



Operational Funding Formula

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The background is a repeating pattern of colorful speech bubbles, each containing a question mark. The colors include shades of red, yellow, purple, and grey. The speech bubbles are scattered across the entire frame, creating a textured, busy background.

Ask Questions – No One Knows Everything

<https://www.youtube.com/watch?v=3ERuhks3GNk>

1970's Litigation in Public School Funding

- *Serrano v. Priest*, 5 Cal.3d 584 (1971) ([Serrano I](#));
- *Serrano v. Priest*, 18 Cal.3d 728 (1976) ([Serrano II](#)); and
- *Serrano v. Priest*, 20 Cal.3d 25 (1977) ([Serrano III](#)).
 - This 1971 California case ruled that the state's school funding system violated the equal protection clause of the state constitution. The court found that the system discriminated against poor students because the quality of education was based on the wealth of the student's family and neighbors. The case was initiated in 1968 by John Serrano, a parent of a Los Angeles public school student, and Ivy Baker Priest, the California State Treasurer at the time.
 - The *Serrano v. Priest* case had a profound impact on public education financing, shifting the system from local to state control. In response to the ruling, legislators passed Senate Bill 90 in 1972, which created a revenue limit system that capped how much money each district could receive
- *San Antonio Independent School District v. Rodriguez* (1973)
 - The case began when Demetrio P. Rodriguez and families in five other districts filed a lawsuit alleging that the Texas school funding system was unfair and violated the Equal Protection Clause of the Fourteenth Amendment. The Texas legislature had created a program to help mitigate inequality in school resources, but the program was based on property taxes, which resulted in some districts having significantly less funding per pupil than other.
 - The final decision in the San Antonio Case in 1973 by the U.S. Supreme Court declared that education is not a “fundamental interest” under the Constitution and that it was essentially a state issue. Henceforth, school finance lawsuits have been argued in state, rather than federal courts.

New Mexico Funding Formula Ideology

“The Equal Treatment of Equals” — The funding formula allocates the same amount of funding for students in the same circumstances. For example, a first grade student is allocated the same amount of funding, regardless of the school district in which they live.

“The Unequal Treatment of Unequals” — The funding formula allocates additional funding for students that require extra resources. For example, a first grade student receiving special education services is allocated the same amount of funding as every other first grade student plus additional funding based on the level of special education service the student receives.

- After the 1974 Operational Funding Formula was implemented, the State was supposed to implement a similar funding formula for Capital Outlay in 1976, that unfortunately would not come to fruition.

Current Formula

- Formula is defined in statute [NMSA 1978 Chapter 22 Article 8 Public School Finance Act](#) (when reading statute, remember shall = must; may = choice)
 - Essentially your student count, staff count, and district demographics drive most of your operational funding.
 - You have 3 major count days that you should be aware of and receiving a copy of data for each time.
 - NMSA (1978) 22-8-13 B.
 - (1) the first reporting date, the second Wednesday in October; (formerly 40th Day)
 - (2) the second reporting date, December 1 or the first working day in December; (formerly 80th Day) and
 - (3) the third reporting date, the second Wednesday in February (formerly 120th day).

22-8-18. Program cost calculation; local responsibility.

A. The total program units for the purpose of computing the program cost shall be calculated by multiplying the sum of the program units itemized as Paragraphs (1) and (2) in this subsection by the staffing cost multiplier and adding the program units itemized as Paragraphs (3) through (15) in this subsection. The itemized program units are as follows:

- (1) early childhood education;
- (2) basic education;
- (3) special education, adjusted by subtracting the units derived from membership in class D special education programs in private, nonsectarian, nonprofit training centers;
- (4) bilingual multicultural education;
- (5) fine arts education;
- (6) elementary physical education;
- (7) size adjustment;
- (8) at-risk;
- (9) enrollment growth or new district adjustment;
- (10) special education units derived from membership in class D special education programs in private, nonsectarian, nonprofit training centers;
- (11) national board for professional teaching standards certification;
- (12) home school student;
- (13) home school student activities;
- (14) charter school student activities; and
- (15) K-12 plus.

B. The total program cost calculated as prescribed in Subsection A of this section includes the cost of early childhood, special, bilingual multicultural, fine arts and vocational education and other remedial or enrichment programs. It is the responsibility of the local school board or governing body of a charter school to determine its priorities in terms of the needs of the community served by that board. Except as otherwise provided in this section, funds generated under the Public School Finance Act are discretionary to local school boards and governing bodies of charter schools; provided that the special program needs as enumerated in this section are met; and provided further that the department shall ensure that the local school board or governing body of a charter school is prioritizing resources for the public school toward proven programs and methods linked to improved student achievement.

22-8-19. Early childhood education program units.

A. The number of early childhood education program units is determined by multiplying the early childhood education MEM by the cost differential factor 1.44. Early childhood education students enrolled in half-day kindergarten programs shall be counted for 0.5 early childhood MEM. Early childhood education students enrolled in full-day kindergarten programs shall be counted for 1.0 early childhood education MEM.

B. For the purpose of calculating early childhood education program units, developmentally disabled three- and four-year-old students shall be counted in early childhood education membership. No developmentally disabled three- or four-year-old student shall be counted for more than 0.5 early childhood education MEM

2-8-20. Basic program units.

