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SENATE BILL 716

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

INTRODUCED BY

Cynthi a Nava

AN ACT

RELATING TO EDUCATION; CHANGING THE DEFINITION OF MEMBERSHIP;
REQUIRING THE USE OF PRIOR YEAR AVERAGE ENROLLMENT COUNTS ON
CERTAIN DAYS FOR THE CALCULATION OF PROGRAM UNITS FOR
DISTRIBUTION OF THE STATE EQUALIZATION FUNDS.

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

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1 Withdrawals of students, in addition to students formally
2 withdrawn from the public school, include students absent from
3 the public school without permission for as many as ten
4 consecutive school days. If a school district is engaged in
5 planned intervention efforts to re-enroll a student who has
6 been absent without permission for as many as ten consecutive
7 school days, the student may be retained on the current roll.
8 The state board shall review and approve a school district's
9 planned intervention efforts;

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

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

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

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

25 G. "full-time-equivalent ADM" or "full-time-

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1 equivalent MEM' is that membership calculated by applying to
2 the MEM in an approved public school program the ratio of the
3 number of hours per school day devoted to the program to six
4 hours or the number of hours per school week devoted to the
5 program to thirty hours;

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

8 I. "program cost" is the product of the total
9 number of program units to which a school district is entitled
10 multiplied by the dollar value per program unit established by
11 the legislature;

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

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

19 L. "public money" or "public funds" means all
20 money from public or private sources received by a local
21 school board or officer or employee of a local school board
22 for public use;

23 M "qualified student" means a public school
24 student who:

25 (1) has not graduated from high school;

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

4 (3) is at least five years of age prior to
5 12:01 a.m. on September 1 of the school year; or

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

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

13 N. "state superintendent" means the superintendent
14 of public instruction or his designee."

15 Section 2. Section 22-8-23.1 NMSA 1978 (being Laws 1990
16 (1st S.S.), Chapter 3, Section 7, as amended) is amended to
17 read:

18 "22-8-23.1. ENROLLMENT GROWTH PROGRAM UNITS. --A school
19 district with an increase in MEM equal to or greater than one
20 percent, when compared with the immediately preceding year, is
21 eligible for additional program units. The increase in MEM
22 shall be calculated in the following manner:

23
$$\frac{(\text{Current Year MEM} - \text{Previous Year MEM})}{\text{Previous Year MEM}} \times 100 = \text{Percent Increase.}$$

24 The number of additional program units to which an eligible
25

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1 district is entitled under this [~~subsection~~] section is the
2 number of units computed in the following manner:

3 (MEM for current year - MEM for prior year) X [~~.50~~] 1.0 =
4 Units where MEM is equal to the total district membership,
5 including early childhood education full-time equivalent
6 membership and special education membership. "

7 Section 3. Section 22-8-25 NMSA 1978 (being Laws 1981,
8 Chapter 176, Section 5, as amended) is amended to read:

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

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

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

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1 Valorem Tax Act.

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

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

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

22 D. To determine the amount of the state
23 equalization guarantee distribution, the state superintendent
24 shall:

25 (1) effective July 1, 1999 calculate the

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1 number of program units to which each school district is
2 entitled using the basic program membership of the fortieth
3 day for all programs; provided that special education program
4 units shall be calculated using the membership in special
5 education programs on December 1 of the prior year; effective
6 July 1, 2000, calculate the number of program units to which
7 each school district is entitled using an average of the
8 membership on the fortieth, eightieth and one hundred
9 twentieth days of the prior year; or

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

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

22 (4) using the results of the calculations in
23 Paragraph (1), (2) or (3) of this subsection and the
24 instructional staff training and experience index from the
25 October report of the prior school year, establish a total

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1 program cost of the school district;

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

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

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

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

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

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1 fund.

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

prior fiscal year program cost
excluding special education

22 plus special education funding in accordance with Paragraphs
23 (1), (2) or (3) and (4) of Subsection D of this section and
24 Section 22-8-21 NMSA 1978 plus an amount that would be produced
25 by applying a rate of eight dollars forty-two and one-half cents

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1 (\$8.425) to each one thousand dollars (\$1,000) of net taxable
2 value of property as defined in the Property Tax Code for
3 property taxation purposes in the school district and to each
4 one thousand dollars (\$1,000) of the assessed value of products
5 severed and sold in the school district as determined under the
6 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
7 value of equipment in the school district as determined under
8 the Oil and Gas Production Equipment Ad Valorem Tax Act and then
9 reduced by the total amount of guaranteed energy savings
10 contract payments, if any, that the state superintendent
11 determines will be made to the school district from the [~~public~~
12 ~~school energy efficiency fund~~] public school utility
13 conservation fund during the fiscal year for which the state
14 equalization guarantee distribution is being computed, equals
15 the fiscal year state equalization guarantee distribution for
16 the year for which the state equalization guarantee distribution
17 is being computed.

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

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1 for the year for which the state equalization guarantee
2 distribution is being computed. "

3 Section 4. Section 22-15A-9 NMSA 1978 (being Laws 1994,
4 Chapter 96, Section 9) is amended to read:

5 "22-15A-9. EDUCATIONAL TECHNOLOGY FUND--DISTRIBUTION. --

6 A. Upon annual review and approval of a school
7 district's educational technology plan, the bureau shall
8 determine a separate distribution from the educational
9 technology fund for each school district.

10 B. On or before July 31 of each year, the bureau
11 shall distribute money in the educational technology fund
12 directly to each school district in an amount equal to ninety
13 percent of the district's estimated entitlement as determined by
14 the projected membership for the school year. A school
15 district's entitlement is that portion of the total amount of
16 the annual appropriation that the projected membership bears to
17 the projected membership of the state. Kindergarten membership
18 shall be calculated on a one-half full-time equivalent basis.

19 C. On or before January 30 of each year, the bureau
20 shall recompute each entitlement using the final funded
21 membership for that year and shall allocate the balance of the
22 annual appropriation adjusting for any over- or under-projection
23 of membership.

24 D. Any school district receiving funding pursuant to
25 the Technology for Education Act is responsible for the

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1 purchase, distribution, use and maintenance of educational
2 technology.

3 E. As used in this section, "membership" means the
4 total enrollment of qualified students, as defined in the Public
5 School Finance Act, on the current roll of class or school on a
6 specified day. The current roll is established by the addition
7 of original entries and re-entries minus withdrawals.
8 Withdrawal of students, in addition to students formally
9 withdrawn from the public school, includes students absent from
10 the public school without permission for as many as ten
11 consecutive school days. If a school district is engaged in
12 planned intervention efforts to re-enroll a student who has been
13 absent without permission for as many as ten consecutive school
14 days, that student may be retained on the current roll. The
15 state board shall review and approve a school district's planned
16 intervention efforts. "

1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

3
4
5 February 26, 1999

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7
8 Mr. President:

9
10 Your EDUCATION COMMITTEE, to whom has been referred

11
12 SENATE BILL 716

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS.

16
17 Respectfully submitted,

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21 _____
22 Cynthia Nava, Chairman

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25 Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

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The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Boitano, Duran, Jennings, Lopez

Absent: None

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1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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6 March 14, 1999

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8 Mr. Speaker:

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10 Your EDUCATION COMMITTEE, to whom has been referred

11
12 SENATE BILL 716

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

16 1. On page 7, line 3, after "day" insert "of the prior
17 year".

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19 Respectfully submitted,

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23 _____
24 Rick Miera, Chairman
25

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/SB 716

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 14 For 0 Against

Yes: 14

Excused: Begaye, Miera

Absent: None

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