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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 2nd Session, 2022

Bill Number	<u>SB243</u>	Sponsor	<u>Stewart</u>
Tracking Number	<u>.222387.1</u>	Committee Referrals	<u>SEC/SFC;HEC</u>
Short Title	<u>Family Income Index Distribution Uses</u>		
		Original Date	<u>2/7/2022</u>
Analyst	<u>Williams</u>	Last Updated	<u>2/14/2022</u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 243 (SB243) amends the Family Income Index Act to remove the restrictions on how funding must be used. The bill also allows funds to be used for career technical education or work-based learning.

The bill has no effective date and would go into effect 90 days after the adjournment of the Legislature.

FISCAL IMPACT

In 2021, the Legislature appropriated \$30 million to the family income index, with \$15 million authorized for FY22 and \$15 million authorized for FY23. SB243 does not contain an appropriation, but would allow school districts and charter schools flexibility in spending the funds that were already approved. The House Appropriations and Finance Committee substitute for House Bills 2 and 3 includes \$15 million for at-risk interventions, which must be prioritized to schools with the highest family income indexes.

SUBSTANTIVE ISSUES

Family Income Index. The family income index was enacted in 2021 as a means to target funding to public schools with high concentrations of poverty. It calculates funding based on each public school's percentage of students from households with incomes below 130 percent of the federal poverty level. Unlike the at-risk index, the family income index uses school-level data and distributes funds to be used at the school level. Current law provides allowable uses for family income index allocations and has one-third spending limitations for schools that receive \$40 thousand or more: one-third of funding on evidence-based structured literacy interventions, one-third for evidence-based mathematics instruction and interventions, and one-third for other interventions. Public schools with awards less than \$40 thousand may spend their awards at their discretion, so long as funds are spent on allowable uses as defined by the Act.

SB243 amends the Act to allow discretionary spending for all public schools. The amendment would allow schools more flexibility in catering interventions and services to their particular needs and student populations.

The Public Education Department awarded 108 public schools family income index planning awards in FY22; 78 of the schools, 72 percent, received more than \$40 thousand and thus had one-third spending limitations.

At-Risk Index. New Mexico’s public school funding formula has an ‘at-risk’ component that allocates funds to school districts and state charter schools based on percentage of membership used to determine Title I funding, percentage of English language learners, and percentage of student mobility. At-risk index funding flows to all school districts and charter schools, yet is weighted to allow school districts with more students who are categorized as ‘at-risk’ to receive more funds. Unlike the family income index, the at-risk index is based on district-level data and is distributed at the district level. Current law gives suggestions as to how districts and charter schools spend their generated at-risk funding, but there are no spending limitations.

SOURCES OF INFORMATION

- LESC Files

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