

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 797

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; ALLOWING SCHOOL DISTRICTS TO
KEEP CERTAIN IMPACT AID REVENUE.

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.

B. "Local revenue", as used in this section, means
seventy-five percent of receipts to the school district derived

underscored material = new
[bracketed material] = delete

1 from that amount produced by a school district property tax
2 applied at the rate of fifty cents (\$.50) to each one thousand
3 dollars (\$1,000) of net taxable value of property allocated to
4 the school district and to 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. The
9 school district shall budget and expend twenty percent of the
10 total revenue receipts for capital outlay.

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

18 (1) seventy-five percent of the school
19 district's share of forest reserve funds distributed in
20 accordance with Section 22-8-33 NMSA 1978. The school district
21 shall budget and expend twenty percent of the total forest
22 reserve receipts for capital outlay; and

23 (2) seventy-five percent of grants from the
24 federal government as assistance to those areas affected by
25 federal activity authorized in accordance with Title 20 of the

. 145586. 1

underscored material = new
[bracketed material] = delete

1 United States Code, commonly known as "PL 874 funds" or "impact
2 aid"; provided that school districts that have military
3 installations may retain one hundred percent of their impact
4 aid receipts received for federally connected children. The
5 school district shall budget and expend twenty percent of the
6 grant receipts for capital outlay.

7 D. To determine the amount of the state
8 equalization guarantee distribution, the state superintendent
9 shall:

10 (1) calculate the number of program units to
11 which each school district is entitled using an average of the
12 MEM on the fortieth, eightieth and one hundred twentieth days
13 of the prior year; or

14 (2) calculate the number of program units to
15 which a school district operating under an approved year-round
16 school calendar is entitled using an average of the MEM on
17 appropriate dates established by the state board; or

18 (3) calculate the number of program units to
19 which a school district with a MEM of two hundred or less is
20 entitled by using an average of the MEM on the fortieth,
21 eightieth and one hundred twentieth days of the prior year or
22 the fortieth day of the current year, whichever is greater; 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

. 145586. 1

underscored material = new
[bracketed material] = delete

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 in
6 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 public
11 school utility conservation fund during the fiscal year for
12 which the state equalization guarantee distribution is being
13 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. The
20 calculation shall be based on the local and federal revenues
21 specified in this section received from June 1 of the previous
22 fiscal year through May 31 of the fiscal year for which the
23 state equalization guarantee distribution is being computed.
24 In the event that a school district has received more state
25 equalization guarantee funds than its entitlement, a refund

. 145586. 1

underscored material = new
[bracketed material] = delete

1 shall be made by the school district to the state general
2 fund. "

3 - 5 -
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25