



Impact Aid

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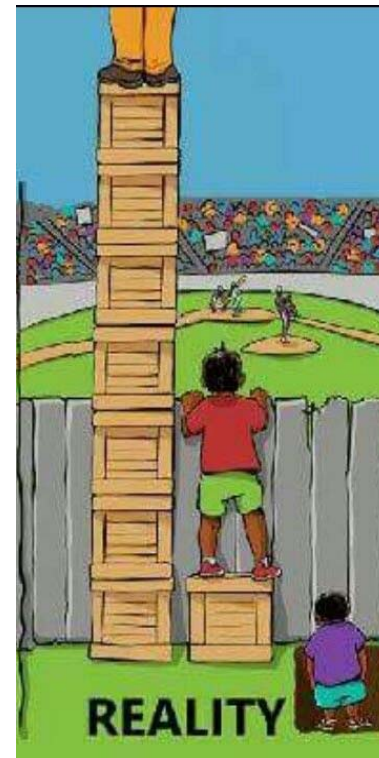
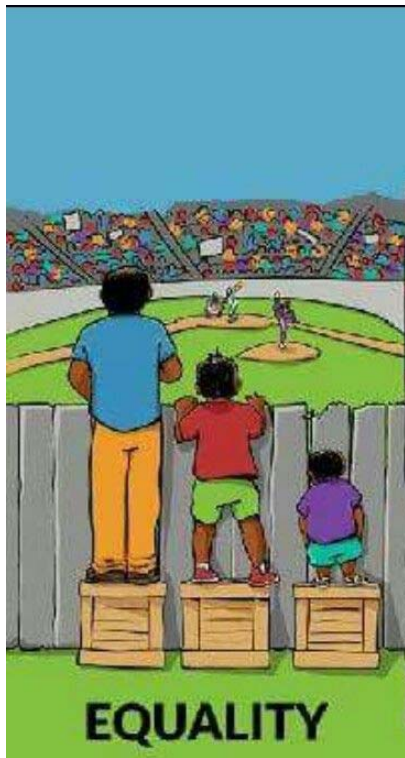
State of New Mexico Constitution

- Article XII
 - Sec. 1. [Free public schools.] A uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state shall be established and maintained.

What does this mean?

- Students with the same needs throughout the State of New Mexico should receive the same funding, facilities, and access.

Equality, Equity & Reality



V. Sue Cleveland



Santa Fe High



Hobbs High School

State Share to Adequacy	\$12.9 Million
Local Share to Adequacy	\$11.6 Million
Above Adequacy – Local Funds	\$22.8 Million
Total Project	\$47.3 Million



How are student's facilities funded differently in property poor areas?

- Remodel vs. New Buildings
- Smaller Classrooms; Smaller Common areas (if they exist at all)
- Lack of Special Needs Spaces for Services
- Lack of Language & Culture Classrooms
- Minimal Athletic/Activity Spaces
- Value engineering
- Low funding for maintenance and upkeep
- Cannot open a school building with “adequacy” funding

Reality in New Mexico's Funding

- Facilities are vastly different
- Indian Education Act is not fully funded
- Tax Rates for property are very different
- Property Poor Districts have low bonding ability
- Property Poor Districts are forced to utilize operational funding for facility and maintenance needs
- Property Wealth provides more local control, less State oversight and greater financial flexibility in all funding areas.
- Property Wealthy districts are able to provide higher salaries for staff.

