



**Date:** December 17, 2020  
**Prepared By:** Joseph W. Simon  
**Purpose:** Review the Public Education Department's FY22 Budget Request  
**Witness:** Ryan Stewart, Ed.L.D., secretary, Public Education Department  
**Expected Outcome:** Better understanding of budget issues related to public education in preparation for the 2021 legislative session.

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## Public Education Department FY22 Public School Support Budget Request

### Background

As school closures and remote instruction continue to impact public schools in New Mexico, school district budget officials will need to begin planning for the FY22 school year with little certainty about what that school year will look like. Research indicates the remote learning many students received in the first half of the FY21 school year is not as effective as in-person instruction, and the lack of in-person schooling may have a greater negative impact on at-risk students, which represent a majority of New Mexico's student population. While the development and recent approval of a Covid-19 vaccine may allow schools to reopen to in-person instruction at the start of the FY22 school year, it is likely school districts and charter schools will be dealing with impacts of the pandemic for the foreseeable future.

Even prior to the Covid-19 pandemic, the Public Education Department (PED) faced significant challenges in providing management and oversight to New Mexico's 89 school districts and 96 charter schools that serve 321 thousand students. The 1st Judicial District Court in the consolidated *Martinez-Yazzie* lawsuit found the state had failed to provide sufficient resources to ensure that at-risk students received an education that prepared them for college or the workplace. While many of New Mexico's neighbors spend significantly less on public education, New Mexico's student outcomes remain low, and will only be exacerbated by learning loss from the Covid-19 pandemic. To best serve New Mexico's students, the state will need to target resources to meet the needs of students at-risk of academic failure.

Additionally, school closures and remote learning have had a dramatic impact on enrollment in many school districts, leading some school district leaders to worry about the pandemic's impact on their school district's finances.

For FY22, PED requested recurring general fund appropriations of \$3.340 billion for public schools, an increase of \$128.1 million, or 4 percent from adjusted FY21 appropriations. In addition, PED requested \$276.2 million in nonrecurring revenue, including \$171.2 million from the public education reform fund and \$105 million from

FY21 Appropriations and PED's FY22 Budget Request  
(in thousands)

	FY21	FY22 PED Request	Change
SEG	\$3,046,463.4	\$3,174,228.0	\$127,764.6
Categorical	\$124,176.6	\$124,206.6	\$30.0
Special Programs	\$26,946.1	\$27,946.1	\$1,000.0
PED OpBud	\$14,364.5	\$13,648.4	(\$716.1)
Public Education Reform Fund	\$24,582.3	\$171,226.8	\$146,644.5

Source: LESC Files



the general fund. PED requested additional funds to offset the elimination of the funding formula credit for Impact Aid, replace a one-time swap of federal funds to the state equalization guarantee distribution (SEG), and create three large pots of money for PED to use for discretionary grants to school districts and charter schools.

## Public School Support

State law provides for both restricted and unrestricted funding for school districts and charter schools to implement their educational programs. Statutory programs like the SEG, which provides unrestricted funding for school districts and charter schools to budget at their discretion, and categorical programs, which are restricted for specific purposes, like student transportation or Indian education, are collectively known as “public school support.” PED’s discretion in how to allocate these funds is limited by state law. Almost all state funding for public schools—98 percent in FY21—is appropriated to these programs.

PED requested \$3.298 billion for public school support programs in FY22, an increase of \$127.8 million, or 4 percent, from FY21 adjusted appropriations. All of PED’s requested increase is to the SEG, with additional funds targeted to replace a one-time swap of federal funds, eliminate the funding formula credit for Impact Aid, and fund enrollment growth, insurance rate increases, and fixed costs.

### Program Cost and State Equalization Guarantee

The public school funding formula allocates program cost - the amount of money the state assumes public schools need to operate - to each school district and charter school based on student enrollment and other factors that increase school costs, such as the number of students with special needs or enrollment in small, isolated schools. Under current law, each school district and charter school is guaranteed to receive its program cost through an allocation from the SEG and 75 percent of revenue received from three other sources: federal Impact Aid payments, federal forest reserve payments, and the local half mill levy.

To calculate the appropriation to the SEG, the Legislature assumes changes to the program cost from the previous year, which reflect the policy choices made by the Legislature for the coming school year, and subtracts from the assumed program cost

funding formula credits, based on an estimate of the amount of credited revenue school districts and state-chartered charter schools are likely to receive. The general fund appropriation to the SEG is calculated by subtracting 75 percent credits and an appropriation from driver’s license fees from program cost.

