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HOUSE BILL 215

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

DANICE PICRAUX

FOR THE PUBLIC SCHOOL FUNDING FORMULA TASK FORCE

AN ACT

RELATING TO EDUCATION; AMENDING AND ENACTING CERTAIN SECTIONS OF THE PUBLIC SCHOOL FINANCE ACT TO ABOLISH CERTAIN SIZE ADJUSTMENT UNITS, TO PROVIDE FOR AT-RISK STUDENT PROGRAM UNITS, TO REVISE SPECIAL EDUCATION INDICES AND TO ESTABLISH PROGRAM UNITS FOR SPECIAL EDUCATION ANCILLARY SERVICE PROGRAMS; MAKING APPROPRIATIONS.

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

Section 1. Section 22-8-2 NMSA 1978 (being Laws 1978, Chapter 128, Section 3, as amended) is amended to read:

"22-8-2. DEFINITIONS. --As used in the Public School Finance Act:

- A. "ADM" or "MEM" means membership;
- B. "membership" means the total enrollment of qualified students on the current roll of a class or school on a

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1 specified day. The current roll is established by the addition
2 of original entries and reentries minus withdrawals.

3 Withdrawals of students, in addition to students formally
4 withdrawn from the public school, [~~includes~~] include students
5 absent from the public school for as many as ten consecutive
6 school days;

7 C. "basic program ADM" or "basic program MEM" means
8 the MEM of qualified students but excludes the full-time-
9 equivalent MEM in early childhood education and three- and four-
10 year old students receiving special education services;

11 D. "cost differential factor" is the numerical
12 expression of the ratio of the cost of a particular segment of
13 the school program to the cost of the basic program in grades
14 four through six;

15 E. "department" or "division" means the state
16 department of public education;

17 F. "early childhood education ADM" or "early
18 childhood education MEM" means the full-time-equivalent MEM of
19 students attending approved early childhood education programs;

20 G. "full-time-equivalent ADM" or "full-time-
21 equivalent MEM" is that membership calculated by applying to the
22 MEM in an approved public school program the ratio of the number
23 of hours per school day devoted to the program to six hours or
24 the number of hours per school week devoted to the program to
25 thirty hours;

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1 H. "operating budget" means the annual financial
2 plan required to be submitted by a local school board;

3 I. "program cost" is the product of the total number
4 of program units to which a school district is entitled
5 multiplied by the dollar value per program unit established by
6 the legislature;

7 J. "program element" is that component of a public
8 school system to which a cost differential factor is applied to
9 determine the number of program units to which a school district
10 is entitled, including but not limited to MEM, full-time-
11 equivalent MEM, teacher, classroom or public school;

12 K. "program unit" is the product of the program
13 element multiplied by the applicable cost differential factor;

14 L. "public money" or "public funds" means all money
15 from public or private sources received by a local school board
16 or officer or employee of a local school board for public use;

17 M. "qualified student" means a public school student
18 who:

19 (1) has not graduated from high school;

20 (2) is regularly enrolled in one-half or more
21 of the minimum course requirements approved by the state board
22 for public school students; and

23 (3) is at least five years of age prior to
24 12:01 a.m. on September 1 of the school year; or

25 (4) is at least three years of age at any time

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1 during the school year and is receiving special education
2 services pursuant to regulation of the state board; or

3 (5) has not reached his twenty-second birthday
4 on the first day of the school year and is receiving special
5 education services pursuant to regulation of the state board;
6 and

7 N. "state superintendent" means the superintendent
8 of public instruction or his designee. "

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

11 "22-8-18. PROGRAM COST CALCULATION--LOCAL SCHOOL BOARD
12 RESPONSIBILITY.--

13 A. The total program units for the purpose of
14 computing the program cost shall be calculated by multiplying
15 the sum of the program units itemized as Paragraphs (1) through
16 (4) in this subsection by the instruction staff training and
17 experience index and adding the program units itemized as
18 Paragraphs (5) through [~~(7)~~] (8) in this subsection. The
19 itemized program units are as follows:

- 20 (1) early childhood education;
- 21 (2) basic education;
- 22 (3) special education, adjusted by subtracting
23 the units derived from [~~class D special education MEM~~]
24 membership in class D special education programs in private,
25 nonsectarian, nonprofit training centers;

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- 1 (4) bilingual multicultural education;
2 (5) size adjustment;
3 (6) at-risk student;
4 [~~(6)~~] (7) enrollment growth or new district
5 adjustment; and
6 [~~(7)~~] (8) special education units derived from
7 [~~class D special education MEM~~] membership in class D special
8 education programs in private, nonsectarian, nonprofit training
9 centers.

10 B. The total program cost calculated as prescribed
11 in Subsection A of this section includes the cost of early
12 childhood, special, bilingual multicultural and vocational
13 education and other remedial or enrichment programs. It is the
14 responsibility of the local school board to determine its
15 priorities in terms of the needs of the community served by that
16 board. Funds generated under the Public School Finance Act are
17 discretionary to local school boards, provided that the special
18 program needs as enumerated in this section are met. "

19 Section 3. Section 22-8-19 NMSA 1978 (being Laws 1974,
20 Chapter 8, Section 9, as amended) is amended to read:

21 "22-8-19. EARLY CHILDHOOD EDUCATION PROGRAM UNITS. --

22 A. The number of early childhood education program
23 units is determined by multiplying the early childhood education
24 MEM by the cost differential factor 1.44. No early childhood
25 education student shall be counted for more than 0.5 early

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1 childhood education MEM

2 B. For the purpose of calculating early childhood
3 education program units, developmentally disabled three- and
4 four-year-old students shall be counted in early childhood
5 education membership. No developmentally disabled three- and
6 four-year old student shall be counted for more than 0.5 early
7 childhood education MEM "

8 Section 4. Section 22-8-21 NMSA 1978 (being Laws 1974,
9 Chapter 8, Section 11, as amended by Laws 1992, Chapter 75,
10 Section 1 and also by Laws 1992, Chapter 84, Section 1) is
11 amended to read:

12 "22-8-21. SPECIAL EDUCATION PROGRAM UNITS. --

13 A. For the purpose of the Public School Finance Act,
14 special education programs for exceptional children are those
15 approved by the department and classified as follows:

16 (1) class A programs, in which department
17 certified individuals provide services to children whose
18 individualized education programs require a minimal amount of
19 special education and in which the ratio of students to
20 professionals is regulated by the state board;

21 (2) class B programs, in which department
22 certified individuals provide services to children whose
23 individualized education programs require a moderate amount of
24 special education and in which the ratio of students to
25 professionals is regulated by the state board;

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1 (3) class C programs, in which department
2 certified individuals provide services to children whose
3 individualized education programs require an extensive amount of
4 special education and in which the ratio of students to
5 professionals is regulated by the state board;

6 (4) class D programs, in which department
7 certified individuals provide services to children whose
8 individualized education programs require a maximum amount of
9 special education and in which the ratio of students to
10 professionals is regulated by the state board. Students in
11 class D programs may be enrolled in private, nonsectarian,
12 nonprofit educational training centers in accordance with the
13 provisions of Section 22-13-8 NMSA 1978; and

14 (5) programs for developmentally disabled
15 three- and four-year-old children meeting standards approved by
16 the state board.

17 B. All students assigned to the programs for
18 exceptional children classified in Subsection A of this section
19 shall have been so assigned as a result of diagnosis and
20 evaluation performed in accordance with the standards of the
21 department before the students may be counted in the
22 determination of special education program units as provided in
23 Subsection C of this section.

24 C. The number of special education program units is
25 the sum of the following:

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1 (1) ~~[for class A and class B programs as~~
2 ~~defined in Subsection A of this section, the product of the~~
3 ~~number of approved class A and class B programs requested by the~~
4 ~~local school board and certified by the department multiplied by~~
5 ~~the cost differential factor 20]~~ the MEM in approved class A and
6 B programs as defined in Subsection A of this section multiplied
7 by the cost differential factor.7;

8 (2) the ~~[special education]~~ MEM in approved
9 class C programs as defined in Subsection A of this section
10 multiplied by the cost differential factor ~~[1.9]~~ 1.0;

11 (3) the ~~[special education]~~ MEM in approved
12 class D programs as defined in Subsection A of this section
13 multiplied by the cost differential factor ~~[3.5; and]~~ 2.0; ~~[and]~~

14 (4) the ~~[special education]~~ MEM for
15 developmentally disabled three- and four-year-old children as
16 defined in ~~[Paragraph (5) of]~~ Subsection A of this section
17 multiplied by the cost differential factor ~~[3.5]~~ 2.0; provided
18 that no developmentally disabled three- or four-year-old student
19 shall be counted for additional ancillary service units; and

20 (5) for related services ancillary to providing
21 special education, the number of full-time equivalent certified
22 or licensed ancillary service and diagnostic service personnel
23 multiplied by the cost differential factor 25.0.

24 D. For the purpose of calculating membership in
25 class C and class D programs, students shall be counted in

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1 actual grade placement or according to chronological age if not
2 in actual grade placement. "

3 Section 5. Section 22-8-23 NMSA 1978 (being Laws 1975,
4 Chapter 119, Section 1, as amended) is amended to read:

5 "22-8-23. SIZE ADJUSTMENT PROGRAM UNITS. --

6 A. An approved public school with a MEM of less
7 than 400, including early childhood education full-time
8 equivalent MEM but excluding [~~special education class C~~
9 ~~and class D MEM~~] membership in class C and class D programs and
10 excluding full-time equivalent membership in three- and four-
11 year old developmentally disabled programs, is eligible for
12 additional program units. Separate schools established to
13 provide special programs, including but not limited to
14 vocational and alternative education, shall not be classified as
15 public schools for purposes of generating size adjustment
16 program units. The number of additional program units to which
17 a school district is entitled under this subsection is the sum
18 of elementary-junior high units and senior high units computed
19 in the following manner:

$$\begin{array}{l} \text{Elementary-Junior High Units} \\ \frac{200 - \text{MEM} \times 1.0 \times \text{MEM}}{200} = \text{Units} \end{array}$$

22 where MEM is equal to the membership of an approved elementary
23 or junior high school, including early childhood education full-
24 time equivalent membership but excluding special education class
25 C and class D membership;

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$$\begin{array}{l} \text{Senior High Units} \\ \frac{200 - \text{MEM}}{200} \times 2.0 \times \text{MEM} = \text{Units} \end{array}$$

or,

$$\begin{array}{l} \text{Senior High Units} \\ \frac{400 - \text{MEM}}{400} \times 1.6 \times \text{MEM} = \text{Units} \end{array}$$

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

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

$$\begin{array}{l} \text{District Units} \\ \frac{4000 - \text{MEM}}{4000} \times 0.15 \times \text{MEM} = \text{Units} \end{array}$$

where MEM is equal to the total district membership, including early childhood education full-time equivalent membership [~~and special education membership~~].

C. A school district with over 10,000 MEM with a ratio of MEM to senior high schools less than 4,000:1 is eligible for additional program units based on the number of approved regular senior high schools that are not eligible for senior high units under Subsection A of this section.

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1 The number of additional program units to which an eligible
2 school district is entitled under this subsection is the
3 number of units computed in the following manner:

$$\frac{4000 - \text{MEM}}{\text{Senior High Schools}} \times 0.50 = \text{Units}$$

4 where MEM is equal to the total district membership, including
5 early childhood education full-time equivalent membership [and
6 special education membership], and where senior high schools are
7 equal to the number of approved regular senior high schools in
8 the district.
9

10 ~~[D. A school district with a total MEM of greater~~
11 ~~than ten thousand but less than fifteen thousand, including~~
12 ~~early childhood education full-time equivalent MEM and special~~
13 ~~education MEM, is eligible for additional program units. The~~
14 ~~number of additional program units to which an eligible district~~
15 ~~is entitled under this subsection is the number of units~~
16 ~~computed in the following manner:~~

$$\frac{\text{MEM} - 10,000}{10,000} \times .15 \times \text{MEM} = \text{Units}$$

17 where MEM is equal to the total district membership, including
18 early childhood education full-time equivalent membership and
19 special education membership.
20

21 ~~E. A school district with a total MEM of~~
22 ~~greater than fifteen thousand but less than thirty-five~~
23 ~~thousand, including early childhood education full-time~~
24 ~~equivalent MEM and special education MEM, is eligible for~~
25 ~~additional program units. The number of additional program~~

