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HOUSE BILL 175

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

G. Andrés Romero and Mimi Stewart

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; HOLDING SCHOOL DISTRICTS AND
CHARTER SCHOOLS HARMLESS IN FISCAL YEAR 2022 FUNDING FORMULA
CALCULATIONS FOR EFFECTS OF THE CORONAVIRUS DISEASE 2019
PANDEMIC ON ENROLLMENT AND TRANSPORTATION; PROVIDING FOR A
SUPPLEMENTAL DISTRIBUTION FROM THE STATE EQUALIZATION GUARANTEE
DISTRIBUTION APPROPRIATION; MAKING TEMPORARY ADJUSTMENTS TO
TRANSPORTATION DISTRIBUTIONS.

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

SECTION 1. A new section of the Public School Code is
enacted to read:

"[NEW MATERIAL] FISCAL YEAR 2022 UNIT VALUE--SUPPLEMENTAL
DISTRIBUTIONS--PROTECTIONS AGAINST ENROLLMENT LOSS DUE TO THE
CORONAVIRUS DISEASE 2019 PANDEMIC.--

A. As used in this section, "school district"

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1 includes charter schools.

2 B. For fiscal year 2022, the rate of distribution
3 of the state equalization guarantee distribution shall be based
4 on a program unit value determined by the secretary. When
5 setting the preliminary unit value to establish budgets for
6 fiscal year 2022, the secretary shall withhold an amount of the
7 state equalization guarantee distribution appropriation to
8 provide supplemental distributions from the state equalization
9 guarantee distribution appropriation to school districts to
10 ensure that each school district's fiscal year 2022 state
11 equalization guarantee distribution plus its supplemental
12 distribution is not less than its budgeted fiscal year 2021
13 state equalization guarantee distribution as of January 1,
14 2021.

15 C. In fiscal year 2022, a school district is
16 eligible for an initial supplemental distribution if its fiscal
17 year 2022 state equalization guarantee distribution is less
18 than its budgeted fiscal year 2021 state equalization guarantee
19 distribution as of January 1, 2021. The initial supplemental
20 distribution for a school district shall be equal to the school
21 district's budgeted fiscal year 2021 state equalization
22 guarantee distribution as of January 1, 2021 minus its
23 preliminary fiscal year 2022 state equalization guarantee
24 distribution.

25 D. Upon verification of the number of program units

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1 statewide for fiscal year 2022, but no later than January 31,
2 2022, the secretary may adjust the program unit value. In
3 setting the fiscal year 2022 final program unit value, the
4 secretary shall withhold an amount of the state equalization
5 guarantee distribution appropriation to provide supplemental
6 distributions from the state equalization guarantee
7 distribution appropriation to school districts to ensure that
8 each school district's fiscal year 2022 state equalization
9 guarantee distribution plus its supplemental distribution is
10 not less than its budgeted fiscal year 2021 state equalization
11 guarantee distribution as of January 1, 2021. The final
12 supplemental distribution for a school district shall be equal
13 to the school district's budgeted fiscal year 2021 state
14 equalization guarantee distribution as of January 1, 2021 minus
15 its final fiscal year 2022 state equalization guarantee
16 distribution.

17 E. When making calculations pursuant to Subsections
18 B through D of this section, the department shall not consider
19 that portion of the state equalization guarantee distribution
20 attributable to K-5 plus or extended learning time programs.

21 F. In setting the preliminary program unit value
22 and the final program unit value, the secretary shall consult
23 with the department of finance and administration, the
24 legislative finance committee and the legislative education
25 study committee."

