



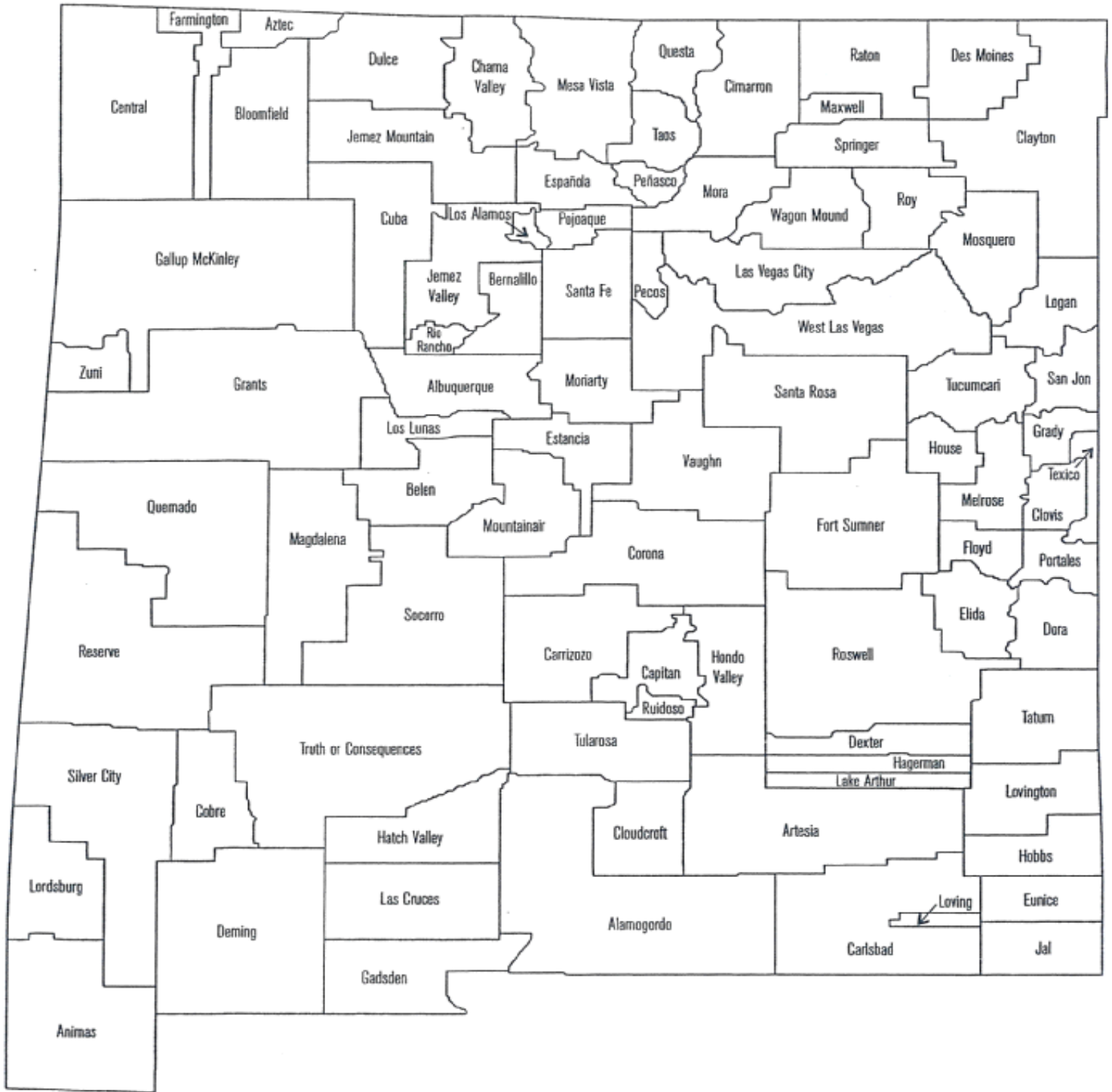
**LEGISLATIVE EDUCATION
STUDY COMMITTEE**

**REPORT TO THE FIRST SESSION
OF THE
FORTY-NINTH LEGISLATURE**

State of New Mexico

JANUARY 2009

School District Map of New Mexico



State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

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January 2009

Forty-Ninth Legislature, First Session, 2009
State Capitol
Santa Fe, New Mexico

Dear Fellow Legislators:

This report summarizes the activities of the Legislative Education Study Committee (LESC) during the 2008 legislative interim as well as the committee's recommendations for the 2009 legislative session. Based upon the research and testimony that the LESC considered, you will find in this report:

- public school support recommendations for FY 10;
- a summary of education issues considered during the 2008 interim, along with committee's recommendations for the 2009 legislative session; and
- tables containing information designed to assist you as you consider public school issues during the 2009 legislative session.

On behalf of the LESC, it is my pleasure to transmit this report to each of you. I hope that you will find it informative and useful.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Miera".

Representative Rick Miera, Chair

THE LEGISLATIVE EDUCATION STUDY COMMITTEE

The Legislative Education Study Committee (LESC) is authorized by New Mexico statute to

conduct a continuing study of all education in New Mexico, the laws governing such education and the policies and costs of the New Mexico educational system . . . ; recommend changes in laws relating to education . . . ; and make a full report of its findings and recommendations

The LESG is composed of 28 members of the Legislature (18 of whom are advisory) appointed to provide proportionate representation from both houses and both political parties in the Legislature.

