

1 SENATE BILL 30

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Howie C. Morales and Dennis J. Roch

5
6
7 FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE AND THE
8 LEGISLATIVE FINANCE COMMITTEE

9
10 AN ACT

11 RELATING TO PUBLIC EDUCATION; AMENDING THE PUBLIC SCHOOL
12 FINANCE ACT TO ESTABLISH A TEACHER COST INDEX FOR FISCAL YEARS
13 2019 THROUGH 2022 AND TO REQUIRE A STUDY AND ANALYSIS OF THE
14 TEACHER COST INDEX'S SUFFICIENCY, TO PHASE IN A FIVE-YEAR
15 REDUCTION IN THE CALCULATION OF SMALL-SCHOOL SIZE ADJUSTMENT
16 PROGRAM UNITS FOR CERTAIN CHARTER SCHOOLS AND TO MAKE A FIVE-
17 YEAR, PHASED-IN ADJUSTMENT TO THE AT-RISK INDEX.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. Section 22-8-6.1 NMSA 1978 (being Laws 1993,
21 Chapter 227, Section 8, as amended) is amended to read:

22 "22-8-6.1. CHARTER SCHOOL BUDGETS.--

23 A. Each state-chartered charter school shall submit
24 to the charter schools division of the department a school-
25 based budget. [~~For the first year of operation, the budget of~~

.205006.3

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 ~~every state-chartered charter school shall be based on the~~
2 ~~projected number of program units generated by that charter~~
3 ~~school and its students, using the at-risk index and the~~
4 ~~instructional staff training and experience index of the school~~
5 ~~district in which it is geographically located. For second and~~
6 ~~subsequent fiscal years of operation, the budgets of state-~~
7 ~~chartered charter schools shall be based on the number of~~
8 ~~program units generated using the average of the MEM on the~~
9 ~~second and third reporting dates of the prior year and its own~~
10 ~~instructional staff training and experience index and the at-~~
11 ~~risk index of the school district in which the state-chartered~~
12 ~~charter school is geographically located.] The budget shall be~~
13 submitted to the division for approval or amendment pursuant to
14 the Public School Finance Act and the Charter Schools Act.
15 Thereafter, the budget shall be submitted to the public
16 education commission for review.

17 B. Each locally chartered charter school shall
18 submit to the local school board a school-based budget [~~For the~~
19 ~~first year of operation, the budget of every locally chartered~~
20 ~~charter school shall be based on the projected number of~~
21 ~~program units generated by the charter school and its students,~~
22 ~~using the at-risk index and the instructional staff training~~
23 ~~and experience index of the school district in which it is~~
24 ~~geographically located. For second and subsequent fiscal~~
25 ~~years of operation, the budgets of locally chartered charter~~

.205006.3

underscored material = new
[bracketed material] = delete

1 ~~schools shall be based on the number of program units generated~~
2 ~~using the average of the MEM on the second and third reporting~~
3 ~~dates of the prior year and its own instructional staff~~
4 ~~training and experience index and the at-risk index of the~~
5 ~~school district in which the locally chartered charter school~~
6 ~~is geographically located. The budget shall be submitted to~~
7 ~~the local school board]~~ for approval or amendment. The
8 approval or amendment authority of the local school board
9 relative to the charter school budget is limited to ensuring
10 that sound fiscal practices are followed in the development of
11 the budget and that the charter school budget is within the
12 allotted resources. The local school board shall have no veto
13 authority over individual line items within the charter
14 school's proposed budget, but shall approve or disapprove the
15 budget in its entirety. Upon final approval of the local
16 budget by the local school board, the individual charter school
17 budget shall be included separately in the budget submission to
18 the department required pursuant to the Public School Finance
19 Act and the Charter Schools Act.

20 C. For the first year of operation, ~~[after a~~
21 ~~locally chartered charter school converts to a state-chartered~~
22 ~~charter school or a state-chartered charter school converts to~~
23 ~~a locally chartered charter school, the charter school's budget~~
24 ~~shall be based on the number of program units generated using~~
25 ~~the average of the MEM on the second and third reporting dates~~

.205006.3

underscored material = new
[bracketed material] = delete

1 ~~of the prior year and the instructional staff training and~~
2 ~~experience index and the at-risk index of the school district~~
3 ~~in which it is geographically located. For second and~~
4 ~~subsequent fiscal years of operation, the charter school shall~~
5 ~~follow the provisions of Subsection A or B of this section, as~~
6 ~~applicable]~~ the budget of every charter school shall be based
7 on the projected number of program units generated by that
8 charter school and its students, using the instructional staff
9 training and experience index and the teacher cost index of the
10 school district in which the charter school is geographically
11 located and shall be adjusted using the qualified MEM on the
12 first reporting date of the current school year. For the
13 second and subsequent fiscal years of operation, the budgets of
14 charter schools shall be based on the number of program units
15 generated using the average of the MEM on the second and third
16 reporting dates of the prior year and their own at-risk index,
17 instructional staff training and experience index and teacher
18 cost index unless otherwise provided in the Public School
19 Finance Act."