PED requested an increase of \$128.4 million, or 3.9 percent, to program cost. In addition, PED requested flexibility to use unspent funds currently in the base for K-5 Plus and Extended Learning Time Programs to make grants outside of the funding formula for community schools and for career technical education programs.



*Impact Aid.* For FY22, PED's request for the SEG does not include an assumption for a funding formula credit for federal Impact Aid payments. Under federal law, a state may consider federal Impact Aid payments when allocating state aid if the U.S. Department of Education (USDE) finds the state maintains a state aid program that equalizes expenditures among the school districts and state-chartered charter schools within the state. Prior to FY20, New Mexico received certification each year, but an April 2020 decision from the USDE found the state did not meet the requirements for FY20. This conclusion is under review by USDE.

While the current credit for federal Impact Aid payments has the effect of equalizing operational funding for school districts and charter schools statewide, some stakeholders have argued eliminating the credit would provide additional funding to high-need schools and areas with limited property tax collections to address ongoing litigation related to educational sufficiency and capital outlay. Most Impact Aid received by school districts and state-chartered charter schools is based on enrollment of students who live on tribal lands. The court in the *Martinez-Yazzie* lawsuit included Native American students in its definition of at-risk students for whom funding is currently insufficient. In addition, the *Zuni* capital outlay lawsuit remains open and plaintiff school districts identified federal Impact Aid payments as a potential source of capital outlay funds.

During the June 2020 special session, the Legislature assumed a \$67 million reduction to program cost based on the April 2020 determination by USDE. PED requested \$35 million to cover the remaining cost of eliminating the credit for Impact Aid.

While PED's request does not assume a credit for Impact Aid, the request continues to assume a credit for federal forest reserve payments and the local half mill levy.

*Federal Funds Swap.* PED's request for FY22 includes \$44.7 million to replace a reduction to the SEG taken in FY21 in recognition of the \$108 million in federal revenue to school districts and charter schools under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. During the June 2020 special session, the Legislature reduced general fund revenue to public schools, higher education institutions, and Medicaid in response to projected revenue shortfalls in FY20 and FY21. This swap was meant to be nonrecurring and replaced in FY22.

*K-5 Plus and Extended Learning Time Programs.* PED requested flexibility around the \$151.3 million dollars included in the public school funding formula for the K-5 Plus extended school year program and Extended Learning Time Programs. The department has asked for authority to divert unspent funds from these appropriations for FY22 grants for community schools and career technical education. In FY20, most of the appropriation for K-5 Plus and Extended Learning Time Programs reverted to the public education reform fund, while there has been excess demand for community schools grants and for career technical education. PED says it intends to prioritize funding for these grants to school districts and charter schools participating in K-5 Plus or Extended Learning Time Programs, promoting uptake of these programs.

On December 7, USDE certified New Mexico as an equalized state for FY21, allowing the state to take credit for federal Impact Aid payments in FY21. Four school districts objected to the certification and may choose to appeal the decision. Prior to the decision, PED requested the Legislature set aside \$98.8 million to settle potential liabilities from Impact Aid determinations in FY20 and FY21.

Many school district leaders cite the requirement that a student enrolled in a K-5 Plus program remain with the same teacher as an impediment to greater participation in the program. K-5 Plus is designed to extend the school year by 25 days and research has found maintaining students with the same teacher helps to improve student outcomes.

Despite applications for career technical education and community school funds exceeded available awards, in FY20, PED reverted 36 percent of the appropriation for career technical education and 22 percent of the appropriation for community schools. PED should work with grantees to ensure appropriations are used by the end of the fiscal year.

into FY23. The department could have postponed FY23 budget requests until next year and requested additional funds for community schools and career technical education from the public education reform fund. This would free up additional funds for allocation to extended learning opportunities in FY22, which may be increasingly needed when schools return to in-person instruction.

Participation in these programs for FY20 and FY21 has been limited due to a lack of interest in many communities, coupled with short time frames to implement the programs in FY20 and the impact of the public health emergency on public schools in FY21. While the Covid-19 pandemic has made implementing these programs in the short term more difficult, the resulting learning loss has highlighted the need for additional instructional time to mitigate the impact of widespread school closures and remote learning. Given the difficulty many school districts have in independently extending the school year, the Legislature may need to consider ways to increase

instructional time for all students to improve student outcomes in the aftermath of the pandemic.