**LEGISLATIVE EDUCATION STUDY COMMITTEE
2009 REPORT TO THE LEGISLATURE**

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**LEGISLATIVE EDUCATION STUDY COMMITTEE
PUBLIC SCHOOL SUPPORT RECOMMENDATIONS FOR FY 10**

(dollars in thousands)

		FY 09 APPROPRIATION	FY 10 LESC RECOMMENDATION
School Year 2008-2009 Unit Value = \$3,892.47			
1	PROGRAM COST	\$2,328,883.9	\$2,439,723.2
2	Adjustment for FY 09 Solvency Initiatives (1% reduction over FY 09 Program Cost appropriation)		(\$23,885.7)
3	ENROLLMENT GROWTH	\$10,530.1	\$8,455.8
4	FIXED COSTS	\$3,758.8	\$3,723.9
5	INSURANCE COSTS	\$19,283.6	
6	Resource Reallocation from Formula Change Removing Related Services from Units Multiplied by T&E (Contingent on the Enactment of Legislation)		
7	PUBLIC SCHOOL EMPLOYEE COMPENSATION:		
8	Teachers - 2% for FY 09	\$24,875.4	
9	Instructional Staff - 2% for FY 09	\$3,959.5	
10	Other Certified and Non-certified, Including EAs - 2% for FY 09	\$10,343.7	
11	Additional Educational Assistant, Secretary/Clerical/Technical Assistants, Business Office Support, Warehouse/Maintenance/Custodial and Food Service Compensation (1% Above General Compensation in FY 09)	\$3,305.6	
12	Increase Educational Assistants Salary Base to \$13,000 (Contingent on the Enactment of Legislation)		\$2,613.0
13	Increase in Employer's ERB Contribution (.75 percent)	\$12,317.8	\$12,073.2
14	One Additional Instructional Day	\$14,000.0	
15	Elementary Physical Education	\$8,000.0	\$4,500.0
16	Assessment and Test Development-School District Costs	\$464.8	\$1,555.5
17	PROGRAM COST	\$2,439,723.2	\$2,448,758.9
18	Dollar Increase Over FY 09 Appropriation		\$9,035.7
19	Percentage Increase		0.4%
20	LESS PROJECTED CREDITS	(\$55,400.0)	(\$59,400.0)
21	LESS OTHER STATE FUNDS (from Driver's License Fees)	(\$750.0)	(\$850.0)
22	STATE EQUALIZATION GUARANTEE	\$2,383,573.2	\$2,388,508.9
23	Dollar Increase Over FY 09 Appropriation		\$4,935.7
24	Percentage Increase		0.2%
25	CATEGORICAL PUBLIC SCHOOL SUPPORT		
26	TRANSPORTATION		
27	Operational (Diesel Fuel @ \$2.70/Gallon per LESC)	\$97,039.4	\$92,032.4
28	School-owned Bus Replacements	\$468.8	\$563.5
29	Rental Fees (Contractor-owned Buses)	\$11,974.1	\$12,665.2
30	Compensation - 2% for FY 09	\$908.0	
31	Additional Transportation Compensation - 1 % for FY 09	\$454.0	
32	Increase in Employer's ERB Contribution (.75 percent)	\$204.0	\$194.8
33	TOTAL TRANSPORTATION	\$111,048.3	\$105,455.9
34	SUPPLEMENTAL DISTRIBUTIONS		
35	Out-of-state Tuition	\$370.0	\$370.0
36	Emergency Supplemental	\$2,000.0	\$2,000.0
37	INSTRUCTIONAL MATERIAL FUND	\$39,020.0	\$16,750.0
38	DUAL CREDIT TEXTBOOK FUND (Contingent on the Enactment of Legislation)		\$1,500.0
39	EDUCATIONAL TECHNOLOGY FUND	\$6,000.0	\$2,400.0
40	INDIAN EDUCATION FUND ¹	\$2,500.0	\$2,000.0
41	MATHEMATICS AND SCIENCE PROFICIENCY FUND	See line 58	
42	SCHOOL LIBRARY MATERIAL FUND	\$2,000.0	
43	SCHOOLS IN NEED OF IMPROVEMENT FUND	\$2,500.0	\$2,500.0
44	TEACHER PROFESSIONAL DEVELOPMENT FUND	\$2,000.0	
45	TOTAL CATEGORICAL	\$167,438.3	\$132,975.9
46	TOTAL PUBLIC SCHOOL SUPPORT	\$2,551,011.5	\$2,521,484.8
47	Dollar Increase Over FY 09 Appropriation		(\$29,526.7)
48	Percentage Increase		-1.2%

**LEGISLATIVE EDUCATION STUDY COMMITTEE
PUBLIC SCHOOL SUPPORT RECOMMENDATIONS FOR FY 10**

(Dollars in Thousands)

		FY 09 APPROPRIATION	FY 10 LESC RECOMMENDATION	
49	RELATED APPROPRIATIONS: RECURRING (to PED unless otherwise noted)			49
50	Regional Education Cooperatives Operations	\$1,400.0	\$1,200.0	50
51	COLLEGE/WORKPLACE READINESS & HIGH SCHOOL REDESIGN			51
52	College and High School Redesign Initiative in Los Lunas Public Schools	\$75.0		52
53	EARLY CHILDHOOD EDUCATION			53
54	K-3 Plus	\$7,163.4	\$8,500.0	54
55	Pre-kindergarten Program ²	\$8,500.0	\$8,500.0	55
56	EDUCATOR QUALITY			56
57	Beginning Teacher Mentorship	\$2,000.0	\$1,500.0	57
58	Summer Reading, Math and Science Institutes	\$2,500.0	\$2,500.0	58
59	NEW MEXICO CYBER ACADEMY/INNOVATIVE DIGITAL EDUCATION AND LEARNING (IDEAL)			59
60	New Mexico Cyber Academy	\$1,000.0	\$750.0	60
61	SCHOOL FINANCE			61
62	Rural Revitalization	\$350.0		62
63	CHARTER SCHOOL STIMULUS FUND	\$300.0		63
64	STUDENT ACHIEVEMENT			64
65	Advanced Placement	\$2,000.0	\$2,000.0	65
66	Develop Improved Student Advisement Plan	\$50.0		66
67	After-School Enrichment Program/21 st Century Community Learning Centers ³	\$3,300.0	\$3,300.0	67
68	Apprenticeship Assistance	\$800.0	\$650.0	68
69	New Mexico Outdoor Classroom	\$150.0		69
70	School Improvement Framework	\$3,000.0	\$3,000.0	70
71	Truancy Prevention/Dropout Prevention	\$770.0		71
72	STUDENT HEALTH, SAFETY AND WELL-BEING			72
73	Anti-obesity Programs/Before- and After-school Physical Activity and Nutrition	\$300.0		73
74	Breakfast for Elementary Students	\$3,450.0	\$3,450.0	74
75	Family and Youth Resource Act	\$1,500.0	\$1,500.0	75
76	GRADS – Teen Pregnancy Prevention	\$1,000.0		76
77	TOTAL RELATED APPROPRIATIONS: RECURRING	\$39,608.4	\$36,850.0	77
78	GRAND TOTAL (Excluding PED Budget Recommendation)	\$2,590,619.9	\$2,558,334.8	78
79	Dollar Increase Over FY 09 Appropriation		(\$32,285.1)	79
80	Percentage Increase		-1.2%	80
81	Public Education Department Budget	\$17,444.3	No Recommendation	81