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1 ~~units to which an eligible district is entitled under this~~
2 ~~subsection is the number of units computed in the following~~
3 ~~manner:-~~

$$\frac{\text{MEM} - 15,000}{15,000} \times .15 \times \text{MEM} = \text{Units}$$

4 where MEM is equal to the total district membership, including
5 early childhood education full-time equivalent membership and
6 special education membership.
7

8 F. ~~A school district with a total MEM of greater~~
9 ~~than thirty five thousand, including early childhood education~~
10 ~~full-time equivalent MEM and special education MEM, is eligible~~
11 ~~for additional program units. The number of additional program~~
12 ~~units to which an eligible district is entitled under this~~
13 ~~subsection is the number of units computed in the following~~
14 ~~manner:-~~

$$\frac{\text{MEM} - 35,000}{35,000} \times .023 \times \text{MEM} = \text{Units}$$

15 where MEM is equal to the total district membership, including
16 early childhood education full-time equivalent membership and
17 special education membership.]"

18
19 Section 6. A new section of the Public School Finance Act,
20 Section 22-8-23.3 NMSA 1978 is enacted to read:

21 "22-8-23.3. [NEW MATERIAL] AT-RISK STUDENT PROGRAM
22 UNITS. --

23 A. A school district that establishes programs and
24 provides services to students at risk of academic failure is
25 eligible for additional program units. The number of additional

1 units to which a district is entitled under this section is
2 computed in the following manner:

$$3 \quad \text{At-Risk Index} \times \text{MEM} = \text{Units}$$

4 where MEM is equal to the total district membership, including
5 early childhood education, full-time-equivalent membership and
6 special education membership, and where the at-risk index is
7 calculated in the following manner:

$$8 \quad \text{Refined At-Risk Cluster} \times \text{Assigned Value} = \text{At-Risk Index.}$$

9 B. To calculate the refined at-risk cluster, the
10 department shall rank order each school district in the state on
11 the basis of the district's percentage of membership used to
12 determine its Title I allocation, the percentage of membership
13 classified as limited English proficient using criteria
14 established by the federal office of civil rights, the
15 percentage of student mobility and the percentage of dropouts in
16 the school district. Using this data, the department shall
17 initially group districts into nine clusters using a Kohonen
18 mathematical analysis. Each school district shall be assigned a
19 whole number from one to nine reflecting its initial cluster
20 assignment, with higher need districts receiving a higher number
21 and lower need districts receiving a lower number. This number
22 shall be modified on the basis of a school district's relative
23 position in the cluster. That number shall be further refined
24 through the use of a second mathematical calculation, a back
25 propagation. Using a back propagation, the department shall

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1 refine the cluster assignment and the number assigned to each
2 school district. The number obtained from this calculation is
3 the refined at-risk cluster.

4 C. To establish the assigned value necessary to
5 calculate the at-risk index, the department shall assign a value
6 to each district based on the district's refined at-risk cluster
7 number. The value assigned shall not be less than .01 or be
8 more than .15. School districts with a lower refined at-risk
9 cluster number shall receive a lower value assignment; school
10 districts with a higher refined at-risk cluster number shall
11 receive a higher value assignment. The value assigned to each
12 district shall be the number used to calculate the at-risk
13 index. "

14 Section 7. Section 22-8-25 NMSA 1978 (being Laws 1981,
15 Chapter 176, Section 5, as amended by Laws 1993, Chapter 226,
16 Section 23 and also by Laws 1993, Chapter 231, Section 14) is
17 amended to read:

18 "22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
19 DEFINITIONS-- DETERMINATION OF AMOUNT. --

20 A. The state equalization guarantee distribution is
21 that amount of money distributed to each school district to
22 ensure that the school district's operating revenue, including
23 its local and federal revenues as defined in this section, is at
24 least equal to the school district's program cost.

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

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1 ninety-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.

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

17 (1) the school district's share of forest
18 reserve funds distributed in accordance with Section 22-8-33
19 NMSA 1978; and

20 (2) grants from the federal government as
21 assistance to those areas affected by federal activity
22 authorized in accordance with Sections 236 through 240 of Title
23 20 of the United States Code (commonly known as "PL 874 funds")
24 or an amount equal to the revenue the district was entitled to
25 receive if no application was made for such funds but deducting

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1 from those grants the additional amounts to which school
2 districts would be entitled because of the provisions of
3 Subparagraph (D) of Paragraph (2) of Subsection (d) of Section
4 238 of Title 20 of the United States Code.

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

7 (1) calculate the number of program units to
8 which each school district is entitled using the ~~[membership of~~
9 ~~the fortieth day of the school year, except for school districts~~
10 ~~with a MEM of 200 or less where the number of program units~~
11 ~~shall be calculated on the fortieth day membership of either the~~
12 ~~prior year or the current year, whichever is greater, for all~~
13 ~~programs except special education, which shall be calculated by~~
14 ~~using the membership on December 1 of the school year]~~ basic
15 program membership of the fortieth day for all programs;
16 provided that special education program units shall be
17 calculated using the membership in special education programs on
18 December 1; or

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

23 (3) calculate the number of program units to
24 which a school district with a basic program MEM of 200 or less
25 is entitled by using the basic program membership on the

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1 fortieth day of either the prior or the current year, whichever
2 is greater; provided that special education program units shall
3 be calculated using the membership in special education programs
4 on December 1 of either the prior or the current year; and

5 [~~(3)~~] (4) using the results of the calculations
6 in Paragraph (1), [~~(2)~~] (2) or (3) of this subsection and the
7 instructional staff training and experience index from the
8 October report of the prior school year, establish a total
9 program cost of the school district;

10 [~~(4)~~] (5) calculate the local and federal
11 revenues as defined in this section;

12 [~~(5)~~] (6) deduct the sum of the calculations
13 made in Paragraph [~~(4)~~] (5) of this subsection from the program
14 cost established in Paragraph [~~(3)~~] (4) of this subsection; and

15 [~~(6)~~] (7) deduct the total amount of guaranteed
16 energy savings contract payments that the state superintendent
17 determines will be made to the school district from the public
18 school energy efficiency fund during the fiscal year for which
19 the state equalization guarantee distribution is being computed.

