

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, First Special Session, 2020

Bill Number	<u>HB1/aHAFC</u>	Sponsor	<u>Lundstrom</u>
Tracking Number	<u>.217870.4</u>	Committee Referrals	<u>HAFC</u>
Short Title	<u>General Appropriation Act Sanding</u>		
Analyst	<u>Simon</u>	Original Date	<u>06/18/2020</u>
		Last Updated	<u>06/19/2020</u>

BILL SUMMARY

Synopsis of HAFC Amendment

The House Appropriation and Finance Committee Amendment to HB1 (HB1/aHAFC) provides for a smaller reduction in the appropriation to the state equalization guarantee distribution (SEG) and an increase in reductions for categorical appropriations. The following changes are in the amendment.

- Overall reductions to the SEG are reduced by \$15.8 million.
 - Reduces SEG sanding from 2 percent to 1 percent, a net increase of \$32.4 million.
 - Removes funding for staff salary increases, for a net decrease of \$16.5 million.
 - New language requires a 1 percent salary increase for all employees, except administrators or employees with a district-wide management function.
 - New language provides a limit to health insurance premium increases of 6 percent.
- Reductions to the transportation distribution are increased by \$307 thousand due to the removal of funding for transportation employee pay increases.

The amendment also makes changes outside the scope of this analysis, which is limited to appropriations for public education programs.

Synopsis of Original Bill

House Bill 1 (HB1) reduces appropriation levels authorized in the 2020 General Appropriation Act (GAA) in light of significant reductions in projected general fund revenue collections in FY20 and FY21.

The scope of this analysis is limited to appropriations for public education programs.

FISCAL IMPACT

HB1/aHAFC reduces recurring general fund appropriations by \$577 million from the levels authorized by the 2020 GAA, with a reduction of \$215.8 million to public schools and a reduction of \$596.8 thousand for the Public Education Department's (PED) operating budget. HB1/aHAFC

reductions for public schools account for 37.5 percent of this total, a smaller share than public schools' share of the overall budget, which was 44.9 percent in the 2020 GAA.

HB1/aHAFC would reduce recurring general fund appropriations for public school appropriations to \$3.2 billion in FY21, \$10.3 million, or 0.3 percent less than the appropriation for FY20. However, public schools have also received significant federal funds for use in FY20 and FY21; including the \$108 million earmarked for elementary and secondary education programs in the federal CARES Act, school budgets could increase by as much as \$97.7 million over FY20, or 3 percent.

Details of the reductions included in HB1/aHAFC are below and in **Attachment 1: Public Schools Support and Related Appropriations**.

State Equalization Guarantee. HB1/aHAFC makes a \$190.9 million, or 5.9 percent reduction to the state equalization guarantee distribution (SEG) appropriation included in the 2020 GAA. This includes a reduction of \$146.2 million (see HAFC Amendment 6) and a nonrecurring swap of \$44.7 million in federal funds authorized by the CARES Act (see page 8, lines 11 through 16). The final SEG appropriation would be \$38.2 million, or 1.2 percent, less than the FY20 appropriation to the SEG distribution. HB1/aHAFC includes language requiring the PED secretary to adjust the preliminary FY21 unit value by August 1, 2020, to account for changes to the SEG (see page 14, lines 4 through 14).

CARES Act Swap. HB1/aHAFC reduces the SEG appropriation by \$44.7 million to account for funding provided by the federal CARES Act (see page 8, lines 11 through 16). School districts and state-chartered charter schools will receive at least \$97.1 million, which can be used for any educational purpose allowed under other federal grant programs, and PED will receive up to \$10.9 million to distribute to schools for statewide priorities in response to the COVID-19 pandemic. The CARES Act requires PED to allocate CARES Act funding based on federal Title I grant allocations. Two school districts and one state-chartered charter school will not receive a CARES Act award; however, PED could provide funding to these school districts and charter school for COVID-19 responses using the \$10.9 million retained by the state. School districts may use these funds for expenses in FY20 or FY21, but only expenses incurred after March 13, 2020, are eligible.