20 SECTION 2. Section 22-8-18 NMSA 1978 (being Laws 1974,
21 Chapter 8, Section 8, as amended) is amended to read:

22 "22-8-18. PROGRAM COST CALCULATION--LOCAL
23 RESPONSIBILITY.--

24 A. The total program units for the purpose of
25 computing the program cost shall be calculated by multiplying
.205006.3

underscored material = new
[bracketed material] = delete

1 the sum of the program units itemized as Paragraphs (1)
2 [~~through (6)~~] and (2) in this subsection by the [~~instructional~~
3 ~~staff training and experience index~~] staffing cost multiplier
4 and adding the program units itemized as Paragraphs [~~(7)~~] (3)
5 through (14) in this subsection. The itemized program units
6 are as follows:

- 7 (1) early childhood education;
- 8 (2) basic education;
- 9 (3) special education, adjusted by subtracting
10 the units derived from membership in class D special education
11 programs in private, nonsectarian, nonprofit training centers;
- 12 (4) bilingual multicultural education;
- 13 (5) fine arts education;
- 14 (6) elementary physical education;
- 15 (7) size adjustment;
- 16 (8) at-risk program;
- 17 (9) enrollment growth or new district
18 adjustment;
- 19 (10) special education units derived from
20 membership in class D special education programs in private,
21 nonsectarian, nonprofit training centers;
- 22 (11) national board for professional teaching
23 standards certification;
- 24 (12) home school student program unit;
- 25 (13) home school student activities; and

.205006.3

underscored material = new
[bracketed material] = delete

1 (14) charter school student activities.

2 B. The total program cost calculated as prescribed
3 in Subsection A of this section includes the cost of early
4 childhood, special, bilingual multicultural, fine arts and
5 vocational education and other remedial or enrichment programs.
6 It is the responsibility of the local school board or, for a
7 charter school, the governing body of the charter school to
8 determine its priorities in terms of the needs of the community
9 served by that board. Except as otherwise provided in this
10 section, funds generated under the Public School Finance Act
11 are discretionary to local school boards and governing bodies
12 of charter schools; provided that the special program needs as
13 enumerated in this section are met; and provided further that
14 if a public school has been rated D or F for two consecutive
15 years, the department shall ensure that the local school board
16 or, for a charter school, the governing body of the charter
17 school is prioritizing resources for the public school toward
18 proven programs and methods linked to improved student
19 achievement until the public school earns a C or better for two
20 consecutive years.

21 C. For purposes of this section, a staffing cost
22 multiplier shall be equal to the following:

23 (1) for fiscal year 2018, the instructional
24 staff training and experience index;

25 (2) for fiscal year 2019, the weighted average

.205006.3

underscored material = new
[bracketed material] = delete

1 of the instructional staff training and experience index at
2 seventy-five percent and the teacher cost index at twenty-five
3 percent;

4 (3) for fiscal year 2020, the weighted average
5 of the instructional staff training and experience index at
6 fifty percent and the teacher cost index at fifty percent;

7 (4) for fiscal year 2021, the weighted average
8 of the instructional staff training and experience index at
9 twenty-five percent and the teacher cost index at seventy-five
10 percent; and

11 (5) for fiscal year 2022 and for all
12 subsequent fiscal years, the teacher cost index."

