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HOUSE BILL 115

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

INTRODUCED BY

W. Ken Martinez

AN ACT

RELATING TO EDUCATION FUNDING; REDUCING THE RELIANCE OF THE
STATE EQUALIZATION GUARANTEE DISTRIBUTION ON CERTAIN FEDERAL
FUNDING.

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

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1 seventy-five percent of receipts to the school district derived
2 from that amount produced by a school district property tax
3 applied at the rate of fifty cents (\$.50) to each one thousand
4 dollars (\$1,000) of net taxable value of property allocated to
5 the school district and to the assessed value of products
6 severed and sold in the school district as determined under the
7 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
8 value of equipment in the school district as determined under
9 the Oil and Gas Production Equipment Ad Valorem Tax Act. The
10 school district shall budget and expend twenty percent of the
11 total revenue receipts for capital outlay.

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

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

24 (2) [~~seventy-five percent~~] of grants from the
25 federal government [~~as~~] for assistance to those areas affected

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1 by federal activity authorized in accordance with Title 20 of
2 the United States Code, commonly known as "PL 874 funds" or
3 "impact aid", seventy-five percent through June 30, 2003; sixty
4 percent from July 1, 2003 through June 30, 2004; forty-five
5 percent from July 1, 2004 through June 30, 2005; thirty percent
6 from July 1, 2005 through June 30, 2006; fifteen percent from
7 July 1, 2006 through June 30, 2007; and zero percent beginning
8 on July 1, 2007 and in subsequent years. The school district
9 shall budget and expend twenty percent of the grant receipts
10 for capital outlay.

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

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

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

22 (3) calculate the number of program units to
23 which a school district with a MEM of two hundred or less is
24 entitled by using an average of the MEM on the fortieth,
25 eightieth and one hundred twentieth days of the prior year or

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1 the fortieth day of the current year, whichever is greater; and

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

7 (5) calculate the local and federal revenues
8 as defined in this section;

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

12 (7) deduct the total amount of guaranteed
13 energy savings contract payments that the state superintendent
14 determines will be made to the school district from the public
15 school utility conservation fund during the fiscal year for
16 which the state equalization guarantee distribution is being
17 computed.

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

22 F. The state equalization guarantee distribution
23 shall be distributed prior to June 30 of each fiscal year. The
24 calculation shall be based on the local and federal revenues
25 specified in this section received from June 1 of the previous

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1 fiscal year through May 31 of the fiscal year for which the
2 state equalization guarantee distribution is being computed.
3 In the event that a school district has received more state
4 equalization guarantee funds than its entitlement, a refund
5 shall be made by the school district to the state general
6 fund. "