Impact Aid. The appropriation to the SEG assumes the loss of \$67 million in funding formula credits for federal Impact Aid with an accompanying appropriation of \$31 million to partially hold school districts and charter schools harmless, for a net reduction of \$36 million to school districts' and charter schools' program cost from the amount assumed by the 2020 GAA. This reduction is due to the April determination by the U.S. Department of Education (USDE) that for FY20 New Mexico does not meet the criteria as an equalized state under the federal Impact Aid statute and regulations. As a result, the state might not meet the criteria in FY21. However, on May 31, 2020, PED submitted documents to the USDE showing New Mexico as an equalized state for FY21, which could allow the state to take credit for at least \$29.1 million in federal Impact Aid payments. Due to uncertainty around the ability of the state to take credit for these dollars, the reduction included in HB1/aHAFC does not assume the \$29.1 million in credits, but certification by USDE could result in a higher than anticipated program cost for FY21.

HB1/aHAFC also includes contingency language to resolve the FY20 Impact Aid determination. Until a court issues a final decision authorizing the state to take credit for Impact Aid, any FY20 reversion from the SEG would be directed to the state support reserve fund. If the final ruling prohibits the deduction of Impact Aid, balances in the state support reserve fund could be used to

pay Impact Aid school districts. Otherwise, balances would remain in the state support reserve fund and be available for PED to support the appropriation to the SEG in future years (see page 14, lines 15 through 25 and page 39, line 21 through page 40, line 3).

Educator Pay and Benefits. HB1/aHAFC eliminates funding for the average 4 percent salary increase required by the 2020 GAA and replaces this with a requirement to increase salaries by an average of 1 percent for all employees except for school administrators and school employees that perform primarily district-wide management functions. School districts and charter schools are required to submit a plan to PED detailing the implementation of the salary increase (see HAFC amendments 7, 8, and 9). The HAFC amendment to HB1 removed funding for salary increases, but decreased the amount the SEG appropriation was reduced. The net result of this change was to increase appropriations to the SEG from the amount included in the original bill, which could help fund the salary increase.

HB1/aHAFC includes language that prohibits a school district or charter school from paying an increase of more than six percent for group health insurance premiums that takes effect in FY21. The New Mexico Public Schools Insurance Authority (NMPSIA) would need to reduce previously-approved health insurance premium increases. Those rates are scheduled to increase by 8.7 percent for “high option” coverage or 2.1 percent for “low option” coverage, beginning October 2020. Albuquerque Public Schools, which provides its own plan, would not be able to raise rates for the plan year beginning January 1, 2021.

K-5 Plus. HB1/aHAFC includes a \$40 million reduction to the SEG for K-5 Plus programs (see page 9, lines 16 through 20). For FY20, school districts and charter schools only applied for \$22 million of the \$120 million appropriated for K-5 Plus. It is unlikely, given the public health emergency, school districts and charter schools will apply for all available funding in FY21. In addition to the reduction, language in the 2020 GAA will continue to allow PED to use \$35 million in K-5 Plus funding for extended learning time programs.

HB1/aHAFC also includes flexibility language that could allow some school districts and charter schools to maintain K-5 Plus programs in FY21 that do not meet the statutory criteria outlined in the K-5 Plus Act. Although the K-5 Plus Act requires programs of no less than 25 days be added prior to the start of the school year, provisions of HB1/aHAFC would allow an elementary school to add 25 days at any point in the school year. Additionally, language in the bill allows the PED secretary to waive up to 10 days of a K-5 Plus program for a school with a school wide program that is closed due to a public health emergency. The waiver provision does not require school districts or charter schools to offer remote learning on the 10 days that could be waived and it is not clear if a school district or charter school would be required to pay teachers for the 10 days that could be waived. While not meeting the statutory requirements of the K-5 Plus Act, this flexibility could allow programs to be maintained in FY21 which would otherwise be cancelled. In May 2020 PED cancelled K-5 Plus for FY21, citing the difficulty to meet the program’s statutory requirements given the COVID-19 outbreak (see page 12, lines 9 through 22).

