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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 2nd Session, 2020

Bill Number	<u>HB59/aHAFC</u>	Sponsor	<u>Stapleton/Papen</u>
Tracking Number	<u>.216074.2</u>	Committee Referrals	<u>HEC/HAFC;SEC</u>
Short Title	<u>At-risk Program Units & Index Calc. Change</u>		
Analyst	<u>Simon</u>	Original Date	<u>01/30/2020</u>
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FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of HAFC Amendment

House Appropriation and Finance Committee Amendment to House Bill 59 (HB59/aHAFC) strikes the appropriation.

Synopsis of Original Bill

House Bill (HB59) would increase the multiplier used to calculate the at-risk index in the state equalization guarantee (SEG) distribution from 0.25 in FY20 to 0.30 in FY21 and for subsequent years, and appropriates \$50.5 million to the SEG.

FISCAL IMPACT

Increasing the at-risk multiplier from 0.25 to 0.30 would alter the allocation of funding formula program units. A school district's at-risk index is based on the three-year average rate of three indicators: the percentage of student membership used to calculate a school district's Title I allocation, the percentage of students that are English learners, and student mobility. These indicators are added together and the number of program units is calculated as follows:

Three-Year Average Rate * Student Membership * At-Risk Multiplier = At-Risk Program Units

LESC staff estimate the increase from 0.25 to 0.30 would create an additional 11,013 program units in FY21, valued at \$50.3 million at the FY20 preliminary unit value. **Attachment: Fiscal Impact of HB59/aHAFC by School District and Charter School** provides an estimate of increased funding for each school district and charter school.

The Senate Finance Committee Amendment to House Appropriations and Finance Committee Substitute for House Bills 2 and 3 includes an appropriation of \$50.2 million, contingent on the enactment of legislation to increase the at-risk multiplier to 0.30.

SUBSTANTIVE ISSUES

Consolidated *Martinez* and *Yazzie* Lawsuit. HB59/aHAFC addresses issues included in the 1st Judicial District Court’s rulings in the consolidated *Martinez* and *Yazzie* lawsuit and may help the state resolve the ongoing litigation. In both the initial decision and the findings and conclusions, the court cited evidence highlighting areas where funding levels, financing methods, and the Public Education Department (PED) oversight were deficient in ensuring at-risk students were provided with the services they need to promote educational success. However, the court stopped short of prescribing specific remedies and deferred decisions on how to achieve education sufficiency to the Legislature and executive.

The decision in the consolidated *Martinez* and *Yazzie* lawsuit generally found the state failed to provide a sufficient education for at-risk students, which the court defined as low-income students, English learners, Native American students, and students with disabilities, based on evidence of inadequate inputs and low educational outputs in the form of low reading and math proficiency rates, significant disparities in test score performance between student groups, low high school graduation rates, and high college remediation rates. Evidence of low student academic performance was based in large part on PARCC test results.

Permissible Uses of At-Risk Funding. To generate funding from the at-risk index a school district or charter school must identify services to improve the outcomes of at-risk students within its department-approved educational plan. While school districts and charter schools have flexibility in choosing what services to offer, PED is required to provide oversight to ensure funding is being directed to services for at-risk students. Statute requires the interventions selected by the school district or charter school be an evidence-based or research based social, emotional or academic intervention, which may include the following:

- Case management, tutoring, reading interventions and after-school programs delivered by social worker, counselor, teachers or other professional staff;
- Culturally relevant professional and curriculum development, including those necessary to support language acquisition, bilingual, and multicultural education;
- Additional compensation strategies for high-need schools;
- Whole school interventions, including school-based health centers and community schools;
- Educational programming intended to improve career and college readiness of at-risk students including dual or concurrent enrollment, career and technical education, guidance counseling services, and coordination with post-secondary institutions; and
- Services to engage and support parents and families in the education of students.

Prior Year Funding for At-Risk Services. In recent years, the Legislature has significantly increased the level of at-risk funding school districts and charter schools generate through the at-risk index. In FY15, the funding formula generated about \$86 million in funding for the at-risk index. HB59/aHAFC is estimated to increase that amount to more than \$300 million. This is in addition to funding targeted to specific programs that the court in the consolidated *Martinez* and *Yazzie* lawsuit found increased academic outcomes for

Formula Funding Generated Through The At-Risk Index

Year	At-Risk Multiplier	At-Risk Funding
FY15	0.0915	\$85,863,928
FY16	0.1060	\$103,635,290
FY17	0.1060	\$101,552,696
FY18	0.1060	\$100,306,648
FY19	0.1300	\$123,637,514
FY20*	0.2500	\$252,861,533
FY21 (HB59)*	0.3000	\$303,141,612

Source: LESC Files

*FY20 and FY21 funding was determined using the FY20 initial program unit value

at-risk students. These programs include prekindergarten, extended learning time programs, and the K-5 Plus extended school year program.