*Enrollment Growth.* PED requested \$23.2 million for enrollment growth, based on the number of enrollment growth program units the public school funding formula is expected to generate for FY21. Generally, when a school district or charter school

receives enrollment growth program units in the current year, that school district or charter school will generate more program units for their base student enrollment in the coming fiscal year. PED's request includes funding for these program units, without considering any reductions in the number of program units in other school districts and charter schools.

For the last several years, the Legislature has considered the net change in the number of program units, rather than only considering those school districts and charter schools where enrollment is growing. Because student enrollment has been declining,

the Legislature has used this savings to invest in other areas that reflect legislative priorities, such as increased at-risk funding or higher teacher salaries.

PED requested the Legislature include \$4.7 million in the SEG appropriation for utilities, communications, maintenance and repair, and other fixed costs. These estimates are based on FY20 expenditures, adjusted for inflation.

Fiscal year 2022 poses a unique challenge to PED, school districts, and charter schools because of significant enrollment declines in many school districts and charter schools. School district leaders have requested the Legislature consider legislation to ensure funding for school district and charter schools does not decline because of falling student enrollment. PED does not specifically include a recommendation related to a hold harmless, additional funding for enrollment growth will increase the program unit value, but would not be



specifically targeted to school districts or charter schools experiencing declining enrollment.

*Insurance.* PED requested \$20.8 million for health and risk insurance increases for public schools. For school districts and charter schools covered by the Public Schools Insurance Authority (NMPSIA), PED indicates its request is based on a 9.3 percent increase to health insurance premiums, a 7.8 percent increase for property and liability insurance premiums, and no increase for dental, vision, or other insurance costs. For Albuquerque Public Schools (APS), which is the only school district not covered by NMPSIA, PED indicates its request is based on a 7.3 percent increase for health, dental, vision, and disability insurance, a 9.7 percent increase for property and liability insurance, and a 23.4 percent increase for unemployment insurance.

PED's request for health insurance coverage is based on the insurance plans' anticipated rate increase for FY22. Large increases in health insurance premiums could have an impact on employee take home pay and pose staffing challenges for school districts and charter schools in the absence of salary increases or school districts and charter schools volunteering to cover a larger share of health insurance premiums. Using the rates assumed by PED, NMPSIA-covered employees would see premium increases vary between \$126 per year and \$868 per year, depending on the employee's income level and level of coverage. For APS employees, rates would increase between \$96 and \$511. As an alternative, plans could look to make plan design changes to keep rate increases low, but this would increase the amount of out-of-pocket costs that school employees face when they access their benefits. According to NMPSIA staff, the rate increase requested by the board is sufficient to cover increasing costs without any plan design changes.

*Instructional Materials.* In previous years, the Legislature would provide a categorical instructional materials appropriation. Beginning in FY20, the Legislature began funding instructional materials through the SEG distribution, which expanded the kinds of materials that school districts and charter schools could purchase with instructional materials funds. Dual credit instructional materials were initially funded as a categorical appropriation in FY21, but PED chose to eliminate funding when budgeting a \$4 million in categorical appropriation reductions from the June 2020 special session. PED did not request funding for FY22, meaning school districts and charter schools will need to use SEG or other funds to purchase dual credit instructional materials.

### Categorical Programs

PED requested \$124.2 million for categorical programs, or flat funding compared with FY21 adjusted appropriations. PED did not request and increase for student transportation programs, standards-based assessments, or the Indian education fund.

PED notes its request for insurance does not include an increase for the costs of PED-mandated surveillance testing because at the time the request was made NMPSIA was not planning to provide coverage for this purpose. However, shortly after PED submitted its request, NMPSIA voluntarily agreed to cover the costs of surveillance testing. NMPSIA staff told its board that both PED and the governor's office had suggested that the insurance plans should pick up the costs of such testing.

insurance, a 9.7 percent increase for property and liability insurance, and a 23.4 percent increase for unemployment insurance.

Under state law, a school district or charter school may cover up to 80 percent of health insurance premiums, subject to the availability of funds.

increases or school

Categorical funds, like dual credit instructional materials were often subject to a request for reimbursement process. Allocating funding through unrestricted sources, such as the SEG, eliminates the need for PED, school districts, and charter schools to spend additional administrative time overseeing the appropriation.



While PED staff indicate reduced student transportation needs may lead to some savings in FY21, school districts and charter schools continue to use these funds to pay staff and for expenses related to the distribution of school meals and remote learning materials.

administrators to determine how to best spend these funds to meet student needs. However, these decisions have led to some school leaders to point to shortfalls in transportation programs.

