## AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; PROVIDING ADDITIONAL OPERATIONAL FUNDING FORMULA UNITS FOR SCHOOL DISTRICTS WITH A MEMBERSHIP OF LESS THAN TWO HUNDRED STUDENTS.

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

SECTION 1. Section 22-8-23 NMSA 1978 (being Laws 1975, Chapter 119, Section 1, as amended) is amended to read:

"22-8-23. SIZE ADJUSTMENT PROGRAM UNITS.--

A. An approved public school with a MEM of less than 400, including early childhood education full-timeequivalent MEM but excluding membership in class C and class D programs and excluding full-time-equivalent membership in three- and four-year-old developmentally disabled programs, is eligible for additional program units. Separate schools established to provide special programs, including but not limited to vocational and alternative education, shall not be classified as public schools for purposes of generating size adjustment program units. The number of additional program units to which a school district is entitled under this subsection is the sum of elementary-junior high units and senior high units computed in the following manner:

> Elementary-Junior High Units 200 - MEM

\_\_\_\_\_ x 1.0 x MEM = Units HB 35

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where MEM is equal to the membership of an approved elementary or junior high school, including early childhood education full-time-equivalent membership but excluding membership in class C and class D programs and excluding full-timeequivalent membership in three- and four-year-old developmentally disabled programs;

400 - MEM \_\_\_\_\_ x 1.6 x MEM = Units 400

whichever calculation for senior high units is higher, where MEM is equal to the membership of an approved senior high school excluding membership in class C and class D programs.

B. A school district with total MEM of less than 4,000, including early childhood education full-timeequivalent MEM, is eligible for additional program units. The number of additional program units to which a school district is entitled under this subsection is the number of district units computed in the following manner:

or,

HB 35 Page 2 District Units

4,000 - MEM

x 0.15 x MEM = Units

4,000

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

C. A school district with over 10,000 MEM with a ratio of MEM to senior high schools less than 4,000:1 is eligible for additional program units based on the number of approved regular senior high schools that are not eligible for senior high units under Subsection A of this section. The number of additional program units to which an eligible school district is entitled under this subsection is the number of units computed in the following manner:

4,000 - MEM

x 0.50 = Units

## Senior High Schools

where MEM is equal to the total district membership, including early childhood education full-time-equivalent membership, and where senior high schools are equal to the number of approved regular senior high schools in the school district.

D. A school district, as defined in Subsection R of Section 22-1-2 NMSA 1978, with a MEM of less than 200, including early childhood education full-time-equivalent MEM, HB 35 Page 3 is eligible for additional program units, provided that the department certifies that the school district has implemented practices to reduce scale inefficiencies, including shared service agreements with regional education cooperatives or other school districts for noninstructional functions and distance education. The numbers of additional program units to which a school district is entitled under this subsection is the number of units computed in the following manner:

## 200 - MEM = Units

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

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2014.

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