¹ The LESC recommendation allocates \$500.0 of the appropriation to Save the Children; and the LFC recommendation allocates \$500.0 of the appropriation to Teach for America and \$500.0 of the appropriation to Save the Children.

² The LESC and LFC recommendations include an additional \$2.0 million for Pre-Kindergarten for FY 10 from the Temporary Assistance for Needy Families (TANF) block grant to New Mexico. The Executive recommendation includes an additional \$1.0 million for Pre-Kindergarten for FY 10 from the TANF block grant.

³ The LESC recommendation allocates \$1.8 million of the appropriation for 21st Century Community Learning Centers statewide that in school year 2007-2008 or school year 2008-2009 are in their final year of eligibility for federal funding. The LFC recommendation allocates \$1.8 million of the appropriation for 21st Century Community Learning Centers.

		FY 09 APPROPRIATION	FY 10 LESC RECOMMENDATION	
82	RELATED APPROPRIATIONS: NONRECURRING (to PED unless otherwise noted)			82
83	Assessment and Test Development (Special Education Alternative Assessment NCLB)	\$4,000.0		83
84	Close out Federal Fiscal Year 2005 Grants in FY 08 and FY 09 contingent on review by DFA and approval by BOF	\$2,000.0		84
85	Emergency supplemental for school districts experiencing operational shortfalls	\$5,000.0	\$5,000.0	85
86	School Leadership Institute (to the Higher Education Department) (Contingent on the Enactment of Legislation)		\$200.0	86
87	Operating Budget Management System (contractual services - development)	\$1,277.0	\$200.0	87
88	Pre-kindergarten Start-up	\$400.0		88
89	State High School Basketball Tournament	\$100.0		89
90	Summer Camp Program in Santa Fe	\$200.0		90
91	Summer Science Program (to New Mexico Tech)	\$65.0	\$50.0	91
92	School Transportation Task Force (to the Legislative Council Service) (Contingent on the Enactment of Legislation)		\$20.0	92
93	TOTAL RELATED APPROPRIATIONS: NONRECURRING	\$13,042.0	\$5,470.0	93

ADDITIONAL RECOMMENDATIONS OF THE LESC

SPECIAL TOPICS

PROPOSED PUBLIC SCHOOL FUNDING FORMULA

- ***New Public School Funding Formula:*** Amend statute to phase in a new public school funding formula that:
 - incorporates four measures of student need, namely poverty, English language learners, special education, and mobility;
 - recognizes costs associated with school district size and school size;
 - is based on the concept of educational sufficiency in that it enables schools and districts to provide a comprehensive instructional program designed to meet the needs of all students; and
 - is conditional on the identification of appropriate revenue sources (see p. 11).

P-20 INITIATIVE

- ***Require Reports of Freshman Year Outcomes:*** Introduce legislation to require New Mexico public postsecondary institutions to report annually to New Mexico public high schools on their students who enroll within three years of graduating or leaving the high school regarding freshman year outcomes, including remedial courses taken, total credits earned, grade point averages, and retention from first to second semester (see p. 16).
- ***Expand Authority of the LESC:*** Amend statute to include higher education in the committee's study of all education in New Mexico (see p. 16).
- ***Codify Requirements for P-20 Data System:*** Introduce legislation to codify the requirements for a comprehensive P-20 data system (Student Teacher Accountability Reporting System, or STARS) at PED that collects, integrates, and reports data from PED, HED, and other agencies, as follows:
 - establish a governance council, led by PED and including HED, OEA, the Department of Information Technology, the Department of Workforce Solutions, and public postsecondary institutions, that will assign responsibilities and authority for the operation and management of the system; develop interagency agreements; and develop a strategic plan with timelines and budget requirements;
 - provide that the system may be used for program research and evaluation, including the aggregation, collection, and distribution of data, but that personally identifiable student and educator data will be safeguarded as required by federal and state law; and
 - require an annual system status report detailing the capability of the system to perform specified functions (see p. 18).

- ***High School Transcript Requirement:*** Require high schools and PED to add the STARS student identifier to all student transcripts and GED certificates (see p. 18; also recommended by the Higher Education Department).
- ***College Affordability Endowment Distribution:*** Amend current statute to ensure a predictable and orderly flow of base payout, modeled on the permanent fund payout method, to the College Affordability Scholarship Fund; and protect the ability of the Endowment Fund to support College Affordability Awards in the future (also recommended by the Higher Education Department).

GENERAL INTEREST TOPICS

ACCOUNTABILITY

- ***Alternative School Accountability Pilot:*** Create a six-year voluntary school accountability pilot project based on a student growth model for grades 4 through 8 that is separate from but complementary to the existing school accountability system; and phase in the project over two years (see p. 23).
- ***New Mexico Pre-K:*** Include language in the *General Appropriation Act* to specify that the internal service funds/interagency transfers appropriations to PED include \$2.0 million for the pre-kindergarten program from the Temporary Assistance for Needy Families (TANF) block grant to New Mexico (see p. 24).

