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HOUSE BILL 37

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

INTRODUCED BY

Eliseo Lee Alcon

FOR THE INDIAN AFFAIRS COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOLS; MODIFYING FEDERAL REVENUE  
DEDUCTIONS FROM STATE EQUALIZATION GUARANTEE DISTRIBUTIONS FOR  
CERTAIN SCHOOL DISTRICTS LOCATED ENTIRELY WITHIN THE BOUNDARIES  
OF FEDERALLY RECOGNIZED INDIAN RESERVATIONS OR PUEBLO GRANT  
LANDS.

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 its operating revenue, including its local and  
federal revenues as defined in this section, is at least equal

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1 to the school district's program cost. For state-chartered  
2 charter schools, the state equalization guarantee distribution  
3 is the difference between the state-chartered charter school's  
4 program cost and the two percent withheld by the department for  
5 administrative services.

6 B. "Local revenue", as used in this section, means  
7 seventy-five percent of receipts to the school district derived  
8 from that amount produced by a school district property tax  
9 applied at the rate of fifty cents (\$.50) to each one thousand  
10 dollars (\$1,000) of net taxable value of property allocated to  
11 the school district and to the assessed value of products  
12 severed and sold in the school district as determined under the  
13 Oil and Gas Ad Valorem Production Tax Act and upon the assessed  
14 value of equipment in the school district as determined under  
15 the Oil and Gas Production Equipment Ad Valorem Tax Act.

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

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1                   (2) seventy-five percent of grants from the  
2 federal government as assistance to those areas affected by  
3 federal activity authorized in accordance with Title 20 of the  
4 United States Code, commonly known as "PL 874 funds" or "impact  
5 aid".

6                   D. To determine the amount of the state  
7 equalization guarantee distribution, the department shall:

8                   (1) calculate the number of program units to  
9 which each school district or charter school is entitled using  
10 an average of the MEM on the second and third reporting dates  
11 of the prior year; or

12                   (2) calculate the number of program units to  
13 which a school district or charter school operating under an  
14 approved year-round school calendar is entitled using an  
15 average of the MEM on appropriate dates established by the  
16 department; or

17                   (3) calculate the number of program units to  
18 which a school district or charter school with a MEM of two  
19 hundred or less is entitled by using an average of the MEM on  
20 the second and third reporting dates of the prior year or the  
21 fortieth day of the current year, whichever is greater; and

22                   (4) using the results of the calculations in  
23 Paragraph (1), (2) or (3) of this subsection and the  
24 instructional staff training and experience index from the  
25 October report of the prior school year, establish a total

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1 program cost of the school district or charter school;

2 (5) for school districts, calculate the local  
3 and federal revenues as defined in this section;

4 (6) deduct the sum of the calculations made in  
5 Paragraph (5) of this subsection from the program cost  
6 established in Paragraph (4) of this subsection; provided that  
7 no deductions for federal revenues pursuant to Paragraph (2) of  
8 Subsection C of this section shall be made for school districts  
9 located entirely within the boundaries of recognized Indian  
10 reservations or pueblo grant lands;

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

17 (8) deduct ninety percent of the amount  
18 certified for the school district by the department pursuant to  
19 the Energy Efficiency and Renewable Energy Bonding Act.

20 E. Reduction of a school district's state  
21 equalization guarantee distribution shall cease when the school  
22 district's cumulative reductions equal its proportional share  
23 of the cumulative debt service payments necessary to service  
24 the bonds issued pursuant to the Energy Efficiency and  
25 Renewable Energy Bonding Act.

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1           F. The amount of the state equalization guarantee  
2 distribution to which a school district is entitled is the  
3 balance remaining after the deductions made in Paragraphs (6)  
4 through (8) of Subsection D of this section.

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