The number of basic program units is determined by multiplying the basic program MEM in each grade by the corresponding cost differential factor as follows:

Grades	Cost Differential Factor
1	1.2
2 and 3	1.18
4 through 6	1.045
7 through 12	1.25

910B5 – Transforming Students to Units

Early Childhood Education (ECE) Program *80D/120D AVG MEM*

PK	0.00
KF	0.00
Total ECE FTE (PK/2+KF)	0.00

Factor *Units*
1.440 **0.000**

Basic Program (Includes A/B, C & C-Gifted, D & D-Gifted):

Grade 1	0.00
Grade 2	0.00
Grade 3	0.00
Grade 4	0.00
Grade 5	0.00
Grade 6	0.00
Grade 7	0.00
Grade 8	0.00
Grade 9	0.00
Grade 10	0.00
Grade 11	0.00
Grade 12	0.00
Total Grades 1-12	0.00
Total FTE MEM	0.00

1.200 0.000
1.180 0.000
1.180 0.000
1.045 0.000
1.045 0.000
1.045 0.000
1.250 0.000
1.250 0.000
1.250 0.000
1.250 0.000
1.250 0.000
1.250 0.000

Total Membership Program Units 0.000

Transforming Students to Units Example

15 =ROUND((E15+G15)/2,2)

		2023-2024 80D/120D AVERAGE and 2024-2025 40D		
Entity		2023-2024	2023-2024	2023-2024
		80D	120D	80D & 120D AVG
	PK 3Y DD	10.00	9.00	9.50
	PK 4Y DD	10.00	11.00	10.50
		20.00	20.00	20.00
	FTE MEM	10.00	10.00	10.00
	KF	50.00	55.00	52.50
Basic Education (Includes A/B, C & C-Gifted, D & D-Gifted)		MEM	MEM	MEM
	Grade 1	100.00	90.00	95.00
	Grade 2	120.00	110.00	115.00
	Grade 3	100.00	95.00	97.50
	Grade 4	100.00	105.00	102.50
	Grade 5	120.00	110.00	115.00
	Grade 6	160.00	155.00	157.50
	Grade 7	150.00	155.00	152.50
	Grade 8	120.00	120.00	120.00
	Grade 9	90.00	92.00	91.00
	Grade 10	100.00	99.00	99.50
	Grade 11	120.00	122.00	121.00
	Grade 12	100.00	99.00	99.50
	Total FTE MEM	1,440.00	1,417.00	1,428.50

- Your official SEG Count will rely on the 2nd and 3rd Reporting Period
- Data tells a story compare your 1st Period Report to the prior year 3rd Period.
 - Look for anomalies – any significant changes should be investigated

Transitioning Students to Units

Early Childhood Education (ECE)

Program:

80D/120D AVG MEM

PK	20.00
KF	52.50
Total ECE FTE (PK/2+KF)	62.50

Basic Program (Includes A/B, C & C-Gifted, D & D-Gifted):

Grade 1	95.00
Grade 2	115.00
Grade 3	97.50
Grade 4	102.50
Grade 5	115.00
Grade 6	157.50
Grade 7	152.50
Grade 8	120.00
Grade 9	91.00
Grade 10	99.50
Grade 11	121.00
Grade 12	99.50
Total Grades 1-12	1,366.00

Total FTE MEM 1,428.50

Factor Units
1.440 90.000

1.200 114.000
1.180 135.700
1.180 115.050
1.045 107.113
1.045 120.175
1.045 164.588
1.250 190.625
1.250 150.000
1.250 113.750
1.250 124.375
1.250 151.250
1.250 124.375
1,611.001

Total Membership Program Units 1,701.001

Example:

$$1,701.0001 \times \$6,553.75 =$$

\$11,147,935.30375

22-8-49. Teacher cost index;

A. The teacher cost index for each school district or charter school shall be calculated in accordance with instructions issued by the department. The teacher cost index for a school district in its first year of operations is 1.0. The teacher cost index for a school district or charter school in its second or subsequent year of operations is the greater of 1.0 or the average of the licensure-experience factors of all full-time-equivalent teachers on the school district's or charter school's payroll in October of that year who are assigned classroom teaching responsibilities. The licensure-experience factor of a teacher corresponds to the teacher's licensure level and years of experience and is as follows:

	Years of Experience				
	0-2	3-5	6-8	9-15	Over 15
Licensure Level					
Level 1	0.775	0.785	0.800	0.000	0.000
Level 2	0.000	0.994	1.023	1.050	1.123
Level 3	0.000	0.000	1.184	1.208	1.277

Reporting Methodology is currently under transition to OBMS Module. You can access the TCI Manual by clicking [HERE](#)

Students + TCI to Units

Early Childhood Education (ECE) Program: *80D/120D AVG MEM*

PK	20.00
KF	52.50
Total ECE FTE (PK/2+KF)	62.50

Factor *Units*
1.440 **90.000**

Basic Program (Includes A/B, C & C-Gifted, D & D-Gifted):