*Emergency Supplemental.* PED requested a total of \$4 million for emergency supplemental distributions for school districts, citing the possible need for additional grants in light of enrollment shifts and increased costs related to the Covid-19 pandemic. PED's request includes \$1 million in recurring general fund revenue and \$3 million in nonrecurring general fund revenue.

## Public Education Department Programs

PED requested a total of \$212.8 million in recurring and nonrecurring funds for appropriations to the public education department for department operations and PED special programs. The bulk of this request, \$171.2 million, is nonrecurring revenue from the public education reform fund. PED requested \$13.6 million in recurring general fund requested for department operations and \$27.9 million in recurring general fund revenue for special programs. These special program appropriations to PED, sometimes called "below-the-line" appropriations, pay staff salaries and benefits

and provide department-sponsored professional development and other programming for school district and charter school staff. These appropriations are generally not governed by statute and the amount of funding and the types of expenses that are paid can vary from year to year.

During the last decade, the amount of public school funding provided to PED to make discretionary grants to school districts and charter schools increased dramatically. In addition to pilot programs, like the K-3 Plus extended school year program, the

Legislature funded initiatives for early literacy, to recruit and retain educators in hard-to-staff areas, fund classroom supplies, provide employee merit pay, and fund a variety of department-sponsored interventions to support struggling schools and students. As part of the findings from the *Martinez-Yazzie* lawsuit, the court said this type of grant funding tended to disqualify public school funding and divert resources away from core educational needs. The court also criticized the year-to-year uncertainty of grant funding, which made it difficult for schools to sustain programming, and that funds are generally not available to all school districts and charter schools.

## Public Education Department Operating Budget

PED requested \$13.6 million in recurring general fund revenue for department operations. In response to executive budget instructions, PED requested an operating



budget decrease of 5 percent of recurring general fund appropriations, targeting a reduction of \$716.1 thousand to PED's contractual services line items. PED staff indicate the department intends to review contracts to identify those that have the least impact on the ability of PED to effectively support school districts and charter schools.

In addition to general fund appropriations, the department receives revenue from educator licensure fees and from a statutory provision that allows PED to withhold 2 percent of state-chartered charter schools program costs for administrative support. PED uses these funds for expenses related to the department's Charter Schools Division, the Public Education Commission—the elected body which authorizes and oversees state-chartered charter schools—and for general department expenses. PED's request indicated the department expects to receive \$2.5 million in these fees in FY22; however, FY21 budgets for school districts and charter schools indicate PED will withhold \$3 million in these fees in FY21, a number that is likely to increase in FY22 due to growth in a number of state-chartered charter schools and the overall appropriation. As a result, PED may be able to backfill a reduction in its general fund appropriation from revenue from these fees.

*Personal Services and Employee Benefits.* PED's request indicates the department will continue its practice of using special program funding for staff salaries and benefits expenses, which could limit the amount of funding allocated to programming. In FY20, PED budgeted \$421 thousand of recurring special program appropriations for salaries and benefits, but the department only spent \$156 thousand of these funds. For FY21, PED budgeted \$1.3 million, but only \$51 thousand has been spent to date.

While the department did not indicate how much recurring funding would be budgeted for salaries, each of PED's requests from the public education reform fund indicates the department will budget a portion of those funds for staff salaries and benefits, with a total of 16 FTE funded. In addition, PED requested \$8 million to place 30 staff at regional education cooperatives to assist PED, school districts, and charter schools in carrying out PED's budget review functions.

PED requested \$2.2 million from the public education reform fund for staff salaries and benefits. Assuming the department intends the \$2.2 million included in its request to be spent evenly over two years, this request would add \$1.1 million, or 4.5 percent to PED's total budget for salaries and benefits. According to PED's request, the staff would be responsible for overseeing and administering the large discretionary grant programs requested by PED, support a comprehensive cybersecurity program, and to oversee a system of training and evaluation related to annual budget and educational plan approvals.

### **PED Special Programs**

PED requested \$27.9 million in recurring general fund revenue for special programs at the department. For most programs, PED held their request flat with FY21 adjusted

#### **PED Staff Salaries and Benefits**

(in thousands)

	FY21 OpBud
PED Operating Budget <sup>1</sup>	\$20,391.9
Charter School 2%	\$1,955.7
Indian Education Fund	\$470.8
Prekindergarten Fund	\$450.0
PED Special Programs	\$1,324.0
Public Education Reform Fund	\$200.0
<b>Total</b>	<b>\$24,792.4</b>

Source: PED budget request, SHARE

<sup>1</sup>Includes general fund, federal funds, other state funds, and interagency transfer appropriations.