13 SECTION 3. Section 22-8-23 NMSA 1978 (being Laws 1975,
14 Chapter 119, Section 1, as amended) is amended to read:

15 "22-8-23. SIZE ADJUSTMENT PROGRAM UNITS--SCHOOL
16 DISTRICTS--CERTAIN CHARTER SCHOOLS.--

17 A. A school district with an approved public school
18 with a MEM of less than 400, including early childhood
19 education full-time-equivalent MEM but excluding membership in
20 class C and class D programs and excluding full-time-equivalent
21 membership in three- and four-year-old developmentally disabled
22 programs, is eligible for additional program units. Separate
23 schools established to provide special programs, including [~~but~~
24 ~~not limited to~~] vocational and alternative education, shall not
25 be classified as public schools for purposes of generating size

.205006.3

underscoring material = new
~~[bracketed material] = delete~~

1 adjustment program units. The number of additional program
2 units to which a school district is entitled under this
3 subsection is the sum of elementary-junior high units and
4 senior high units computed in the following manner:

5 Elementary-Junior High Units

6 200 - MEM

7 _____ x 1.0 x MEM = Units

8 200

9 where MEM is equal to the membership of an approved elementary
10 or junior high school, including early childhood education
11 full-time-equivalent membership but excluding membership in
12 class C and class D programs and excluding full-time-equivalent
13 membership in three- and four-year-old developmentally disabled
14 programs;

15 Senior High Units

16 200 - MEM

17 _____ x 2.0 x MEM = Units

18 200

19 or

20 Senior High Units

21 400 - MEM

22 _____ x 1.6 x MEM = Units

23 400

24 whichever calculation for senior high units is higher, where
25 MEM is equal to the membership of an approved senior high

.205006.3

underscored material = new
[bracketed material] = delete

1 school excluding membership in class C and class D programs.

2 B. An approved charter school with a MEM of less
3 than 400, including early childhood education full-time-
4 equivalent MEM but excluding membership in class C and class D
5 programs and excluding full-time-equivalent membership in
6 three- and four-year-old developmentally disabled programs, is
7 eligible for additional program units. The number of
8 additional program units to which a charter school is entitled
9 under this subsection is the sum of elementary-junior high
10 units and senior high units computed in the following manner:

11 (1) Elementary-Junior High Units

$$\begin{array}{r} \underline{200 - MEM} \\ \underline{\hspace{1.5cm}} \times 1.0 \times MEM = \text{Units} \\ 200 \end{array}$$

15 where MEM is equal to the membership of an approved elementary
16 or junior high school, including early childhood education
17 full-time-equivalent membership but excluding membership in
18 class C and class D programs and excluding full-time-equivalent
19 membership in three- and four-year-old developmentally disabled
20 programs; and

21 (2) Senior High Units

$$\begin{array}{r} \underline{200 - MEM} \\ \underline{\hspace{1.5cm}} \times 2.0 \times MEM = \text{Units} \\ 200 \end{array}$$

25 or

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Senior High Units

400 - MEM

 x 1.6 x MEM = Units

400

whichever calculation for senior high units is higher, where MEM is equal to the membership of an approved senior high school excluding membership in class C and class D programs.

C. The following percentages shall be used in computing additional program units for charter schools operating as of the 2016-2017 school year pursuant to Subsection B of this section:

(1) for the 2017-2018 school year, ninety percent;

(2) for the 2018-2019 school year, eighty percent;

(3) for the 2019-2020 school year, seventy percent;

(4) for the 2020-2021 school year, sixty percent; and

(5) for the 2021-2022 school year and subsequent school years, sixty percent.

D. The following percentages shall be used in computing additional program units for charter schools authorized to begin operations in the 2017-2018 and subsequent school years:

.205006.3

underscored material = new
[bracketed material] = delete

1 (1) for a charter school in its first year of
2 operation, one hundred percent;

3 (2) for a charter school in its second year of
4 operation, ninety percent;

5 (3) for a charter school in its third year of
6 operation, eighty percent;

7 (4) for a charter school in its fourth year of
8 operation, seventy percent;

9 (5) for a charter school in its fifth year of
10 operation, sixty percent; and

11 (6) for a charter school in its sixth and
12 subsequent years of operation, fifty percent.

13 [~~B-~~] E. A school district with total MEM of less
14 than 4,000, including early childhood education full-time-
15 equivalent MEM, is eligible for additional program units. The
16 number of additional program units to which a school district
17 is entitled under this subsection is the number of district
18 units computed in the following manner:

$$\begin{array}{r} \text{District Units} \\ 4,000 - \text{MEM} \\ \hline \times 0.15 \times \text{MEM} = \text{Units} \\ 4,000 \end{array}$$

19
20
21
22
23 where MEM is equal to the total district membership,
24 including early childhood education full-time-equivalent
25 membership.

underscored material = new
[bracketed material] = delete

1 [~~G-~~] F. A school district with over 10,000 MEM with
2 a ratio of MEM to senior high schools less than 4,000:1 is
3 eligible for additional program units based on the number of
4 approved regular senior high schools that are not eligible for
5 senior high units under Subsection A of this section. The
6 number of additional program units to which an eligible school
7 district is entitled under this subsection is the number of
8 units computed in the following manner:

9 4,000 - MEM
10 _____ x 0.50 = Units
11 Senior High Schools

12 where MEM is equal to the total district membership, including
13 early childhood education full-time-equivalent membership, and
14 where senior high schools are equal to the number of approved
15 regular senior high schools in the school district.