Grade 1	95.00
Grade 2	115.00
Grade 3	97.50
Grade 4	102.50
Grade 5	115.00
Grade 6	157.50
Grade 7	152.50
Grade 8	120.00
Grade 9	91.00
Grade 10	99.50
Grade 11	121.00
Grade 12	99.50
Total Grades 1-12	1,366.00

1.200 114.000
1.180 135.700
1.180 115.050
1.045 107.113
1.045 120.175
1.045 164.588
1.250 190.625
1.250 150.000
1.250 113.750
1.250 124.375
1.250 151.250
1.250 124.375
1,611.001

Total FTE MEM **1,428.50**

Total Membership Program Units **1,701.001**

Staffing Cost Multiplier (SCM):

<i>OCT 2023 TCI</i>	<i>WEIGHT</i>
1.025	1.00

subject to change based on TCI audit

SCM
1.025

Adjusted Membership Program Units **1,743.526**

Example

1,743.526 X \$6,553.75 =

\$11,426,633.5225

22-8-21. Special education program units.

A. For the purpose of the Public School Finance Act, special education programs for exceptional children are those approved by the department and classified as follows:

- (1) class A programs, in which department certified individuals provide services to children whose individualized education programs require a minimal amount of special education and in which the ratio of students to professionals is regulated by the state board [department];
- (2) class B programs, in which department certified individuals provide services to children whose individualized education programs require a moderate amount of special education and in which the ratio of students to professionals is regulated by the state board;
- (3) class C programs, in which department certified individuals provide services to children whose individualized education programs require an extensive amount of special education and in which the ratio of students to professionals is regulated by the state board;
- (4) class D programs, in which department certified individuals provide services to children whose individualized education programs require a maximum amount of special education and in which the ratio of students to professionals is regulated by the state board. Students in class D programs may be enrolled in private, nonsectarian, nonprofit educational training centers in accordance with the provisions of [Section 22-13-8 NMSA 1978](#); and
- (5) programs for developmentally disabled three- and four-year-old children meeting standards approved by the state board.

22-8-21. Special education program units.

B. All students assigned to the programs for exceptional children classified in Subsection A of this section shall have been so assigned as a result of diagnosis and evaluation performed in accordance with the standards of the department before the students may be counted in the determination of special education program units as provided in Subsection C of this section.

C. The number of special education program units is the sum of the following:

- (1) the MEM in approved class A and B programs as defined in Subsection A of this section multiplied by the cost differential factor .7;
- (2) the MEM in approved class C programs as defined in Subsection A of this section multiplied by the cost differential factor 1.0;
- (3) the MEM in approved class D programs as defined in Subsection A of this section multiplied by the cost differential factor 2.0;
- (4) the MEM for developmentally disabled three- and four-year-old children as defined in Subsection A of this section multiplied by the cost differential factor 2.0; provided that no developmentally disabled three- or four-year-old student shall be counted for additional ancillary service units; and
- (5) for related services ancillary to providing special education, the number of full-time-equivalent certified or licensed ancillary service and diagnostic service personnel multiplied by the cost differential factor 25.0.

D. For the purpose of calculating membership in class C and class D programs, students shall be counted in actual grade placement or according to chronological age if not in actual grade placement.

Special Education Students & Staff to Units

Special Education Program:	80D/120D AVG MEM	Factor	Units
A/B MEM	0.00	0.70	0.000
C & C-Gifted	0.00	1.00	0.000
D & D-Gifted	0.00	2.00	0.000
D LEVEL 3Y-4Y	0.00	2.00	0.000
	80D/120D AVG FTE		
Adjusted Ancillary FTE	0.00	25.00	0.000
			0.000

	MEM	MEM	MEM
A/B MEM	20.00	18.00	19.00
C & C-Gifted	15.00	12.00	13.50
D & D-Gifted	10.00	11.00	10.50
D LEVEL 3Y-4Y	3.00	2.00	2.50
	Funded Related Service FTE	Funded Related Service FTE	Funded Related Service FTE
Adjusted Ancillary FTE	10.00	9.50	9.75

Special Education Program:	80D/120D AVG MEM	Factor	Units
A/B MEM	19.00	0.70	13.300
C & C-Gifted	13.50	1.00	13.500
D & D-Gifted	10.50	2.00	21.000
D LEVEL 3Y-4Y	2.50	2.00	5.000
	80D/120D AVG FTE		
Adjusted Ancillary FTE	9.75	25.00	243.750
			296.550

22-8-22. Bilingual multicultural education program units.

- The number of bilingual multicultural education program units is determined by multiplying the full-time-equivalent MEM in programs implemented in accordance with the provisions of the Bilingual Multicultural Education Act [Chapter [22](#), Article [23](#) NMSA 1978] by the cost differential factor 0.35, effective July 1, 1990; 0.4, effective July 1, 1991; .425, effective July 1, 1992; 0.45, effective July 1, 1993; and 0.5, effective July 1, 1994.

2-8-23.12. New program funding.

For the first year of programs operating pursuant to the K-5 Plus Act, the Bilingual Multicultural Education Act, the Fine Arts Education Act or for extended learning time programs, a school district or charter school shall generate the applicable program units. A school district's or charter school's budget shall be based on the projected number of program units for the program's first year of operation and shall be adjusted using the qualified MEM on the first reporting date of the current school year.

