



The Navajo Nation
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**Nez-Lizer commend the passage of Impact
Aid bill by the New Mexico State Legislature**

WINDOW ROCK, Ariz. – The Navajo Nation President Jonathan Nez and Vice President Myron Lizer applaud the passage of House Bill 6, the State Equalization Guarantee Distribution, sponsored by New Mexico State Rep. Patty Lundstrom (D-Dist. 9) and co-sponsored by Speaker Brian Egolf (D-Dist. 47), Rep. D. Wonda Johnson (D-Dist. 5), Rep. Harry Garcia. (D-Dist. 69), and Sen. Mimi Stewart (D-Dist. 17), which passed the Senate on Friday and will be sent to Gov. Michelle Lujan Grisham.

The measure removes the 75-percent credit for federal Impact Aid, local half-mill property tax levy, and federal forest reserve fund revenues from the public school funding formula.

“We are very thankful to the state legislators who devoted a great amount of time and advocacy for this issue to help our students and educators. The Navajo Nation, along with other tribes in New Mexico, have been advocating for this change for years to allow school districts with high Native American student populations to receive the full benefit of federal Impact Aid. We are optimistic that Gov. Lujan Grisham will sign the measure into law,” said President Nez.

Tribal consultation is an important piece of the Impact Aid application process and will be included in the reporting requirement of HB6. Federal Impact Aid is designed to assist local school districts that miss out on property tax revenue due to the presence of tax-exempt federal properties in their district, which is similar to the money that counties get in the form of payment in lieu of taxes or PILT.

“We appreciate the support of our state legislators and we are eager to continue working together to implement the changes. Our students have faced many setbacks and challenges due to the COVID-19 pandemic. So, they are very much in need of greater support to help them move forward,” said Vice President Lizer.

Since 1974, impact aid was included in the State Equalization Guarantee calculation, in which 75-percent of the impact aid received by school districts was credited in the SEG and the amount of SEG funding sent to school districts was reduced by that amount. With House Bill 6, impacted school districts will be able to use 100-percent of their Impact Aid funds and receive 100-percent of their SEG funds as well.

In accordance with the bill, by July 1, 2024, the Public-School Capital Outlay Council shall adopt regulations determining which types of revenues shall be considered “unrestricted revenues” for the purposes of calculating the state and local match calculation. The regulations must be developed in consultation with school districts, the Public Education Department, the Public-School Capital Outlay Oversight Task Force, the Legislative Finance Committee, and LESC, and may not consider revenues from the Public-School Capital Improvements Act or the Public-School Buildings Act or any expenditures made for teacher housing.

“We agree with the need for accountability in regards to Impact Aid and House Bill 6 does that by including reporting in the annual educational plan, and a new spending and outcomes report and on the statewide online financial reporting system. There will also be a narrative explaining how school districts or charter schools will use federal and local revenue as well as how the programs and services improve outcomes for students,” added President Nez. “This was an opportune time to address impact aid in this legislative session, as funding to replace impact aid was addressed in the budget that passed the Legislature on this date. inclusion of impact aid federal funding. This legislation is very important to Native American students in New Mexico. We would like to thank Rep. Lundstrom and Senate Pro-Tem Stewart for collaborating on this very important legislation.”

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