Extended Learning Time Programs. A recent Legislative Finance Committee (LFC) report found the COVID-19 public health emergency could result in a loss of between three months and one year of learning for students, with greater impacts for younger students and for at-risk students. As a result, HB1/aHAFC includes language directing PED to work with school districts and charter schools to prioritize additional instruction time in FY21 to recover instructional time that was lost due to the public health emergency. School districts and charter schools would receive additional funding for extending their instructional calendars, and any school district or charter schools that

does not apply for an extended learning time program will need to provide written notification to LESC, LFC, and PED detailing how the school district or charter school will recover lost instructional time (see pages 12, line 23 through page 14, line 3).

Other SEG Appropriations. HB1/aHAFC eliminates the appropriation included in the 2020 GAA to expand elementary physical education programs and eliminates a \$4.2 million for teacher mentorship stipends (see page 9, lines 13 through 16). Elementary physical education programs were added to the funding formula in 2007; however, the Legislature discontinued funding for new program units in response to general fund revenue reductions following the Great Recession. HB1 would similarly discontinue the new program units initially authorized for FY21. The \$4.2 million included for mentorship stipends was originally included in the budget to fund LFC-endorsed bills that created a factor in the public school funding formula for teacher mentorship (House Bill 241 and Senate Bill 171 from 2020 session). That bill was not passed by the Legislature and \$11 million remains in the funding formula for mentorship and professional development. HB1/aHAFC also reduces the appropriation for early literacy programs to \$8 million, from \$10 million authorized by the 2020 GAA (see page 9, line 21 through page 10, line 4).

Categorical Programs. HB1/aHAFC includes \$9.3 million in reduction to categorical programs, equivalent to a 6 percent reduction and accounting for changes in salary increases for transportation employees (see Educator Pay and Benefits section). This amount represents a \$3.4 million decrease, or 2.7 percent, from total categorical appropriations in FY20. Although the amount represents 6 percent of total categorical appropriations, the reduction to the transportation distribution is limited to \$4 million. The \$4 million reduction for appropriations to dual credit instructional materials, emergency supplemental, standards-based assessments, and the Indian education fund would be cut at a greater rate, but these appropriations have increased at a greater rate over the past two years (see pages 15, line 1 through page 16, line 15).

Regional Education Cooperatives. HB1/aHAFC reduces general fund appropriations to regional education cooperatives (RECs) by 6 percent, or \$66 thousand; the remaining appropriation amount is only \$5 thousand, or 0.4 percent, less than the FY20 appropriation for RECs (see page 3, lines 20 and 21). RECs are state agencies administratively attached to PED and although HB1/aHAFC reduces most state agencies by 4 percent, RECs are reduced by 6 percent. RECs are primarily funded from other sources; only 2 percent of total appropriations to RECs in the 2020 GAA were direct appropriations from the general fund.

PED Special or “Below-the-Line” Programs. HB1/aHAFC includes a total of \$15.4 million in reductions to PED’s special programs, sometimes called “below-the-line” programs. This reduction includes a \$10 million swap for funding provided under the CARES Act to the governor for responses to the public health emergency. The governor was allocated a total of \$22.3 million for education programs from early childhood through higher education. Rather than target individual appropriations for elimination, HB1/aHAFC reduces each special program appropriation proportionally (see page 3, lines 22 and 23; page 8, lines 4 through 10; and page 16, lines 16 through 22).

Non-Recurring Appropriations. HB1/aHAFC reduces nonrecurring appropriations from the public education reform fund to PED and public school support by \$56.2 million (see page 22, line 1; page 23, line 4; and page 23, line 24 through page 24, line 16). A majority of this reduction is the result of an elimination of \$30 million for K-12 Plus pilot programs and K-5 Plus transition programs and the elimination of a \$5 million appropriation for summer extended learning programs in Native American or small school districts. In light of the public health emergency, it

is unlikely school districts and charter schools will be able to significantly expand K-5 Plus, adopt K-12 Plus programs, or offer summer programs. Other appropriations that would be eliminated include:

- \$750 thousand for a statewide special education convening;
- \$4.5 million for instructional materials;
- \$1 million to support the placement of teachers in hard-to-staff areas; and
- \$2.9 million to replace federal grant money in four elementary schools.