Bilingual - Students to FTE

Bilingual Education Program:		HOURS	MEM	FTE	MEM	FTE	MEM	FTE
Existing	1		10.00	1.67	15.00	2.50	12.50	2.08
New	1		-	-	-	-	-	-
1 hr Subtotal			10.00	1.67	15.00	2.50	12.50	2.08
Existing	2		5.00	1.67	6.00	2.00	5.50	1.83
New	2		-	-	-	-	-	-
2 hr Subtotal			5.00	1.67	6.00	2.00	5.50	1.83
Existing	3		2.00	1.00	1.00	0.50	1.50	0.75
New	3		-	-	-	-	-	-
3 hr Subtotal			2.00	1.00	1.00	0.50	1.50	0.75
Existing Subtotal			17.00	4.33	22.00	5.00	19.50	4.67
New Subtotal			-	-	-	-	-	-
Total			17.00	4.33	22.00	5.00	19.50	4.67

12.5/6= 2.08
 5.5/3= 1.83
 1.5/2= 0.75

Bilingual Program:

HOURS	80D/120D AVG	Projected 40D New	Actual 40D New
	FTE MEM	FTE MEM	FTE MEM
1 (FTE = MEM/6)	2.08	0.00	0.00
2 (FTE = MEM/3)	1.83	0.00	0.00
3 (FTE = MEM/2)	0.75	0.00	0.00
Total	4.67	0.00	0.00

TOTAL FTE MEM	Factor	Units
2.08	0.500	1.040
1.83	0.500	0.915
0.75	0.500	0.375
4.67	0.500	2.335

22-8-23. Size adjustment program units

A.

B. An approved public school with a MEM of fewer than four hundred, including early childhood education full-time-equivalent MEM but excluding MEM in class C and class D programs and excluding full-time-equivalent MEM in three- and four-year-old developmentally disabled programs, geographically located in a school district with two thousand MEM or more is eligible for additional program units computed in the following manner:

(5) for fiscal year 2024 and subsequent fiscal years, no elementary-junior high units and senior high units as prescribed in Subsection A of this section.

C. A school district with total MEM of fewer than four thousand, including early childhood education full-time-equivalent MEM, is eligible for additional program units. The number of additional program units to which a school district is entitled under this subsection is the number of district units computed in the following manner:

District Units
4,000 - MEM

$\frac{\text{District Units}}{4,000 - \text{MEM}} \times 0.15 \times \text{MEM} = \text{Units}$
4,000 where MEM is equal to the total district membership, including early childhood education full-time-equivalent membership.

D. A school district, as defined in Subsection R of Section [22-1-2](#) NMSA 1978, with a MEM of fewer than two hundred, including early childhood education full-time-equivalent MEM, is eligible for additional program units if the department certifies that the school district has implemented practices to reduce scale inefficiencies, including shared service agreements with regional education cooperatives or other school districts for noninstructional functions and distance education. The numbers of additional program units to which a school district is entitled under this subsection is the number of units computed in the following manner:

$200 - \text{MEM} = \text{Units}$ where MEM is equal to the total district MEM, including early childhood education full-time-equivalent MEM.

E. A school district with a rural population rate greater than forty percent or a charter school initially chartered before July 1, 2018 and geographically located in a school district with **a rural population rate greater than forty percent** is eligible for additional program units. The number of additional program units to which a school district or charter school is entitled pursuant to this subsection is determined by multiplying the full-time-equivalent MEM by the rural population rate and the cost differential factor of 0.03 for fiscal year 2020, 0.06 for fiscal year 2021, 0.09 for fiscal year 2022, 0.12 for fiscal year 2023 and 0.15 for fiscal year 2024 and subsequent fiscal years.

2019 HB 5

Size Adjustment:					PHASE-OUT	Units	
					Elementary/Mid /Jr. High	0.00	0.000
					Senior High		0.000
Geographic School District Location	80D/120D AVG FTE MEM	0.00			SCHOOL SIZE ADJUSTMENT UNITS		0.000
Local Charter Schools' FTE MEM	0.00				DISTRICT SIZE <4,000 ADJUSTMENT UNITS (Districts Only)		137.752
District & Local Charter Total FTE MEM	1,428.50				DISTRICT SIZE <200 ADJUSTMENT UNITS (Districts Only)		0.000
Rural Population:							
Rural Population Formula (MEM) × (Rural Population) × (0.15) = Units	80D/120D AVG FTE MEM	Rural Population Rate	Rural Population Rate >0.4	Chartered After 7/1/2018?	Eligible?	Cost Differential	Units
	1,428.50	0.626	Y	N	N	0.15	134.136

"rural population rate" means that proportion of the total population within a school district's geographic boundaries that lives in a rural area and not in an urban area as defined by the United States census bureau

22-8-23.1. Enrollment growth program units.

A. A school district or charter school with an increase in MEM equal to or greater than one percent, when compared with the immediately preceding year, is eligible for additional program units. The increase in MEM shall be calculated as follows:

(Current Year MEM - Previous Year MEM)

Previous Year MEM x 100 = Percent Increase.

