

U.S. Supreme Court agrees to hear
Zuni Public School District and
Gallup-McKinley County Public School District
v.
U.S. Department of Education

On September 26, 2006, the United States Supreme Court agreed to hear the case of Zuni Public School District and Gallup-McKinley County Public School District v. U.S. Department of Education, No. 05-1508 in the U.S. Supreme Court.

This case involves federal Impact Aid funding to public school districts for children residing on Indian lands. The State of New Mexico has tried to "equalize" Impact Aid funding by counting the funding as part of the districts' budgets when it allocates state operational funding to the districts.

In 1994, the U.S. Congress set the terms under which states can "equalize" Impact Aid funding. Under Congress' formula, New Mexico is not properly "equalized" and the Impact Aid funding must go to the school districts. In 1996, however, the Secretary of the U.S. Department of Education by regulation reinstated an equalization formula under which New Mexico's equalization is deemed proper. This has resulted in school districts losing about \$50 million per year in Impact Aid funding to the State.

These two school districts sued in federal court the U.S. Department of Education to determine whether the Secretary could impose her equalization formula over that of Congress. The full U.S. Court of Appeals for the Tenth Circuit was equally divided on this issue, which leaves the Secretary's formula in effect.

The U.S. Supreme Court will now hear the case this term, Oct. 2006 – June 2007.