HB1/aHAFC also reduces some nonrecurring appropriations including a \$1 million reduction for teacher residency programs and \$3 million reduction for a school budget transparency website. The revised appropriations would hold teacher residency funding flat with FY20, and eliminate a duplicate appropriation for the budget transparency website. HB1/aHAFC also reduces the appropriation for culturally and linguistically diverse instructional materials and curriculum development by \$8 million. The program would continue to be funded at \$1 million in FY21.

Other Appropriations. HB1/aHAFC includes a \$1 million reduction to public school prekindergarten programs (see page 5, lines 9 through 11). The amount would be in addition to any reduction allocated to prekindergarten programs from the 4 percent sanding of appropriations to the Early Childhood Education and Care Department; however, the final amount still represents an expansion over FY20. The bill also eliminates a \$5 million appropriation to the teacher preparation affordability scholarship fund (see page 23, lines 5 through 11). Finally, the bill reduces a \$10 million supplemental and deficiency appropriation to NMPSIA to pay insurance claims by \$2 million (see page 25, lines 13 through 20).

Other Possible Reductions. Section 17 of HB1/aHAFC includes language that would require the Department of Finance and Administration to reduce general fund appropriations by up to 2 percent if consensus general fund revenue estimates show insufficient revenue and transfers into the general fund to meet general fund appropriations for FY21. This provision requires all agencies to be reduced by the same percentage (see pages 35 and 36).

RELATED BILLS

HB1/aHAFC, as initially introduced, was a duplicate of Senate Bill 6.

SOURCES OF INFORMATION

- LESC Files

JWS/sgs

Public School Support and Related Appropriations for FY21
(in thousands of dollars)

School Year 2019-2020 Preliminary Unit Value = \$4,565.41 School Year 2019-2020 Final Unit Value = \$4,602.27		FY20 OpBud	Laws 2020, Chapter 83	HB1/aHAFC	Difference Chapter 83 to HB1
1	PROGRAM COST	\$2,646,377.6	\$3,137,303.4	\$3,137,303.4	
2	UNIT CHANGES				
3	Increase At-Risk Index (Multiplier for FY20: 0.25; FY21: 0.30)	\$113,177.9 ¹	\$50,152.1 ¹	\$50,152.10	
4	Increase Bilingual and Multicultural Education Program Units	\$6,954.5			
5	Set School Age Limit at 22	(\$6,129.0)			
6	Phase-Out School Size Adjustment for Schools Within Large Districts	(\$9,041.6)			
7	Phase-In Rural Population Units	\$5,204.5 ¹			
8	Extended Learning Time Program Units (190 Days, After School Programs, and 80 Hours of Professional Development)	\$62,497.4 ¹	\$8,896.6 ²	\$8,896.6 ²	
9	K-5 Plus Program Units	\$119,895.9 ¹		(\$40,000.0) ²	(\$40,000.0)
10	Additional Elementary P.E. Program Units		\$6,000.0		(\$6,000.0)
11	Net Program Unit Changes	(\$11,173.3)	(\$10,287.0)	(\$10,287.0)	
12	UNIT VALUE CHANGES				
13	Instructional Materials	\$30,000.0			
14	Increase Employer Retirement Contributions 0.25 Percentage Points	\$4,250.0 ¹			
15	Insurance	\$9,014.0	\$11,567.6	\$11,567.6	
16	Fixed Costs	\$4,000.0	\$4,764.9	\$4,764.9	
17	Mentorship, Professional Development, and Induction Programs		\$11,000.0	\$11,000.0	
18	Mentorship Stipends		\$4,198.1		(\$4,198.1)
19	Early Literacy and Reading Support Programs		\$10,000.0	\$8,000.0	(\$2,000.0)
20	Minimum Wage Increase (Laws 2019, Chapter 114; FY20: \$9.00; FY21: \$10.50)	\$169.6	\$1,100.0	\$1,100.0	
21	Compensation Increase for Teachers (FY20: 6%; FY21: average 4%; HB1/aHAFC: no funding)	\$77,753.0	\$59,180.2		(\$59,180.2)
22	Compensation Increase for Other Employees (FY20: 6%; FY21: average 4%; HB1/aHAFC: no funding)	\$43,919.8	\$33,447.4		(\$33,447.4)
23	Increase Teacher Minimum Salaries (\$41k, \$50k, \$60k)	\$38,217.4 ¹			
24	Increase Principal and Assistant Principal Minimum Salary (\$60K*responsibility factor)	\$2,215.6 ¹			
25	Eliminate Impact Aid Credit			(\$67,000.0) ¹¹	(\$67,000.0)
26	Offset Loss of Impact Aid Credit			\$31,000.0 ¹¹	\$31,000.0
27	SEG 1 Percent Sanding			(\$32,373.2)	(\$32,373.2)
28	Nonrecurring Education Stimulus Swap			(\$44,661.0) ¹²	(\$44,661.0)
29	SUBTOTAL PROGRAM COST	\$3,137,303.4	\$3,327,323.3	\$3,069,463.4	(\$257,859.9)
30	Dollar Change Over Prior Year Appropriation	\$490,925.8	\$190,019.9	(\$67,840.0)	(\$257,859.9)
31	Percent Change	18.6%	6.1%	-2.2%	-7.7%
32	LESS PROJECTED CREDITS (FY19 Actual Credits of \$84,100.6)	(\$63,500.0)	(\$83,000.0)	(\$16,000.0) ¹¹	\$67,000.0