The number of additional program units shall be calculated as follows:

$((\text{Current Year MEM} - \text{Previous Year MEM}) - (\text{Current Year MEM} \times .01)) \times 1.5 = \text{Units}.$

B. In addition to the units calculated in Subsection A of this section, a school district or charter school with an increase in MEM equal to or greater than one percent, when compared with the immediately preceding year, is eligible for additional program units. The increase in MEM shall be calculated in the following manner:

(Current Year MEM - Previous Year MEM)

Previous Year MEM x 100 = Percent Increase.

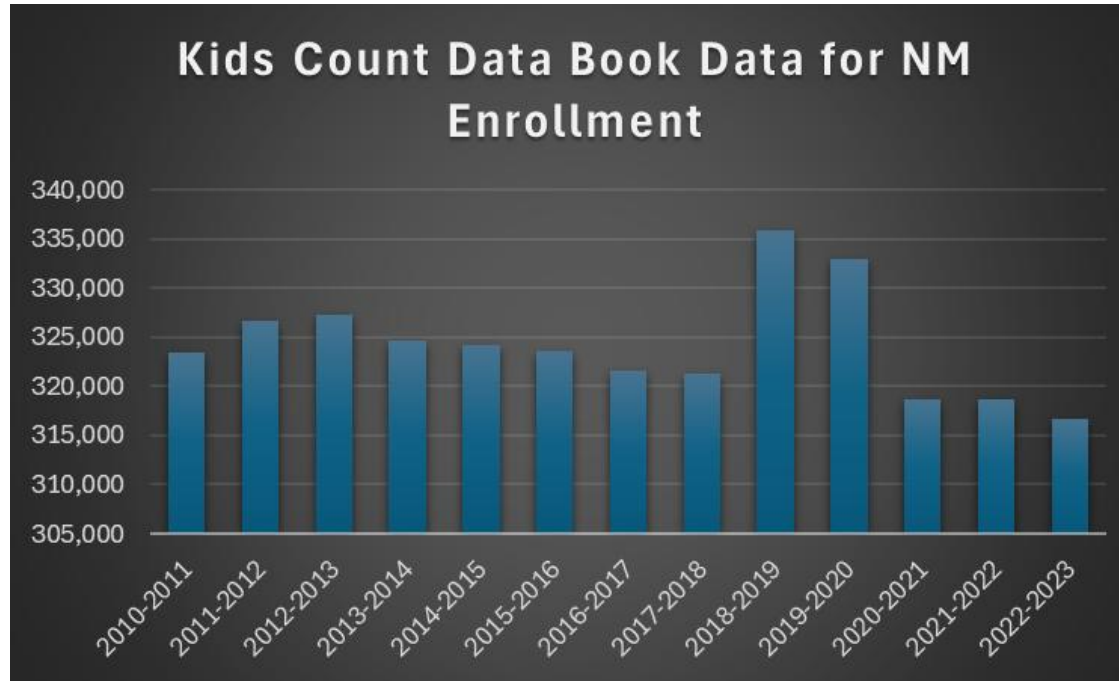
The number of additional program units to which an eligible school district or charter school is entitled under this subsection is the number of units computed in the following manner:

$(\text{Current Year MEM} - \text{Previous Year MEM}) \times .50 = \text{Units}.$

C. As used in this section:

- (1) "current year MEM" means MEM on the first reporting date of the current year;
- (2) "MEM" means the total school district or charter school membership, including early childhood education full-time-equivalent membership and special education membership, but excluding full-day kindergarten membership for the first year that full-day kindergarten is implemented in a school pursuant to Subsection D of Section [22-13-3.2](#) NMSA 1978; and
- (3) "previous year MEM" means MEM on the first reporting date of the previous year.

Growth



PROVIDER

New Mexico Voices for Children

Definition

The total number of students enrolled in all grades, in public and charter schools, in New Mexico, statewide.

Data Source

New Mexico Public Education Department (NMPED):
<https://webnew.ped.state.nm.us/bureaus/information-technology/stars/>

Growth:		23-24			Units
	Actual 40D FTE MEM	Projected 40D FTE MEM	Actual 40D FTE MEM		
	0.00	0.00	1,458.50		0.000

- You will need to provide information on why/how you are projecting growth.
- You will also notice that this is a very simplified formula compared to all the indexes in the formula.

22-8-23.2. New district adjustment; additional program units.

A. A newly created school district is eligible for additional program units. The number of additional program units to which a newly created school district is entitled under this subsection is the number of units computed in the following manner:

$$(\text{MEM for current year}) \times .147 = \text{Units}$$

where MEM is equal to the total district membership, including early childhood education full-time equivalent membership and special education membership.

B. A school district whose membership decreases as a result of the establishment of a newly created school district is eligible for additional program units. The number of additional program units to which that district is entitled under this subsection is the number of units computed in the following manner:

$$(\text{MEM for prior year} - \text{MEM for current year}) \times .17 = \text{Units}$$

where MEM is equal to the total district membership, including early childhood education full-time equivalent membership and special education membership.

C. As used in this section, "newly created school district" means a local school district not in existence during the immediately preceding school year.

