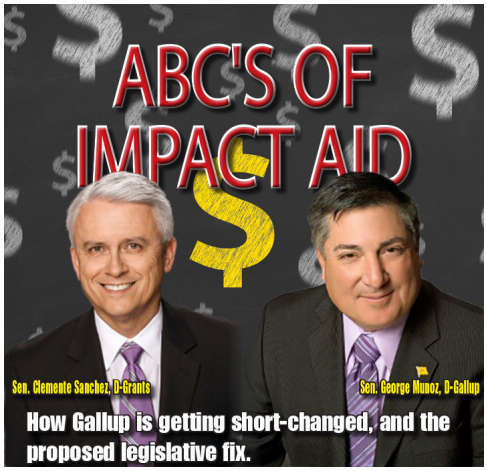
Written by By Cody Begaye Sun Correspondent
Friday, 15 March 2019 08:30







Superintendent in Santa Fe seeks support for SB 170

SANTA FE - The ongoing effort to create an adequate education for children across New Mexico has new support in the form of Senate Bill 170, which was introduced during the first session of the 54th Legislature and sponsored by Sen. George Munoz, D-Gallup, and Sen. Clemente Sanchez, D-Grants.

SB 170 aims to keep the state from taking state funding away from school districts that receive federal Impact Aid. The state calculates 75 percent of the amount of Impact Aid a district receives and subtracts that amount from state funding.

The money removed from state funding is then re-allocated by the state to other districts. Supporters of SB 170 argue that the current legislation allows the state to favor urban districts, since most of the Impact Aid recipients are smaller rural districts.

As of March 7, SB 170 is awaiting action in the Senate Finance Committee, and was reported with a “Do Pass” recommendation. A hearing, on the bill, has yet to be scheduled.

Jvanna Hanks, assistant superintendent of business services for Gallup-McKinley County Schools, said that she and other members of the school board have been speaking to legislators in Santa Fe in hopes of getting SB 170 scheduled for a hearing.

She added that many legislators and other elected officials are aware of the challenges rural school districts face. “Everyone we talk to [in Santa Fe] knows there’s a problem,” Hanks said in a phone call March 7. “They may not agree with the proposed solution, but they know there’s a problem.”

Hanks said that she thinks they have substantial momentum to get SB 170 heard, and there are enough people on board to help find a viable solution.

THE PROBLEM AT WORK

School districts across the state have a designated State Equalization Guarantee. This is the amount of money distributed to each school district by the state to ensure its operating revenue is at least equal to the district’s program cost.

The state calculated that GMCS needed about $85 million to run efficiently in fiscal year 2018.

Existing legislation allows the state to calculate 75 percent of Impact Aid, about $22 million in Gallup's case, and re-allocate it to other districts from the SEG funding designated for Gallup.

Hence, Gallup receives about $63 million in state funding and has to make up the difference with Impact Aid. A fiscal impact report attached to SB 170 states that Gallup received $29 million in Impact Aid in fiscal year 2018.

If the bill is passed into law, school districts that qualify for Impact Aid would receive all of the funds instead of just a fraction, since the state would be unable to take it from the SEG fund.

Charles Long, GMCS Board of Education president, said that keeping all of the Impact Aid would be a great asset for the district.

"Keeping our $20 million of Impact Aid would be a game changer for our students and our county," Long said in a written statement March 7. "It would help us build better schools and facilities, fix our schools and provide better equipment and technology"

LACK OF TAXES

School districts in larger cities such as Albuquerque receive property tax support from residents and businesses to build and maintain facilities and tend to infrastructure and technology needs, as well as raise funds for future projects.

Districts in rural areas such as Zuni and Gallup, on the other hand, do not receive as much tax support because their schools exist mostly on federal land. So smaller districts rely more on Impact Aid than urban districts.

Mike Hyatt, superintendent for Gallup-McKinley County Schools, said about 20 percent of the land around GMCS is taxable. The lack of property taxes means that GMCS has to carefully allocate its operational funds to make up the difference and generate revenue.

Hyatt said this is a huge inequity. “This formula is the state robbing from poverty-stricken areas to pay the rich districts,” Hyatt said in a phone call Feb. 18.

Hyatt’s comments about the state’s bias toward richer school districts were echoed by Long, who said, “Our rural school district has been neglected by our state for decades, and we hope legislators will solve this issue outside of the courtroom.”

Hanks said most people can easily see what the problem is, and the most obvious symptom of inadequate funding for rural districts in Gallup and Zuni, are apparent in looking at the athletic facilities.

“[Zuni and Gallup] can’t afford to build new facilities,” she said. “When we don’t have those sufficient facilities to provide the necessary school services, that is damage is being done by the way Impact Aid is being handled.”

According to a fiscal impact report attached to SB 170, New Mexico districts that applied for Impact Aid in fiscal year 2018 received about $78.2 million with the state taking about $58.7 million to re-allocate as they determined.

A DECADES LONG ISSUE

Hyatt said the history of this aid goes back to the 1970s, when a property tax was introduced.

At that time, New Mexico schools generated a mill levy of roughly $8.92 for every $1,000 of taxable property the school was on, because every property owner in the county was pitching in.

But there was a shift in the 1980s, when the property tax was largely replaced by Impact Aid. The amount of property tax New Mexico schools were pulling in took a sharp decline to $0.50 for every $1,000 of taxable property, for a 94 percent decrease.

“This was the state taking advantage of the [rural] counties back then, because they didn’t have the political clout to stop it,” Hyatt said. Gallup and other rural schools have minimal, insufficient buildings to house students, as a result of the laws that were put in place decades ago, Hyatt added.

This was challenged in a 1998 lawsuit filed by Zuni, Gallup-McKinley, and Grants-Cibola county schools, where a district court ruled the capital funding system was unconstitutional.

Despite the lawsuit ruling and higher Impact Aid amounts, rural schools still lag behind schools in cities like Albuquerque. Hyatt said the way the state is handling the Impact Aid funds is complicating the issue. “We have to fight for every dollar we can get,” he said. “It’s ridiculous that the state is relying on students to pick up taxes.”

Hanks said while the rural school districts have tried for several years to get this issue heard in the state legislature, this is the first time that they have made a concentrated effort to focus on the issues that exist with Impact Aid. She added that they are taking this opportunity to educate many legislators on the issue and its history.

“The push behind why we are getting legislation to change is we hear often from new and returning legislators that they didn’t know about this issue. We want to make sure they know the intimate details of what is happening. Then they know the reality of what’s really happening, so we hope they make an informed decision,” Hanks said.

Long said, “The transformation of Indian Education currently rests in the hands of Senate Finance.” He hopes the legislature takes advantage of the opportunity before them.

For updates on SB 170, visit: nmlegis.gov

By Cody Begaye
Sun Correspondent