Public School Support and Related Appropriations for FY21
(in thousands of dollars)

	School Year 2019-2020 Preliminary Unit Value = \$4,565.41 School Year 2019-2020 Final Unit Value = \$4,602.27	FY20 OpBud	Laws 2020, Chapter 83	HB1/aHAFc	Difference Chapter 83 to HB1
33	LESS OTHER STATE FUNDS (From Driver's License Fees)	(\$5,000.0)	(\$7,000.0)	(\$7,000.0)	
34	STATE EQUALIZATION GUARANTEE	\$3,068,803.4	\$3,237,323.3	\$3,046,463.4	(\$190,859.9)
35	Dollar Change Over Prior Year Appropriation	\$486,425.8	\$168,519.9	(\$22,340.0)	
36	Percent Change	18.8%	5.5%	-0.7%	
37	CARES Act Elementary and Secondary Emergency Relief Fund			\$108,031.9	\$108,031.9
38	Total SEG and Federal Funds	\$3,068,803.4	\$3,237,323.3	\$3,154,495.3	(\$82,828.0)
39	Dollar Change Over Prior Year Appropriation	\$486,425.8	\$168,519.9	\$85,691.9	
40	Percent Change	18.8%	5.5%	2.8%	
41	CATEGORICAL PUBLIC SCHOOL SUPPORT				
42	Transportation				
43	Maintenance and Operations	\$56,397.9	\$86,664.8	\$86,664.8	
44	Fuel	\$12,979.0	\$13,108.8	\$13,108.8	
45	Rental Fees (Contractor-Owned Buses)	\$9,194.4	\$7,119.7	\$7,119.7	
46	Transportation for Extended Learning Time Programs	\$2,745.6 ¹	\$3,707.3	\$3,707.3	
47	Transportation for K-5 Plus Programs	\$3,744.0 ¹	\$3,818.9	\$3,818.9	
48	Compensation Increase for Transportation Employees (FY20: 6%, FY21: 4% average; HB1: average 0.5 for >\$40K, 1.5% <\$40K)	\$3,567.6	\$1,594.0	⁷	(\$1,594.0)
49	Categorical 6% Sanding (Half Transportation; Half Other)			(\$4,013.9)	(\$4,013.9)
50	SUBTOTAL TRANSPORTATION	\$88,628.5 ³	\$116,013.5	\$110,405.6	(\$5,607.9)
51	Out-of-State Tuition	\$300.0	\$285.0	\$285.0	
52	Emergency Supplemental	\$1,000.0	\$2,000.0	\$2,000.0	
53	Dual Credit Instructional Materials	\$1,000.0	\$1,500.0	\$1,500.0	
54	Standards-Based Assessments	\$6,000.0	\$8,000.0	\$8,000.0	
55	Indian Education Fund	\$6,000.0	\$6,000.0	\$6,000.0	
56	Categorical 6% Sanding (Half Transportation; Half Other)			(\$4,014.0)	(\$4,014.0)
57	TOTAL CATEGORICAL	\$102,928.5	\$133,798.5	\$124,176.7	(\$9,621.8)
58	TOTAL PUBLIC SCHOOL SUPPORT	\$3,171,731.9	\$3,371,121.8	\$3,170,640.0	(\$200,481.8)
59	Dollar Change Over Prior Year Appropriation	\$474,975.4	\$199,389.9	(\$1,091.9)	(\$200,481.8)
60	Percent Change	17.6%	6.3%	0.0%	-5.9%
61	RELATED REQUESTS: RECURRING				
62	Regional Education Cooperatives	\$1,039.0	\$1,100.0	\$1,034.0 ¹³	(\$66.0)
64	Indigenous, Multilingual, Multicultural and Special Education	\$1,000.0	\$5,500.0	\$2,805.0 ¹³	(\$2,695.0)
65	English Learners and Bilingual Education Program Evaluation and Support	\$2,500.0			
66	Early Literacy and Reading Support		\$2,000.0	\$1,020.0 ¹³	(\$980.0)
68	Principal, School Leader, and Board Member Professional Development	\$2,500.0	\$3,000.0	\$1,530.0 ¹³	(\$1,470.0)
69	Teacher Evaluation System	\$1,000.0 ⁴			