16 [~~D-~~] G. A school district, as defined in Subsection
17 R of Section 22-1-2 NMSA 1978, with a MEM of less than 200,
18 including early childhood education full-time-equivalent MEM,
19 is eligible for additional program units; provided that the
20 department certifies that the school district has implemented
21 practices to reduce scale inefficiencies, including shared
22 service agreements with regional education cooperatives or
23 other school districts for noninstructional functions and
24 distance education. The number of additional program units to
25 which a school district is entitled under this subsection is

.205006.3

underscored material = new
[bracketed material] = delete

1 the number of units computed in the following manner:

2
$$200 - MEM = \text{Units}$$

3 where MEM is equal to the total district MEM, including early
4 childhood education full-time-equivalent MEM."

5 SECTION 4. Section 22-8-23.1 NMSA 1978 (being Laws 1990
6 (1st S.S.), Chapter 3, Section 7, as amended) is amended to
7 read:

8 "22-8-23.1. ENROLLMENT GROWTH PROGRAM UNITS.--

9 A. A school district or charter school with an
10 increase in MEM equal to or greater than one percent, when
11 compared with the immediately preceding year, is eligible for
12 additional program units. The increase in MEM shall be
13 calculated as follows:

14
$$\frac{(\text{Current Year MEM} - \text{Previous Year MEM})}{\text{Previous Year MEM}} \times 100 = \text{Percent Increase.}$$

15
16 The number of additional program units shall be calculated as
17 follows:
18

19
$$((\text{Current Year MEM} - \text{Previous Year MEM}) - (\text{Current Year MEM} \times .01)) \times 1.5 = \text{Units.}$$

20
21 B. In addition to the units calculated in
22 Subsection A of this section, a school district or charter
23 school with an increase in MEM equal to or greater than one
24 percent, when compared with the immediately preceding year, is
25 eligible for additional program units. The increase in MEM

underscored material = new
[bracketed material] = delete

1 shall be calculated in the following manner:

2 (Current Year MEM - Previous Year MEM)

3 -----

4 Previous Year MEM X 100 = Percent Increase.

5 The number of additional program units to which an eligible
6 school district or charter school is entitled under this
7 subsection is the number of units computed in the following
8 manner:

9 (Current Year MEM - Previous Year MEM) X .50 = Units.

10 C. As used in this section:

11 (1) "current year MEM" means MEM on the first
12 reporting date of the current year minus MEM reported on the
13 first reporting date of the current year that is included in
14 the calculation of a school district's or charter school's
15 program cost;

16 (2) "MEM" means the total school district or
17 charter school membership, including early childhood education
18 full-time-equivalent membership and special education
19 membership, but excluding full-day kindergarten membership for
20 the first year that full-day kindergarten is implemented in a
21 school pursuant to Subsection D of Section 22-13-3.2 NMSA 1978;
22 and

23 (3) "previous year MEM" means MEM on the first
24 reporting date of the previous year."

25 SECTION 5. Section 22-8-23.3 NMSA 1978 (being Laws 1997,

.205006.3

underscored material = new
[bracketed material] = delete

1 Chapter 40, Section 7, as amended) is amended to read:

2 "22-8-23.3. AT-RISK PROGRAM UNITS.--

3 A. A school district is eligible for additional
4 program units if it establishes within its department-approved
5 educational plan identified services to assist students to
6 reach their full academic potential. A school district
7 receiving additional at-risk program units shall include a
8 report of specified services implemented to improve the
9 academic success of at-risk students. The report shall
10 identify the ways in which the school district and individual
11 schools use funding generated through the at-risk index and the
12 intended outcomes. For purposes of this section, "at-risk
13 student" means a student who meets the criteria to be included
14 in the calculation of the three-year average total rate in
15 Subsection B of this section. The number of additional units
16 to which a school district is entitled under this section is
17 computed in the following manner:

18
$$\text{At-Risk Index} \times \text{MEM} = \text{Units}$$

19 where MEM is equal to the total district membership, including
20 early childhood education, full-time-equivalent membership and
21 special education membership and where the at-risk index is
22 calculated in the following manner:

23 (1) for fiscal year 2018,

24
$$\text{Three-Year Average Total Rate} \times [\text{0.106}] \text{ 0.112} = \text{At-Risk Index};$$

25 (2) for fiscal year 2019,

.205006.3

underscored material = new
[bracketed material] = delete

1 Three-Year Average Total Rate x 0.121 = At-Risk Index;

2 (3) for fiscal year 2020,

3 Three-Year Average Total Rate x 0.131 = At-Risk Index;

4 (4) for fiscal year 2021,

5 Three-Year Average Total Rate x 0.140 = At-Risk Index; and

6 (5) for fiscal year 2022 and for all

7 subsequent fiscal years,

8 Three-Year Average Total Rate x 0.150 = At-Risk Index.

9 B. To calculate the three-year average total rate,
10 the department shall compute a three-year average of the school
11 district's percentage of membership used to determine its Title
12 I allocation, a three-year average of the percentage of
13 membership classified as English language learners using
14 criteria established by the federal office of civil rights and
15 a three-year average of the percentage of student mobility.
16 The department shall then add the three-year average rates.
17 The number obtained from this calculation is the three-year
18 average total rate.

19 C. The department shall recalculate the at-risk
20 index for each school district every year."

21 SECTION 6. A new section of the Public School Finance Act
22 is enacted to read:

23 "[NEW MATERIAL] TEACHER COST INDEX--DEFINITIONS--FACTORS--
24 CALCULATIONS.--

25 A. Beginning in fiscal year 2019, for purposes of

underscored material = new
[bracketed material] = delete

1 calculating the teacher cost index, the following definitions
2 shall apply:

3 (1) "number of teaching staff" means the
4 actual number of full-time-equivalent teaching staff on the
5 October payroll beginning with October 2018 and in each October
6 thereafter;

7 (2) "teaching licensure level" is that level
8 described in the School Personnel Act;

9 (3) "teaching staff" means a licensed teacher
10 who is assigned classroom teaching responsibilities; and

11 (4) "years of experience" means the number of
12 years of experience as determined by department rule.

13 B. The factors for each classification of licensure
14 level by years of experience are provided in the following
15 table:

16 **Classroom Teacher Licensure Levels**

	Years of Experience				
	0 to 2	3 to 5	6 to 8	9 to 15	over 15
17					
18					
19	Level 1	0.755	0.785	0.800	
20	Level 2		0.994	1.023	1.050 1.123
21	Level 3			1.184	1.208 1.277.

22 C. The teacher cost index for each school district
23 or charter school shall be calculated in accordance with
24 instructions issued by the department. The following
25 calculations shall be computed:

.205006.3

underscored material = new
~~[bracketed material] = delete~~

1 (1) multiply the number of full-time-
2 equivalent teaching staff in each licensure level by the
3 numerical factor in the appropriate years of experience column
4 in Subsection B of this section;

5 (2) add the products calculated in Paragraph
6 (1) of this subsection; and

7 (3) divide the total obtained in Paragraph (2)
8 of this subsection by the total number of full-time-equivalent
9 teaching staff.

10 D. No school district's or charter school's factor
11 shall be less than 1.0.

12 E. In the event that a new school district is
13 created, the teacher cost index shall be 1.0 for the first year
14 of operations.

15 F. The department, the legislative education study
16 committee and the legislative finance committee shall jointly
17 gather data, conduct an analysis and submit a report by
18 November 1 of each year to the governor, the legislative
19 education study committee and the legislative finance
20 committee. The report shall provide the following:

21 (1) alignment of the weights in the matrix and
22 their relationship to actual cost differences;

23 (2) an analysis of data on relationships among
24 teacher licensure level, educational attainment, years of
25 experience and salary; and

.205006.3

underscoring material = new
~~[bracketed material]~~ = delete

1 (3) any recommended changes to the teacher
2 cost index and to this section of the Public School Finance
3 Act."

4 **SECTION 7.** Section 22-8-25 NMSA 1978 (being Laws 1981,
5 Chapter 176, Section 5, as amended) is amended to read:

6 "22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
7 DEFINITIONS--DETERMINATION OF AMOUNT.--

8 A. The state equalization guarantee distribution
9 is that amount of money distributed to each school district to
10 ensure that its operating revenue, including its local and
11 federal revenues as defined in this section, is at least equal
12 to the school district's program cost. For state-chartered
13 charter schools, the state equalization guarantee distribution
14 is the difference between the state-chartered charter school's
15 program cost and the two percent withheld by the department for
16 administrative services.

