

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 17

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

AN ACT

RELATING TO PUBLIC EDUCATION; ENACTING THE FAMILY INCOME INDEX
ACT; REQUIRING THE CALCULATION OF A FAMILY INCOME INDEX AND
PROVIDING FOR FUNDING DISTRIBUTIONS TO SCHOOL DISTRICTS THROUGH
THAT INDEX; REQUIRING ALLOCATIONS TO ELIGIBLE PUBLIC SCHOOLS;
PROVIDING ALLOWABLE USES FOR DISTRIBUTIONS AND ALLOCATIONS;
REQUIRING INFORMATION-SHARING AGREEMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Public School Code is
enacted to read:

"[NEW MATERIAL] SHORT TITLE.--This act may be cited as the
"Family Income Index Act"."

SECTION 2. A new section of the Public School Code is
enacted to read:

"[NEW MATERIAL] DEFINITIONS.--As used in the Family Income
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1 Index Act:

2 A. "above average income" means a household income
3 of two hundred twenty-five percent or a higher percentage of
4 the federal poverty level;

5 B. "extremely low income" means a household income
6 of up to seventy-five percent of the federal poverty level;

7 C. "low income" means a household income of at
8 least one hundred thirty percent but less than one hundred
9 eighty-five percent of the federal poverty level;

10 D. "moderate income" means a household income of at
11 least one hundred eighty-five percent but less than two hundred
12 twenty-five percent of the federal poverty level;

13 E. "school district" includes a state-chartered
14 charter school; and

15 F. "very low income" means a household income
16 greater than seventy-five percent but less than one hundred
17 thirty percent of the federal poverty level."

18 SECTION 3. A new section of the Public School Code is
19 enacted to read:

20 "[NEW MATERIAL] FAMILY INCOME INDEX--INCOME CATEGORIES--
21 CALCULATION--INFORMATION-SHARING AGREEMENTS.--

22 A. The department shall calculate a family income
23 index for each public school, using the following information:

24 (1) the department shall obtain family income
25 information sufficient to identify the total number of

1 households in each public school in each of the income
2 categories in Subsection C of this section, based on tax return
3 data of families of students enrolled in that public school and
4 for whose households the taxation and revenue department is
5 able to locate tax return information;

6 (2) for students whose families the taxation
7 and revenue department is unable to identify tax return data
8 for pursuant to Paragraph (1) of this subsection, family income
9 information sufficient to identify the total number of
10 households in each public school in each of the income
11 categories in Subsection C of this section, based on income
12 information provided to the human services department by
13 families applying for benefits; and

14 (3) for a student whose family income is not
15 available to the taxation and revenue department or the human
16 services department, the department shall use income statistics
17 from the most current census information for the reported
18 address of the student to determine to which income category in
19 Subsection C of this section the student is assigned.

20 B. The taxation and revenue department and the
21 human services department shall enter into information-sharing
22 agreements with the department to provide the information
23 requested by the department pursuant to Subsection A of this
24 section.

25 C. Pursuant to Subsection D of this section, the

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1 department shall calculate the percentage of student households
2 for each public school in each of the following income
3 categories using information obtained as provided in Subsection
4 A of this section:

- 5 (1) extremely low income;
- 6 (2) very low income;
- 7 (3) low income;
- 8 (4) moderate income; and
- 9 (5) above average income.

10 D. The number of students from each public school
11 in each category shall be divided by the public school's total
12 enrollment to determine the percentage of students in each
13 category. The family income index for each public school is as
14 follows:

15 (1) for fiscal year 2022, the sum of the
16 percentages of the public school's students in the extremely
17 low and very low income categories during the preceding fiscal
18 year;

19 (2) for fiscal year 2023, the average of the
20 sum of the percentages of the public school's students in the
21 extremely low and very low income categories during the
22 immediately preceding two fiscal years; and

23 (3) for fiscal year 2024 and each subsequent
24 fiscal year, the average of the sum of the percentages of the
25 public school's students in the extremely low and very low

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1 income categories during the immediately preceding three fiscal
2 years.

3 E. The department shall rank all public schools in
4 the state from lowest family income index to highest family
5 income index by October 31 of each year.

6 F. The department shall provide the percentage of
7 students at each public school in each income category to the
8 legislative education study committee and the legislative
9 finance committee by November 15 of each year."

