

LFC Requester:

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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

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SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 01/22/24

Bill No: [HB135](#)

Sponsor: Lente
Short Title: INDIAN EDUCATION FUND
DISTRIBUTION

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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY24 | FY25 | | |
| None | None | N/A | NFA |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24 | FY25 | FY26 | | |
| None | None | None | N/A | NFA |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| Total | None | None | None | N/A | N/A | NFA |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 135 (HB135) would amend the [Indian Education Act](#) to change the distributions from the [Indian Education Fund](#). The bill would allow the Public Education Department (PED) to request quarterly spending reports from New Mexico tribes and to enter into agreements with tribes for the purposes of disbursing funds. Finally, the bill would allow tribes to carry over unused portions from funds received.

The bill is endorsed by the Indian Affairs Committee and the Legislative Education Study Committee.

The bill has an effective date of July 1, 2024.

FISCAL IMPLICATIONS

None.

SIGNIFICANT ISSUES

Currently, tribes, nations, and pueblos across the state apply for Indian Education Act grant funding from the PED. Beginning in FY23, tribes, nations, and pueblos received multi-2-year funding that allowed for unspent funding to be redistributed to tribes, nations, and pueblos at the end of the fiscal year. PED continues to improve the funding process to distribute funding expediently and to provide technical assistance in supporting program development.

In some instances and with other smaller grants, if a tribal community receives a grant but fails to spend all awarded funds in a given fiscal year, those funds revert to the PED. This funding approach makes it difficult for tribal communities to develop, plan, and execute multi-year projects.

During FY23, PED awarded approximately \$1.7 million in Indian Education Act grants. Tribes spent \$1.2 million of those funds. The remaining \$507,544 was returned to PED. Under HB135, tribes, nations, and pueblos would be allowed to retain those unused funds for future spending, if they are used for the purposes of the Indian Education Act.

Currently, tribes, nations, and pueblos must submit monthly requests for reimbursements (RfRs) that are reviewed and approved by PED. This process ensures accountability in a few ways, 1) to ensure purchases are allowable; 2) to ensure the purchases align with the intended scope of work that, in turn, aligns with the Indian Education Act; and 3) to support consistent spend-downs that also ensure the grantee receives technical assistance as needed. The non-reimbursable funding may pose concerns with tracking accountability.

PERFORMANCE IMPLICATIONS

HB135 would provide tribes, nations, and pueblos with nonreverting, year-to-year funding for educational programming. Communities may use the funding in accordance with [Indian Education Act](#). Allowing tribal communities to retain unspent grant funds may increase student performance

by promoting tribal sovereignty, language revitalization, family and community engagement and inter-tribal relations, and allowing for more practicable multiyear planning and projects.

ADMINISTRATIVE IMPLICATIONS

HB135 would allow PED to request quarterly spending reports from New Mexico tribes. The department may enter into agreements with the New Mexico tribes for the purposes of disbursing funds. The bill directs PED to develop procedures and promulgate rules for the awarding of moneys from the fund to local school districts and charter schools.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to: [HB39, Yazzie Lawsuit Educational Funding](#), which would allocate \$27,582,70 to the Higher Education Department and institutions of higher learning to develop student and educator recruitment and retention programs and bilingual education teaching and training programs, and to create partnerships with tribal institutions.

Related to: [HB134, Tribal Education Trust Fund](#), which would create the Tribal Education Fund, a supplemental funding source for Native Education across the state. Along with creating the fund, the bill would establish reporting requirements between tribes, nations, and pueblos and the Public Education Department, and create the Tribal Education Trust Fund Disbursement Formula Task Force. The bill was endorsed by the Indian Affairs Committee and the Legislative Education Study Committee.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.