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HOUSE BILL 124

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

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO EDUCATION; AMENDING THE STATE EQUALIZATION
GUARANTEE DISTRIBUTION TO PROVIDE FOR THE EXPENDITURE OF
CERTAIN FEDERAL REVENUE FOR ERECTING, REMODELING OR MAKING
ADDITIONS TO PUBLIC SCHOOL BUILDINGS.

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 erecting, remodeling or making additions to
14 public school buildings.

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 erecting, remodeling or making
3 additions to public school buildings; and

4 (2) seventy-five percent of grants from the
5 federal government as assistance to those areas affected by
6 federal activity authorized in accordance with [~~Sections 236~~
7 ~~through 240 of~~] Title 20 of the United States Code, commonly
8 known as "PL 874 funds" [~~or an amount equal to the revenue the~~
9 ~~district was entitled to receive if no application was made~~
10 ~~for such funds but deducting from those grants the additional~~
11 ~~amounts to which school districts would be entitled because of~~
12 ~~the provisions of Subparagraph (D) of Paragraph (2) of~~
13 ~~Subsection (d) of Section 238 of Title 20 of the United States~~
14 ~~Code] or "impact aid". The school district shall budget and
15 expend twenty percent of the grant receipts for erecting,
16 remodeling or making additions to public school buildings.~~

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

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

25 (2) calculate the number of program units to

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1 which a school district operating under an approved year-round
2 school calendar is entitled using the basic program membership
3 on an appropriate date established by the state board; or

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

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

17 (5) calculate the local and federal revenues
18 as defined in this section;

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

22 (7) deduct the total amount of guaranteed
23 energy savings contract payments that the state superintendent
24 determines will be made to the school district from the
25 [~~public school energy efficiency fund~~] public school utility

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1 conservation fund during the fiscal year for which the state
2 equalization guarantee distribution is being computed.

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

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

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

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1 state equalization guarantee distribution for school districts
2 receiving funds under this subsection shall be computed as
3 follows:

4	fiscal year program cost	prior fiscal year
5	excluding special education	state equalization
6	for the year for which the	guarantee distribution
7	state equalization guarantee	excluding special
8	distribution is being computed	education

9
10 prior fiscal year program cost
11 excluding special education

12 plus special education funding in accordance with Paragraphs
13 (1), (2) or (3) and (4) of Subsection D of this section and
14 Section 22-8-21 NMSA 1978 plus an amount that would be
15 produced by applying a rate of eight dollars forty-two and
16 one-half cents (\$8.425) to each one thousand dollars (\$1,000)
17 of net taxable value of property as defined in the Property
18 Tax Code for property taxation purposes in the school district
19 and to each one thousand dollars (\$1,000) of the assessed
20 value of products severed and sold in the school district as
21 determined under the Oil and Gas Ad Valorem Production Tax Act
22 and upon the assessed value of equipment in the school
23 district as determined under the Oil and Gas Production
24 Equipment Ad Valorem Tax Act and then reduced by the total
25 amount of guaranteed energy savings contract payments, if any,

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

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

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 1, 1999
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8 Mr. Speaker:
9

10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 HOUSE BILL 124
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 TAXATION AND REVENUE COMMITTEE.

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

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 11 For 2 Against

Yes: 11

No: Hamilton, King

Excused: Begaye, Burpo, Wright

Absent: None

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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4 March 10, 1999
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7 Mr. Speaker:
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9 Your TAXATION AND REVENUE COMMITTEE, to whom has
10 been referred

11 HOUSE BILL 124
12

13 has had it under consideration and reports same with
14 recommendation that it DO PASS, amended as follows:
15

16 1. On page 2, line 13, after "for" strike the remainder
17 of the line and strike line 14 up to the period and insert in
18 lieu thereof "capital outlay as defined in the manual of
19 accounting and budgeting provided in Section 22-8-5 NMSA 1978".

20 2. On page 3, line 2, after "for" strike the remainder of
21 the line and strike line 3 up to the semicolon and insert in
22 lieu thereof "capital outlay as defined in the manual of
23 accounting and budgeting provided in Section 22-8-5 NMSA 1978".
24

25 3. On page 3, line 15, after "for" strike the remainder
of the line and strike line 16 up to the period and insert in

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lieu thereof "capital outlay as defined in the manual of
accounting and budgeting provided in Section 22-8-5 NMSA 1978".

4. On pages 5 through 7, strike Subsection G in its
entirety.

Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

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The roll call vote was 11 For 0 Against

Yes: 11

Excused: Lujan

Absent: Gubbels, Herrera, Russell

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March 14, 1999

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Mr. President:

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Your EDUCATION COMMITTEE, to whom has been referred

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HOUSE BILL 124, as amended

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

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Respectfully submitted,

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Cynthia Nava, Chairman

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Adopted _____ Not

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Adopted _____

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(Chief Clerk)

(Chief Clerk)

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Date _____

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9

The roll call vote was 7 For 0 Against

10

Yes: 7

11

No: 0

12

Excused: Boitano, Garcia, Lopez

13

Absent: None

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