According to New Mexico's sunshine portal, there are currently 224 employees at PED, with 65 vacancies, although not all of the vacancies are funded.



appropriations, but the department shifted some requests funded with nonrecurring revenue from the public education reform fund in FY21 to the general fund revenue for FY22.

While the FY21 appropriation for indigenous, multilingual, multicultural, and special education included a \$1 million transfer to the Indian Affairs Department, PED's request utilizes those funds in FY22 for grants made by PED.

*Indigenous, Multilingual, Multicultural, and Special Education Programs.* Several programs exist to target funding to students named in the *Martinez-Yazzie* lawsuit. In addition to public school funding formula allocations for low-income students, students with disabilities, English learners, students enrolled in Bilingual

Multicultural Education Programs, and categorical funding for Indian education fund grants, PED requested \$4.6 million in special program appropriations to make discretionary grants in support of these students. PED indicates it intends to use \$1.5 million to support indigenous education, \$1.5 million to support special education, and \$1.6 million to support bilingual multicultural education programs.

PED also requested \$2 million for culturally and linguistically relevant curriculum and instructional materials, previously funded with a \$9 million appropriation from the public education reform fund.

*Budget Accountability.* PED also requested \$1 million in recurring general fund revenue and \$8 million in nonrecurring revenue from the public education reform fund for an initiative to place budget and accountability staff in regional education cooperatives to assist school districts, charter schools, and PED with annual budget and educational plan reviews. While the Legislature included \$1 million from the public education reform fund for this project in FY21, it does not appear that any of these funds have been used as intended.

In the aftermath of the court's decision in the *Martinez-Yazzie* lawsuit, PED, school districts, and charter schools are subject to new reporting requirements to ensure PED is able to carry out the court's order to ensure school districts and charter schools are allocating funds to improve the outcomes of at-risk students. While this function may require PED to hire new staff to review school district submissions and oversee PED's response, this represents a basic operational function of the department. Relying on nonrecurring revenue from the public education reform fund may not be a reliable source of revenue for this function.

*Professional Development.* Research shows teacher quality is the primary school-based factor impacting student success, with high-quality school leadership the second most important factor. Supporting professional development with evidence-based programs is key to improving student outcomes for New Mexico's students. PED provides a number of professional development programs, and while the department has reported some outcomes data, the department should consider providing a comprehensive evaluation of all their professional development programs.

For FY22, PED requested \$10.4 million to support teacher and principal professional development. The request is flat with appropriations made in FY21, with the exception



of the science, technology, engineering, arts, and mathematics (STEAM) initiative, which decreased by \$2 million. PED requested funding for the following:

- \$2.5 million for RISE, previously named Principals Pursuing Excellence, to work with 150 school leaders to implement strategies around data-driven instruction, school culture of learning, observation and feedback;
- \$2.8 million to support early career and alternative licensure teachers to improve classroom instruction, previously named Teachers Pursuing Excellence;
- \$1.6 million to provide early literacy and reading support, including the Language Essentials for Teachers of Reading and Spelling (LETRS) training for kindergarten teachers; all first grade teachers were trained with the FY21 appropriation;
- \$1.2 million for Advance Placement (AP). Although PED's request indicates a portion of this appropriation for test fees waivers, PED generally uses these funds for professional development programs;
- \$2.1 million for the STEAM initiative; and
- \$161 thousand to support computer science professional development.

While PED requested flat appropriations for most of these appropriations, PED has been unable to spend large portions of these appropriations recently. For FY20, PED reverted 40 percent of the teacher professional development appropriation, 39 percent of the STEAM initiative appropriation, and 22 percent of the Advanced Placement appropriation, likely the rationale for PED requesting a reduction to professional development for STEAM in FY22.

When allocating funds for professional development, PED should develop clear, measurable goals and test each program and report these results to the Legislature.

### PED Nonrecurring Programs

PED requested \$171.2 million from the public education reform fund for grant programs and department administrative expenses. PED's request includes \$2.2 million for department staff salaries and benefits, \$1.8 million for department contracts, and \$167.2 million for other expenses. While the Legislature generally limits appropriations to the current and coming fiscal year, PED staff indicated these requests are intended for FY22 and FY23. Making annual appropriations allows the Legislature to effectively exercise its oversight function and make adjustments to appropriations when they are needed. Appropriating funds for multiple fiscal years reduces the Legislature's oversight function.

PED requested \$500 thousand from the public education reform fund to hire two IT security and compliance administrators. Recently, a number of school districts have been targeted with ransomware and PED should develop long term plans to support school districts and charter schools in protection of their data systems.