17 B. "Local revenue", as used in this section, means
18 seventy-five percent of receipts to the school district derived
19 from that amount produced by a school district property tax
20 applied at the rate of fifty cents (\$.50) to each one thousand
21 dollars (\$1,000) of net taxable value of property allocated to
22 the school district and to the assessed value of products
23 severed and sold in the school district as determined under the
24 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
25 value of equipment in the school district as determined under

.205006.3

underscoring material = new
~~[bracketed material] = delete~~

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

2 C. "Federal revenue", as used in this section,
3 means receipts to the school district, excluding amounts that,
4 if taken into account in the computation of the state
5 equalization guarantee distribution, result, under federal law
6 or regulations, in a reduction in or elimination of federal
7 school funding otherwise receivable by the school district,
8 derived from the following:

9 (1) seventy-five percent of the school
10 district's share of forest reserve funds distributed in
11 accordance with Section 22-8-33 NMSA 1978; and

12 (2) seventy-five percent of grants from the
13 federal government as assistance to those areas affected by
14 federal activity authorized in accordance with Title 20 of the
15 United States Code, commonly known as "PL 874 funds" or "impact
16 aid".

17 D. To determine the amount of the state
18 equalization guarantee distribution, the department shall:

19 (1) calculate the number of program units to
20 which each school district or charter school is entitled using
21 an average of the MEM on the second and third reporting dates
22 of the prior year; or

23 (2) calculate the number of program units to
24 which a school district or charter school operating under an
25 approved year-round school calendar is entitled using an

.205006.3

underscored material = new
[bracketed material] = delete

1 average of the MEM on appropriate dates established by the
2 department; or

3 (3) calculate the number of program units to
4 which a school district or charter school with a MEM of two
5 hundred or less is entitled by using an average of the MEM on
6 the second and third reporting dates of the prior year or the
7 fortieth day of the current year, whichever is greater; and

8 (4) using the results of the calculations in
9 Paragraph (1), (2) or (3) of this subsection and the
10 instructional staff training and experience index and,
11 beginning in fiscal year 2019, the teacher cost index from the
12 October report of the prior school year, establish a total
13 program cost of the school district or charter school;

14 (5) for school districts, calculate the local
15 and federal revenues as defined in this section;

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

19 (7) deduct the total amount of guaranteed
20 energy savings contract payments that the department determines
21 will be made to the school district from the public school
22 utility conservation fund during the fiscal year for which the
23 state equalization guarantee distribution is being computed;
24 and

25 (8) deduct ninety percent of the amount

.205006.3

underscored material = new
~~[bracketed material] = delete~~

1 certified for the school district by the department pursuant to
2 the Energy Efficiency and Renewable Energy Bonding Act.

3 E. Reduction of a school district's state
4 equalization guarantee distribution shall cease when the school
5 district's cumulative reductions equal its proportional share
6 of the cumulative debt service payments necessary to service
7 the bonds issued pursuant to the Energy Efficiency and
8 Renewable Energy Bonding Act.

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

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

23 SECTION 8. TEMPORARY PROVISION--PROTECTION FROM PROGRAM
24 COST REDUCTIONS.--

25 A. Using funds appropriated by the legislature,

.205006.3

underscored material = new
~~[bracketed material] = delete~~

1 the public education department shall implement a program to
2 maintain school districts' and charter schools' respective
3 program cost calculations in cases of reductions that result
4 solely from the implementation of provisions of this act, and:

5 (1) for fiscal year 2018, the department shall
6 maintain school districts' and charter schools' respective
7 program cost calculations at one hundred percent of the fiscal
8 year 2017 program cost calculations that have resulted solely
9 from the implementation of provisions of this act;

10 (2) for fiscal year 2019, the department shall
11 maintain school districts' and charter schools' respective
12 program cost calculations at a minimum of seventy-five percent
13 of the fiscal year 2018 program cost calculations that have
14 resulted solely from the implementation of provisions of this
15 act; and

16 (3) for fiscal year 2020, the department shall
17 maintain school districts' and charter schools' respective
18 program cost calculations at a minimum of fifty percent of the
19 fiscal year 2020 program cost calculations that have resulted
20 solely from the implementation of provisions of this act.

21 B. The public education department shall provide
22 the legislative education study committee and the legislative
23 finance committee with a report on school districts' and
24 charter schools' respective program cost calculations that have
25 resulted solely from the implementation of provisions of this

.205006.3

underscoring material = new
~~[bracketed material] = delete~~

1 act.

2 SECTION 9. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2017.

4 - 24 -

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25