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.

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

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1 seventy-five percent of receipts to the school district

2 derived from that amount produced by a school district

3 property tax applied at the rate of fifty cents ($.50) to each

4 one thousand dollars ($1,000) of net taxable value of property

5 allocated to the school district and to the assessed value of

6 products severed and sold in the school district as determined

7 under the Oil and Gas Ad Valorem Production Tax Act and upon

8 the assessed value of equipment in the school district as

9 determined under the Oil and Gas Production Equipment Ad

10 Valorem Tax Act. The school district shall budget and expend

11 twenty percent of the total revenue receipts for capital

12 outlay [as defined in the manual of accounting and budgeting

13 provided in Section 22-8-5 NMSA 1978].

14   C.   "Federal revenue", as used in this section,

15 means receipts to the school district, excluding amounts

16 [which] that, if taken into account in the computation of the

17 state equalization guarantee distribution, result, under

18 federal law or regulations, in a reduction in or elimination

19 of federal school funding otherwise receivable by the school

20 district, derived from the following:

21   (1)   seventy-five percent of the school

22 district's share of forest reserve funds distributed in

23 accordance with Section 22-8-33 NMSA 1978.   The school

24 district shall budget and expend twenty percent of the total

25 forest reserve receipts for capital outlay [as defined in the

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1 manual of accounting and budgeting provided in Section 22-8-5

2 NMSA 1978]; and

3 (2) seventy-five percent of grants from the

4 federal government as assistance to those areas affected by

5 federal activity authorized in accordance with Title 20 of the

6 United States Code, commonly known as "PL 874 funds" or

7 "impact aid". The school district shall budget and expend

8 twenty percent of the grant receipts for capital outlay [as

9 defined in the manual of accounting and budgeting provided in

10 Section 22-8-5 NMSA 1978].

11 D. To determine the amount of the state

12 equalization guarantee distribution, the state superintendent

13 shall:

14 (1) [effective July 1, 1999 calculate the

15 number of program units to which each school district is

16 entitled using the basic program membership of the fortieth

17 day of the prior year for all programs; provided that special

18 education program units shall be calculated using the

19 membership in special education programs on December 1 of the

20 prior year; effective July 1, 2000] calculate the number of

21 program units to which each school district is entitled using

22 an average of the membership on the fortieth, eightieth and

23 one hundred twentieth days of the prior year; or

24 (2) calculate the number of program units to

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

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1   school calendar is entitled using the basic program membership

2   on an appropriate date 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 on the fortieth day of either the prior or the

7   current year, whichever is greater; provided that special

8   education program units shall be calculated using the

9   membership in special education programs on December 1 of

10   either the prior or the current year; and

11   (4)   calculate the number of program units to

12   which a start-up charter school is entitled for its first year

13   of operation by using the membership of the charter school on

14   the fortieth day of the current year; and

15   (5)   calculate the number of program units to

16   which a school district is entitled for the establishment of a

17   new formula-based program for its first year of operation by

18   using the membership in the new program on the fortieth day of

19   the current year; and

20   [(4)] (6)   using the results of the

21   calculations in Paragraph (1), (2) or (3) and Paragraphs (4)

22   and (5) of this subsection and the instructional staff

23   training and experience index from the October report of the

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

25   school district;

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1   [(5)] (7) calculate the local and federal

2 revenues as defined in this section;

3   [(6)] (8) deduct the sum of the calculations

4 made in Paragraph [(5)] (7) of this subsection from the

5 program cost established in Paragraph [(4)] (6) of this

6 subsection; and

7   [(7)] (9) deduct the total amount of

8 guaranteed energy savings contract payments that the state

9 superintendent determines will be made to the school district

10 from the public school utility conservation fund during the

11 fiscal year for which the state equalization guarantee

12 distribution is being computed.

13   E. The amount of the state equalization guarantee

14 distribution to which a school district is entitled is the

15 balance remaining after the deductions made in Paragraphs

16 [(6)] (8) and [(7)] (9) of Subsection D of this section.

17   F. The state equalization guarantee distribution

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

19 The calculation shall be based on the local and federal

20 revenues specified in this section received from June 1 of the

21 previous fiscal year through May 31 of the fiscal year for

22 which the state equalization guarantee distribution is being

23 computed. In the event that a district has received more

24 state equalization guarantee funds than its entitlement, a

25 refund shall be made by the district to the state general

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1   fund."

2   Section 2.   EFFECTIVE DATE.--The effective date of the

3   provisions of this act is July 1, 2001.

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