

# FundEd: New Mexico Report

## A Detailed Look at New Mexico's Funding Policies



## New Mexico

### Funding Basics

#### Formula Type

New Mexico has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students both through program-specific allocations and by applying multipliers to the base amount to generate supplemental funding for certain students.

The categories of students generating supplemental funding in New Mexico are students in certain grade levels, English-language learners (ELLs), students with disabilities, students identified as gifted, and students enrolled in small schools or districts. Services for low-income students and additional funding for ELLs are provided through program-specific allocations.

#### Base Amount

New Mexico has a fixed base funding amount per student. For FY2017, the per-student base was \$3,979.63.

This means that an average student with no special needs or disadvantages would be funded at that level.

### Local Revenue

#### Expected Local Share

New Mexico expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on its property values and the revenue it raises from other local sources: Each district is expected to contribute \$0.50 for every \$1,000 of assessed local property wealth, and the revenue received from federal Impact Aid (excluding revenue targeted for special education) and the Forest Reserve fund.

Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts 75% of the expected local contribution and provides the difference in the form of state education aid.

## Property Tax Floors and Ceilings

New Mexico sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. Districts are required to impose \$0.50 for every \$1,000 of assessed local property wealth for operations. They may impose some additional taxes which require voter approval but may not impose more than \$15.00 for every \$1,000 of assessed property wealth for debt service, school buildings, and capital improvement combined.

Within this limitation, districts may impose, with voter approval, up to \$10.00 for every \$1,000 of assessed local property wealth to build or improve school buildings, and separately up to an additional \$2.00 for every \$1,000 of assessed local property wealth for capital improvements. School districts may also issue general obligation bonds to build, remodel, or furnish school buildings, with the approval of local voters. The value of these bonds is limited to 6% of the district's assessed local property wealth.

## Other Local Taxes for Education

School districts in New Mexico may receive local revenue from property taxes, and from revenue from federal forest reserve lands.

School districts in New Mexico may only impose property taxes. However, they receive a portion of revenue from timber sales and other receipts on federal forest reserve lands. This funding is considered part of the district's local share; In determining the district's formula amount, the state subtracts 75% of the revenue received from Forest Reserve funds.

## District Characteristics

### Grade Level

New Mexico provides different levels of funding for students in different grade levels. It does so by applying multipliers to the base per-pupil amount for students in five different grade spans.

The base amount is multiplied by 1.44 for full-time-equivalent students in kindergarten; by 1.2 for students in grade 1; by 1.18 for students in grades 2-3; by 1.045 for students in grades 4-6; and by 1.250 for students in grades 7-12. The state also provides funding for additional instructional time for students in grades K-3 only. It also provides an amount equal to 0.06 times the base per-pupil amount for each full-time-equivalent student enrolled in an elementary physical education program.

For districts that apply, grant funding may also be provided for elementary fine arts education in an amount equal to 0.05 times the base amount for each full-time-equivalent student in grades K-6.

## English-Language Learner

New Mexico provides increased funding for English-language learners (ELLs). It does so both by applying a multiplier of 1.5 to the base per-pupil amount for these students and through a program-specific allocation.

Students enrolled in bilingual education programs are eligible for the supplemental funding generated through the application of the multiplier. In addition, the state provides program-based funding to districts with a state-approved plan to support at-risk students, including ELLs. The amount of funding provided varies depending on the number of at-risk students (a category that also includes low-income and mobile students) served in the district.

At-risk student funding is allocated in accordance with the following formula: three-year average enrollment counts are calculated for each of the three at-risk student categories (low-income students, as defined for the purposes of federal Title I funding; mobile students; and ELLs, as classified according to the criteria established by the federal Office for Civil Rights). Students who fit multiple at-risk criteria are counted only once. These averages are added together, and the sum is multiplied by 0.106 to produce an At-Risk Index. This index is multiplied by the district's entire student enrollment to produce a number of students to be added to the district's enrollment count. The state then provides the district's regular per-student funding on the basis of its inflated count rather than its true student population.

## Poverty

New Mexico provides increased funding for districts based on the concentrations of low-income students they serve. It does so through a program-specific allocation that varies depending on the number of at-risk students (a category that also includes English-language learners (ELLs) and mobile students) served in the district.

At-risk student funding is allocated in accordance with the following formula: three-year average enrollment counts are calculated for each of the three at-risk student categories (low-income students, as defined for the purposes of federal Title I funding; mobile students; and ELLs, as classified according to the criteria established by the federal Office for Civil Rights). Students who fit multiple at-risk criteria are counted only once. These averages are added together, and the sum is multiplied by 0.106 to produce an At-Risk Index. This index is multiplied by the district's entire student enrollment to produce a number of students to be added to the district's enrollment count. The state then provides the district's regular per-student funding on the basis of its inflated count rather than its true student population.

## Special Education

New Mexico funds special education using a multiple student weights system, providing different levels of funding for different categories of students. Students are assigned to four different categories based on the services they receive.

It does so by applying different multipliers to the base per-pupil amount for students in these categories. The multipliers range from 1.7 to 3.0, depending on the degree of modification the students require to the general education program. Additionally, there is a high-cost fund for students who impose costs three times greater than the statewide average amount expended per student (a threshold that amounted to \$22,262 in FY2018), though districts only qualify if they serve a certain minimum number of high-cost students (that threshold varies with district size).

The remainder of state special education funding is distributed through specific program-based allocations, including funding for speech therapy, mobility services, psychological services, and for the New Mexico Schools for the Deaf and Blind.

## Gifted

New Mexico provides increased funding for gifted and talented students. It does so by applying multipliers to the base per-pupil amount for gifted students; these multipliers vary depending on the degree of modification the students require to the general education program.

These funds are distributed as a part of districts' special education funding. Like students with disabilities, each gifted student receives an individualized education program specifying the services required to serve him or her effectively. Depending on the level of services required, the state applies a multiplier to the base per-pupil amount that may range from range from 1.7 to 3.0. (See "Special Education" for a description of this allocation.)

## Career and Technical Education

New Mexico does not provide increased funding for career and technical education (CTE) programs.

## Sparsity and/or Small Size

New Mexico provides increased funding for small schools and districts. It does so by inflating the student count to generate extra funding.

Qualifying schools are those serving fewer than 400 students. Qualifying school districts are those serving fewer than 4,000 students. In each case, a formula taking into account school and district enrollment is used to determine the number of students to be added to the enrollment count for funding purposes. Different formulas are used for small elementary and junior high schools, senior high schools, and districts.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