EDUCATOR QUALITY

- ***Teacher Level Advancement Requirements:*** Introduce legislation to define the professional development dossier (PDD) as a requirement for advancement to Level 2 and to Level 3 in the three-tiered teacher licensure system and to require PED to exercise more oversight of the PDD process, including such components as the selection and training of PDD reviewers.
- ***Educator Licensure Fund Purposes:*** Amend statute to clarify that money in the Educator Licensure Fund is subject to the annual legislative appropriation process and that the money in the fund may be used to cover costs of licensing educators, including costs associated with evaluating and processing licensing applications and PDDs, conducting background checks, and enforcing educator ethics requirements.
- ***Alternate Deaf Teacher License Assessment:*** Amend the *School Personnel Act* to provide for an appropriate alternative to passage of all or part of the New Mexico Teacher Assessment for teacher candidates who are deaf or hard of hearing (see p. 26).
- ***Instructional Support Limited Reciprocity:*** Amend the *School Personnel Act* to provide conditions for reciprocity for school counselors and other instructional support providers licensed in other states (see p. 26).

- ***School Personnel Reports to Legislature:*** Amend the Professional Development Framework to require PED, in conjunction with public school districts and charter schools, to provide an annual report to the LESC and the LFC regarding all professional development activities, regardless of funding source; and to make any changes to the system of accounting and budgeting for all public schools and school districts necessary to fulfill this requirement.
- ***Change Mentorship Program Fund Distribution:*** Amend the *School Personnel Act* to require PED, on or before September 15 of each fiscal year, to allocate to school districts no less than 50 percent of the available funds for mentorship programs based on the estimated number of beginning teachers on the 40th day of the school year and, on or before January 15 of each fiscal year, to allocate the balance of the available funds based on the actual number of beginning teachers on the 40th day of the school year, adjusted for any over- or under-estimation made in the first allocation (see p. 27).
- ***Letter, Implement Mentorship Model:*** Write a letter to PED requesting that the department:
 - implement Phase I of the mentorship model for beginning high school teachers, including use of free, existing online resources such as IDEAL-NM and Teach New Mexico; begin conversations about how to implement regional support; and work with teacher preparation programs to prepare annual reports;
 - develop an implementation plan for Phase II including expanding online resources through IDEAL-NM; expanding regional support for new high school teachers; developing a three-year induction program for all new teachers; and expanding annual reporting; and
 - report the results of the implementation of Phase I and the development of the plan for Phase II to the LESC during the 2009 interim (see p. 27).
- ***Letter, Beginning Teacher Mentorship and Internship:*** Write a letter to PED and OEA requesting that they study: (1) the requirements and provisions of the PED regulatory internship license in terms of their compliance with state and federal laws and regulations; (2) the number and levels of teachers receiving mentoring services and the sources of funding for those services in school districts and charter schools; and (3) the number and level of teachers providing formal mentoring services in school districts and charter schools; and report their findings and recommendations to the LESC during the 2009 interim (see p. 27).
- ***School Principal Recruitment and Mentoring:*** Per the recommendations of the School Principal Recruitment and Mentoring Work Group (SJM 3):
 - ***Create School Leadership Institute:*** appropriate funds to HED to develop and implement the New Mexico Leadership Institute;
 - ***Administrators in Accountability Reporting:*** amend statute to include academic and demographic data about candidates for administrative licensure in the Teacher Education Accountability Reporting System (TEARS);

- ***Teacher Licensure Changes:*** amend the *School Personnel Act* to remove the requirement that, to hold a Level 3-B license, an applicant must have been a Level 3-A teacher for at least one year; and
- ***Letter, School Principal Competencies, Recruitment and Working Conditions, and Leadership Preparation Programs:*** write a letter to OEA requesting that it collaborate with PED, school districts, charter schools, HED, and IHEs on the recommendations of the SJM 3 Work Group regarding school principal competencies, recruitment and working conditions and school leadership preparation programs; and report to the LESC during the 2009 interim (see p. 28).
- ***Letter, School Staff Shortages:*** Write a letter to PED and OEA requesting that they convene a work group to consider the recommendations of the School Staff Shortage Work Group (HJM 3), including: a study of alignment of PED competencies for school counselors and nurses with those of the national professional associations; a study of PED's career pathway requirements for school counselors and nurses; a study of accountability measures for school counseling programs; the creation of a systematic plan to reduce student-to-counselor and student-to-nurse ratios; and a report of findings and recommendations to the LESC during the 2009 interim (see p. 29).
- ***Eliminate End Date for Return to Work:*** Amend the *Educational Retirement Act* to eliminate the 2012 sunset date in the current "return to employment" provision.
- ***Educational Assistant Minimum Salary:*** Appropriate funds and amend the *School Personnel Act* to provide for a minimum annual salary of \$13,000 for educational assistants, and appropriate funds from the General Fund for FY 10 to distribute to school districts and charter schools through the state equalization guarantee to pay the cost of implementation.
- ***Educational Assistant Licensing and Salaries:*** Appropriate funds and amend the *School Personnel Act* to provide for minimum annual salaries based on licensure levels and qualifications for educational assistants in public schools; and make an appropriation from the General Fund for FY 10 to distribute to school districts and charter schools through the state equalization guarantee to pay the cost of implementation.

SCHOOL PROGRAMS AND STUDENT SERVICES

- ***Create Dual Credit Textbook Fund:*** Introduce legislation to create the Dual Credit Textbook Fund, administered by the Instructional Material Bureau in PED; require that money in the fund be used only to purchase textbooks and course supplies for students participating in the Dual Credit Program; require PED, by April 1 of each year, to allocate to each school district, charter school, and state-supported school a specific dollar amount for each dual credit course completed by an eligible student during the prior calendar year; require PED, by July 31 of each year, to distribute 100 percent of those allocations, to the extent that funds are available; and appropriate funds from the General Fund to PED for the Dual Credit Textbook Fund for FY 10 (see p. 32).
- ***Interstate Compact on Educational Opportunity for Military Children:*** Introduce a memorial requesting that PED convene a task force to study the Interstate Compact on Educational Opportunity for Military Children and make recommendations to PED and the LESC by October 1, 2009 (see p. 33).

