000) of the assessed
11 value of products severed and sold in the school district as
12 determined under the Oil and Gas Ad Valorem Production Tax Act
13 and upon the assessed value of equipment in the school
14 district as determined under the Oil and Gas Production
15 Equipment Ad Valorem Tax Act and then reduced by the total
16 amount of guaranteed energy savings contract payments, if any,
17 that the state superintendent determines will be made to the
18 school district from the [~~public school energy efficiency~~
19 ~~fund~~] public school utility conservation fund during the
20 fiscal year for which the state equalization guarantee
21 distribution is being computed, equals the fiscal year state
22 equalization guarantee distribution for the year for which the
23 state equalization guarantee distribution is being computed.

24 If at any time grants from the federal government as
25 assistance to those areas affected by federal activity

. 125261. 2

1 authorized in accordance with Sections 236 through 240 of
2 Title 20 of the United States Code, commonly known as "PL 874
3 funds", are reduced or are no longer available, the state
4 equalization guarantee distribution shall be computed by the
5 formula contained in this subsection plus an increase by fifty
6 percent of the amount the prior year's PL 874 funds exceed PL
7 874 funds for the year for which the state equalization
8 guarantee distribution is being computed. "

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1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 February 17, 1999
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8 Mr. Speaker:
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10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 HOUSE BILL 125
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS, amended as follows:

16 1. On page 1, strike lines 11 through 14 and insert in
17 lieu thereof:

18
19 "RELATING TO EDUCATION; USING THE PRIOR COUNT OR AN AVERAGE
20 OF THE PRIOR YEAR COUNT TO CALCULATE PROGRAM UNITS FOR
21 DISTRIBUTION OF STATE EQUALIZATION GUARANTEE FUNDS; CHANGING
22 THE CALCULATION OF THE ENROLLMENT GROWTH PROGRAM UNITS."

23
24 2. On page 1, between lines 16 and 17, insert:

25 "Section 1. Section 22-8-23.1 NMSA 1978 (being Laws

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 125

Page 9

1990 (1st S.S.), Chapter 3, Section 7, as amended) is amended to read:

"22-8-23.1. ENROLLMENT GROWTH PROGRAM UNITS.--A school district with an increase in MEM equal to or greater than one percent, when compared with the immediately preceding year, is eligible for additional program units. The increase in MEM shall be calculated in the following manner:

$$\frac{(\text{Current Year MEM} - \text{Previous Year MEM})}{\text{Previous Year MEM}} \times 100 = \text{Percent Increase.}$$

The number of additional program units to which an eligible district is entitled under this ~~subsection~~ section is the number of units computed in the following manner:

(MEM for current year - MEM for prior year) X ~~[:50]~~ 1.0 = Units where MEM is equal to the total district membership, including early childhood education full-time equivalent membership and special education membership.".

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 125

Page 10

3. Renumber the succeeding section accordingly.

4. On page 3, line 10, before "calculate" insert
"effective July 1, 1999,".

5. On page 3, between lines 15 and 16 insert the
following new paragraph:

(2) "effective July 1, 2000, calculate the
number of program units to which each school district is
entitled using an average of the membership on the fortieth,
eightieth and one hundred twentieth days of the prior year;
or".

6. Renumber the succeeding paragraphs accordingly.

7. On page 3, lines 23 and 24, strike all of the
brackets and line-throughs.,

and thence referred to the APPROPRIATIONS AND FINANCE
COMMI TTEE.

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 125

Page 11

Respectfully submitted,

Rick Miera, Chairman

Adopted _____

(Chief Clerk)

Not Adopted _____

(Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Blanton, Hamilton, Knauer, Marquardt

Absent: None

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J: \99BillsWP\H0125

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

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4 February 25, 1999

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 125, as amended

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS.

15
16 Respectfully submitted,

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20 _____
21 Max Coll, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

Page 13

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Buffett, Heaton, Larrañaga, Marquardt, Pearce, Salazar,
Townsend

Absent: None

J: \99BillSWP\H0125

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

Page 16

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 16, 1999

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 125, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Ben D. Altamirano, Chairman

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Campos, Carraro, Griego, Ingle, McKibben, Tsosie

Absent: None

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