OTHER SIGNIFICANT ISSUES

Although school districts and charter schools retain flexibility in choosing how to best budget their at-risk funding, PED has a significant role in overseeing school district and charter school spending. The court in the consolidated *Martinez* and *Yazzie* lawsuit noted PED had failed to provide this oversight. For FY20, school districts and charter schools reported spending most of the increases appropriated by the Legislature for at-risk services on salary increases for educators. PED indicates the department was in the process of developing improved budget review and approval processes during the FY20 budget approval season. PED states additional review procedures will be in place by FY21, but it will likely require several years for procedures to be in place to fully implement the oversight and budget approval requirements recently added to the Public School Finance Act.

PED will need to work closely with school districts and charter schools statewide to ensure that additional funding for at-risk services are being directed to programs that can be shown to benefit at-risk students.

RELATED BILLS

HB59/aHAFC conflicts with HB241, At-Risk & Differential Program Units, and SB171, School Finance Program Unit Changes, which would increase the at-risk multiplier from 0.25 to 0.27.

SOURCES OF INFORMATION

- LESC Files
- Public Education Department (PED)

JWS/tb/mc/my/sgs

Fiscal Impact of HB59/aHAFC by School District and Charter School

	School District or Charter School	FY20 At-Risk Units	Projected FY21 At-Risk Units	Projected Funding Increase
1	ALAMOGORDO	839.3	1,008.3	\$771,678
2	ALBUQUERQUE	14,047.2	16,824.9	\$12,681,321
3	ACE LEADERSHIP	50.6	60.6	\$45,700
4	ALBUQUERQUE CHARTER ACADEMY	53.7	64.3	\$48,494
5	ALB TALENT DEV SECONDARY	28.7	34.3	\$25,886
6	ALICE KING COMMUNITY SCHOOL	82.6	98.9	\$74,539
7	CHRISTINE DUNCAN COMMUNITY	69.0	82.6	\$62,277
8	CIEN AGUAS INTERNATIONAL	75.2	90.1	\$67,910
9	CORAL COMMUNITY	38.1	45.6	\$34,396
10	CORRALES INTERNATIONAL	43.2	51.7	\$38,989
11	COTTONWOOD CLASSICAL ST. CHARTER	127.0	152.1	\$114,647
12	DIGITAL ARTS & TECH ACADEMY	47.3	56.7	\$42,741
13	EAST MOUNTAIN	63.2	75.7	\$57,045
14	EL CAMINO REAL	55.8	66.8	\$50,334
15	GILBERT L. SENA STATE CHARTER (APS)	31.0	37.1	\$27,963
16	GORDON BERNELL	77.1	92.3	\$69,586
17	HEALTH LEADERSHIP CHARTER (APS)	40.3	48.2	\$36,350
18	INT'L SCHOOL MESA DEL SOL ST. CHARTER	56.0	67.1	\$50,571
19	LA ACADEMIA DE ESPERANZA	55.1	66.0	\$49,772
20	LOS PUENTES	26.6	31.8	\$23,968
21	MONTESSORI OF THE RIO GRANDE	38.1	45.7	\$34,432
22	MOUNTAIN MAHOGANY	32.7	39.2	\$29,561
23	NATIVE AMERICAN COMM ACAD.	80.4	96.4	\$72,622
24	NEW AMERICA CHARTER SCHOOL	49.5	59.3	\$44,659
25	NEW MEXICO INTERNATIONAL	47.5	56.9	\$42,901
26	MARK ARMIJO (NUESTROS VALORES)	31.2	37.4	\$28,201
27	PAPA	75.3	90.2	\$67,988
28	ROBERT F. KENNEDY	60.5	72.5	\$54,648
29	SIEMBRA LEADERSHIP HIGH SCHOOL	21.2	25.3	\$19,093
30	SOUTH VALLEY	108.5	130.0	\$97,951
31	TECHNOLOGY LEADERSHIP	38.6	46.2	\$34,834
32	TWENTY FIRST CENT.	52.1	62.4	\$47,056
33	WILLIAM W & JOSEPHINE DORN CHARTER	10.6	12.7	\$9,587
34	ANIMAS	23.5	28.1	\$21,028
35	ARTESIA	413.5	493.8	\$367,027
36	AZTEC	277.5	334.0	\$258,261
37	MOSAIC ACADEMY CHARTER	18.5	22.3	\$17,257
38	BELEN	763.1	917.3	\$703,804
39	BERNALILLO	623.8	746.9	\$561,956
40	BLOOMFIELD	387.5	463.9	\$348,998
41	CAPITAN	87.2	104.7	\$80,054
42	CARLSBAD	948.6	1,142.3	\$884,411
43	JEFFERSON MONT. ACAD.	33.2	40.0	\$30,981
44	PECOS CONNECTIONS	131.7	158.6	\$122,800
45	CARRIZOZO	26.4	31.7	\$24,197
46	CENTRAL CONS.	1,297.3	1,556.7	\$1,184,500
47	DREAM DINE'	3.8	4.6	\$3,465

