HOUSE BILL 325

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; EXCLUDING IMPACT AID FROM

THE DEFINITION OF "FEDERAL REVENUE" FOR THE PURPOSE OF

DETERMINING 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 its operating revenue, including its local and

federal revenues as defined in this section, is at least equal

to the school district's program cost. For state-chartered

charter schools, the state equalization guarantee distribution

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1 is the difference between the state-chartered charter school's

2 program cost and the two percent withheld by the department for

3 administrative services.

4   B. "Local revenue", as used in this section, means

5 seventy-five percent of receipts to the school district derived

6 from that amount produced by a school district property tax

7 applied at the rate of fifty cents ($.50) to each one thousand

8 dollars ($1,000) of net taxable value of property allocated to

9 the school district and to the assessed value of products

10 severed and sold in the school district as determined under the

11 Oil and Gas Ad Valorem Production Tax Act and upon the assessed

12 value of equipment in the school district as determined under

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

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

15 means receipts to the school district or state-chartered

16 charter school, excluding amounts that, if taken into account

17 in the computation of the state equalization guarantee

18 distribution, result, under federal law or regulations, in a

19 reduction in or elimination of federal school funding otherwise

20 receivable by the school 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 [and

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

25 federal government as assistance to those areas affected by

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1   federal activity authorized in accordance with Title 20 of the

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

3   aid"].

4   D.   To determine the amount of the state

5   equalization guarantee distribution, the department shall:

6   (1)   calculate the number of program units to

7   which each school district or charter school is entitled using

8   an average of the MEM on the second and third reporting dates

9   of the prior year; or

10   (2)   calculate the number of program units to

11   which a school district or charter school operating under an

12   approved year-round school calendar is entitled using an

13   average of the MEM on appropriate dates established by the

14   department; or

15   (3)   calculate the number of program units to

16   which a school district or charter school with a MEM of two

17   hundred or less is entitled by using an average of the MEM on

18   the second and third reporting dates of the prior year or the

19   fortieth day of the current year, whichever is greater; and

20   (4)   using the results of the calculations in

21   Paragraph (1), (2) or (3) of this subsection and the staffing

22   cost multiplier from the October report of the prior school

23   year, establish a total program cost of the school district or

24   charter school;

25   (5)   for school districts and state-chartered

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1   charter schools, calculate the local and federal revenues as

2   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;

6   (7)   deduct the total amount of guaranteed

7   energy savings contract payments that the department determines

8   will be made to the school district from the public school

9   utility conservation fund during the fiscal year for which the

10   state equalization guarantee distribution is being computed;

11   and

12   (8)   deduct ninety percent of the amount

13   certified for the school district by the department pursuant to

14   the Energy Efficiency and Renewable Energy Bonding Act.

15   E.   Reduction of a school district's state

16   equalization guarantee distribution shall cease when the school

17   district's cumulative reductions equal its proportional share

18   of the cumulative debt service payments necessary to service

19   the bonds issued pursuant to the Energy Efficiency and

20   Renewable Energy Bonding Act.

21   F.   The amount of the state equalization guarantee

22   distribution to which a school district is entitled is the

23   balance remaining after the deductions made in Paragraphs (6)

24   through (8) of Subsection D of this section.

25   G.   The state equalization guarantee distribution

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

2 calculation shall be based on the local and federal revenues

3 specified in this section received from June 1 of the previous

4 fiscal year through May 31 of the fiscal year for which the

5 state equalization guarantee distribution is being computed.

6 In the event that a school district or charter school has

7 received more state equalization guarantee funds than its

8 entitlement, a refund shall be made by the school district or

9 charter school to the state general fund."

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