AN ACT

RELATING TO PUBLIC EDUCATION; ENACTING THE FAMILY INCOME INDEX ACT; REQUIRING THE CALCULATION OF A FAMILY INCOME INDEX AND PROVIDING FOR FUNDING DISTRIBUTIONS TO SCHOOL DISTRICTS THROUGH THAT INDEX; REQUIRING ALLOCATIONS TO ELIGIBLE PUBLIC SCHOOLS; PROVIDING ALLOWABLE USES FOR DISTRIBUTIONS AND ALLOCATIONS; REQUIRING INFORMATION-SHARING AGREEMENTS.

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

SECTION 1. A new section of the Public School Code is enacted to read:

"SHORT TITLE.--This act may be cited as the "Family Income Index Act"."

SECTION 2. A new section of the Public School Code is enacted to read:

"DEFINITIONS.--As used in the Family Income Index Act:

A. "above average income" means a household income of two hundred twenty-five percent or a higher percentage of the federal poverty level;

B. "extremely low income" means a household income of up to seventy-five percent of the federal poverty level;

C. "low income" means a household income of at least one hundred thirty percent but less than one hundred eighty-five percent of the federal poverty level;

D. "moderate income" means a household income of
at least one hundred eighty-five percent but less than two
hundred twenty-five percent of the federal poverty level;

E. "school district" includes a state-chartered
charter school; and

F. "very low income" means a household income
greater than seventy-five percent but less than one hundred
thirty percent of the federal poverty level."

SECTION 3. A new section of the Public School Code is
enacted to read:

"FAMILY INCOME INDEX--INCOME CATEGORIES--CALCULATION--
INFORMATION-SHARING AGREEMENTS.---

A. The department shall calculate a family income
index for each public school, using the following
information:

(1) the department shall obtain family
income information sufficient to identify the total number of
households in each public school in each of the income
categories in Subsection C of this section, based on tax
return data of families of students enrolled in that public
school and for whose households the taxation and revenue
department is able to locate tax return information;

(2) for students whose families the taxation
and revenue department is unable to identify tax return data
for pursuant to Paragraph (1) of this subsection, family
income information sufficient to identify the total number of
households in each public school in each of the income categories in Subsection C of this section, based on income information provided to the human services department by families applying for benefits; and 

(3) for a student whose family income is not available to the taxation and revenue department or the human services department, the department shall use income statistics from the most current census information for the reported address of the student to determine to which income category in Subsection C of this section the student is assigned.

B. The taxation and revenue department and the human services department shall enter into information-sharing agreements with the department to provide the information requested by the department pursuant to Subsection A of this section.

C. Pursuant to Subsection D of this section, the department shall calculate the percentage of student households for each public school in each of the following income categories using information obtained as provided in Subsection A of this section:

(1) extremely low income;
(2) very low income;
(3) low income;
(4) moderate income; and
(5) above average income.

D. The number of students from each public school in each category shall be divided by the public school's total enrollment to determine the percentage of students in each category. The family income index for each public school is as follows:

(1) for fiscal year 2022, the sum of the percentages of the public school's students in the extremely low and very low income categories during the preceding fiscal year;

(2) for fiscal year 2023, the average of the sum of the percentages of the public school's students in the extremely low and very low income categories during the immediately preceding two fiscal years; and

(3) for fiscal year 2024 and each subsequent fiscal year, the average of the sum of the percentages of the public school's students in the extremely low and very low income categories during the immediately preceding three fiscal years.

E. The department shall rank all public schools in the state from lowest family income index to highest family income index by October 31 of each year.

F. The department shall provide the percentage of students at each public school in each income category to the legislative education study committee and the legislative
finance committee by November 15 of each year."