*Pandemic Remediation.* PED requested \$95.3 million from the public education reform fund for several programs to serve students in the aftermath of the public health emergency. PED requested funding for the following:

- Summer school and tutoring for 56 thousand kindergarten through second grade students and high school juniors and seniors;
- Counselors and advisors to support students in all grades;
- A work-based learning initiative for 20 thousand high school juniors and seniors;



- Professional development for 23 thousand teachers;
- Implementation of the department's Multi-Layered System of Supports;
- A Social-Emotional Learning Platform; and
- Support to re-engage currently disengaged students.

To support this large request, the department requested \$900 thousand for administrative costs and 6 FTE.

While PED included additional instructional time for students in their budget request, the department indicates funding will be used for summer school in select grades, rather than to extend the school year for all students.

appropriations outside of the funding formula, these programs typically had statutory backing, such as prior year appropriations for prekindergarten programs or K-3 Plus, the grant funded predecessor to K-5 Plus or current appropriations for programs such as community schools, the career technical education fund, or teacher residencies. When considering such large requests, the Legislature may wish to consider authorizing legislation to provide a statutory framework setting program rules and expectations.

*Family Income Index.* PED requested \$55.9 million to support grants to school districts and charter schools based on the number of students from low-income families. According to PED's request, the department has been working with the Taxation and Revenue Department (TRD) to develop the index, based on individual tax returns. While TRD does not share tax information with PED, PED provides class roster data,

which can be used to identify the number of students from low income families. Where a student's family income cannot be determined, the department uses census tract data to estimate income. About 26 percent of students have no income data.

LESC staff have requested additional information on the family income index, but to date the information has not been provided.

For a number of years, charter schools in New Mexico have noted the at-risk index currently in statute is not based on the actual populations they serve. Instead, charter schools are assigned the at-risk index of the school district in which they are geographically located. Utilizing tax records may be an innovative way to address this problem; however, the use of nonrecurring funding could prove problematic if school districts and charter schools become reliant on this funding to serve at-risk students. While PED recently told the Legislative Finance Committee the department was working on a bill authorizing the index, it is unclear at this point if the bill will include a statutory allocation formula or rely on department discretion to determine how much each school is allocated.

*Tribal Remedy Framework.* PED requested \$10 million to fund programs included on the Native American Budget and Policy Institute's tribal remedy framework. While the

proposal includes a number of different initiatives at institutions of higher education, tribal departments of education, and regional education cooperatives, PED indicates the department will target two areas: curriculum development and teacher recruitment and preparation.