22-8-23.3. At-risk program units.

A. A school district is eligible for additional program units if it establishes within its department-approved educational plan identified services to assist students to reach their full academic potential. A school district receiving additional at-risk program units shall include a report of specified services implemented to improve the academic success of at-risk students. The report shall identify the ways in which the school district and individual public schools use funding generated through the at-risk index and the intended outcomes. For purposes of this section, "at-risk student" means a student who meets the criteria to be included in the calculation of the three-year average total rate in Subsection B of this section. The number of additional units to which a school district is entitled under this section is computed in the following manner:

$$\text{At-Risk Index} \times \text{MEM} = \text{Units}$$

where MEM is equal to the total district membership, including early childhood education, full-time-equivalent membership and special education membership and where the at-risk index is calculated in the following manner:

$$\text{Three-Year Average Total Rate} \times 0.33 = \text{At-Risk Index.}$$

B. To calculate the three-year average total rate, the department shall compute a three-year average of the school district's percentage of membership used to determine its Title 1 allocation, a three-year average of the percentage of membership classified as English language learners using criteria established by the office for civil rights of the United States department of education and a three-year average of the percentage of student mobility. The department shall then add the three-year average rates. The number obtained from this calculation is the three-year average total rate.

C. The department shall recalculate the at-risk index for each school district every year.

D. For purposes of this section, "services" means research-based or evidence-based social, emotional or academic interventions, such as:

- (1) case management, tutoring, reading interventions and after-school programs that are delivered by social workers, counselors, teachers or other professional staff;
- (2) culturally relevant professional and curriculum development, including those necessary to support language acquisition, bilingual and multicultural education;
- (3) additional compensation strategies for high-need schools;
- (4) whole school interventions, including school-based health centers and community schools;
- (5) educational programming intended to improve career and college readiness of at-risk students, including dual or concurrent enrollment, career and technical education, guidance counseling services and coordination with post-secondary institutions; and
- (6) services to engage and support parents and families in the education of students.

At-Risk Calculation

<u>Title I</u>				<i>District Mobility</i>				<u>ELL (OCR Criteria)</u>			
2021-22	2022-23	2023-24	Average	2020-21	2021-22	2022-23	Average	2021-22	2022-23	2023-24	Average
0.435	0.390	0.395	0.407	0.196	0.227	0.241	0.221	0.325	0.309	0.291	0.308

	A	B	C	D	E
	AVERAGE	AVERAGE	AVERAGE		
	TITLE I	MOBILITY	ELL	D = A + B + C	E = D × 0.3300
	2021-2022	2020-21	2021-2022		0.33
	to	to	to		2023-2024
DISTRICT	2023-24	2022-23	2023-24	TOTAL RATES	AT-RISK INDEX
	0.407	0.221	0.308	0.936	0.309

At-Risk:	80D/120D AVG FTE MEM	At-risk index	Units
	1,428.50	0.309	441.407
Growth:			

22-8-23.4. National board for professional teaching standards; program units.

The number of program units for licensed school employees certified by the national board for professional teaching standards is determined by multiplying by one and one-half the number of licensed school employees certified by the national board for professional teaching standards employed by the school district or charter school on or before the first reporting date of the school year and verified by the department. Department approval of these units shall be contingent on verification by the school district or charter school that these licensed school employees hold certification by the national board for professional teaching standards and are receiving a one-time salary differential equal to or greater than the amount generated by the units multiplied by the program unit value during the fiscal year in which the school district or charter school will receive these units.

National Board Certified Teachers (NBCTs):

OCT 2023 # of NBPTS: OCT 2024 # of NBPTS:

15

0

Factor

1.500

Units

22.500

This estimate will be made actual when you submit the official NBCTs in October 1st Report Period (40th). Please remember that this is essentially a flow through from the State, to the LEA, to the Eligible staff member.

22-8-23.5. Fine arts education program units

The number of fine arts education program units is determined by multiplying the full-time-equivalent MEM in programs implemented in accordance with the provisions of the Fine Arts Education Act [Chapter [22](#), Article [15D](#) NMSA 1978] by the cost differential factor of 0.055 for fiscal year 2024 and succeeding fiscal years.

<u>Elementary Fine Arts Program:</u>	<i>80D/120D AVG MEM</i>	<i>Projected 40D New MEM</i>	<i>Actual 40D New MEM</i>	<i>TOTAL MEM</i>	<i>Factor</i>	<i>Units</i>
	682.50	0.00	0.00	682.50	0.055	37.538

2-8-23.12. New program funding.

For the first year of programs operating pursuant to the K-5 Plus Act, the Bilingual Multicultural Education Act, the Fine Arts Education Act or for extended learning time programs, a school district or charter school shall generate the applicable program units. A school district's or charter school's budget shall be based on the projected number of program units for the program's first year of operation and shall be adjusted using the qualified MEM on the first reporting date of the current school year.

22-8-23.6. Charter school student activities program unit

The charter school student activities program unit for a school district is determined by multiplying the number of charter school students who are participating in school district activities governed by the New Mexico activities association by the cost differential factor of 0.1. The student activities program unit shall be paid to the school district in which it is generated. A charter school student is eligible to participate in school district activities at the public school in the attendance zone in which the student resides, according to the New Mexico activities association guidelines. If the student chooses to participate at a public school other than the one in the attendance zone in which the student resides, the student shall be subject to New Mexico activities association transfer guidelines.