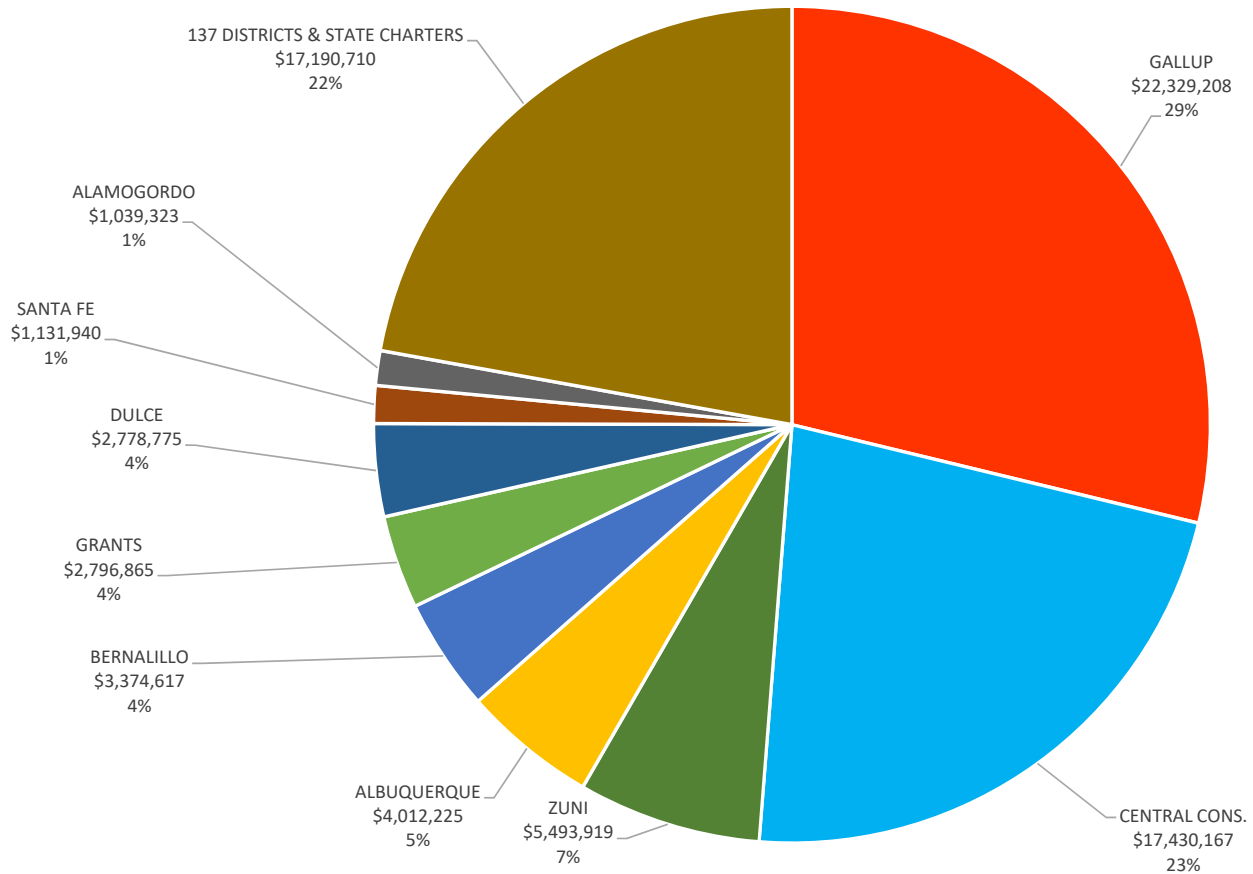
What is Impact Aid?

- The Federal Government provides funding through a grant process for governmental entities (like schools) who have lost the ability to raise property tax dollars because the Federal Government has made large portions of land non-taxable.
- How do we access these funds?
 - The District must first determine if they serve eligible students (students living on tribal lands, military students for example).
 - The District must complete an extensive application (3-6 months) to be submitted to the Federal Government.
 - Once approved, the District will begin receiving payments in the next fiscal year, with final payments coming in the next 3-5 years.