**Public School Support and Related Appropriations for FY22**  
(in thousands of dollars)

	School Year 2019-2020 Preliminary Unit Value = \$4,565.41 School Year 2019-2020 Final Unit Value = \$4,602.27	FY21 OpBud	FY22 PED Request
<b>1 PROGRAM COST</b>		\$3,137,303.4	\$3,069,463.4
<b>2 UNIT CHANGES</b>			
3 Increase At-Risk Index (Multiplier for FY20: 0.25; FY21: 0.30)		\$50,152.10	
4 Extended Learning Time Program Units (190 Days, After School Programs, and 80 Hours of Professional Development)		\$8,896.6	(\$71,394.1)
5 K-5 Plus Program Units		(\$40,000.0)	(\$79,895.9)
6 Consolidate K-5 Plus and Extended Learning Time and Authorize Funds for Community Schools and Career Technical Education			\$151,290.0 <sup>3</sup>
7 Enrollment Growth			\$23,242.8
8 Net Program Unit Changes		(\$10,287.0)	
<b>9 UNIT VALUE CHANGES</b>			
11 Insurance		\$11,567.6	\$20,846.8
12 Fixed Costs		\$4,764.9	\$4,681.5
13 Mentorship, Professional Development, and Induction Programs		\$11,000.0	
14 Early Literacy and Reading Support Programs		\$8,000.0	
15 Minimum Wage Increase (Laws 2019, Chapter 114; FY20: \$9.00; FY21: \$10.50)		\$1,100.0	
16 Eliminate Impact Aid Credit		(\$67,000.0)	
17 Offset Loss of Impact Aid Credit		\$31,000.0	\$35,000.0
18 SEG 1 Percent Sanding		(\$32,373.2)	
19 Nonrecurring Education Stimulus Swap		(\$44,661.0)	\$44,661.0
<b>20 SUBTOTAL PROGRAM COST</b>		<b>\$3,069,463.4</b>	<b>\$3,197,895.5</b>
<b>21 Dollar Change Over Prior Year Appropriation</b>		(\$67,840.0)	\$128,432.1
<b>22 Percent Change</b>		-2.2%	3.9%
<b>23 LESS PROJECTED CREDITS (FY19 Actual Credits of \$84,100.6)</b>		<b>(\$16,000.0)</b>	<b>(\$16,667.5)</b>
<b>24 LESS OTHER STATE FUNDS (From Driver's License Fees)</b>		<b>(\$7,000.0)</b>	<b>(\$7,000.0)</b>
<b>25 STATE EQUALIZATION GUARANTEE</b>		<b>\$3,046,463.4</b>	<b>\$3,174,228.0</b>
<b>26 Dollar Change Over Prior Year Appropriation</b>		(\$22,340.0)	\$127,764.6
<b>27 Percent Change</b>		-0.7%	4.2%
<b>28 CATEGORICAL PUBLIC SCHOOL SUPPORT</b>			
<b>29 Transportation</b>			
30 Maintenance and Operations		\$86,664.8	\$83,624.6
31 Fuel		\$13,108.8	\$11,191.0
32 Rental Fees (Contractor-Owned Buses)		\$7,119.7	\$8,327.9
33 Transportation for Extended Learning Time Programs		\$3,707.3	\$3,577.2
34 Transportation for K-5 Plus Programs		\$3,818.9	\$3,684.9
35 Categorical 6% Sanding (Half Transportation; Half Other)		(\$4,013.9)	
<b>36 SUBTOTAL TRANSPORTATION</b>		<b>\$110,405.6</b>	<b>\$110,405.6</b>
37 Out-of-State Tuition		\$285.0	\$315.0
38 Emergency Supplemental		\$1,000.0	\$1,000.0
39 Standards-Based Assessments		\$7,236.0	\$7,236.0
40 Indian Education Fund		\$5,250.0	\$5,250.0
<b>41 TOTAL CATEGORICAL</b>		<b>\$124,176.6</b>	<b>\$124,206.6</b>
<b>42 TOTAL PUBLIC SCHOOL SUPPORT</b>		<b>\$3,170,640.0</b>	<b>\$3,298,434.6</b>
<b>43 Dollar Change Over Prior Year Appropriation</b>		(\$1,091.9)	\$127,794.6
<b>44 Percent Change</b>		0.0%	4.0%
<b>45 Related Requests: Recurring</b>			
46 Regional Education Cooperatives		\$1,034.0	\$1,034.0
47 Indigenous, Multilingual, Multicultural and Special Education		\$4,567.8	\$4,567.8
48 Culturally and Linguistically Relevant Curriculum and Instruction			\$2,000.0
49 GRADS – Teen Parent Interventions		\$415.3 <sup>1</sup>	\$415.3 <sup>1</sup>
50 Community School Initiatives		\$3,322.0	\$3,322.0
51 Career Technical Education Fund (Laws 2019, Ch. 61)		\$2,491.5	\$2,491.5

**Public School Support and Related Appropriations for FY22**  
 (in thousands of dollars)

	School Year 2019-2020 Preliminary Unit Value = \$4,565.41 School Year 2019-2020 Final Unit Value = \$4,602.27	FY21 OpBud	FY22 PED Request
52 MESA Programs		\$62.4	\$62.4
53 College and Career Readiness		\$83.1	\$83.1
54 Accountability and Regional Support Systems		<sup>2</sup>	\$1,000.0
55 Principal Professional Development		\$2,491.5	\$2,491.5
56 Early Literacy and Reading Support		\$1,661.0	\$1,661.0
57 Teacher Professional Development Programs		\$2,869.5	\$2,869.5
58 STEAM Initiative (Science, Technology, Engineering, Arts, and Math)		\$4,152.6	\$2,152.6
59 Advanced Placement Test Fee Waivers and Training		\$1,245.8	\$1,245.8
60 Teaching Pathways Coordinator		\$41.5	\$41.5
61 Teacher Professional Development for Computer Science		\$166.1	\$166.1
62 Breakfast for Elementary Students		\$1,328.8	\$1,328.8
63 New Mexico Grown Fruits and Vegetables		\$332.2	\$332.2
64 School Lunch Copayments		\$539.8	\$539.8
65 Feminine Hygiene Products		\$141.2	\$141.2
<b>66 TOTAL RELATED APPROPRIATIONS: RECURRING</b>		<b>\$26,946.1</b>	<b>\$27,946.1</b>
67 Dollar Change Over Prior Year Appropriation		\$105.1	\$1,000.0
68 Percent Change		0.4%	3.7%
<b>69 SUBTOTAL PUBLIC EDUCATION FUNDING</b>		<b>\$3,197,586.1</b>	<b>\$3,326,380.7</b>
70 Dollar Change Over Prior Year Appropriation		(\$986.8)	\$128,794.6
71 Percent Change		0.0%	4.0%
<b>72 PUBLIC EDUCATION DEPARTMENT</b>		<b>\$14,364.5</b>	<b>\$13,648.4</b>
73 Dollar Change Over Prior Year Appropriation		\$745.7	(\$716.1)
74 Percent Change		5.5%	-5.0%
<b>75 GRAND TOTAL - SECTION 4 PUBLIC SCHOOL APPROPRIATIONS</b>		<b>\$3,211,950.6</b>	<b>\$3,340,029.1</b>
76 Dollar Change Over Prior Year Appropriation		(\$40,067.0)	\$128,078.5
77 Percent Change		-1.2%	4.0%

