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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 2nd Session, 2024

Bill Number	<u>SB260</u>	Sponsor	<u>Muñoz/Pinto</u>
Tracking Number	<u>.227731.2</u>	Committee Referrals	<u>SCC/SIRC/SFC</u>
Short Title	<u>Zuni & Navajo Nation Students</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>2/2/2024</u>
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BILL SUMMARY

Synopsis of Bill

Senate Bill 260 (SB260) would appropriate \$5 million to the Public Education Department (PED) for a \$1 million allocation to the Zuni Public School District and \$4 million to the Central Consolidated School District for educational programming.

FISCAL IMPACT

SB260 would appropriate \$5 million from the general fund for expenditure in FY25 and subsequent fiscal years. Any unexpended or unencumbered balances remaining at the end of a fiscal year would not revert to the general fund.

For FY25, the House Appropriations and Finance Committee Substitute for House Bills 2 and 3 as amended (HB2/HAFCS/aHF1#1) does not contain the appropriations proposed by SB260, but would increase the state equalization guarantee (SEG) by 5.6 percent and appropriate \$20 million to the Indian Education Fund.

SUBSTANTIVE ISSUES

Local educational agencies (LEAs) serving a significant number of Native American students receive fiscal supports from a range of state and federal sources. The largest source of revenue for many of these LEAs originates from the public school funding formula, otherwise referred to as the SEG. The funds that flow through the formula are generated by a variety of components designed to be responsive to student need, such as whether they are considered to be “at-risk” or if they require special education programs and services. As a whole, the SEG distribution is the largest source of revenue for LEAs, and the resulting funds may be leveraged in ways that are responsive to local needs.

Many LEAs located within or around tribes, pueblos, and nations have large sections of land considered to be under the jurisdiction of the federal government, including national parks, military installations, and tribal lands. To compensate LEAs that cannot generate property tax revenue due

to the tax exemption of those lands, the federal government distributes financial assistance in the form of the Impact Aid program. In FY23, thirty-two LEAs across New Mexico, many of which have large concentrations of Native American students, received a cumulative \$110.3 million in payments through the federal Impact Aid program.

The Legislature also appropriates funding to a variety of programs that flow outside of the SEG that are otherwise known as “below-the-line” programs. One of the largest “below-the line” programs is the Indian education fund, which received \$20 million in legislative appropriations in FY24. This fund is intended to support the implementation of the Indian Education Act, which Section 22-23A-1 NMSA 1978 requires the state ensure equitable and culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials for American Indian students enrolled in public schools. For FY24, PED plans to allocate \$4 million from the fund to tribes, pueblos, and nations to improve educational and cultural outcomes for Native American students. An additional \$2.9 million will be leveraged for the Indigenous Language Fellow grant, \$955 thousand will support community-based immersion schools, \$250 thousand will be used for language programs, and \$200 thousand will be used for high-quality curriculum, instruction, and assessment.

Zuni Public School District. In the 2023-2024 academic year, preliminary data from PED indicates the Zuni Public School District reported a student membership of 1,076 students, of which 97 percent identified as Native American. For FY24, the district generated approximately 2,602 preliminary program units, for a total SEG distribution of \$16.2 million. In FY23, Zuni also received \$12.9 million from federal Impact Aid payments.

Central Consolidated School District. In the 2023-2024 academic year, preliminary data from PED indicates the Central Consolidated School District reported a student membership of 4,804 students, of which 87 percent identified as Native American. For FY24, the district generated approximately 9,832 preliminary program units, for a total SEG distribution of \$61.4 million. In FY23, Zuni also received \$40.6 million from federal Impact Aid payments.

Martinez-Yazzie Consolidated Lawsuit. In 2018, the First Judicial Court issued a final judgement in the *Martinez-Yazzie* consolidated lawsuit, finding the state had failed to provide a sufficient education for English learners, Native American students, students with disabilities, and students from low-income families. The court cited graduation rates, student proficiency rates, and high college remediation rates as indicators of how the state had not met its constitutional obligation to ensure students were college, career, and civics ready. Based on these findings, the court instructed the state to provide additional resources, including instructional materials, high-quality personnel, and curricular offerings, as was necessary to provide a sufficient education for all students. The court did not, however, prescribe specific remedies and deferred decisions on achieving sufficiency to the Legislature.

As a result of the court’s ruling, the Legislature has significantly increased its investment in public schools, with its appropriation to the SEG totaling \$3.969 billion in FY24. Several modifications have also been made to the framework of the SEG, including substantial increases to the At-Risk factor, the introduction of the Teacher Cost Index, and the establishment of the K-12 Plus program. Yet, despite these substantial changes to the SEG, the court has not yet found the state to be in compliance with its findings.

RELATED BILLS

Relates to HB135, Indian Education Fund Distributions, which would require the formulation of an equitable formula that takes into account tribal needs and tribal size.

Relates to HB134, Tribal Education Trust Fund, which would establish a tribal education trust fund.

SOURCES OF INFORMATION

- LESC Files

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