

AN ACT

RELATING TO EDUCATION; USING THE PRIOR COUNT OR AN AVERAGE OF THE PRIOR YEAR COUNT TO CALCULATE PROGRAM UNITS FOR DISTRIBUTION OF STATE EQUALIZATION GUARANTEE FUNDS; CHANGING THE CALCULATION OF THE ENROLLMENT GROWTH PROGRAM UNITS.

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

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

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

(Current Year MEM - Previous Year MEM)

X 100 = Percent Increase.

Previous Year MEM

The number of additional program units to which an eligible district is entitled under this section is the number of units computed in the following manner:

(MEM for current year - MEM for prior year) X 1.0 =

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

Section 2. 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 ninety-five percent of receipts to the school district derived from that amount produced by a school district property tax applied at the rate of fifty cents (\$.50) to each one thousand dollars (\$1,000) of net taxable value of property allocated to the school district and to the assessed value of products severed and sold in the school district as determined under the Oil and Gas Ad Valorem Production Tax Act and upon the assessed value of equipment in the school district as determined under the Oil and Gas Production Equipment Ad Valorem Tax Act.

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

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

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

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

(1) effective July 1, 1999, calculate the number of program units to which each school district is entitled using the basic program membership of the fortieth day of the prior year for all programs; provided that special education program units shall be calculated using the membership in special education programs on December 1 of the

prior year; or

(2) effective July 1, 2000, calculate the number of program units to which each school district is entitled using an average of the membership on the fortieth, eightieth and one hundred twentieth days of the prior year; or

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

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

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

(6) calculate the local and federal revenues as defined in this section;

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

(8) deduct the total amount of guaranteed energy savings contract payments that the state superintendent determines will be made to the school district from the public school utility conservation 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 remaining after the deductions made in Paragraphs (6) and (7) of Subsection D of this section.

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

G. Notwithstanding the methods of calculating the state equalization guarantee distribution in this section and

Laws 1974, Chapter 8, Section 22, if a school district received funds under Section 2391 of Title 42 USCA and if the federal government takes into consideration grants authorized by Sections 236 through 240 of Title 20 of the United States Code and all other revenues available to the school district in determining the level of federal support for the school district for the sixty-fourth and succeeding fiscal years, the state equalization guarantee distribution for school districts receiving funds under this subsection shall be computed 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
distribution is being computed		education

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prior fiscal year program cost  
excluding special education

plus special education funding in accordance with Paragraphs (1), (2) or (3) and (4) of Subsection D of this section and Section 22-8-21 NMSA 1978 plus an amount that would be produced by applying a rate of eight dollars forty-two and one-half cents (\$8.425) to each one thousand dollars (\$1,000) of net taxable value of property as defined in the Property Tax Code for property taxation purposes in the school

district and to each one thousand dollars (\$1,000) of the assessed value of products severed and sold in the school district as determined under the Oil and Gas Ad Valorem Production Tax Act and upon the assessed value of equipment in the school district as determined under the Oil and Gas Production Equipment Ad Valorem Tax Act and then reduced by the total amount of guaranteed energy savings contract payments, if any, that the state superintendent determines will be made to the school district from the public school utility conservation fund during the fiscal year for which the state equalization guarantee distribution is being computed, equals the fiscal year state equalization guarantee distribution for the year for which the state equalization guarantee distribution is being computed.

If at any time grants from the federal government as assistance to those areas affected by federal activity authorized in accordance with Sections 236 through 240 of Title 20 of the United States Code, commonly known as "PL 874 funds", are reduced or are no longer available, the state equalization guarantee 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 computed." \_\_\_\_\_

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