- ***School Attendance Notices and Absences:*** Amend the *Compulsory School Attendance Law* as follows:
 - establish a consistent method to count unexcused absences, and require PED to approve school district and charter school attendance policies;
 - change the term “truant” to “student in need of early intervention” to describe a student with five or more unexcused absences in a school year;
 - require schools to notify parents of those students by regular mail of a time and place to meet to develop intervention strategies;
 - require schools to document attempts to provide parental notice and to intervene;
 - require PED to compile reports of absence rates and verify that absences are being reported consistently; and
 - permit the juvenile probation office (JPO) to send a notice to a parent directing the parent and student to report to the JPO to discuss services for the student or family (see p. 34).
- ***Family in Need of Court-ordered Services:*** Amend the *Children’s Code* to change the definition of a “family in need of court-ordered services” to mean one whose child has 10 or more unexcused absences in a school year rather than a semester (see p. 34).
- ***School District & Treatment Center Agreements:*** Amend statute relating to the placement of a student in a residential treatment center (RTC) to:
 - clarify the state’s responsibility to provide a free and appropriate public education (FAPE) to any student, including an out-of-state student, who has been placed in a private RTC; and
 - require PED to determine which New Mexico school district is responsible for providing FAPE to a student who has been placed in an RTC located outside the student’s home district; and to provide a reasonable reimbursement to the receiving district.

FISCAL ISSUES AND RISK MANAGEMENT

- ***Continue Family & Youth Resources Program:*** Appropriate funds and amend the *Family and Youth Resource Act* to include a provision to enable a school that met the poverty level eligibility criteria at the time of its application and program approval by PED to continue to receive funding so long as its poverty level does not drop below an average of 80 percent over any three-year period; and appropriate additional funds to expand the program (see pp. 35-36).
- ***21st Century Community Learning Centers:*** Include language in the *General Appropriation Act* to require that a specified amount of the dollars from the FY 10 appropriation for the after-school enrichment program be allocated to the 21st Century Community Learning Centers statewide that in school year 2007-2008 or school year 2008-2009 are in their final year of eligibility for federal funding.

OTHER TOPICS

- ***Regional Education Cooperative Programs:*** Amend the *Regional Cooperative Education Act* to:
 - authorize an REC, on behalf of its members and in cooperation with PED, to apply for, accept, and expend state, federal, local, and private funds that are available for programs of educational benefit;
 - allow an REC to provide and be reimbursed for revenue-generating education-related services to non-members, so long as services provided do not detract from the cooperative's ability to fulfill its responsibilities to its members; and
 - require each REC (1) to submit to PED, on a schedule to be determined by the department, a report and evaluation of the technical assistance and other services provided by the cooperative; and (2) to make these reports available upon request to the LESC and the LFC (see p. 37).
- ***Running Start for Careers Act:*** Introduce legislation to enact the *Running Start for Careers Act*; to create a pilot project, directed by the Public Education Commission, to provide industry-led or -guided pre-apprenticeship opportunities to high school students; to exempt industry instructors from teacher licensure requirements but require criminal background checks; and to create the non-reverting Running Start for Careers Fund (see p. 38; also endorsed by the Economic and Rural Development Committee).
- ***High School Pre-Apprenticeship Programs:*** Introduce legislation to allow school districts to offer industry-led or -guided pre-apprenticeship programs as electives for qualified high school students; to provide for approval of the programs, providers, and industry instructors; and to exempt industry instructors from teacher licensure requirements but require criminal background checks (see p. 38; also endorsed by the Economic and Rural Development Committee).
- ***Interim School Transportation Task Force:*** Appropriate funds and create a school transportation task force to examine provisions in current state and federal laws and regulations governing public school transportation in New Mexico, including the transportation funding formula; the personnel costs to school districts and school bus contractors; the costs of fuel, equipment, and maintenance; and the administration of the public school transportation program (see p. 38).
- ***Summer Science Program:*** Appropriate funds to New Mexico Tech for the high school Summer Science Program to provide full scholarships for New Mexico students in FY 09 (see p. 38).
- ***Rural Literacy Initiative:*** Include language in the *General Appropriation Act* to specify that the appropriation to PED for the *Indian Education Act* includes \$500,000 to provide a rural literacy initiative to support after-school and summer literacy block programs for students in kindergarten through grade 8 in schools with a high proportion of Native American students, contingent on receiving \$250,000 in matching funds from other than state sources no later than September 30, 2009.

REPORT OF THE 2008 INTERIM

INTRODUCTION

During each interim, the Legislative Education Study Committee (LESC) examines a wide range of education issues, both fiscal and programmatic, that affect the achievement and well-being of preschool, elementary, secondary, and postsecondary students in New Mexico. Issues are identified at the initiative of committee members, other legislators, or bills or memorials; and the LESL Interim Workplan establishes the framework for the committee's research, data collection, deliberations, and analysis. This report summarizes the LESL's examination of education issues identified during the 2008 legislative interim and includes the committee's recommendations for the 2009 legislative session. Most of the recommendations are related to testimony received during the 2008 interim; several others, however, are related to testimony received during the 2007 interim. Typical of the latter case are bills that the committee endorsed for the 2008 legislative session but that, given the limited scope and duration of the short session, either were ruled not germane or did not pass.

During the 2008 interim, the committee continued its long-standing practice of introducing some sort of innovation – whether in terms of topics considered or approaches taken – in the conduct of its hearings. The major innovation during 2008 was that, during every meeting but the first and the last, the LESL heard extensive, detailed presentations on two major topics: (1) the new public school funding formula proposed during the 2008 legislative session and its effects, if enacted, on the budgets and programs of each public school district and charter school in the state; and (2) the P-20 partnerships between institutions of higher education and school districts in each region. As the committee traveled throughout the state, it provided officials from all 89 school districts, a representative sample of 14 charter schools, and all of New Mexico's 28 state and tribal institutions of higher education, as well as other interested parties, with opportunities to participate in the presentations on these two topics. Because these presentations occupied up to one and one-half days of each meeting, the number of presentations on other topics was necessarily somewhat more limited than in previous years.