Charter Schools Student Activities:
(Districts Only)

80D/120D AVG MEM
1.50

Factor
0.100

Units
0.150

22-8-23.7. Elementary physical education program units.

A. The number of elementary physical education program units is determined by multiplying the number of students in elementary physical education by the cost differential factor of six one-hundredths.

B. As used in this section, "elementary physical education" means eligible physical education programs that serve students in kindergarten through grade six in a public school classified by the department as an elementary school.

Elementary P.E. Program:

80D/120D AVG MEM

682.50

Factor

0.060

Units

40.950

2007 - The law established a factor of 0.06 to provide additional funding to school districts offering PED-approved elementary physical education programs for students in kindergarten through 6th grade, with priority given to schools that have the highest proportion of students most in need based on the percentage of students eligible for free or reduced-fee lunch or in schools that serve an entire school district. PED is required to determine annually the programs and the number of students that will receive state financial support in accordance with available funding.

2-8-23.8. Home school student activities program unit.

The home school student activities program unit for a school district is determined by multiplying the number of home school students who are participating in school district activities governed by the New Mexico activities association by the cost differential factor of 0.1. The home school student activities program unit shall be paid to the school district in which it is generated. A home school student is eligible to participate in up to three school district activities at the public school in the attendance zone in which the student resides, according to the New Mexico activities association guidelines. The school district shall verify each home school student's academic eligibility to participate in school district activities. As used in this section, "activities" means athletics, co-curricular and extracurricular activities sanctioned by the New Mexico activities association.

<u>Home School Student Activities:</u> (Districts Only)	<i>80D/120D AVG MEM</i> 1.00	<i>Factor</i> 0.100	<i>Units</i> 0.100
<u>Charter Schools Student Activities:</u>	<i>80D/120D AVG MEM</i>		

22-8-23.9. Home school student program units.

Notwithstanding the provision in Section [22-8-2](#) NMSA 1978 defining a qualified student as one who is regularly enrolled in one-half or more of the minimum course requirements approved by the department for public school students, home school students may take one or more classes at public schools and, if so, shall generate program units as provided in this section. The home school student program unit for a school district is determined by multiplying the number of home school students who are enrolled in one or more classes by the cost differential factor 0.25 per class per home school student up to the enrollment required for the home school student to meet the definition of "qualified student". The home school student program units shall be paid to the school district in which they are generated. A home school student is eligible to enroll in a public school in the attendance zone in which the student resides or in another public school outside the attendance zone as provided in Section [22-1-4](#) NMSA 1978. The school district shall verify each home school student's academic and other eligibility to enroll in the class.

Home School Student Program: (Districts Only)	<i>80D/120D AVG # of Students</i> 1.50	<i>80D/120D AVG # of Classes</i> 2.00	<i>Factor</i> 0.250	<i>Units</i> 0.500
Home School Student Activities:	<i>80D/120D AVG MEM</i>			

22-8-23.14. K-12 plus program units; additional program units

A. A public school operating on a five-day calendar that provides more than one hundred eighty days of instruction, and a public school operating on a four-day calendar that provides more than one hundred fifty-five days of instruction, shall be considered a "K-12 plus school". Each school district or charter school with a K-12 plus school shall be eligible to receive program units for students in that public school.

B. The number of K-12 plus program units is determined by multiplying the MEM in department-approved K-12 plus schools by the cost differential factor of twelve thousandths and the number of instructional days provided between:

- (1) one hundred eighty-one and one hundred ninety instructional days for a public school with a five-day school week; and
- (2) one hundred fifty-six and one hundred sixty-five instructional days for a public school with a four-day school week.

C. The number of K-12 plus program units is determined by multiplying the MEM in department-approved K-12 plus schools by the cost differential factor of sixteen thousandths and the number of instructional days provided between:

- (1) one hundred ninety-one and two hundred five instructional days for a public school with a five-day school week; and
- (2) one hundred sixty-six and one hundred seventy-five instructional days for a public school with a four-day school week.

D. A school district is eligible for the total number of program units calculated in this manner for every K-12 plus school in that school district.

E. No later than October 15 of each year, a school district or charter school that wishes to establish a new K-12 plus school for the next fiscal year shall submit to the department the actual number of students participating in each of its K-12 plus schools in the current year and an estimate of the number of students that the school district or charter school expects will participate in each K-12 plus school in the next year.

F. No later than November 15 of each year, the department shall notify the legislature of the number of students participating in K-12 plus schools in the current school year and the number of students projected to participate in K-12 plus schools in the next school year.

K12 Extended Calendar

The K12+ Program provides additional program units that are funded through the SEG process if the school calendar exceeds certain minimum-day requirements. K12+ is an optional program.