Public School Support and Related Appropriations for FY21
(in thousands of dollars)

School Year 2019-2020 Preliminary Unit Value = \$4,565.41		FY20 OpBud	Laws 2020, Chapter 83	HB1/aHAFC	Difference Chapter 83 to HB1	
School Year 2019-2020 Final Unit Value = \$4,602.27						
70	Teacher Professional Development Programs	\$2,500.0	\$3,455.0	\$1,762.1 ¹³	(\$1,692.9)	70
72	Community School Initiatives	\$2,000.0	\$4,000.0	\$2,040.0 ¹³	(\$1,960.0)	72
73	Breakfast for Elementary Students	\$1,600.0	\$1,600.0	\$816.0 ¹³	(\$784.0)	73
74	New Mexico Grown Fruits and Vegetables	\$450.0	\$400.0	\$204.0 ¹³	(\$196.0)	74
75	School Lunch Copayments		\$650.0	\$331.5 ¹³	(\$318.5)	
76	GRADS - Teen Parent Interventions	\$200.0 ⁵	\$500.0 ⁵	\$255.0 ^{5,13}	(\$245.0)	76
77	School-Based Health Centers	\$1,350.0				77
79	STEAM Initiative (Science, Technology, Engineering, Arts, and Math)	\$5,000.0	\$5,000.0	\$2,550.0 ¹³	(\$2,450.0)	79
80	Advanced Placement Test Fee Waivers and Training	\$1,500.0	\$1,500.0	\$765.0 ¹³	(\$735.0)	80
81	Career Technical Education Fund (Laws 2019, Ch. 61)	\$3,000.0	\$3,000.0	\$1,530.0 ¹³	(\$1,470.0)	81
82	Accountability and Regional Support Systems					82
83	College and Career Readiness		\$100.0	\$51.0 ¹³	(\$49.0)	83
84	Feminine Hygiene Products	\$170.0	\$170.0	\$86.7 ¹³	(\$83.3)	84
85	Teaching Pathways Coordinator	\$50.0	\$50.0	\$25.5 ¹³	(\$24.5)	85
86	Teacher Professional Development for Computer Science	\$200.0	\$200.0	\$102.0 ¹³	(\$98.0)	86
87	SB536: Dyslexia Screening and Professional Development	\$357.0				87
88	SB536: Media Literacy Programs	\$350.0				88
89	MESA Programs	\$75.0	\$75.0	\$38.3 ¹³	(\$36.7)	89
90	TOTAL RELATED APPROPRIATIONS: RECURRING	\$26,841.0	\$32,300.0	\$16,946.1	(\$15,353.9)	90
91	Dollar Change Over Prior Year Appropriation	(\$35,059.0)	\$5,459.0	(\$9,894.9)		91
92	Percent Change	-56.6%	20.3%	-36.9%		92
93	SUBTOTAL PUBLIC EDUCATION FUNDING	\$3,198,572.9	\$3,403,421.8	\$3,187,586.1	(\$215,835.7)	93
94	Dollar Change Over Prior Year Appropriation	\$408,666.4	\$204,848.9	(\$10,986.8)		94
95	Percent Change	14.6%	6.4%	-0.3%		95
96	PUBLIC EDUCATION DEPARTMENT	\$13,618.8	\$14,919.0	\$14,322.2	(\$596.8)	96
97	Dollar Change Over Prior Year Appropriation	\$2,372.2	\$1,300.2	\$703.4		97
98	Percent Change	21.1%	9.5%	5.2%		98
99	TOTAL - PUBLIC SCHOOL SUPPORT AND PED (General Fund)	\$3,212,191.7	\$3,418,340.8	\$3,201,908.3	(\$216,432.5)	99
100	Dollar Change Over Prior Year Appropriation	\$411,038.6	\$206,149.1	(\$10,283.3)		100
101	Percent Change	14.7%	6.4%	-0.3%		101
116	TOTAL - Including Federal Funds from CARES Act	\$3,212,191.7	\$3,418,340.8	\$3,309,940.2	(\$108,400.5)	
117	Dollar Change Over Prior Year Appropriation	\$411,038.6	\$206,149.1	\$97,748.6		
118	Percent Change	14.7%	6.4%	3.0%		