20 E. The amount of the state equalization guarantee
21 distribution to which a school district is entitled is the
22 balance remaining after the deductions made in Paragraphs [~~(5)~~
23 ~~and~~] (6) and (7) of Subsection D of this section.

24 F. The state equalization guarantee distribution
25 shall be distributed prior to June 30 of each fiscal year. The

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1 calculation shall be based on the local and federal revenues
2 specified in this section received from June 1 of the previous
3 fiscal year through May 31 of the fiscal year for which the
4 state equalization guarantee distribution is being computed. In
5 the event that a district has received more state equalization
6 guarantee funds than its entitlement, a refund shall be made by
7 the district to the state general fund.

8 G. Notwithstanding the methods of calculating the
9 state equalization guarantee distribution in this section and
10 Laws 1974, Chapter 8, Section 22, if a school district received
11 funds under Section 2391 of Title 42 USCA and if the federal
12 government takes into consideration grants authorized by
13 Sections 236 through 240 of Title 20 of the United States Code
14 and all other revenues available to the school district in
15 determining the level of federal support for the school district
16 for the sixty-fourth and succeeding fiscal years, the state
17 equalization guarantee distribution for school districts
18 receiving funds under this subsection shall be computed as
19 follows:

20	fiscal year program cost		prior fiscal year
21	excluding special education		state equalization
22	for the year for which the	x	guarantee distribution
23	state equalization guarantee		excluding special
24	<u>distribution is being computed</u>		education
25	prior fiscal year program cost		
	excluding special education		

24 plus special education funding in accordance with Paragraphs
25 (1), ~~or~~ (2) ~~and~~ or (3) and (4) of Subsection D of this

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1 section and Section 22-8-21 NMSA 1978 plus an amount that would
2 be produced by applying a rate of eight dollars forty-two and
3 one-half cents (\$8.425) to each one thousand dollars (\$1,000) of
4 net taxable value of property as defined in the Property Tax
5 Code for property taxation purposes in the school district and
6 to each one thousand dollars (\$1,000) of the assessed value of
7 products severed and sold in the school district as determined
8 under the Oil and Gas Ad Valorem Production Tax Act and upon the
9 assessed value of equipment in the school district as determined
10 under the Oil and Gas Production Equipment Ad Valorem Tax Act
11 and then reduced by the total amount of guaranteed energy
12 savings contract payments, if any, that the state superintendent
13 determines will be made to the school district from the public
14 school energy efficiency fund during the fiscal year for which
15 the state equalization guarantee distribution is being computed,
16 equals the fiscal year state equalization guarantee distribution
17 for the year for which the state equalization guarantee
18 distribution is being computed.

19 If at any time grants from the federal government as
20 assistance to those areas affected by federal activity
21 authorized in accordance with Sections 236 through 240 of Title
22 20 of the United States Code (commonly known as "PL 874 funds")
23 are reduced or are no longer available, the state equalization
24 guarantee distribution shall be computed by the formula
25 contained in this subsection plus an increase by fifty percent

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1 of the amount the prior year's PL 874 funds exceed PL 874 funds
2 for the year for which the state equalization guarantee
3 distribution is being computed. "

4 Section 8. APPROPRIATION. -- Fifty-five million dollars
5 (\$55,000,000) is appropriated from the general fund to the state
6 equalization guarantee distribution for expenditure in fiscal
7 year 1998 for the purpose of funding additional program units
8 authorized by law. Any unexpended or unencumbered balance
9 remaining at the end of fiscal year 1998 shall revert to the
10 general fund.

11 Section 9. APPROPRIATION. -- Two million four hundred
12 thousand dollars (\$2,400,000) is appropriated from the general
13 fund to the state department of public education for expenditure
14 in fiscal year 1998 for the purpose of making additional
15 distributions to those school districts receiving a reduced
16 state equalization guarantee distribution as a result of the
17 enactment of amendments to the Public School Finance Act by the
18 first session of the forty-third legislature. Any unexpended or
19 unencumbered balance remaining at the end of fiscal year 1998
20 shall revert to the general fund.

21 Section 10. EFFECTIVE DATE. -- The effective date of the
22 provisions of this act is July 1, 1997.

**State of New Mexico
House of Representatives**

FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

February 12, 1997

Mr. Speaker:

Your EDUCATION COMMITTEE, to whom has been referred

HOUSE BILL 215

has had it under consideration and reports same with
recommendation that it DO NOT PASS, but that

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 215

DO PASS, and thence referred to the APPROPRIATIONS AND
FINANCE COMMITTEE.

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HEC/HB 215

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Respectfully submitted,

Samuel F. Vigil, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11

Excused: Garnenez, Nicely

Absent: None

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HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 215

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

AN ACT

RELATING TO EDUCATION; AMENDING AND ENACTING CERTAIN SECTIONS OF
THE PUBLIC SCHOOL CODE AND THE PUBLIC SCHOOL FINANCE ACT TO
ABOLISH CERTAIN SIZE ADJUSTMENT UNITS, TO PROVIDE FOR AT-RISK
PROGRAM UNITS, TO REVISE SPECIAL EDUCATION INDICES AND TO
ESTABLISH PROGRAM UNITS FOR SPECIAL EDUCATION ANCILLARY SERVICE
PROGRAMS; MAKING AN APPROPRIATION.

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

Section 1. Section 22-1-6 NMSA 1978 (being Laws 1989,
Chapter 308, Section 1, as amended) is amended to read:

"22-1-6. ANNUAL SCHOOL DISTRICT ACCOUNTABILITY REPORT
REQUIRED. --

A. Each school district shall be required to publish
an annual school district accountability report to provide
district-wide data for the previous school year. The school
district shall send to the state superintendent the required
data with the year-end reports prior to August 15 each year.
The state superintendent shall compile the district reports data

1 and send a draft compilation report to the districts by October
2 15 each year and send a final compilation state report to the
3 governor and legislature prior to November 15 each year.

