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HOUSE BILL 42

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Ray Begaye

AN ACT

RELATING TO EDUCATIONAL FUNDING; REDUCING IMPACT AID REVENUE THAT CAN BE CONSIDERED AS FEDERAL REVENUE FOR PURPOSES OF 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) 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 derived
2 from that amount produced by a school district property tax
3 applied at the rate of fifty cents (\$.50) to each one thousand
4 dollars (\$1,000) of net taxable value of property allocated to
5 the school district and to the assessed value of products
6 severed and sold in the school district as determined under the
7 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
8 value of equipment in the school district as determined under
9 the Oil and Gas Production Equipment Ad Valorem Tax Act. The
10 school district shall budget and expend twenty percent of the
11 total revenue receipts for capital outlay.

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

19 (1) seventy-five percent of the school
20 district's share of forest reserve funds distributed in
21 accordance with Section 22-8-33 NMSA 1978. The school district
22 shall budget and expend twenty percent of the total forest
23 reserve receipts for capital outlay; and

24 (2) [~~seventy-five~~] fifty percent of grants
25 from the federal government as assistance to those areas

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1 affected by federal activity authorized in accordance with
2 Title 20 of the United States Code, commonly known as "PL 874
3 funds" or "impact aid". The school district shall budget and
4 expend twenty percent of the grant receipts for capital outlay.

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

8 (1) calculate the number of program units to
9 which each school district is entitled using an average of the
10 MEM on the fortieth, eightieth and one hundred twentieth days
11 of the prior year; or

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

16 (3) calculate the number of program units to
17 which a school district with a MEM of two hundred or less is
18 entitled by using an average of the MEM on the fortieth,
19 eightieth and one hundred twentieth days of the prior year or
20 the fortieth day of the current year, whichever is greater; and

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

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1 (5) calculate the local and federal revenues
2 as defined in this section;

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

6 (7) deduct the total amount of guaranteed
7 energy savings contract payments that the state superintendent
8 determines will be made to the school district from the public
9 school utility conservation fund during the fiscal year for
10 which the state equalization guarantee distribution is being
11 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 (6)
15 and (7) 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.
22 In the event that a school district has received more state
23 equalization guarantee funds than its entitlement, a refund
24 shall be made by the school district to the state general
25 fund. "

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