

LFC Requester:	Liu
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**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2023 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/24/23

Bill No: [SB3/aSFC](#)

Sponsor: Stewart
Short
Title: FAMILY INCOME INDEX

Agency Name
and Code

Number: PED - 924

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
\$15,000	None	Nonrecurring	Public Education Reform Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFI

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	N/A	N/A	NFI

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act:

[HB2, General Appropriation Act of 2023 \(HB2/HAFCS\)](#): To support schools with the highest ranked family income index pursuant to Section 22-8F-3 NMSA 1978 in providing supplemental services to at-risk students. The other state funds appropriation is from the Public Education Reform Fund (PERF).

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis of SFC Amendment: The Senate Finance Committee amendment to Senate Bill 3 as (SB3/aSFC) removes the appropriation of \$15 million.

Synopsis: Senate Bill 3 (SB3) amends [Section 22-8F-5 NMSA 1978](#) of the Family Income Index (FII) Act to remove restrictions on how schools may use their FII allocations. Currently, the FII Act requires that schools spend at least one third of their FII allocations on evidence-based structured literacy, one third on mathematics interventions, and one third on case management, tutoring, enrichment, and other wholistic interventions and programs. SB3 allows public schools to spend their FII allocations on any and all such interventions permitted under the FII Act in proportions according to their self-determined needs and priorities.

FISCAL IMPLICATIONS

SB3/aSFC does not contain an appropriation.

HB2/HAFCS includes \$15 million for FII distributions from the PERF.

Schools received \$15 million in FII distributions in FY22 and FY23.

SIGNIFICANT ISSUES

Uses of Family Income Index Funding. Currently, schools receiving more than \$40,000 through the FII are required to spend funds so that at least one third is used for evidenced-based, structured literacy interventions, at least one third for evidenced-based, math instruction and intervention, and no more than one third on wholistic, wraparound, and support interventions, such as case management and tutoring, culturally relevant professional and curriculum development, services to engage parents and families in the education of students, and services to engage tribal communities in the education of Native children.

At-risk Funding. Traditionally, the public school funding formula has used three student metrics – mobility, English learner status, and poverty as measured by federal Title I designation – to designate students as at-risk and award additional funds to school districts serving larger proportions of at-risk students. This factor, however, is based on school-district level data, and unlike FII, does not explicitly direct funds to individual school sites that serve a disproportionate number of at-risk students. The FII employs household income and tax data to determine more accurately the level of concentrated poverty at individual schools across the state. Starting in FY22, PED used the FII to identify the schools serving the largest concentrations of low-income students and families and direct additional resources to more than 100 of those schools.

PERFORMANCE IMPLICATIONS

Eliminating proportional spending requirements from the FII Act may allow schools to better leverage the funding they receive. Currently, any school receiving more than \$40,000 is subject to the requirements. For example, if a school received \$90,000, it may not have enough funds to hire additional behavioral support personnel if limited to spending only \$30,000 on that category.

ADMINISTRATIVE IMPLICATIONS

The FII Act requires schools to submit plans for spending FII funds as part of their Educational Plan submission to PED. Department staff are currently responsible for ensuring those plans meet the required proportions. Loosening the categorical spending requirements would ease administrative burdens on PED staff.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Joint Resolution 2, Children's Bill of Rights, CA, which proposes and a new Section 25 to Article II of the New Mexico Constitution, the Bill of Rights. The Children's Bill of Rights enumerates a number of rights for children in New Mexico, including food and healthcare access, transportation to vital services, and fully resourced and staffed community schools.

Relates to Special Appropriation, Item 107 of Section 5 of House Bill 2 of the 2021 Regular Legislative Session, which allocated \$15 million for expenditure through the Family Income Index in each Fiscal Year 2022 and 2023.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.