

HOUSE BILL 175

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

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

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

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

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

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

A. As used in this section, "school district" includes charter schools.

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

C. In fiscal year 2022, a school district is eligible for an initial supplemental distribution if its fiscal year 2022 state equalization guarantee distribution is less than its budgeted fiscal year 2021 state equalization guarantee distribution as of January 1, 2021. The initial supplemental

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distribution for a school district shall be equal to the school district's budgeted fiscal year 2021 state equalization guarantee distribution as of January 1, 2021 minus its preliminary fiscal year 2022 state equalization guarantee distribution.

D. Upon verification of the number of program units statewide for fiscal year 2022, but no later than January 31, 2022, the secretary may adjust the program unit value. In setting the fiscal year 2022 final program unit value, the secretary shall withhold an amount of the state equalization guarantee distribution appropriation to provide supplemental distributions from the state equalization guarantee distribution appropriation to school districts to ensure that each school district's fiscal year 2022 state equalization guarantee distribution plus its supplemental distribution is not less than its budgeted fiscal year 2021 state equalization guarantee distribution as of January 1, 2021. The final supplemental distribution for a school district HEC→with a fiscal year 2022 state equalization guarantee distribution that is less than its budgeted fiscal year 2021 state equalization guarantee distribution as of January 1, 2021←HEC shall be equal to the school district's budgeted fiscal year 2021 state equalization guarantee distribution as of January 1, 2021 minus its final fiscal year 2022 state equalization guarantee distribution.

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

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

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

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

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

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

(2) the number of miles traveled by each school bus on each school bus route, showing the route mileage

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in accordance with the type of road surface traveled;

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

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

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

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

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

C. The state transportation director shall certify to the secretary that the allocations from the transportation distributions to each school district and state-chartered charter school are based upon the transportation distribution formula established in the Public School Code, calculated and distributed for the entire school year using an average of the amounts reported pursuant to Subsection A of this section on

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the second reporting date and third reporting date of the prior school year, and are subject to audit and verification; provided that for fiscal year 2022, the state transportation director shall use an average of the amounts reported pursuant to Subsection A of this section on the second and third reporting dates of fiscal year 2020.

D. The department shall make periodic installment payments to school districts and state-chartered charter schools during the school year from the transportation distributions, based upon the allocations certified by the state transportation director."

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

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

A. As used in this section:

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

(2) "base amount" means the fixed amount that is the same for all school districts and an amount established

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by rule for state-chartered charter schools;

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

(4) "variable amount" means the sum of the product of the annual variables multiplied by each school district's or state-chartered charter school's numerical value of the school district's and state-chartered charter school's site characteristics multiplied by the number of days of operation for each school district or state-chartered charter school.

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

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

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

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

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

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