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HOUSE BILL 558

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Leo C. Watchman Jr.

FOR THE INDIAN AFFAIRS COMMITTEE

AN ACT

RELATING TO EDUCATION; PROVIDING FOR THE EXPENDITURE OF
CERTAIN FEDERAL REVENUE FOR CAPITAL OUTLAY; CHANGING THE
PERCENTAGE OF LOCAL REVENUE CREDIT CALCULATED IN THE STATE
EQUALIZATION GUARANTEE DISTRIBUTION.

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

Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended) is amended to read:

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

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

underscored material = new
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1 B. "Local revenue", as used in this section, means
2 ~~[ninety-five]~~ seventy-five percent of receipts to the school
3 district derived from that amount produced by a school
4 district property tax applied at the rate of fifty cents
5 (\$.50) to each one thousand dollars (\$1,000) of net taxable
6 value of property allocated to the school district and to the
7 assessed value of products severed and sold in the school
8 district as determined under the Oil and Gas Ad Valorem
9 Production Tax Act and upon the assessed value of equipment in
10 the school district as determined under the Oil and Gas
11 Production Equipment Ad Valorem Tax Act. The school district
12 shall budget and expend twenty percent of the total revenue
13 receipts for capital outlay as defined in the manual of
14 accounting and budgeting provided in Section 22-8-5 NMSA 1978.

15 C. "Federal revenue", as used in this section,
16 means ~~[ninety-five percent of]~~ receipts to the school
17 district, excluding amounts which, if taken into account in
18 the computation of the state equalization guarantee
19 distribution, result, under federal law or regulations, in a
20 reduction in or elimination of federal school funding
21 otherwise receivable by the school district, derived from the
22 following:

23 (1) seventy-five percent of the school
24 district's share of forest reserve funds distributed in
25 accordance with Section 22-8-33 NMSA 1978. The school

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1 district shall budget and expend twenty percent of the total
2 forest reserve receipts for capital outlay as defined in the
3 manual of accounting and budgeting provided in Section 22-8-5
4 NMSA 1978; and

5 (2) seventy-five percent of grants from the
6 federal government as assistance to those areas affected by
7 federal activity authorized in accordance with [~~Sections 236~~
8 ~~through 240 of~~] Title 20 of the United States Code, commonly
9 known as [~~"PL 874 funds" or an amount equal to the revenue the~~
10 ~~district was entitled to receive if no application was made~~
11 ~~for such funds but deducting from those grants the additional~~
12 ~~amounts to which school districts would be entitled because of~~
13 ~~the provisions of Subparagraph (D) of Paragraph (2) of~~
14 ~~Subsection (d) of Section 238 of Title 20 of the United States~~
15 ~~Code] "impact aid"; provided that the amount of impact aid
16 considered in any year to be federal revenue from a school
17 district for purposes of the state equalization guarantee
18 distribution shall not exceed the amount considered to be
19 federal revenue from that school district in fiscal year 2000.
20 Increases in impact aid above that amount received in fiscal
21 year 2000 by a school district shall be retained by the school
22 district and shall not be considered to be federal revenue for
23 purposes of the state equalization guarantee distribution.
24 The school district shall budget and expend twenty percent of
25 the grant receipts for capital outlay as defined in the manual~~

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1 of accounting and budgeting provided in Section 22-8-5 NMSA
2 1978.

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

6 (1) calculate the number of program units to
7 which each school district is entitled using the basic program
8 membership of the fortieth day for all programs; provided that
9 special education program units shall be calculated using the
10 membership in special education programs on December 1; or

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

15 (3) calculate the number of program units to
16 which a school district with a basic program MEM of [200] two
17 hundred or less is entitled by using the basic program
18 membership on the fortieth day of either the prior or the
19 current year, whichever is greater; provided that special
20 education program units shall be calculated using the
21 membership in special education programs on December 1 of
22 either the prior or the current year; and

23 (4) using the results of the calculations in
24 Paragraph (1), (2) or (3) of this subsection and the
25 instructional staff training and experience index from the

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1 October report of the prior school year, establish a total
2 program cost of the school district;

3 (5) calculate the local and federal revenues
4 as defined in this section;

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

8 (7) deduct the total amount of guaranteed
9 energy savings contract payments that the state superintendent
10 determines will be made to the school district from the
11 ~~[public school energy efficiency fund]~~ public school utility
12 conservation fund during the fiscal year for which the state
13 equalization guarantee distribution is being computed.

14 E. The amount of the state equalization guarantee
15 distribution to which a school district is entitled is the
16 balance remaining after the deductions made in Paragraphs (6)
17 and (7) of Subsection D of this section.

18 F. The state equalization guarantee distribution
19 shall be distributed prior to June 30 of each fiscal year.
20 The calculation shall be based on the local and federal
21 revenues specified in this section received from June 1 of the
22 previous fiscal year through May 31 of the fiscal year for
23 which the state equalization guarantee distribution is being
24 computed. In the event that a district has received more
25 state equalization guarantee funds than its entitlement, a

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1 ~~produced by applying a rate of eight dollars forty two and~~
2 ~~one half cents (\$8.425) to each one thousand dollars (\$1,000)~~
3 ~~of net taxable value of property as defined in the Property~~
4 ~~Tax Code for property taxation purposes in the school district~~
5 ~~and to each one thousand dollars (\$1,000) of the assessed~~
6 ~~value of products severed and sold in the school district as~~
7 ~~determined under the Oil and Gas Ad Valorem Production Tax Act~~
8 ~~and upon the assessed value of equipment in the school~~
9 ~~district as determined under the Oil and Gas Production~~
10 ~~Equipment Ad Valorem Tax Act and then reduced by the total~~
11 ~~amount of guaranteed energy savings contract payments, if any,~~
12 ~~that the state superintendent determines will be made to the~~
13 ~~school district from the public school energy efficiency fund~~
14 ~~during the fiscal year for which the state equalization~~
15 ~~guarantee distribution is being computed, equals the fiscal~~
16 ~~year state equalization guarantee distribution for the year~~
17 ~~for which the state equalization guarantee distribution is~~
18 ~~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~~
22 ~~Title 20 of the United States Code, commonly known as "PL 874~~
23 ~~funds", are reduced or are no longer available, the state~~
24 ~~equalization guarantee distribution shall be computed by the~~
25 ~~formula contained in this subsection plus an increase by fifty~~

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

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 8, 1999
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9 Mr. Speaker:
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11 Your EDUCATION COMMITTEE, to whom has been referred
12

13 HOUSE BILL 558
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15 has had it under consideration and reports same with
16 recommendation that it DO PASS, and thence referred to the
17 TAXATION AND REVENUE COMMITTEE.

18 Respectfully submitted,
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22 _____
23 Rick Mi era, Chair man
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 558

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 15 For 0 Against

Yes: 15

Excused: Stapleton

Absent: None

J: \99BillSWP\H0558

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