The committee's activities during the 2008 interim differed somewhat from those of previous interims in another way as well. Although work groups are always a part of the committee's operation, during the 2008 interim the LESL either formed or participated in an unprecedented number of work groups to study a wide variety of issues: assessment and accountability, the dual credit program, mentorship for beginning teachers, accountability and the Educational Plan for Student Success, regional education cooperatives, pre-apprenticeship programs, truancy, and school principal recruitment and mentoring.

Along with these new initiatives, the LESL continued certain practices common during previous interims. For one thing, the committee maintained its focus from the 2007 interim on the results of existing educational programs, reiterating its desire to hold these programs accountable and stating once again its intention not to consider individual requests for funding of new programs. Given the economic downturn since the interim began, this decision now seems especially appropriate. For another thing, the committee held meetings in communities throughout New Mexico: Albuquerque, Chama, Deming, Farmington and Kirtland, Roswell, and Santa Fe. Finally, the committee continued to provide a forum for students, school personnel, members of the public, and other interested parties to express their views on education issues. To ensure that each interested party had the same opportunity for access to the committee and to ensure that the LESL received concise information, the committee continued the use of specific criteria for community input that had been adopted during the 2007 interim.

To conclude, this report is divided into two main sections: narrative and graphic. The narrative section is further divided into two subsections: Special Topics and General Interest Topics. The former includes the Public School Funding Formula and the P-20 Initiative; the latter includes Accountability, Educator Quality, School Programs and Student Services, Fiscal Issues and Risk Management, and Other Topics. The graphic section of the report includes charts and tables presenting public school data. Although the report covers the issues examined during the 2008 legislative interim, it is intended only as a summary, not a fully detailed record. Readers interested in more information are encouraged to consult staff reports, minutes, reports of previous interims, and other material on file in the LESC office or available through the LESC website, <http://lesc.nmlegis.gov>.

ISSUES STUDIED BY THE LESC

SPECIAL TOPICS

PROPOSED PUBLIC SCHOOL FUNDING FORMULA

BACKGROUND

At least since 2001, the LESC has heard concerns about a number of issues related to the public school funding formula, including the alignment of the Training and Experience (T&E) Index with the three-tiered licensure system for teachers, recognition of instructional support providers, and the fiscal difficulties faced by school districts with a membership of 200 or fewer. After repeated appropriations to fund a study of the formula were vetoed, the LESC endorsed successful legislation in 2005 to create the Funding Formula Study Task Force and in 2006 to extend the term of the task force through December 2007. Also in 2006, the Legislature appropriated \$500,000 for an independent study of the funding formula. As specified in current law, the study of the public school funding formula was a three-year process scheduled to culminate in December 2007.

In order to carry out its charge, in August 2006 the task force selected American Institutes for Research (AIR), headquartered in Palo Alto, California, to conduct an independent study of the funding formula. Based on the tasks identified in the request for proposals and other discussions, the contractor provided the task force with several recommendations, which were based on the premise that districts and charter schools should be ensured sufficient resources to provide a comprehensive instructional program designed to meet the needs of all students. The contractor also provided an estimate of the cost of implementing those recommendations: approximately \$350 million in addition to the current funding level. On January 7, 2008, the task force adopted a discussion draft of a bill that incorporated most of those recommendations. Later that month the LESC accepted the task force recommendations; and, during the 2008 session, the committee endorsed legislation (House Bill 241) to implement those recommendations.

In brief, HB 241, *Public School Funding Formula Changes*, proposed that the state move from a formula based on multiple program factors to a formula with fewer factors that are based on indicators of student need. The bill was heard in committee and on the floor of the House, and it was amended twice; but it did not pass. Still in support of the legislation, however, the LESC developed its 2008 interim workplan around testimony addressing the effects of the proposed funding formula.

LESC OUTREACH TO SCHOOL DISTRICTS AND CHARTER SCHOOLS

For the 2008 interim, the LESC invited all 89 school districts and a representative sample of 14 charter schools to work with the committee to examine the potential impact on school programs and student achievement if the public school funding formula proposed in HB 241 were implemented with the additional funds necessary to reach sufficiency. In order to facilitate this effort, the districts were grouped according to 2007-2008 funded membership, representing the large, medium, and small districts in their geographic areas. The districts were then

scheduled to attend the LESC interim meeting in their part of the state: Albuquerque, Chama, Deming, Kirtland/Farmington, Roswell, or Santa Fe. The charter schools were chosen in conjunction with the New Mexico Coalition for Public Charter Schools on the basis of their geographic location and grade-level configuration (elementary, middle, or high school), and they were invited to attend the LESC meeting in Albuquerque.

Prior to each meeting, the districts and charter schools scheduled to present were sent a memorandum that included a set of questions jointly developed by LESC staff and the Secretary of Public Education. The discussions between the LESC and the districts and charter schools centered on those questions. In addition, the school districts and charter schools were asked to provide written responses to the questions.

In each case, committee staff provided a detailed side-by-side comparison of the projected program cost generated by the proposed funding formula to the actual program cost generated under the current funding formula and the actual supplemental emergency distributions for school year 2007-2008; an example of the school district calculator (spreadsheet) used to determine the program cost generated by the proposed formula; and a copy of the spreadsheet used to calculate the Index of Staff Qualifications (ISQ), a component of the proposed formula intended to supersede the current T & E Index. In addition, staff provided a section-by-section analysis of HB 241 prepared by the Legislative Council Service and a mock-up of HB 241 that included the bill as introduced plus all amendments added during the 2008 session.

COMPARING THE CURRENT FORMULA AND THE PROPOSED FORMULA

Before the committee heard testimony from any districts or charter schools, LESC staff provided the committee with a brief overview of the current public school funding formula and the proposed public school funding formula in order to provide the committee with background for the upcoming discussions.