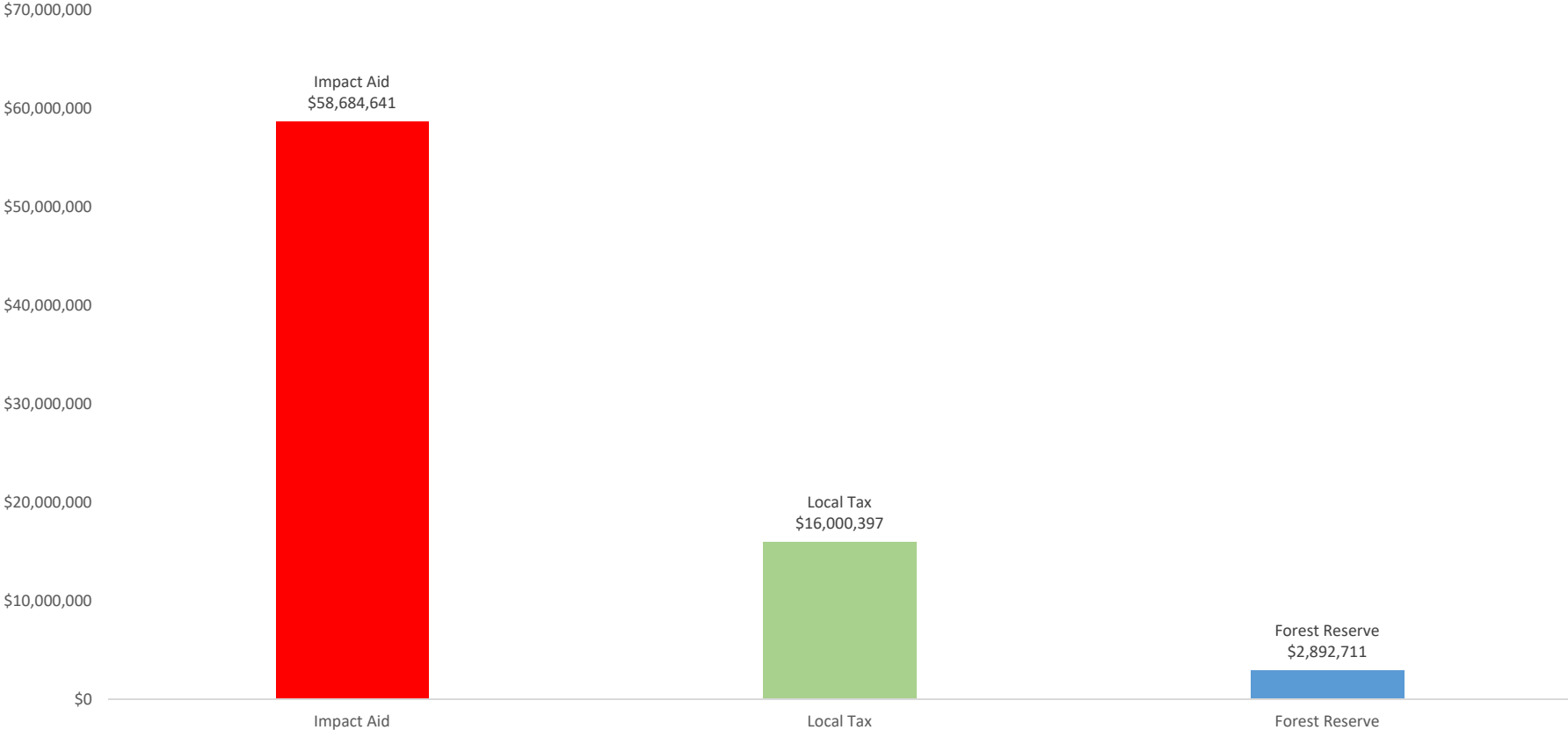
Credits

- The State takes credit for 75% of eligible Impact Aid, “.5 Mill levy” and Forest Reserve funds.
- The funds are then redistributed through the education funding formula state-wide.
- You may think that these credits, because they are all taken at 75%, would be equal depending upon the size of the districts.

**NM PED 2019-2020 Disparity Analysis 75% Credit
Impact Aid, Local Tax and Forest Reserve
Total \$77,577,748**



NM PED 2019-2020 Disparity Analysis 75% Credit Impact Aid, Local Tax and Forest Reserve Total \$77,577,748



Surprising Data

- Less than 5% of the Students State-wide contribute more than 70% of the credits.
- The state takes approximately \$45-50 Million dollars each year in Impact Aid credit since 1974 means the state has credited over \$2 Billion dollars in Impact Aid.
 - At an estimate of contributing 30% of the Impact Aid Credits, Gallup-McKinley has contributed \$648 Million and have been awarded (not received) \$275 Million from Public School Capital Outlay Council funding.

Attempted Solutions

- Local legislators, Tribal Leaders and heavily Impacted Schools have attempted to propose solutions through
 - Providing testimony at legislative committees and hearings
 - Lobbying at the state and federal level
 - Collaboratively proposed and supported legislation to make state funding changes
 - Legal Challenges (Zuni Lawsuit – decision pending)
 - District's filed official challenge of the State's Disparity Analysis with the Federal Government (decision is pending)

Misconceptions

- The State has an equalized funding formula
 - The State has attempted equalization in the operational funding formula, the capital funding was only ever intended to be to adequacy
- Impact Aid is Native American Communities “fair share”
 - The funding formula in New Mexico does not support the methodology that is being utilized (property is for buildings/maintenance; operational is raised through Taxes)
- The State takes care of all facility needs
 - The state provides limited funding, burdensome bureaucracy, removes local control and has never attempted to create equity for facilities.

Where we are now...

- Imagine you are a student in our district and travel to another school that has 21st century facilities with stellar athletic and activity spaces, buildings that have sufficient space, access to technology and other educational advantages.
- The reality is the most impoverished, rural parts of the state are being taken advantage of because their limited funding is being given to property rich districts.in

HOW CAN WE ALL USE OUR VOICES TO HELP OUR STUDENTS GET TREATED FARILY?