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SENATE BILL 517

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Leonard Tsosie

AN ACT

**RELATING TO EDUCATION FUNDING; REDUCING THE RELIANCE OF THE
STATE EQUALIZATION GUARANTEE DISTRIBUTION ON CERTAIN FEDERAL
FUNDING.**

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~~] for assistance to those areas affected
5 by federal activity authorized in accordance with Title 20 of
6 the United States Code, commonly known as "PL 874 funds" or
7 "impact aid", seventy-five percent through June 30, 2001;
8 fifty percent from July 1, 2001 through June 30, 2002; twenty-
9 five percent from July 1, 2002 through June 30, 2003; and zero
10 percent beginning on July 1, 2003 and in subsequent years.

11 The school district shall budget and expend twenty percent of
12 the grant receipts for capital outlay [~~as defined in the~~
13 ~~manual of accounting and budgeting provided in Section 22-8-5~~
14 ~~NMSA 1978~~].

15 D. To determine the amount of the state
16 equalization guarantee distribution, the state superintendent
17 shall:

18 (1) effective July 1, 1999, calculate the
19 number of program units to which each school district is
20 entitled using the basic program membership of the fortieth
21 day of the prior year for all programs; provided that special
22 education program units shall be calculated using the
23 membership in special education programs on December 1 of the
24 prior year; effective July 1, 2000, calculate the number of
25 program units to which each school district is entitled using

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1 an average of the membership on the fortieth, eightieth and
2 one hundred twentieth days of the prior year; or

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

7 (3) calculate the number of program units to
8 which a school district with a basic program MEM of two
9 hundred or less is entitled by using the basic program
10 membership on the fortieth day of either the prior or the
11 current year, whichever is greater; provided that special
12 education program units shall be calculated using the
13 membership in special education programs on December 1 of
14 either the prior or the current year; and

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

20 (5) calculate the local and federal revenues
21 as defined in this section;

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

25 (7) deduct the total amount of guaranteed

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1 energy savings contract payments that the state superintendent
2 determines will be made to the school district from the public
3 school utility conservation fund during the fiscal year for
4 which the state equalization guarantee distribution is being
5 computed.

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

10 F. The state equalization guarantee distribution
11 shall be distributed prior to June 30 of each fiscal year.
12 The calculation shall be based on the local and federal
13 revenues specified in this section received from June 1 of the
14 previous fiscal year through May 31 of the fiscal year for
15 which the state equalization guarantee distribution is being
16 computed. In the event that a district has received more
17 state equalization guarantee funds than its entitlement, a
18 refund shall be made by the district to the state general
19 fund. "