Staff testimony explained that, although there are some basic differences between the current public school funding formula and the proposed formula, both of them are based on the same underlying principal: the education of a child should not be dependent upon the wealth of the community in which that child lives. Therefore, both formulas provide a means of distributing dollars equitably. The current formula establishes the educational need of each school district based on the number of students participating in legislatively mandated programs and the cost differentials assigned to these programs. The current formula determines a district's program cost by multiplying the total number of program units by the unit value. The Secretary of Public Education establishes the unit value each year based on that year's program cost divided by the total statewide program units.

Taking a different approach to equitable funding, the proposed formula more heavily emphasizes measures of student need, specifically poverty (based on the percentage of students eligible for the free or reduced-fee lunch program), the percentage of students classified as English language learners, special education, and mobility. As such, it does not begin with the calculation of units but with the base per-student cost, which is defined as the sufficient per-student cost for the average-sized district (3,532 students) with average shares of K-5, 6-8, and 9-12 enrollment

(44 percent, 23.4 percent, and 32.5 percent, respectively) and no additional student needs (poverty, English language learners, special education, or mobility). Staff testimony further explained that, once the base per-student cost has been determined, it is then multiplied by a series of cost factors – among them the four needs cited above and the weighted or adjusted ISQ – to arrive at the per-student cost that is sufficient for the needs of a particular school district or charter school.

Another difference between the two formulas, staff testimony continued, is that the proposed formula provides two means of calculating sufficient per-student cost, one for school districts and another for charter schools. The formula calculations differ only with regard to two items: base per-student cost, which is higher for charter schools than for school districts; and the manner in which special education is measured (for school districts, the formula uses a census-based figure of 16 percent; for charter schools, the adjustment is based on the actual percentage of students receiving special education services).

RESPONSES FROM SCHOOL DISTRICTS

All 89 school districts provided written or oral testimony or both regarding the proposed public school funding formula. In almost all cases – Los Alamos Public Schools, Mosquero Municipal Schools, and Pecos Independent Schools excepted – school districts would receive more funding under the proposed formula than under the new one. Testimony from the school districts focused on their planned uses of these funds.

While there were some differences according to the size of school districts, overall – in both testimony to the committee and in their written responses – school districts shared many of the same plans and concerns. Regarding school programs and student services, for example, school districts identified such priorities as hiring additional instructional coaches, particularly in math and reading; providing high-quality, targeted professional development; extending the school day or year; enhancing services for gifted students and services in bilingual education or English as a second language; providing after-school programs; and adding nurses, counselors, social workers, or other instructional support personnel. Another frequent priority was to enhance the Response to Intervention program, an approach to instruction prescribed by Public Education Department (PED) rule to address the academic and behavioral needs of all students in a timely fashion.

Among large districts in particular, reinstating programs that had been eliminated, providing more health and wellness programs, and providing enhanced activities for students with disabilities were common plans. Both large and midsize districts spoke of reducing class size and addressing truancy, often through the addition of resource officers.

Midsize districts in particular testified about expanding mentoring programs and maintaining or expanding Reading First strategies, despite the loss of federal funds. Taking a different direction, one midsize district – Los Alamos Public Schools – testified that implementation of the proposed formula would mean a significant loss to the district (approximately \$2.0 million), resulting in fewer programs and a reduction in staff by approximately 57 full-time equivalent positions; therefore, this district requested that the Legislature consider including a hold harmless provision in any legislation to institute the proposed funding formula.

In the testimony from small districts, particularly those with memberships of 150 or fewer, there was concern that, even with additional funding, they will still be forced to depend upon emergency supplemental distributions, albeit to a lesser degree. However, other small districts testified that they would no longer be required to depend upon emergency supplemental funding. And small districts in general expressed their support for the Regional Education Cooperatives, citing their assistance in providing cost-effective special education, professional development, and other services (see “*Study Regional Education Cooperatives*, SM 41: Final Report,” p. 37).

Common ground also emerged under such points as the use of the Educational Plan for Student Success (EPSS) as an accountability tool and sources of revenue to support the proposed formula. On the first point, HB 241 utilizes the EPSS as the means of ensuring that districts provide a sufficient educational program for all students; and most districts agreed that the EPSS could serve that purpose, perhaps with some minor modifications (see “Concluding Testimony,” p. 15). On the second point, most districts stated that their communities would support a 1.0 percent increase in the Gross Receipts Tax if there were assurances that the revenue would be used exclusively to support the sufficiency funding needed to implement the proposed funding formula.

A recurring theme throughout the testimony about the proposed funding formula was its effect on gifted education. Whereas current state law defines gifted education as a component of special education, the proposed funding formula defines special education according to the federal *Individuals with Disabilities Education Improvement Act*, which excludes gifted education. However, HB 241 requires school districts and charter schools to offer educational programming for “gifted education, advanced placement and honors programs.” Nevertheless, the stated intentions of the district superintendents to enhance gifted education notwithstanding, at several of the hearings during the interim and through responses to an LESC survey, various advocates for gifted education objected to the absence of a specific provision in the proposed formula, fearing that services and programs for gifted students would be either ignored or underfunded. In response, committee members explained that, because gifted education is built into the base of the formula, the proposed formula would actually provide increased support for services for gifted students. This issue approached resolution toward the end of the interim, when advocates and committee members generally agreed to amend the bill to require an educational plan for gifted students.

RESPONSES FROM CHARTER SCHOOLS

Nine of the 14 charter schools invited to participate in the discussion with the LESC regarding the proposed funding formula came to the meeting in Albuquerque. Unlike most school districts, committee staff testified, a number of charter schools might lose substantial funding under the proposed formula. In fact, of the 58 charter schools for which AIR was able to calculate a program cost using the proposed formula, 22 indicated a loss. However, testimony by the charter schools and discussions with the committee revealed that this reduction in revenue would be mitigated or eliminated altogether if better means were developed to assist charter schools in collecting and reporting poverty data derived from applications for the free and reduced-fee lunch program.

With regard to the potential impact of the proposed funding formula on their operations, the charter schools that would receive stable or increased funding expressed a variety of needs similar to those identified by school districts, including additional counselors, social workers, bilingually endorsed staff, a full-time nurse, more resources to serve gifted students, and reading and math interventionists.

