

SENATE BILL 17

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

INTRODUCED BY

Mimi Stewart

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLIC EDUCATION; ENACTING THE FAMILY INCOME INDEX ACT; REQUIRING CALCULATION OF A FAMILY INCOME INDEX AND PROVIDING FOR FUNDING DISTRIBUTIONS TO SCHOOL DISTRICTS THROUGH THAT INDEX; ESTABLISHING USES FOR THOSE DISTRIBUTIONS; REQUIRING INFORMATION-SHARING AGREEMENTS; PROVIDING CONFIDENTIALITY EXCEPTIONS.

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

.219016.11GLGAIC

March 2, 2021 (11:32am)

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

"[NEW MATERIAL] SHORT TITLE.--Sections 1 through 6 of 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 Index Act:

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

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

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

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

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

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

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

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"[NEW MATERIAL] FAMILY INCOME INDEX--CALCULATION--

INFORMATION-SHARING AGREEMENTS.--

A. The department shall calculate a family income index for each public school.

B. The department shall obtain the following information to the extent necessary for the purposes of calculating the household income of each public school student:

(1) from the taxation and revenue department, return information that includes the reported adjusted gross incomes, modified gross incomes, personal identifying information, household sizes and names of claimed dependents of taxpayers; and

(2) from the human services department, income information and personal identifying information maintained by the income support division and the medical assistance division of the human services department.

C. The taxation and revenue department and the human services department shall enter into information-sharing agreements with the department to provide the information requested by the department pursuant to Subsection B of this section.

D. Pursuant to Subsection E of this section, the department shall calculate the percentage of student households for each public school in each of the following income categories using information obtained pursuant to Subsection B

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of this section and census ~~SEC~~tract~~SEC~~ information:

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

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

- (1) for fiscal year 2022, the ~~SEC~~percentage~~SEC~~ ~~SEC~~sum of the percentages~~SEC~~ of the public school's students in the extremely low and very low income categories during the preceding fiscal year;
- (2) for fiscal year 2023, the average of the ~~SEC~~sum of the~~SEC~~ percentages of the public school's students in the extremely low and very low income categories during the immediately preceding two fiscal years; and
- (3) for fiscal year 2024 and each subsequent fiscal year, the average of the ~~SEC~~sum of the~~SEC~~ percentages of the public school's students in the extremely low and very low income categories during the immediately preceding three fiscal years.

F. The department shall rank all public schools in

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the state from lowest family income index to highest family income index by October 31 of each year.

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

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

"[NEW MATERIAL] THRESHOLD FOR FUNDING DISTRIBUTION--
DISTRIBUTION OF FAMILY INCOME INDEX FUNDS.--

A. Each year, to determine the number of public schools that are eligible for family income index funding through distributions to their respective school districts, the department shall:

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

(2) multiply the total number of public schools within each of the school districts that are identified in Paragraph (1) of this subsection by one-tenth, and if the product:

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

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

B. The number of eligible public schools within a school district identified in Paragraph (1) of Subsection A of this section for which funding may be allocated pursuant to this section is equal to the rounded product determined pursuant to Paragraph (2) of Subsection A of this section. Each year, the public schools eligible for funding pursuant to this section are those public schools within each school district that have the highest family income indices; provided that the funding shall be provided through distributions to their respective school districts.

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

D. To determine the proportional share of funding that the department shall distribute to a school district for each public school that is eligible for funding pursuant to this section, the number of eligible students in each public school that is eligible for funding pursuant to this section shall be divided by the total number of eligible students at all public schools that are eligible for funding pursuant to this section. Each eligible public school's proportional share

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shall be multiplied by the total amount appropriated for distribution pursuant to the Family Income Index Act.

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

F. Funding for a public school pursuant to the family income index shall be used exclusively at that public school for the interventions specified in Section 5 of the Family Income Index Act.

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

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

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

A. A public school shall use funds distributed through the Family Income Index Act as follows:

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

(2) at least one-third for evidence-based mathematics instruction and interventions, including educational programming intended to improve career and college

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readiness of at-risk students, dual or concurrent enrollment, and career and technical education; and

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

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

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

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

(d) instructional resources and materials; or

(e) services to engage and support parents and families in the education of students.

B. A school district shall use distributions received for allowable uses provided in Subsection A of this section to expand or improve services provided as part of a public school's existing academic program, but not to replace existing services."

SECTION 6. A new section of the Public School Code is

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enacted to read:

"[NEW MATERIAL] PUBLIC SCHOOL ELIGIBILITY--REPORTING.--

A. A school district is eligible for funding pursuant to the Family Income Index Act if the school district establishes, within its department-approved educational plan, interventions identified in Section 5 of the Family Income Index Act for each of its public schools that are eligible for a distribution pursuant to the Family Income Index Act. A school district that receives a distribution pursuant to the Family Income Index Act shall provide a report to the department by August 1 after each fiscal year in which it receives a distribution that includes a description of the services the school district has provided for each public school that received a distribution to improve the academic success of students. The report shall include a detailed description of how each public school has used the additional funding and the way in which the funding impacted student academic outcomes.