Fiscal Impact of HB59/aHAFC by School District and Charter School

	School District or Charter School	FY20 At-Risk Units	Projected FY21 At-Risk Units	Projected Funding Increase	
48	CHAMA VALLEY	54.3	65.3	\$49,982	48
49	CIMARRON	47.1	56.7	\$43,668	49
50	MORENO VALLEY HIGH	8.2	9.9	\$7,643	50
51	CLAYTON	57.4	68.9	\$52,406	51
52	CLOUDCROFT	57.0	68.1	\$50,941	52
53	CLOVIS	1,344.3	1,610.0	\$1,213,194	53
54	COBRE CONS.	175.4	211.0	\$162,259	54
55	CORONA	5.5	6.7	\$5,300	55
56	CUBA	187.3	225.1	\$172,472	56
57	DEMING	1,119.2	1,343.0	\$1,021,917	57
58	DEMING CESAR CHAVEZ	34.7	41.6	\$31,638	58
59	DES MOINES	6.8	8.1	\$6,095	59
60	DEXTER	122.7	147.6	\$113,674	60
61	DORA	24.3	28.9	\$21,298	61
62	DULCE	156.8	188.2	\$143,669	62
63	ELIDA	16.0	19.2	\$14,495	63
64	ESPAÑOLA	671.0	802.5	\$600,347	64
65	ESTANCIA	106.5	127.6	\$96,198	65
66	EUNICE	114.5	137.0	\$102,987	66
67	FARMINGTON	1,765.2	2,116.0	\$1,601,728	67
68	FLOYD	30.0	36.1	\$27,794	68
69	FT. SUMNER	42.2	50.6	\$38,496	69
70	GADSDEN	3,393.7	4,069.9	\$3,086,870	70
71	GALLUP	3,131.0	3,750.7	\$2,829,075	71
72	GRADY	8.9	10.5	\$7,533	72
73	GRANTS	687.4	825.6	\$630,757	73
74	HAGERMAN	79.1	95.1	\$73,037	74
75	HATCH	323.0	387.1	\$292,720	75
76	HOBBS	1,596.6	1,906.0	\$1,412,305	76
77	HONDO	28.0	33.6	\$25,566	77
78	HOUSE	7.4	8.8	\$6,602	78
79	JAL	53.6	64.2	\$48,466	79
80	JEMEZ MOUNTAIN	43.4	52.1	\$39,664	80
81	LINDRITH AREA HERITAGE	4.3	5.2	\$3,945	81
82	JEMEZ VALLEY	54.0	65.0	\$50,210	82
83	SAN DIEGO RIVERSIDE CHARTER	19.9	24.0	\$18,549	83
84	LAKE ARTHUR	20.0	24.0	\$18,408	84
85	LAS CRUCES	3,731.2	4,472.7	\$3,385,096	85
86	LAS VEGAS CITY	256.1	307.3	\$233,804	86
87	LOGAN	22.9	27.7	\$21,814	87
88	LORDSBURG	72.6	87.1	\$66,290	88
89	LOS ALAMOS	118.1	143.9	\$117,902	89
90	LOS LUNAS	1,163.1	1,395.7	\$1,061,992	90
91	LOVING	78.7	94.6	\$72,421	91
92	LOVINGTON	542.4	647.9	\$481,925	92
93	MAGDALENA	71.2	85.5	\$65,021	93
94	MAXWELL	14.0	16.9	\$13,039	94