Public School Support and Related Appropriations for FY21
(in thousands of dollars)

School Year 2019-2020 Preliminary Unit Value = \$4,565.41		FY20 OpBud	Laws 2020, Chapter 83	HB1/aHAFC	Difference Chapter 83 to HB1	
School Year 2019-2020 Final Unit Value = \$4,602.27						
119	SECTION 5 APPROPRIATIONS: NONRECURRING GENERAL FUND OR PUBLIC EDUCATION REFORM FUND					119
120	FROM THE PUBLIC EDUCATION REFORM FUND					120
121	Career Technical Education Fund (Laws 2019, Ch. 61)	\$2,000.0 ⁹	\$2,000.0	\$2,000.0		121
122	Culturally and Linguistically Appropriate Instructional Materials and Curricula		\$9,000.0	\$1,000.0	(\$8,000.0)	122
123	Cyber Security and Data Systems Upgrade		\$500.0	\$500.0		123
124	Early Literacy Summer Professional Development		\$875.0	\$875.0		124
125	School Budget Transparency Website		\$6,000.0 ¹	\$3,000.0	(\$3,000.0)	125
126	Educator Evaluation System		\$1,000.0	\$1,000.0		126
127	National Board Certification Grants		\$500.0 ¹	\$500.0		127
128	School Improvement Grants		\$2,933.1		(\$2,933.1)	128
129	Grow Your Own Teachers Act		\$500.0	\$500.0		129
130	Statewide Special Education Convening		\$750.0		(\$750.0)	130
131	Teacher Residency Pilot	\$1,000.0 ⁹	\$2,000.0 ¹	\$1,000.0	(\$1,000.0)	131
132	Teacher Placement in Hard-to-Staff Schools		\$1,000.0		(\$1,000.0)	132
133	Panic Buttons in Public Schools (to Public School Facilities Authority)		\$1,500.0	\$1,500.0		133
134	Summer Extended Learning for Native American Students and Small Schools		\$5,000.0		(\$5,000.0)	134
135	K-12 Plus Pilot and K-5 Plus Transition Programs		\$30,000.0		(\$30,000.0)	135
136	Instructional Materials	\$26,500.0 ⁹	\$4,500.0		(\$4,500.0)	136
137	PED IT Systems		\$2,957.3	\$2,957.3		137
138	FROM THE GENERAL FUND					138
139	Teacher Evaluation System Research and Development	\$1,000.0				139
140	Standards-Based Assessment Research and Development	\$2,000.0				140
141	Emergency Supplemental Funding for School Districts	\$1,000.0				141
142	Dual-Credit Instructional Materials	\$500.0				142
143	Sufficiency Lawsuit Fees	\$1,250.0	\$750.0	\$750.0		143
144	Biliteracy Framework Study		\$100.0	\$100.0		144
145	Panic Buttons in Public Schools (to Public School Facilities Authority)		\$95.0	\$95.0		145
146	Insurance Claims (to Public Schools Insurance Authority)		\$10,000.0	\$8,000.0	(\$2,000.0)	146
147	Teacher Preparation Affordability Fund (to the Higher Education Department)		\$5,000.0		(\$5,000.0)	147
148	FROM THE PUBLIC SCHOOL CAPITAL OUTLAY FUND					148
149	Maintenance, Repair, and Infrastructure Projects in Impact Aid Areas (to PSFA)		\$18,867.0	\$18,867.0		149