B. The department shall evaluate how each public school used its distribution and the way in which each distribution impacted student academic outcomes and report its findings and recommendations to the legislative finance committee and the legislative education study committee by October 15 of each year beginning in fiscal year 2022."

SECTION 7. Section 7-1-8.8 NMSA 1978 (being Laws 2019,

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Chapter 87, Section 2, as amended) is amended to read:

"7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER STATE AGENCIES.--An employee of the department may reveal to:

A. a committee of the legislature for a valid legislative purpose, return information concerning any tax or fee imposed pursuant to the Cigarette Tax Act;

B. the attorney general, return information acquired pursuant to the Cigarette Tax Act for purposes of Section 6-4-13 NMSA 1978 and the master settlement agreement defined in Section 6-4-12 NMSA 1978;

C. the commissioner of public lands, return information for use in auditing that pertains to rentals, royalties, fees and other payments due the state under land sale, land lease or other land use contracts;

D. the secretary of human services or the secretary's delegate under a written agreement with the department, the last known address with date of all names certified to the department as being absent parents of children receiving public financial assistance, but only for the purpose of enforcing the support liability of the absent parents by the child support enforcement division or any successor organizational unit;

E. the department of information technology, by electronic media, a database updated quarterly that contains the names, addresses, county of address and taxpayer

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identification numbers of New Mexico personal income tax filers, but only for the purpose of producing the random jury list for the selection of petit or grand jurors for the state courts pursuant to Section 38-5-3 NMSA 1978;

F. the state courts, the random jury lists produced by the department of information technology under Subsection E of this section;

G. the director of the New Mexico department of agriculture or the director's authorized representative, upon request of the director or representative, the names and addresses of all gasoline or special fuel distributors, wholesalers and retailers;

H. the public regulation commission, return information with respect to the Corporate Income and Franchise Tax Act required to enable the commission to carry out its duties;

I. the state racing commission, return information with respect to the state, municipal and county gross receipts taxes paid by racetracks;

J. the gaming control board, tax returns of license applicants and their affiliates as provided in Subsection E of Section 60-2E-14 NMSA 1978;

K. the director of the workers' compensation administration or to the director's representatives authorized for this purpose, return information to facilitate the

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identification of taxpayers that are delinquent or noncompliant in payment of fees required by Section 52-1-9.1 or 52-5-19 NMSA 1978;

L. the secretary of workforce solutions or the secretary's delegate, return information for use in enforcement of unemployment insurance collections pursuant to the terms of a written reciprocal agreement entered into by the department with the secretary of workforce solutions for exchange of information;

M. the New Mexico finance authority, information with respect to the amount of municipal and county gross receipts taxes collected by municipalities and counties pursuant to any local option municipal or county gross receipts taxes imposed, and information with respect to the amount of governmental gross receipts taxes paid by every agency, institution, instrumentality or political subdivision of the state pursuant to Section 7-9-4.3 NMSA 1978;

N. the secretary of human services or the secretary's delegate; provided that a person who receives the confidential return information on behalf of the human services department shall not reveal the information and shall be subject to the penalties in Section 7-1-76 NMSA 1978 if the person fails to maintain the confidentiality required:

(1) that return information needed for reports required to be made to the federal government concerning the

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use of federal funds for low-income working families;

(2) the names and addresses of low-income taxpayers for the limited purpose of outreach to those taxpayers; provided that the human services department shall pay the department for expenses incurred by the department to derive the information requested by the human services department if the information requested is not readily available in reports for which the department's information systems are programmed; and

(3) return information required to administer the Health Care Quality Surcharge Act;

O. the superintendent of insurance, return information with respect to the premium tax and the health insurance premium surtax;

P. the secretary of finance and administration or the secretary's designee, return information concerning a credit pursuant to the Film Production Tax Credit Act;

Q. the secretary of economic development or the secretary's designee, return information concerning a credit pursuant to the Film Production Tax Credit Act;

R. the secretary of public safety or the secretary's designee, return information concerning the Weight Distance Tax Act;

S. the secretary of transportation or the secretary's designee, return information concerning the Weight

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Distance Tax Act;

T. the secretary of energy, minerals and natural resources or the secretary's designee, return information concerning tax credits or deductions for which eligibility is certified or otherwise determined by the secretary or the secretary's designee; ~~and~~

U. the secretary of environment or the secretary's designee, return information concerning tax credits for which eligibility is certified or otherwise determined by the secretary or the secretary's designee; and

V. the secretary of public education or the secretary's designee, return information required to calculate the household income of each public school student pursuant to Section 3 of the Family Income Index Act."

SECTION 8. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.

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