4 B. The accountability report shall include a brief
5 statement of the mission of the local school board, enrollment
6 statistics, total expenditures per pupil for the school year,
7 administrative expenditures per student for the school year, the
8 average teacher salary, a summary of student scores on all
9 state-mandated tests and college entrance exam scores, including
10 the norm base year; a summary of services provided for students
11 receiving services through the additional at-risk program units;
12 the number of New Mexico scholars eligible for and receiving
13 scholarships; the percentage of the graduating high school class
14 applying for entrance into a four-year post-secondary
15 institution; the percentage of seniors beginning the year who
16 graduate; the percentage of ninth graders, plus any newcomers
17 entering during grades nine through twelve, who graduate; the
18 percentage of full-time-equivalent students participating in
19 bilingual programs, chapter I programs, special education
20 programs and other federally funded programs, with the
21 percentage of the district budget attributable to each program;
22 the percentage of the district budget utilized to employ
23 certified teachers, administrators, support personnel and non-
24 certified classified personnel; the number of students enrolled
25 in advanced placement courses; a concise annual budget report,
including revenue and expense data; budget funding sources; the
student drop-out rate; continual student progress follow-up
study; a statement of school district goals for the upcoming

1 year; an invitation to all citizens to participate in school
 2 planning and school activities; and other data and information that
 3 clearly [~~communicates~~] communicate the activities and progress of
 4 the school district to the residents of that school district. The
 5 published accountability report shall ~~compare~~ district, state and
 6 national data whenever appropriate and shall include the rank of
 7 the school district among all of the school districts in the state,
 8 for all state-mandated tests and college exam scores, graduation
 9 percentages, drop-out rate, per-student administration expenditure,
 10 total per-student expenditure and average teacher salary data. The
 11 published report shall use tables and graphs to better ~~communicate~~
 12 complex information and, using the ranking data, shall include a
 13 graphic representation of the school district's progress over the
 14 preceding three years.

14 C. The annual accountability report shall also include
 15 the results of a survey of parents' views of the quality of their
 16 children's school. The survey shall be conducted each year in time
 17 to include the results in the annual accountability report. The
 18 survey shall ~~compile~~ the results of a written questionnaire that
 19 shall be sent home with the students to be given to their parents.
 20 The survey may be completed anonymously. The survey shall be no
 21 more than one page, shall be clearly and concisely written and
 22 shall include not more than twenty questions that shall be answered
 23 with options of a simple sliding scale ranging from "strongly
 24 agree" to "strongly disagree" and shall include the optional
 25 response "don't know". The survey shall also include a request for
 optional written ~~comments~~, which may be written on the back of the
 questionnaire form. The questionnaire shall include questions in

1 the following areas:

2 (1) parent-teacher-school relationship and
3 communication;

4 (2) quality of educational and extracurricular
5 programs;

6 (3) instructional practices and techniques;

7 (4) resources;

8 (5) school personnel, including the school
9 principal; and

10 (6) parents' view of teaching staff expectations
11 for the students.

12 The state board shall develop no more than ten of the
13 questions, which shall be reviewed by the legislative education
14 study committee prior to implementation. No more than five
15 questions shall be developed by the local school board and no more
16 than five questions shall be developed by the staffs of each
17 individual school site, provided that at least half of those
18 questions are developed by teachers rather than administrators, in
19 order to gather information that is specific to the particular
20 community surveyed.

21 D. The annual accountability report for each school
22 district shall be published no later than November 15 of each year
23 and shall be published at least once each school year in a
24 newspaper of general circulation in the county where the district
25 is located. In publication, the report shall be titled "the school
district report card". "

Section 2. Section 22-8-2 NMSA 1978 (being Laws 1978,
Chapter 128, Section 3, as amended) is amended to read:

1 "22-8-2. DEFINITIONS. --As used in the Public School Finance
2 Act:

3 A. "ADM" or "MEM" means membership;

4 B. "membership" means the total enrollment of qualified
5 students on the current roll of a class or school on a specified
6 day. The current roll is established by the addition of original
7 entries and reentries minus withdrawals. Withdrawals of students,
8 ~~[includes]~~ include students absent from the public school for as
9 many as ten consecutive school days;

10 C. "basic program ADM" or "basic program MEM" means the
11 MEM of qualified students but excludes the full-time-equivalent MEM
12 in early childhood education and three- and four-year old students
13 receiving special education services;

14 D. "cost differential factor" is the numerical
15 expression of the ratio of the cost of a particular segment of the
16 school program to the cost of the basic program in grades four
17 through six;

18 E. "department" or "division" means the state
19 department of public education;

20 F. "early childhood education ADM" or "early childhood
21 education MEM" means the full-time-equivalent MEM of students
22 attending approved early childhood education programs;

23 G. "full-time-equivalent ADM" or "full-time- equivalent
24 MEM" is that membership calculated by applying to the MEM in an
25 approved public school program the ratio of the number of hours per
school day devoted to the program to six hours or the number of
hours per school week devoted to the program to thirty hours;

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1 H. "operating budget" means the annual financial plan
2 required to be submitted by a local school board;

3 I. "program cost" is the product of the total number of
4 program units to which a school district is entitled multiplied by
5 the dollar value per program unit established by the legislature;

6 J. "program element" is that component of a public
7 school system to which a cost differential factor is applied to
8 determine the number of program units to which a school district is
9 entitled, including but not limited to MEM, full-time-equivalent
MEM, teacher, classroom or public school;

10 K. "program unit" is the product of the program element
11 multiplied by the applicable cost differential factor;

12 L. "public money" or "public funds" means all money
13 from public or private sources received by a local school board or
14 officer or employee of a local school board for public use;

15 M "qualified student" means a public school student
16 who:

17 (1) has not graduated from high school;

18 (2) is regularly enrolled in one-half or more of
19 the minimum course requirements approved by the state board for
20 public school students; and

21 (3) is at least five years of age prior to 12:01
22 a.m. on September 1 of the school year; or

23 (4) is at least three years of age at any time
24 during the school year and is receiving special education services
25 pursuant to regulation of the state board; or

(5) has not reached his twenty-second birthday on
the first day of the school year and is receiving special education

1 services pursuant to regulation of the state board; and

2 N. "state superintendent" means the superintendent of
3 public instruction or his designee."

4 Section 3. Section 22-8-18 NMSA 1978 (being Laws 1974,
5 Chapter 8, Section 8, as amended) is amended to read:

6 "22-8-18. PROGRAM COST CALCULATION--LOCAL SCHOOL BOARD
7 RESPONSIBILITY. --

8 A. The total program units for the purpose of computing
9 the program cost shall be calculated by multiplying the sum of the
10 program units itemized as Paragraphs (1) through (4) in this
11 subsection by the instruction staff training and experience index
12 and adding the program units itemized as Paragraphs (5) through
13 ~~[(7)]~~ (8) in this subsection. The itemized program units are as
14 follows:

15 (1) early childhood education;

16 (2) basic education;

17 (3) special education, adjusted by subtracting
18 the units derived from ~~[class D special education MEM]~~ membership
19 in class D special education programs in private, nonsectarian,
20 nonprofit training centers;

21 (4) bilingual multicultural education;

22 (5) size adjustment;

23 ~~(6)~~ (6) at-risk program;

24 ~~[(6)]~~ (7) enrollment growth or new district
25 adjustment; and

26 ~~[(7)]~~ (8) special education units derived from
27 ~~[class D special education MEM]~~ membership in class D special
28 education programs in private, nonsectarian, nonprofit training

Underscored material = new
[bracketed material] = delete

1 centers.

2 B. The total program cost calculated as prescribed in
3 Subsection A of this section includes the cost of early childhood,
4 special, bilingual multicultural and vocational education and other
5 remedial or enrichment programs. It is the responsibility of the
6 local school board to determine its priorities in terms of the
7 needs of the community served by that board. Funds generated under
8 the Public School Finance Act are discretionary to local school
9 boards, provided that the special program needs as enumerated in
10 this section are met."

11 Section 4. Section 22-8-19 NMSA 1978 (being Laws 1974,
12 Chapter 8, Section 9, as amended) is amended to read:

13 "22-8-19. EARLY CHILDHOOD EDUCATION PROGRAM UNITS. --

14 A. The number of early childhood education program
15 units is determined by multiplying the early childhood education
16 MEM by the cost differential factor 1.44. No early childhood
17 education student shall be counted for more than 0.5 early
18 childhood education MEM

19 B. For the purpose of calculating early childhood
20 education program units, developmentally disabled three- and four-
21 year-old students shall be counted in early childhood education
22 membership. No developmentally disabled three- or four-year old
23 student shall be counted for more than 0.5 early childhood
24 education MEM."

25 Section 5. Section 22-8-21 NMSA 1978 (being Laws 1974,
Chapter 8, Section 11, as amended by Laws 1992, Chapter 75, Section
1 and also by Laws 1992, Chapter 84, Section 1) is amended to read:

"22-8-21. SPECIAL EDUCATION PROGRAM UNITS. --

1 A. For the purpose of the Public School Finance Act,
2 special education programs for exceptional children are those
3 approved by the department and classified as follows:

4 (1) class A programs, in which department
5 certified individuals provide services to children whose
6 individualized education programs require a minimal amount of
7 special education and in which the ratio of students to
8 professionals is regulated by the state board;

9 (2) class B programs, in which department
10 certified individuals provide services to children whose
11 individualized education programs require a moderate amount of
12 special education and in which the ratio of students to
13 professionals is regulated by the state board;

14 (3) class C programs, in which department
15 certified individuals provide services to children whose
16 individualized education programs require an extensive amount of
17 special education and in which the ratio of students to
18 professionals is regulated by the state board;

19 (4) class D programs, in which department
20 certified individuals provide services to children whose
21 individualized education programs require a maximum amount of
22 special education and in which the ratio of students to
23 professionals is regulated by the state board. Students in class D
24 programs may be enrolled in private, nonsectarian, nonprofit
25 educational training centers in accordance with the provisions of
Section 22-13-8 NMSA 1978; and

 (5) programs for developmentally disabled three-
and four-year-old children meeting standards approved by the state

1 board.

2 B. All students assigned to the programs for
3 exceptional children classified in Subsection A of this section
4 shall have been so assigned as a result of diagnosis and evaluation
5 performed in accordance with the standards of the department before
6 the students may be counted in the determination of special
7 education program units as provided in Subsection C of this
8 section.

9 C. The number of special education program units is the
10 sum of the following:

11 (1) ~~[for class A and class B programs as defined~~
~~in Subsection A of this section, the product of the number of~~
12 ~~approved class A and class B programs requested by the local school~~
~~board and certified by the department multiplied by the cost~~
13 ~~differential factor 20]~~ the MEM in approved class A and B programs
14 as defined in Subsection A of this section multiplied by the cost
15 differential factor .7;

16 (2) the ~~[special education]~~ MEM in approved class
17 C programs as defined in Subsection A of this section multiplied by
18 the cost differential factor ~~[1.9]~~ 1.0;

19 (3) the ~~[special education]~~ MEM in approved class
20 D programs as defined in Subsection A of this section multiplied by
21 the cost differential factor ~~[3.5; and]~~ 2.0;

22 (4) the ~~[special education]~~ MEM for
23 developmentally disabled three- and four-year-old children as
24 defined in ~~[Paragraph (5) of]~~ Subsection A of this section
25 multiplied by the cost differential factor ~~[3.5]~~ 2.0; provided that
no developmentally disabled three- or four-year-old student shall

1 be counted for additional ancillary service units; and
2 (5) for related services ancillary to providing
3 special education, the number of full-time-equivalent certified or
4 licensed ancillary service and diagnostic service personnel
5 multiplied by the cost differential factor 25.0.

6 D. For the purpose of calculating membership in class C
7 and class D programs, students shall be counted in actual grade
8 placement or according to chronological age if not in actual grade
9 placement. "

10 Section 6. Section 22-8-23 NMSA 1978 (being Laws 1975,
Chapter 119, Section 1, as amended) is amended to read:

11 "22-8-23. SIZE ADJUSTMENT PROGRAM UNITS. --

12 A. An approved public school with a MEM of less
13 than 400, including early childhood education full-time-equivalent
14 MEM but excluding ~~[special education class C and class D MEM]~~
15 membership in class C and class D programs and excluding full-time-
16 equivalent membership in three- and four-year-old developmentally
17 disabled programs, is eligible for additional program units.