Public School Support and Related Appropriations for FY21
(in thousands of dollars)

School Year 2019-2020 Preliminary Unit Value = \$4,565.41		FY20 OpBud	Laws 2020, Chapter 83	HB1/aHAFC	Difference Chapter 83 to HB1
School Year 2019-2020 Final Unit Value = \$4,602.27					
150	OTHER NONRECURRING APPROPRIATIONS				
151	Laws 2019, Ch. 277/ Laws 2020, Ch. 81: School Bus Replacement (from PSCOF)	\$32,895.0	\$8,989.0	\$8,989.0	
152	Laws 2019, Ch. 277: Prekindergarten Classrooms (from PSCOF)	\$5,000.0			
153	Laws 2019, Ch. 277: School Teacherages (from PSCOF)	\$10,000.0			
154	Laws 2019, Ch. 277: Impact Aid Infrastructure and Facilities (from the general fund)	\$24,000.0			
155	Ch. 81: School Bus Cameras (from the general fund)		\$252.4	\$252.4	
156	Ch. 81: Alternative School Bus Fueling or Charging Infrastructure (VW settlement)		\$200.0	\$200.0	
157	TRANSFERS				
158	Teacher Loan Repayment Fund	\$10,000.0			
159	Teacher Preparation Affordability Scholarship Fund	\$10,000.0			
160	TOTAL - NONRECURRING AND TRANSFERS	\$127,145.0	\$115,268.8	\$52,085.7	

Source: LESC

¹This appropriation was contingent on the enactment of legislation.

²The General Appropriation Act (GAA) of 2020 included language earmarking funds for ELTP and K-5 Plus and providing flexibility for programs in FY21. HBXX includes additional flexibility language for K-5 Plus and requires school district or charter schools not applying for extended learning time programs to submit written notification to LESC, LFC, and PED detailing how it will recover lost learning time from the 2019-2020 school

³Laws 2016 (2nd S.S.), Chapter 2 (Senate Bill 4) authorized up to \$25 million in annual appropriations to the instructional material fund and transportation distribution from the public school capital outlay fund (PSCOF)

⁴The GAA of 2019 included \$1 million from the educator licensure fund.

⁵The GAAs of 2019 and 2020 included \$200 thousand in temporary assistance for needy families (TANF) funds.

⁶The GAA of 2020 included \$1 million from the public education reform fund.

⁷HB1/aHAFC includes language stating the appropriation to the state equalization guarantee distribution includes sufficient funding to provide an average one percent salary increase for school personnel, except for

⁸Section 6 of the GAA of 2020 included FY20 appropriations of \$1.1 million for programs from the teacher loan repayment fund and \$2.2 million for programs from the teacher preparation affordability scholarship fund.

⁹This appropriation was from the general fund in FY20.

¹⁰The GAA of 2020 included FY21 appropriations of \$2 million for programs from the teacher loan repayment fund and \$5 million for programs from the teacher preparation affordability scholarship fund.

¹¹The reduction in funding formula credits reflects the loss of federal Impact Aid revenue based on a determination from the U.S. Department of Education. HB1 includes \$31 million to partially offset this loss.

¹¹HB1/aHAFC reduces the SEG distribution appropriation by \$44.7 million to reflect federal funding authorized by the CARES Act's elementary and secondary emergency relief fund. New Mexico will receive a total of \$108 million from this fund.

¹³PED appropriations for special programs were subject to a 6 percent sanding, a \$10 million swap with federal funds allocated through the governors emergency education relief fund, allocated proportionally to each appropriation, and a further \$3.4 million reduction, allocated proportionally to each appropriation.

Note: Highlighted boxes denote appropriations that were modified by the solvency proposal. The tan highlights show totals when considering federal funds under the CARES Act.