78	<b>SECTION 5 AND 7 APPROPRIATIONS: NONRECURRING GENERAL FUND OR PUBLIC EDUCATION REFORM FUND</b>	78
79	<b>FROM THE PUBLIC EDUCATION REFORM FUND</b>	79
80	Accountability and Regional Support Systems	\$1,000.0
81	Martinez-Yazzie Regional Accountability and Technical Support	\$8,000.0
82	Career Technical Education Fund (Laws 2019, Ch. 61)	\$2,000.0
84	Culturally and Linguistically Appropriate Instructional Materials and Curricula	\$9,000.0
85	Family Income Index	\$55,887.1
86	Educator Recruitment	\$1,500.0
87	Cyber Security and Data Systems Upgrade	\$500.0
88	Early Literacy Summer Professional Development	\$875.0
89	School Budget Transparency Website	\$3,000.0
90	Educator Evaluation System	\$1,000.0
91	National Board Certification Grants	\$500.0
93	Grow Your Own Teachers Act	\$500.0
94	Statewide Special Education Convening	\$750.0
95	Teacher Residency Fund	\$1,000.0
96	Panic Buttons in Public Schools (to Public School Facilities Authority)	\$1,500.0
97	Pandemic Remediation	\$95,339.7
98	Tribal Remedy Framework	\$10,000.0
99	PED IT Systems (Section 7)	\$2,957.3
100	<b>Subtotal: Public Education Reform Fund</b>	<b>\$24,582.3</b>
101	<b>FROM THE GENERAL FUND</b>	101
102	Emergency Supplemental Funding for School Districts	\$3,000.0
103	Sufficiency Lawsuit Fees	\$750.0
104	Biliteracy Framework Study	\$100.0
105	Potential FY20 Impact Aid Liability	\$59,992.3

**Public School Support and Related Appropriations for FY22**  
 (in thousands of dollars)

School Year 2019-2020 Preliminary Unit Value = \$4,565.41 School Year 2019-2020 Final Unit Value = \$4,602.27		FY21 OpBud	FY22 PED Request
106	Potential FY21 Impact Aid Liability		\$38,800.0
107	Panic Buttons in Public Schools (to Public School Facilities Authority)	\$95.0	
108	Insurance Claims (to Public Schools Insurance Authority)	\$8,000.0	
109	PED IT Systems (Section 7)		\$1,938.6
110	<b>FROM THE PUBLIC SCHOOL CAPITAL OUTLAY FUND</b>		
111	Maintenance, Repair, and Infrastructure Projects in Impact Aid Areas (to PSFA)	\$18,867.0	
112	<b>OTHER NONRECURRING APPROPRIATIONS</b>		
113	Laws 2019, Ch. 277/ Laws 2020, Ch. 81: School Bus Replacement	\$8,989.0	\$6,894.0
114	Ch. 81: School Bus Cameras (from the general fund)	\$252.4	\$180.0
115	Ch. 81: Alternative School Bus Fueling or Charging Infrastructure (VW settlement)	\$200.0	
116	<b>TOTAL - NONRECURRING APPROPRIATIONS</b>	<b>\$85,418.0</b>	<b>\$283,281.7</b>

Source: LESC

<sup>1</sup>The GAA of 2020 and PED request included \$200 thousand in temporary assistance for needy families (TANF) funds.

<sup>2</sup>The GAA of 2020 included \$1 million from the public education reform fund.

<sup>3</sup>The PED request indicated this appropriation will require GAA language identifying uses and providing flexibility for programs in FY22 and may require statutory changes.