18 Separate schools established to provide special programs, including
19 but not limited to vocational and alternative education, shall not
20 be classified as public schools for purposes of generating size
21 adjustment program units. The number of additional program units
22 to which a school district is entitled under this subsection is the
23 sum of elementary-junior high units and senior high units computed
24 in the following manner:

$$\begin{aligned} & \text{Elementary- Junior High Units} \\ & \underline{200 - MEM} \times 1.0 \times \text{MEM} = \text{Units} \\ & 200 \end{aligned}$$

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[bracketed material] = delete

1 where MEM is equal to the membership of an approved elementary or
2 junior high school, including early childhood education full-time-
3 equivalent membership but excluding [~~special education class C and~~
4 ~~class D membership~~] membership in class C and class D programs and
5 excluding full-time-equivalent membership in three- and four-year-
6 old developmentally disabled programs;

6 Senior High Units

7 $200 - MEM \times 2.0 \times MEM = \text{Units}$

8 200

9 or,

10 Senior High Units

11 $400 - MEM \times 1.6 \times MEM = \text{Units}$

12 400

13 whichever calculation for senior high units is higher, where
14 MEM is equal to the membership of an approved senior high
15 school excluding [~~special education class C and class D membership~~]
16 membership in class C and class D programs.

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

23 District Units

24 $4000 - MEM \times 0.15 \times MEM = \text{Units}$

25 4000

where MEM is equal to the total district membership,
including early childhood education full-time-equivalent membership
[~~and special education membership~~].

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

$$\frac{4000 - MEM}{10,000} \times 0.50 = \text{Units}$$

9 Senior High Schools

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

15 ~~[D. A school district with a total MEM of greater than~~
 16 ~~ten thousand but less than fifteen thousand, including early~~
 17 ~~childhood education full-time equivalent MEM and special education~~
 18 ~~MEM, is eligible for additional program units. The number of~~
 19 ~~additional program units to which an eligible district is entitled~~
 20 ~~under this subsection is the number of units computed in the~~
 21 ~~following manner:~~

$$\frac{MEM - 10,000}{10,000} \times .15 \times MEM = \text{Units}$$

22 where MEM is equal to the total district membership, including
 23 early childhood education full-time equivalent membership and
 24 special education membership.

25 E. A school district with a total MEM of

Underscored material = new
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~~greater than fifteen thousand but less than thirty-five thousand, including early childhood education full-time equivalent MEM and special education MEM, is eligible for additional program units. The number of additional program units to which an eligible district is entitled under this subsection is the number of units computed in the following manner:~~

$$\frac{\text{MEM} - 15,000}{15,000} \times .15 \times \text{MEM} = \text{Units}$$

~~where MEM is equal to the total district membership, including early childhood education full-time equivalent membership and special education membership.~~

~~F. A school district with a total MEM of greater than thirty-five thousand, including early childhood education full-time equivalent MEM and special education MEM, is eligible for additional program units. The number of additional program units to which an eligible district is entitled under this subsection is the number of units computed in the following manner:~~

$$\frac{\text{MEM} - 35,000}{35,000} \times .023 \times \text{MEM} = \text{Units}$$

~~where MEM is equal to the total district membership, including early childhood education full-time equivalent membership and special education membership.]"~~

Section 7. A new section of the Public School Finance Act, Section 22-8-23.3 NMSA 1978, is enacted to read:

"22-8-23.3. [NEW MATERIAL] AT-RISK PROGRAM UNITS. --

A. A school district is eligible for additional program units if it establishes within its state-board-approved educational plan identified services to assist students to reach their full academic potential. A school district receiving additional at-risk

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1 program units shall include a report of specified services in its
 2 annual accountability report pursuant to Section 22-1-6 NMSA 1978.
 3 The number of additional units to which a district is entitled
 4 under this section is computed in the following manner:

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

5 where MEM is equal to the total district membership, including
 6 early childhood education, full-time-equivalent membership and
 7 special education membership, and where the at-risk index is
 8 calculated in the following manner:

$$\text{Refined At-Risk Cluster} \times 0.015 = \text{At-Risk Index.}$$

9
 10 B. To calculate the refined at-risk cluster, the
 11 department shall rank order each school district in the state on
 12 the basis of the district's percentage of membership used to
 13 determine its Title I allocation, the percentage of membership
 14 classified as limited English proficient using criteria established
 15 by the federal office of civil rights, the percentage of student
 16 mobility and the percentage of dropouts in the school district.
 17 Using this data, the department shall initially group districts
 18 into nine clusters using a neutral network computer analysis. Each
 19 school district shall be assigned a whole number from one to nine
 20 reflecting its initial cluster assignment, with higher need
 21 districts receiving a higher number and lower need districts
 22 receiving a lower number. This number shall be modified on the
 23 basis of a school district's relative position in the cluster and
 24 further refined through the use of a second neutral network
 25 computer analysis, a back propagation. Using the results of this
 analysis, the department shall refine the cluster assignment and
 the number assigned to each school district. The number obtained

1 from this calculation is the refined at-risk cluster.

2 C. The department shall recalculate the at-risk index
3 for each school district every two years. "

4 Section 8. Section 22-8-25 NMSA 1978 (being Laws 1981,
5 Chapter 176, Section 5, as amended by Laws 1993, Chapter 226,
6 Section 23 and also by Laws 1993, Chapter 231, Section 14) is
7 amended to read:

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

10 A. The state equalization guarantee distribution is
11 that amount of money distributed to each school district to ensure
12 that the school district's operating revenue, including its local
13 and federal revenues as defined in this section, is at least equal
14 to the school district's program cost.

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

25 C. "Federal revenue", as used in this section, means
ninety-five percent of receipts to the school district, excluding
amounts which, if taken into account in the computation of the
state equalization guarantee distribution, result, under federal

1 law or regulations, in a reduction in or elimination of federal
 2 school funding otherwise receivable by the school district, derived
 3 from the following:

4 (1) the school district's share of forest reserve
 5 funds distributed in accordance with Section 22-8-33 NMSA 1978; and

6 (2) grants from the federal government as
 7 assistance to those areas affected by federal activity authorized
 8 in accordance with Sections 236 through 240 of Title 20 of the
 9 United States Code (commonly known as "PL 874 funds") or an amount
 10 equal to the revenue the district was entitled to receive if no
 11 application was made for such funds but deducting from those grants
 12 the additional amounts to which school districts would be entitled
 13 because of the provisions of Subparagraph (D) of Paragraph (2) of
 14 Subsection (d) of Section 238 of Title 20 of the United States
 15 Code.

