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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:

"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:

"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

1 at least one hundred eighty-five percent but less than two
2 hundred twenty-five percent of the federal poverty level;

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

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

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

10 "FAMILY INCOME INDEX--INCOME CATEGORIES--CALCULATION--
11 INFORMATION-SHARING AGREEMENTS.--

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

15 (1) the department shall obtain family
16 income information sufficient to identify the total number of
17 households in each public school in each of the income
18 categories in Subsection C of this section, based on tax
19 return data of families of students enrolled in that public
20 school and for whose households the taxation and revenue
21 department is able to locate tax return information;

22 (2) for students whose families the taxation
23 and revenue department is unable to identify tax return data
24 for pursuant to Paragraph (1) of this subsection, family
25 income 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 income
3 information provided to the human services department by
4 families applying for benefits; and

5 (3) for a student whose family income is not
6 available to the taxation and revenue department or the human
7 services department, the department shall use income
8 statistics from the most current census information for the
9 reported address of the student to determine to which income
10 category in Subsection C of this section the student is
11 assigned.

12 B. The taxation and revenue department
13 and the human services department shall enter into
14 information-sharing agreements with the department to provide
15 the information requested by the department pursuant to
16 Subsection A of this section.

17 C. Pursuant to Subsection D of this section, the
18 department shall calculate the percentage of student
19 households for each public school in each of the following
20 income categories using information obtained as provided in
21 Subsection A of this section:

- 22 (1) extremely low income;
- 23 (2) very low income;
- 24 (3) low income;
- 25 (4) moderate income; and

1 (5) above average income.

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

7 (1) for fiscal year 2022, the sum of the
8 percentages of the public school's students in the extremely
9 low and very low income categories during the preceding
10 fiscal year;

11 (2) for fiscal year 2023, the average of the
12 sum of the percentages of the public school's students in the
13 extremely low and very low income categories during the
14 immediately preceding two fiscal years; and

15 (3) for fiscal year 2024 and each subsequent
16 fiscal year, the average of the sum of the percentages of the
17 public school's students in the extremely low and very low
18 income categories during the immediately preceding three
19 fiscal years.

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

23 F. The department shall provide the percentage of
24 students at each public school in each income category to the
25 legislative education study committee and the legislative

1 finance committee by November 15 of each year."

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

4 "THRESHOLD FOR FUNDING DISTRIBUTION--DISTRIBUTION OF
5 FAMILY INCOME INDEX FUNDS--ALLOCATIONS TO ELIGIBLE PUBLIC
6 SCHOOLS.--

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

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

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

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

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

24 B. The number of eligible public schools within a
25 school district identified in Paragraph (1) of Subsection A

1 of this section for which funding may be allocated pursuant
2 to this section is equal to the rounded product determined
3 pursuant to Paragraph (2) of Subsection A of this section.
4 Each year, the public schools that are eligible for an
5 allocation are those public schools within each school
6 district that have the highest family income indices.

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

11 D. To determine the proportional share of funding
12 that the department distributes to a school district for each
13 eligible public school, the number of eligible students in
14 each eligible public school shall be divided by the total
15 number of eligible students at all eligible public schools.
16 Each eligible public school's proportional share shall be
17 multiplied by the total amount appropriated for distribution
18 pursuant to the Family Income Index Act.

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

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

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

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

6 "USES OF FAMILY INCOME INDEX ALLOCATIONS.--

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

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

13 (2) at least one-third for evidence-based
14 mathematics instruction and interventions, including
15 educational programming intended to improve career and
16 college readiness of at-risk students, dual or concurrent
17 enrollment, and career and technical education; and

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

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

24 (b) culturally relevant professional
25 and curriculum development, including those necessary to

1 support language acquisition and bilingual and multicultural
2 education;

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

7 (d) instructional resources and
8 materials;

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

11 (f) services to engage and support
12 tribal communities in the education of Native American
13 students.

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

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

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

25 "EDUCATIONAL PLAN TO INCLUDE ALLOWABLE USES FOR EACH

1 PUBLIC SCHOOL--DISTRIBUTIONS--REPORTING.--

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

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

21 SECTION 7. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2021. _____

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