10 SECTION 4. A new section of the Public School Code is
11 enacted to read:

12 "[NEW MATERIAL] THRESHOLD FOR FUNDING DISTRIBUTION--
13 DISTRIBUTION OF FAMILY INCOME INDEX FUNDS--ALLOCATIONS TO
14 ELIGIBLE PUBLIC SCHOOLS.--

15 A. Except as provided in Subsection E of this
16 section, each year, to determine the number of public schools
17 that are eligible for family income index allocations through
18 their respective school districts, the department shall:

19 (1) identify the school districts that have
20 public schools within the fifty percent of public schools on
21 the department's ranked list pursuant to Subsection E of
22 Section 3 of the Family Income Index Act with the highest
23 family income indices; and

24 (2) multiply the total number of public
25 schools within each of the school districts that are identified

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1 in Paragraph (1) of this subsection by one-tenth, and if the
2 product is:

3 (a) less than one, the product shall be
4 rounded to one; and

5 (b) more than one, the product shall be
6 rounded to the nearest whole number.

7 B. The number of eligible public schools within a
8 school district identified in Paragraph (1) of Subsection A of
9 this section for which funding may be allocated pursuant to
10 this section is equal to the rounded product determined
11 pursuant to Paragraph (2) of Subsection A of this section.
12 Each year, the public schools that are eligible for an
13 allocation are those public schools within each school district
14 that have the highest family income indices.

15 C. An allocation for an eligible public school is
16 limited to the greater of that public school's proportional
17 share as determined pursuant to Subsection D of this section or
18 twenty thousand dollars (\$20,000).

19 D. To determine the proportional share of funding
20 that the department distributes to a school district for each
21 eligible public school, the number of eligible students in each
22 eligible public school shall be divided by the total number of
23 eligible students at all eligible public schools. Each
24 eligible public school's proportional share shall be multiplied
25 by the total amount appropriated for distribution pursuant to

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1 the Family Income Index Act.

2 E. The legislature may establish a different
3 percentage of public schools to be considered pursuant to
4 Paragraphs (1) and (2) of Subsection A of this section.

5 F. A family income index distribution to a school
6 district for allocation to an eligible public school shall be
7 used exclusively at that public school for the interventions
8 specified in Section 5 of the Family Income Index Act.

9 G. For the purposes of this section, "eligible
10 students" means students with household incomes in the
11 extremely low income or very low income categories."

12 SECTION 5. A new section of the Public School Code is
13 enacted to read:

14 "[NEW MATERIAL] USES OF FAMILY INCOME INDEX ALLOCATIONS.--

15 A. Except as provided in Subsection B of this
16 section, a public school shall use its family income index
17 allocation as follows:

18 (1) at least one-third for evidence-based,
19 structured literacy interventions that have been shown to
20 improve reading and writing achievement of students;

21 (2) at least one-third for evidence-based
22 mathematics instruction and interventions, including
23 educational programming intended to improve career and college
24 readiness of at-risk students, dual or concurrent enrollment,
25 and career and technical education; and

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1 (3) no more than one-third on the following
2 interventions:

3 (a) case management, tutoring and after-
4 school and summer enrichment programs that are delivered by
5 social workers, counselors, teachers or other professional
6 staff;

7 (b) culturally relevant professional and
8 curriculum development, including those necessary to support
9 language acquisition and bilingual and multicultural education;

10 (c) whole school interventions,
11 including social and emotional learning programs, multi-layered
12 systems of support, student nutrition programs, school-based
13 health centers and community schools;

14 (d) instructional resources and
15 materials;

16 (e) services to engage and support
17 parents and families in the education of students; and

18 (f) services to engage and support
19 tribal communities in the education of Native American
20 students.

21 B. A public school that receives an allocation that
22 is less than forty thousand dollars (\$40,000) may use any
23 portion of that allocation on any of the uses specified in
24 Subsection A of this section.

25 C. A school district shall use distributions

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1 received for allowable uses specified in Subsection A of this
 2 section to expand or improve services provided as part of a
 3 public school's existing academic program, but not to replace
 4 existing services."

5 SECTION 6. A new section of the Public School Code is
 6 enacted to read:

7 "[NEW MATERIAL] EDUCATIONAL PLAN TO INCLUDE ALLOWABLE USES
 8 FOR EACH PUBLIC SCHOOL--DISTRIBUTIONS--REPORTING.--

9 A. A school district shall establish, within its
 10 department-approved educational plan, the interventions
 11 identified in Section 5 of the Family Income Index Act that
 12 will be used in each of its eligible public schools. Each
 13 school district that receives a distribution shall provide a
 14 report to the department by August 1 after the fiscal year in
 15 which it receives a distribution that includes a description of
 16 the services the school district has provided for each public
 17 school that received an allocation to improve the academic
 18 success of students. The report shall include a detailed
 19 description of how each public school has used its allocation
 20 and the way in which the additional funding has impacted
 21 student academic outcomes.

22 B. The department shall evaluate how each public
 23 school used its allocation and the way in which each allocation
 24 impacted student academic outcomes and report its findings and
 25 recommendations to the legislative finance committee and the

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1 legislative education study committee by October 15 of each
2 year beginning in fiscal year 2022."

3 SECTION 7. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2021.

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