K12+ Program Tier 1			K12+ Program Tier 2		
Calendar	Days	Program Units	Calendar	Days	Program Units
5-day week	181-190	MEM * 0.012 * days	5-day week	191-205	MEM * 0.016 * days
4-day week	156-165		4-day week	166-175	

*In 23-24, funding is based on an estimate of 23-24 40D MEM and then trued up to 23-24 40D MEM. In 24-25, any programs that existed in 23-24 will utilize 23-24 80D/120D average, while new programs in 24-25 will utilize the above methodology (estimate of 24-25 40D MEM and then trued up to 24-25 40D MEM). Participation in K12+ is optional and a district with multiple school sites for the same grade levels may only implement one form of K12+ for schools covering the same grade levels. Not all schools with the same grade levels must implement K12+, but those implementing K12+ must have the same calendar and K12+ qualifying out-of-school time activities.

If a school calendar submitted to PED’s School Budget Bureau shows that the minimum days for K12+ participation have been met, the district or charter school will be funded according to the K12+ formula. There is no other application or approval process.

K-12+ Program Tier 1:

The calculation can be found in the K-12+ Calendar Data Sheet.

Factor *Units*
0.012 **170.220**

K-12+ Program Tier 2:

The calculation can be found in the K-12+ Calendar Data Sheet.

Factor *Units*
0.016 **22.696**

2-8-25. State equalization guarantee distribution; determination of amount.

A. To determine the amount of the state equalization guarantee distribution, the department shall:

- (1) calculate the number of program units to which each school district or charter school is entitled using an average of the MEM on the second and third reporting dates of the prior year; or
- (2) calculate the number of program units to which a school district or charter school operating under an approved year-round school calendar is entitled using an average of the MEM on appropriate dates established by the department; or
- (3) calculate the number of program units to which a school district or charter school with a MEM of two hundred or less is entitled by using an average of the MEM on the second and third reporting dates of the prior year or the MEM on the first reporting date of the current year, whichever is greater; provided that the calculation of program units using the MEM on the first reporting date of the current school year shall exclude enrollment growth program units;
- (4) using the results of the calculations in Paragraph (1), (2) or (3) of this subsection and the staffing cost multiplier from the October report of the prior school year, establish a total program cost of the school district or charter school;
- (5) deduct the total amount of guaranteed energy savings contract payments that the department determines will be made to the school district from the public school utility conservation fund during the fiscal year for which the state equalization guarantee distribution is being computed; and
- (6) deduct ninety percent of the amount certified for the school district by the department pursuant to the Energy Efficiency and Renewable Energy Bonding Act [Chapter [6](#), Article [21D](#) NMSA 1978].

B. Reduction of a school district's state equalization guarantee distribution shall cease when the school district's cumulative reductions equal its proportional share of the cumulative debt service payments necessary to service the bonds issued pursuant to the Energy Efficiency and Renewable Energy Bonding Act [Chapter [6](#), Article [21D](#) NMSA 1978].

C. The amount of the state equalization guarantee distribution to which a school district is entitled is the balance remaining after the deductions made in Paragraphs (5) and (6) of Subsection A of this section.

D. The amount of the state equalization guarantee distribution to which a state-chartered charter school is entitled is the difference between the state-chartered charter school's program cost and the two percent withheld by the department for administrative services.

E. The state equalization guarantee distribution shall be distributed prior to June 30 of each fiscal year. In the event that a school district or charter school has received more state equalization guarantee funds than its entitlement, a refund shall be made by the school district or charter school to the state general fund.

Total Operational Budget

GRAND TOTAL PROGRAM UNITS (PLUS SAVE HARMLESS)	3,050.360
× Unit Value	\$ 6,553.75
PROGRAM COST	\$19,991,296.85
	<i>version 2, fixed to remove duplicate count of K-12+ Units</i>
CHARTER SCHOOL ADMIN. WITHHOLDING	\$0.00
100% Energy Efficiency Renewable Bonds	\$ - 90.00%
Less: 90% Other Adjustments	\$0.00
STATE EQUALIZATION GUARANTEE (SEG)	\$19,991,296.85

Other Adjustments:

22-8-23.13. Public education reform fund created.

A. The "public education reform fund" is created as a nonreverting fund in the state treasury and consists of appropriations; unspecified gifts, grants and donations to the fund; and income from investment of the fund.

B. Subject to legislative appropriation, money in the fund is appropriated to the department for the purposes of implementing evidence-based public education initiatives related to high-quality teaching and school leadership, extended learning opportunities for students, educational interventions for at-risk students, effective and efficient school administration or promoting public education accountability.

History: [Laws 2019, ch. 206, § 19](#) and [Laws 2019, ch. 207, § 19](#).

Reversions and Setting the Unit Value. The unit value is computed by dividing the program cost by funded units. PED initially sets a unit value in May based on the following year's appropriations and then has statutory authority to adjust the unit value eight months later in January. Despite the fact that most units are based on actual membership from the prior fiscal year, PED sets unit values conservatively because only \$1 million in the state support reserve is available to cover an SEG shortfall and some uncertainty exists regarding enrollment growth and local and federal credits. Unfortunately, in a period of severe fiscal constraints, SEG reversions due to low unit values were \$36 million in FY15, \$23.2 million in FY16, and \$74.4 million in FY17. About \$38.3 million of the FY17 reversion was attributable to measures taken by the Legislature for statewide solvency.