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	School District or Charter School	FY20 At-Risk Units	Projected FY21 At-Risk Units	Projected Funding Increase	
95	MELROSE	27.6	33.1	\$24,996	95
96	MESA VISTA	56.2	67.4	\$51,069	96
97	MORA	53.6	64.1	\$48,165	97
98	MORIARTY	341.3	410.0	\$313,781	98
99	MOSQUERO	1.8	2.1	\$1,676	99
100	MOUNTAINAIR	33.4	40.0	\$30,287	100
101	PECOS	86.3	103.6	\$78,822	101
102	PEÑASCO	55.3	66.4	\$50,804	102
103	POJOAQUE	215.5	259.4	\$200,243	103
104	PORTALES	543.1	651.2	\$493,507	104
105	QUEMADO	42.1	50.4	\$37,834	105
106	QUESTA	53.7	64.4	\$48,740	106
107	RATON	123.3	147.4	\$110,104	107
108	RESERVE	18.6	22.3	\$17,002	108
109	RIO RANCHO	1,645.6	1,967.9	\$1,471,569	109
110	ROSWELL	1,702.9	2,045.5	\$1,564,114	110
111	SIDNEY GUTIERREZ	11.2	13.4	\$10,245	111
112	ROY	4.1	4.9	\$3,766	112
113	RUIDOSO	308.3	370.4	\$283,370	113
114	SAN JON	14.3	17.1	\$12,906	114
115	SANTA FE	1,944.9	2,338.9	\$1,798,370	115
116	ACAD FOR TECH & CLASSICS	60.4	72.7	\$55,881	116
117	SANTA ROSA	83.3	100.4	\$77,813	117
118	SILVER CITY CONS.	335.3	401.4	\$301,723	118
119	SOCORRO	254.7	305.9	\$233,836	119
120	COTTONWOOD VALLEY CHARTER	30.4	36.6	\$27,940	120
121	SPRINGER	22.1	26.5	\$20,179	121
122	TAOS	348.7	417.6	\$314,502	122
123	ANANSI CHARTER	31.3	37.5	\$28,269	123
124	TAOS CHARTER	34.5	41.3	\$31,118	124
125	VISTA GRANDE	15.1	18.1	\$13,660	125
126	TATUM	42.3	50.9	\$39,231	126
127	TEXICO	71.5	85.9	\$65,792	127
128	TRUTH OR CONSEQ.	230.9	278.1	\$215,382	128
129	TUCUMCARI	155.9	187.5	\$144,048	129
130	TULAROSA	185.5	222.5	\$169,340	130
131	VAUGHN	15.4	18.5	\$14,162	131
132	WAGON MOUND	22.4	26.9	\$20,526	132
133	WEST LAS VEGAS	254.9	306.4	\$235,356	133
134	RIO GALLINAS CHARTER SCHOOL	12.3	14.8	\$11,340	134
135	ZUNI	347.9	418.2	\$321,053	135
136	STATE-CHARTERED CHARTER SCHOOLS				136
137	ALBUQUERQUE INSTI. MATH & SCI. (AIMS) ST. (APS)	62.2	74.5	\$56,164	137
138	ALBUQUERQUE COLLEGIATE (APS)	6.2	7.4	\$5,593	138
139	ALBUQUERQUE SCHOOL OF EXCELLENCE (APS)	110.1	131.9	\$99,389	139
140	ALBUQUERQUE SIGN LANGUAGE ST. CHARTER (APS)	17.1	20.5	\$15,417	140
141	ALDO LEOPOLD ST. CHARTER (SILVER CITY)	22.0	26.3	\$19,782	141