SECTION 4. A new section of the Public School Code is enacted to read:

"THRESHOLD FOR FUNDING DISTRIBUTION--DISTRIBUTION OF FAMILY INCOME INDEX FUNDS--ALLOCATIONS TO ELIGIBLE PUBLIC SCHOOLS.--

A. Except as provided in Subsection E of this section, each year, to determine the number of public schools that are eligible for family income index allocations through their respective school districts, the department shall:

(1) identify the school districts that have public schools within the fifty percent of public schools on the department's ranked list pursuant to Subsection E of Section 3 of the Family Income Index Act with the highest family income indices; and

(2) multiply the total number of public schools within each of the school districts that are identified in Paragraph (1) of this subsection by one-tenth, and if the product is:

(a) less than one, the product shall be rounded to one; and

(b) more than one, the product shall be rounded to the nearest whole number.

B. The number of eligible public schools within a school district identified in Paragraph (1) of Subsection A
of this section for which funding may be allocated pursuant
to this section is equal to the rounded product determined
pursuant to Paragraph (2) of Subsection A of this section.
Each year, the public schools that are eligible for an
allocation are those public schools within each school
district that have the highest family income indices.

C. An allocation for an eligible public school is
limited to the greater of that public school's proportional
share as determined pursuant to Subsection D of this section
or twenty thousand dollars ($20,000).

D. To determine the proportional share of funding
that the department distributes to a school district for each
eligible public school, the number of eligible students in
each eligible public school shall be divided by the total
number of eligible students at all eligible public schools.
Each eligible public school's proportional share shall be
multiplied by the total amount appropriated for distribution
pursuant to the Family Income Index Act.

E. The legislature may establish a different
percentage of public schools to be considered pursuant to
Paragraphs (1) and (2) of Subsection A of this section.

F. A family income index distribution to a school
district for allocation to an eligible public school shall be
used exclusively at that public school for the interventions
specified in Section 5 of the Family Income Index Act.
G. For the purposes of this section, "eligible students" means students with household incomes in the extremely low income or very low income categories."

SECTION 5. A new section of the Public School Code is enacted to read:

"USES OF FAMILY INCOME INDEX ALLOCATIONS.--

A. Except as provided in Subsection B of this section, a public school shall use its family income index allocation as follows:

(1) at least one-third for evidence-based, structured literacy interventions that have been shown to improve reading and writing achievement of students;

(2) at least one-third for evidence-based mathematics instruction and interventions, including educational programming intended to improve career and college readiness of at-risk students, dual or concurrent enrollment, and career and technical education; and

(3) no more than one-third on the following interventions:

(a) case management, tutoring and after-school and summer enrichment programs that are delivered by social workers, counselors, teachers or other professional staff;

(b) culturally relevant professional and curriculum development, including those necessary to
support language acquisition and bilingual and multicultural education;

(c) whole school interventions, including social and emotional learning programs, multi-layered systems of support, student nutrition programs, school-based health centers and community schools;

(d) instructional resources and materials;

(e) services to engage and support parents and families in the education of students; and

(f) services to engage and support tribal communities in the education of Native American students.

B. A public school that receives an allocation that is less than forty thousand dollars ($40,000) may use any portion of that allocation on any of the uses specified in Subsection A of this section.

C. A school district shall use distributions received for allowable uses specified in Subsection A of this section to expand or improve services provided as part of a public school's existing academic program, but not to replace existing services."

SECTION 6. A new section of the Public School Code is enacted to read:

"EDUCATIONAL PLAN TO INCLUDE ALLOWABLE USES FOR EACH
PUBLIC SCHOOL--DISTRIBUTIONS--REPORTING.--

A. A school district shall establish, within its department-approved educational plan, the interventions identified in Section 5 of the Family Income Index Act that will be used in each of its eligible public schools. Each school district that receives a distribution shall provide a report to the department by August 1 after the fiscal year in which it receives a distribution that includes a description of the services the school district has provided for each public school that received an allocation to improve the academic success of students. The report shall include a detailed description of how each public school has used its allocation and the way in which the additional funding has impacted student academic outcomes.

B. The department shall evaluate how each public school used its allocation and the way in which each allocation impacted student academic outcomes and report its findings and recommendations to the legislative finance committee and the legislative education study committee by October 15 of each year beginning in fiscal year 2022."

SECTION 7. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.