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SENATE BILL 418

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

INTRODUCED BY

Gloria Howes

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.

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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] or "impact aid". The school district shall budget and
16 expend twenty percent of the grant receipts for capital outlay
17 as defined in the manual of accounting and budgeting provided
18 in Section 22-8-5 NMSA 1978.~~

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

22 (1) calculate the number of program units to
23 which each school district is entitled using the basic program
24 membership of the fortieth day for all programs; provided that
25 special education program units shall be calculated using the

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- 1 membership in special education programs on December 1; or
- 2 (2) calculate the number of program units to
- 3 which a school district operating under an approved year-round
- 4 school calendar is entitled using the basic program membership
- 5 on an appropriate date established by the state board; or
- 6 (3) calculate the number of program units to
- 7 which a school district with a basic program MEM of [200] two
- 8 hundred or less is entitled by using the basic program
- 9 membership on the fortieth day of either the prior or the
- 10 current year, whichever is greater; provided that special
- 11 education program units shall be calculated using the
- 12 membership in special education programs on December 1 of
- 13 either the prior or the current year; and
- 14 (4) using the results of the calculations in
- 15 Paragraph (1), (2) or (3) of this subsection and the
- 16 instructional staff training and experience index from the
- 17 October report of the prior school year, establish a total
- 18 program cost of the school district;
- 19 (5) calculate the local and federal revenues
- 20 as defined in this section;
- 21 (6) deduct the sum of the calculations made
- 22 in Paragraph (5) of this subsection from the program cost
- 23 established in Paragraph (4) of this subsection; and
- 24 (7) deduct the total amount of guaranteed
- 25 energy savings contract payments that the state superintendent

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1 determines will be made to the school district from the
2 [~~public school energy efficiency fund~~] public school utility
3 conservation fund during the fiscal year for which the state
4 equalization guarantee distribution is being computed.

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

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

19 [~~G. Notwithstanding the methods of calculating the~~
20 ~~state equalization guarantee distribution in this section and~~
21 ~~Laws 1974, Chapter 8, Section 22, if a school district~~
22 ~~received funds under Section 2391 of Title 42 USCA and if the~~
23 ~~federal government takes into consideration grants authorized~~
24 ~~by Sections 236 through 240 of Title 20 of the United States~~
25 ~~Code and all other revenues available to the school district~~

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1 ~~in determining the level of federal support for the school-~~
2 ~~district for the sixty-fourth and succeeding fiscal years, the~~
3 ~~state equalization guarantee distribution for school districts~~
4 ~~receiving funds under this subsection shall be computed as~~
5 ~~follows:~~

6 ~~fiscal year program cost~~ ~~prior fiscal year~~
7 ~~excluding special education~~ ~~state equalization~~
8 ~~for the year for which the~~ ~~x~~ ~~guarantee distribution~~
9 ~~state equalization guarantee~~ ~~excluding special~~
10 ~~distribution is being computed~~ ~~education~~

11 ~~_____~~
12 ~~prior fiscal year program cost~~
13 ~~excluding special education~~

14 ~~plus special education funding in accordance with Paragraphs~~
15 ~~(1), (2) or (3) and (4) of Subsection D of this section and~~
16 ~~Section 22-8-21 NMSA 1978 plus an amount that would be~~
17 ~~produced by applying a rate of eight dollars forty-two and~~
18 ~~one-half cents (\$8.425) to each one thousand dollars (\$1,000)~~
19 ~~of net taxable value of property as defined in the Property~~
20 ~~Tax Code for property taxation purposes in the school district~~
21 ~~and to each one thousand dollars (\$1,000) of the assessed~~
22 ~~value of products severed and sold in the school district as~~
23 ~~determined under the Oil and Gas Ad Valorem Production Tax Act~~
24 ~~and upon the assessed value of equipment in the school~~
25 ~~district as determined under the Oil and Gas Production~~

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1 ~~Equipment Ad Valorem Tax Act and then reduced by the total~~
2 ~~amount of guaranteed energy savings contract payments, if any,~~
3 ~~that the state superintendent determines will be made to the~~
4 ~~school district from the public school energy efficiency fund~~
5 ~~during the fiscal year for which the state equalization~~
6 ~~guarantee distribution is being computed, equals the fiscal~~
7 ~~year state equalization guarantee distribution for the year~~
8 ~~for which the state equalization guarantee distribution is~~
9 ~~being computed.~~

10 ~~If at any time grants from the federal government as~~
11 ~~assistance to those areas affected by federal activity~~
12 ~~authorized in accordance with Sections 236 through 240 of~~
13 ~~Title 20 of the United States Code, commonly known as "PL 874~~
14 ~~funds", are reduced or are no longer available, the state~~
15 ~~equalization guarantee distribution shall be computed by the~~
16 ~~formula contained in this subsection plus an increase by fifty~~
17 ~~percent of the amount the prior year's PL 874 funds exceed PL~~
18 ~~874 funds for the year for which the state equalization~~
19 ~~guarantee distribution is being computed.] "~~

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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. President:

9
10 Your FINANCE COMMITTEE, to whom has been referred

11
12 SENATE BILL 418

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

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18 Respectfully submitted,

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23 _____
24 Ben D. Altamirano, Chairman

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Adopted _____ Not

1 Adopted _____

2 (Chief Clerk)

(Chief Clerk)

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6 Date _____

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9 The roll call vote was 7 For 0 Against

10 Yes: 7

11 No: 0

12 Excused: Carraro, Eisenstadt, Lyons, McKibben, Rodriguez, Tsosie

13 Absent: None

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1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 17, 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 418
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14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 APPROPRIATIONS AND FINANCE COMMITTEE.

17 Respectfully submitted,
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22 Rick Miera, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/SB 418

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

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Beam, Miera, Stapleton, Wright

Absent: Macko, Marquardt

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

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4 March 19, 1999

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 SENATE BILL 418

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

15
16 1. On page 1, line 14, strike the period and insert in
17 lieu thereof:

18 "; REQUIRING THE USE OF PRIOR YEAR AVERAGE ENROLLMENT COUNTS ON
19 CERTAIN DAYS FOR THE CALCULATION OF PROGRAM UNITS FOR
20 DISTRIBUTION OF THE STATE EQUALIZATION FUNDS. "

21
22 2. On page 3, line 22, after "(1)" insert "effective July
23 1, 1999".

24
25 3. On page 3, line 24, after "day" insert "of the prior
year".

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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4. On page 4, line 1, after "December 1" insert:

"of the prior year; 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".

Respectfully submitted,

Max Coll, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

3 HARC/SB 418

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4 The roll call vote was 13 For 2 Against

5 Yes: 13

6 No: Abeyta, Heaton

7 Excused: Buffett, Pearce

8 Absent: None

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