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1 SECTION 2. Section 22-8-29 NMSA 1978 (being Laws 1967,
2 Chapter 16, Section 78, as amended) is amended to read:

3 "22-8-29. TRANSPORTATION DISTRIBUTIONS--REPORTS--
4 PAYMENTS.--

5 A. On the second reporting date and the third
6 reporting date of each year, each local school board of a
7 school district and governing body of a state-chartered charter
8 school shall report to the state transportation director, upon
9 forms furnished by the state transportation director, the
10 following information concerning the school district's or
11 state-chartered charter school's operation on each respective
12 reporting date of the current year:

13 (1) the number and designation of school bus
14 routes in operation in the school district;

15 (2) the number of miles traveled by each
16 school bus on each school bus route, showing the route mileage
17 in accordance with the type of road surface traveled;

18 (3) the number of students, including special
19 education students, transported on each reporting date of the
20 current year and adjusted for special education students on
21 December 1;

22 (4) the projected number of students to be
23 transported in the next school year;

24 (5) the seating capacity, age and mileage of
25 each bus used in the school district for student

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1 transportation; and

2 (6) the number of total miles traveled for
3 each school district's or state-chartered charter school's per
4 capita feeder routes.

5 B. Each local school board of a school district and
6 governing body of a state-chartered charter school maintaining
7 a school bus route shall make further reports to the state
8 transportation director at other times specified by the state
9 transportation director.

10 C. The state transportation director shall certify
11 to the secretary that the allocations from the transportation
12 distributions to each school district and state-chartered
13 charter school are based upon the transportation distribution
14 formula established in the Public School Code, calculated and
15 distributed for the entire school year using an average of the
16 amounts reported pursuant to Subsection A of this section on
17 the second reporting date and third reporting date of the prior
18 school year, and are subject to audit and verification;
19 provided that for fiscal year 2022, the state transportation
20 director shall use an average of the amounts reported pursuant
21 to Subsection A of this section on the second and third
22 reporting dates of fiscal year 2020.

23 D. The department shall make periodic installment
24 payments to school districts and state-chartered charter
25 schools during the school year from the transportation

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1 distributions, based upon the allocations certified by the
2 state transportation director."

3 SECTION 3. Section 22-8-29.1 NMSA 1978 (being Laws 1995,
4 Chapter 208, Section 10, as amended) is amended to read:

5 "22-8-29.1. CALCULATION OF TRANSPORTATION ALLOCATION.--

6 A. As used in this section:

7 (1) "annual variables" means the coefficients
8 calculated by regressing the total operational expenditures
9 from two years prior to the current school year for each school
10 district and state-chartered charter school using the number of
11 students transported and the numerical value of site
12 characteristics; provided that for fiscal year 2022, the
13 coefficients shall be calculated by regressing the total
14 operational expenditures from fiscal year 2019;

15 (2) "base amount" means the fixed amount that
16 is the same for all school districts and an amount established
17 by rule for state-chartered charter schools;

18 (3) "total operational expenditures" means the
19 sum of all to-and-from school transportation expenditures,
20 excluding expenditures incurred in accordance with the
21 provisions of Section 22-8-27 NMSA 1978; and

22 (4) "variable amount" means the sum of the
23 product of the annual variables multiplied by each school
24 district's or state-chartered charter school's numerical value
25 of the school district's and state-chartered charter school's

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1 site characteristics multiplied by the number of days of
2 operation for each school district or state-chartered charter
3 school.

4 B. The department shall calculate the
5 transportation allocation for each school district and state-
6 chartered charter school.

7 C. The base amount is designated as product A.
8 Product A is the constant calculated by regressing the total
9 [~~operations~~] operational expenditures from the two years prior
10 to the current school year for school district or state-
11 chartered charter school operations using the numerical value
12 of site characteristics approved by the department. The
13 legislative education study committee and the legislative
14 finance committee may review the site characteristics developed
15 by the state transportation director prior to approval by the
16 department.

17 D. The variable amount is designated as product B.
18 Product B is the predicted additional expenditures for each
19 school district or state-chartered charter school based on the
20 regression analysis using the site characteristics as predictor
21 variables multiplied by the number of days.

22 E. The allocation to each school district and
23 state-chartered charter school shall be equal to product A plus
24 product B. The adjustment factor shall be applied to the
25 calculation.

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F. For the 2001-2002, 2002-2003 and 2003-2004 school years, the transportation allocation for each school district shall not be less than ninety-five percent or more than one hundred five percent of the prior school year's transportation expenditure.

~~[G. The adjustment factor shall be applied to the allocation amount determined pursuant to Subsections E and F of this section.]"~~