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

18 (1) calculate the number of program units to
 19 which each school district is entitled using the ~~[membership of the~~
 20 ~~fortieth day of the school year, except for school districts with a~~
 21 ~~MEM of 200 or less where the number of program units shall be~~
 22 ~~calculated on the fortieth day membership of either the prior year~~
 23 ~~or the current year, whichever is greater, for all programs except~~
 24 ~~special education, which shall be calculated by using the~~
 25 ~~membership on December 1 of the school year] basic program~~
membership of the fortieth day for all programs; provided that
special education program units shall be calculated using the
membership in special education programs on December 1; or

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

5 (3) calculate the number of program units to
6 which a school district with a basic program MEM of 200 or less is
7 entitled by using the basic program membership on the fortieth day
8 of either the prior or the current year, whichever is greater;
9 provided that special education program units shall be calculated
10 using the membership in special education programs on December 1 of
11 either the prior or the current year; and

12 [~~3~~] (4) using the results of the calculations
13 in Paragraph (1), [~~or~~] (2) or (3) of this subsection and the
14 instructional staff training and experience index from the October
15 report of the prior school year, establish a total program cost of
16 the school district;

17 [~~4~~] (5) calculate the local and federal
18 revenues as defined in this section;

19 [~~5~~] (6) deduct the sum of the calculations made
20 in Paragraph [~~4~~] (5) of this subsection from the program cost
21 established in Paragraph [~~3~~] (4) of this subsection; and

22 [~~6~~] (7) deduct the total amount of guaranteed
23 energy savings contract payments that the state superintendent
24 determines will be made to the school district from the public
25 school energy efficiency fund during the fiscal year for which the
state equalization guarantee distribution is being computed.

E. The amount of the state equalization guarantee
distribution to which a school district is entitled is the balance

1 remaining after the deductions made in Paragraphs [~~(5) and~~] (6) and
 2 (7) of Subsection D of this section.

3 F. The state equalization guarantee distribution shall
 4 be distributed prior to June 30 of each fiscal year. The
 5 calculation shall be based on the local and federal revenues
 6 specified in this section received from June 1 of the previous
 7 fiscal year through May 31 of the fiscal year for which the state
 8 equalization guarantee distribution is being computed. In the
 9 event that a district has received more state equalization
 10 guarantee funds than its entitlement, a refund shall be made by the
 11 district to the state general fund.

12 G. Notwithstanding the methods of calculating the state
 13 equalization guarantee distribution in this section and Laws 1974,
 14 Chapter 8, Section 22, if a school district received funds under
 15 Section 2391 of Title 42 USCA and if the federal government takes
 16 into consideration grants authorized by Sections 236 through 240 of
 17 Title 20 of the United States Code and all other revenues available
 18 to the school district in determining the level of federal support
 19 for the school district for the sixty-fourth and succeeding fiscal
 20 years, the state equalization guarantee distribution for school
 21 districts receiving funds under this subsection shall be computed
 22 as follows:

fiscal year program cost		prior fiscal year
excluding special education		state equalization
for the year for which the	x	guarantee distribution
state equalization guarantee		excluding special
<u>distribution is being computed</u>		education
prior fiscal year program cost		
excluding special education		

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1 plus special education funding in accordance with Paragraphs (1),
2 [~~or~~] (2) [~~and~~] or (3) and (4) of Subsection D of this section and
3 Section 22-8-21 NMSA 1978 plus an amount that would be produced by
4 applying a rate of eight dollars forty-two and one-half cents
5 (\$8.425) to each one thousand dollars (\$1,000) of net taxable value
6 of property as defined in the Property Tax Code for property
7 taxation purposes in the school district and to each one thousand
8 dollars (\$1,000) of the assessed value of products severed and sold
9 in the school district as determined under the Oil and Gas Ad
10 Valorem Production Tax Act and upon the assessed value of equipment
11 in the school district as determined under the Oil and Gas
12 Production Equipment Ad Valorem Tax Act and then reduced by the
13 total amount of guaranteed energy savings contract payments, if
14 any, that the state superintendent determines will be made to the
15 school district from the public school energy efficiency fund
16 during the fiscal year for which the state equalization guarantee
17 distribution is being computed, equals the fiscal year state
18 equalization guarantee distribution for the year for which the
19 state equalization guarantee distribution is being computed.

20 If at any time grants from the federal government as
21 assistance to those areas affected by federal activity authorized
22 in accordance with Sections 236 through 240 of Title 20 of the
23 United States Code (commonly known as "PL 874 funds") are reduced
24 or are no longer available, the state equalization guarantee
25 distribution shall be computed by the formula contained in this
subsection plus an increase by fifty percent of the amount the
prior year's PL 874 funds exceed PL 874 funds for the year for
which the state equalization guarantee distribution is being

1 computed. "

2 Section 9. TEMPORARY PROVISION. --In the event that the
3 program units of Section 22-8-18 NMSA 1978 as amended by this act
4 are not fully funded, no school district shall receive less than
5 its previous year's total program cost due to the change in the
6 program cost calculation with the program cost adjusted for the
7 establishment of a high school in Rio Rancho.

8 Section 10. APPROPRIATION. --Fifty-eight million seven
9 hundred thousand dollars (\$58,700,000) is appropriated from the
10 general fund to the state equalization guarantee distribution for
11 expenditure in fiscal year 1998 for the purpose of funding
12 additional program units authorized by law. Any unexpended or
13 unencumbered balance remaining at the end of fiscal year 1998 shall
14 revert to the general fund.

15 Section 11. EFFECTIVE DATE. --The effective date of the
16 provisions of this act is July 1, 1997.

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**State of New Mexico
House of Representatives**

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 13, 1997

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom
has been referred**

**HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 215**

**has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:**

**1. On page 1, line 16, strike “; MAKING AN
APPROPRIATION”.**

**2. On page 17, line 11, strike "neutral" and insert in lieu
thereof "neural".**

**3. On page 17, line 17, strike "neutral" and insert in lieu
thereof "neural".**

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4. On page 23, strike Section 10 in its entirety.

5. Renumber succeeding section accordingly.

Respectfully submitted,

Max Coll, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 13 For 3 Against

Yes: 13

No: Bird, Coll, Pearce

Excused: Saavedra

Absent: None

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Underscored material = new
[bracketed material] = delete