



# 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, and provides increased funding to educate specific categories of students. The categories of students considered in New Mexico's funding policy are students in certain grade levels, English-language learners, students in high-poverty districts, students with disabilities, students identified as gifted, students enrolled in career and technical education (CTE) programs, and students enrolled in small schools and/or districts.

New Mexico does not expect school districts to contribute to the funding of their public schools. Districts in New Mexico are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for students in certain grade levels, English-language learners, students with disabilities, and students identified as gifted is generated by applying multipliers to the base amount. Services for English-language learners, students in high-poverty districts, students enrolled in career and technical education programs, and students enrolled in small schools and/or districts are provided through program-specific allocations.

#### Base Amount

New Mexico has a fixed base funding amount per student. For FY2020, the per-student base was \$4,602.27.

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 raise some revenue for the funding of public schools through the imposition of property taxes but does not expect them to contribute toward the state-calculated formula amount.

Once the state calculates an amount of funding necessary to educate students within a district, the state provides this entire amount in state education aid. Separate from this calculation, school districts are required to raise \$0.50 for every \$1,000 of assessed local property wealth for school operations.

School districts must budget and report on the use of a portion of their state revenue equal to 75% of federal and local revenue for purposes relating to the Indian Education Act, school facilities, or "at-risk" student interventions.

## 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 a 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 impose only property taxes. However, they receive a portion of revenue from timber sales and other receipts on federal forest reserve lands.

## Student 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 elementary school only that is equal to 0.3 times the base per-pupil amount. 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. It does so by applying a multiplier of 1.5 to the base per-pupil amount for students in bilingual programs 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 English-language learners. The amount of funding provided varies depending on the number of “at-risk” students (a category that also includes low-income and students who frequently change schools) 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 English-language learners, 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 a factor to produce an At-Risk Index. In FY2021 this factor was 0.3. 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 does not provide increased funding for individual students from low-income households. However, the state does provide 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 served in the district (for more information, see “Concentrated Poverty”).

New Mexico provides increased funding using an index that considers the number of “at-risk” students, defined as low-income students, mobile students, and English-language learners, that districts are serving. The index is applied to a district’s student count, and the district receives per-pupil funding on the basis of its inflated count (for more information, see “Concentrated Poverty”).

## 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.

The state applies 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 to the general education program the student requires. 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 \$23,439 in FY2020), though districts qualify only 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 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 to the general education program the student requires.

These funds are distributed as a part of districts' special education funding. As for 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 1.7 to 3.0 (see "Special Education" for a description of this allocation).

## Career and Technical Education

New Mexico provides increased funding for career and technical education (CTE) programs. It does so through a grant program that provides funding to participating school districts and charter schools.

In FY2020, the state appropriated \$3 million over seven years for a pilot project to support schools and districts seeking to create high-quality career technical education programs. The program enables schools and districts to establish CTE programs and provide professional development to teachers in the pilot project.

# District Characteristics

## Concentrated Poverty

New Mexico provides increased funding for districts based on the concentrations of students from low-income households that they serve. It does so through a program-specific allocation that varies depending on the number of "at-risk" 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 English-language learners, as classified according to the criteria established by the federal Office for Civil Rights). These averages are added together, and the sum is multiplied by a factor to produce an At-Risk Index. In FY2021 this factor was 0.3. 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.

## 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.

Small districts serving fewer than 200 students are also eligible for additional funding based on a formula that inflates enrollment, and rural districts get additional funding based on a formula that considers population rate and a cost differential factor.

## Charter Funding

Funding for charter schools in New Mexico is calculated based on a formula similar to the one used to calculate funding for traditional public schools.

Like traditional public schools, charter schools are funded through a student-based funding formula that considers the characteristics of students they educate. For each student, charter schools receive state funding that reflects any additional funding generated by students in special programs and need categories.

Charter schools in New Mexico can receive a share of local tax revenue for capital outlay projects.