Fiscal Impact of HB59/aHAFC by School District and Charter School

	School District or Charter School	FY20 At-Risk Units	Projected FY21 At-Risk Units	Projected Funding Increase	
142	ALMA D' ARTE STATE CHARTER (LAS CRUCES)	22.7	27.2	\$20,595	142
143	ALTURA PREPARATORY SCHOOL (APS)	10.2	12.2	\$9,186	143
144	AMY BIEHL ST. CHARTER (APS)	52.7	63.1	\$47,535	144
145	ASK ACADEMY ST. CHARTER (RIO RANCHO)	50.4	60.3	\$45,106	145
146	CESAR CHAVEZ COMM. ST. CHARTER (APS)	35.9	43.0	\$32,437	146
147	DZIT DIT LOOL DEAP (GALLUP)	11.2	13.5	\$10,149	147
148	ESTANCIA VALLEY (MORIARTY)	79.7	95.8	\$73,284	148
149	EXPLORE ACADEMY (APS)	70.4	84.4	\$63,596	149
150	HORIZON ACADEMY WEST ST. CHARTER (APS)	80.5	96.5	\$72,704	150
151	HOZHO ACADEMY (GALLUP)	39.5	47.3	\$35,651	151
152	J. PAUL TAYLOR ACADEMY (LAS CRUCES)	31.2	37.4	\$28,306	152
153	LA ACADEMIA DOLORES HUERTA (LAS CRUCES)	18.7	22.4	\$16,983	153
154	LA PROMESA ST. CHARTER (APS)	60.8	72.8	\$54,885	154
155	LAS MONTANAS (LAS CRUCES)	25.7	30.8	\$23,284	155
156	LA TIERRA MONTESSORI (ESPANOLA)	14.6	17.5	\$13,084	156
157	MASTERS PROGRAM ST. CHARTER (SANTA FE)	33.5	40.3	\$30,972	157
158	MCCURDY CHARTER SCHOOL (ESPANOLA)	107.1	128.0	\$95,791	158
159	MEDIA ARTS COLLAB. ST. CHARTER (APS)	44.2	52.9	\$39,865	159
160	MIDDLE COLLEGE HIGH (GALLUP)	27.5	32.9	\$24,854	160
161	MISSION ACHIEVEMENT & SUCCESS-MAS (APS)	201.3	241.2	\$181,758	161
162	MONTE DEL SOL (SANTA FE)	54.9	66.0	\$50,767	162
163	MONTESSORI ELEMMENTARY ST. CHARTER (APS)	76.3	91.4	\$68,869	163
164	NEW AMERICA SCHOOL (LAS CRUCES)	31.7	38.1	\$28,803	164
165	NEW MEXCIO CONNECTIONS VIRTUAL (SANTA FE)	170.6	205.2	\$157,781	165
166	NEW MEXICO SCHOOL FOR THE ARTS ST. CH (SANTA FE)	33.7	40.5	\$31,118	166
167	NORTH VALLEY ACADEMY ST. CHARTER (APS)	83.3	99.7	\$75,179	167
168	RAICES DEL SABER XINACHTLI (LAS CRUCES)	9.4	11.2	\$8,492	168
169	RED RIVER VALLEY (QUESTA)	13.3	16.0	\$12,089	169
170	ROOTS & WINGS (QUESTA)	8.3	10.0	\$7,533	170
171	SANDOVAL ACADEMY OF BIL ED SABE (RIO RANCHO)	13.3	15.9	\$11,884	171
172	SCHOOL OF DREAMS ST. CHARTER (LOS LUNAS)	60.2	72.3	\$54,999	172
173	SIX DIRECTIONS (GALLUP)	19.3	23.1	\$17,435	173
174	SOLARE COLLEGIATE (APS)	27.6	33.1	\$24,927	174
175	SOUTH VALLEY PREP ST. CHARTER (APS)	27.3	32.8	\$24,685	175
176	SOUTHWEST AER.,MATH & SCIENCE-SAMS (APS)	48.9	58.6	\$44,179	176
177	SOUTHWEST PREPATORY LEARNING CENTER (APS)	32.7	39.2	\$29,561	177
178	SOUTHWEST SECONDARY LEARNING CENTER (APS)	41.2	49.3	\$37,149	178
179	TAOS ACADEMY ST. CHARTER (TAOS)	35.2	42.1	\$31,702	179
180	TAOS INTEGRATED SCHOOL OF ARTS ST. (TAOS)	27.3	32.7	\$24,617	180
181	TAOS INTERNATIONAL (TAOS)	21.7	26.0	\$19,576	181
182	THE GREAT ACADEMY (APS)	32.1	38.5	\$28,999	182
183	TIERRA ADENTRO ST. CHARTER (APS)	51.1	61.2	\$46,097	183
184	TIERRA ENCANTADA CHARTER (SANTA FE)	46.1	55.4	\$42,586	184
185	TURQUOISE TRAIL (SANTA FE)	81.8	98.4	\$75,676	185
186	WALATOWA CHARTER HIGH (JEMEZ VALLEY)	9.5	11.4	\$8,834	186
187	Statewide Total	55,386.1	66,399.3	\$50,280,079	187

Source: LESC and LFC Analysis of PED data