Finally, like the school districts, the charter schools noted problems ensuring that the data submitted to the Student Teacher Accountability and Reporting System (STARS) are valid. Charter schools indicated a particular problem in this regard because of the PED requirement that all of their data be submitted through the chartering school district.

CONCLUDING TESTIMONY

The testimony on the proposed public school funding formula concluded with two staff presentations that are reflected in the preceding discussion – a summary of the written responses received from school districts and charter schools to the LESC questionnaire and a summary of the responses to an LESC survey regarding gifted education – and two other presentations that addressed revenue sources and accountability.

- Regarding the sources of revenue, an economist with the National Education Association (NEA) reviewed New Mexico's tax structure, education funding, and economic future. Among the points raised were that, even if expenditures remain constant, the revenues produced by the current tax structures will decline steadily; that health care costs are likely to require a tax increase; that, in terms of the growth rates of the various taxes, individual income tax is the most elastic of the state taxes; that New Mexico derives most of its tax revenue from lower income families because of its reliance on the gross receipts tax; that not until a family's income reaches approximately \$85,000 do the state and local taxes paid cover the cost of a student's public education; that the most important factor in a company's decision to locate in a particular community is the availability and skill of the local labor force; and that, as a taxpayer investment, education produces the greatest returns.
- Regarding accountability, to ensure that the new money generated under the proposed funding formula is used to support the intended programs, the LESC convened a subcommittee to determine how the EPSS could be used as an accountability tool, perhaps as an addendum to a school district's budget. On that point, the Secretary of Public Education proposed that the EPSS be modified to address two levels of accountability: (1) a basic educational programming checklist, which includes such items as bilingual and multi-cultural education, career-technical education, art and music, gifted education, and special education; and (2) a connection between program outcomes and performance indicators, in which PED and a district's EPSS budget review team examine the results of standards-based assessments and short-cycle assessments; review the operating budget for that fiscal year; align the assessment results with the budget; and, depending on performance indicators, make program recommendations. Responding to a recommendation of the subcommittee, the Secretary included in her testimony an account of a planned pilot project involving three school districts and three charter schools to assess the accountability-related use of the EPSS with the proposed funding formula.

P-20 INITIATIVE

COLLEGE AND UNIVERSITY PRESENTATIONS: P-20 PARTNERSHIPS WITH SCHOOL DISTRICTS

Research presented to the LESC in each interim since 2006 shows that approximately half of New Mexico's recent public high school graduates who immediately enrolled in state public colleges required at least one remedial course in literacy or numeracy as first-semester freshmen and that as many as one-quarter required two or more such courses. To address this issue, in 2006 and 2007 the Legislature passed major LESC-endorsed high school redesign measures, effective for the graduating class of 2013, to add rigor to the New Mexico high school diploma (see "Readiness and High School Assessments," p. 21). Predating the passage of that law – since at least 2002, in fact – the committee has explored ways to make the state's preschool-to-postgraduate (P-20) pipeline more seamless for students. Increasingly, to achieve that goal, postsecondary institutions and public school districts have been forming partnerships to improve communication and to develop mutual solutions to the problem of inadequate student preparation for college and careers.

In an effort to determine if and to what extent public postsecondary institutions and local public school districts communicate and coordinate their efforts to prepare students for college-level coursework and the workforce, throughout the 2008 interim the LESC heard testimony and engaged in discussions with representatives of all of New Mexico's 28 state and tribal two- and four-year institutions of higher education. Presidents and other officers of the institutions were invited to describe their institutional missions and, within that context, the goals of their initiatives, the strategies they are using, the challenges they have faced, their evaluation of these initiatives, and any data they have gathered showing results to date.

The strategy most-often cited during this testimony was dual credit programs. While many institutions have been offering dual credit programs for years, their testimony emphasized the growing numbers of students participating in the programs since the passage of LESC-endorsed legislation in 2007 and 2008 that brought consistency to the design, funding, and operation of dual credit programs statewide. This testimony also focused on the expansion of institutional efforts to manage increasing enrollments, to solidify relationships with school districts, and to monitor the programs' effectiveness. Institutional representatives described a range of dual credit initiatives that aligned with their institutional missions, including general education core courses such as college-level communications, math, speech, foreign languages, and social sciences to give students a head start toward an associate or bachelor's degree; courses in degree areas such as science, engineering, and the arts; and career-technical courses leading to trade certificates or associate degrees in such fields as electronics, health careers, culinary arts, welding, building trades, and automotive technology. In addition, all four tribal colleges with a presence in New Mexico reported that, although not state-funded and therefore not included in the dual credit program enacted in state law, they do have dual credit partnerships, particularly with Bureau of Indian Education schools.

The testimony from representatives of postsecondary institutions described the variety of means used to deliver dual credit programs depending on local circumstances, such as the size of the institutions' delivery areas, needs of local schools, and the technology available for distance delivery. Methods of delivery included regular classes on the postsecondary campus; courses

offered on high school campuses, either during the regular school day or after school, often employing qualified high school faculty as instructors using college-specified curricula and texts; and instructional television and online distance education. This testimony also identified certain challenges to the success of the dual credit partnerships: logistical issues such as transportation and class schedules; allocation of resources; insufficient funds for school districts to pay for college textbooks (see “Dual Credit: LESC Work Group Report,” p. 32); and the lack of preparation for college-level work that many high school students exhibit.

In addition to their dual credit programs, institutional representatives identified a number of other partnership activities in their testimony. Among those frequently cited were the following:

- federally funded programs such as TRiO (Talent Search, Upward Bound, and College Success); GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Program); and Project Lead the Way, intended to improve student preparation for college beginning as early as middle school;
- performance reporting to high schools about their recent high school graduates;
- efforts to engage students in careers in science, technology, engineering, and mathematics;
- counseling and advising outreach, including administration of college placement tests;
- participation in initiatives to align high school and college, such as the American Diploma Project and the alignment of Carl Perkins funded career-technical education programs;
- educator professional development projects;
- the Achieving the Dream initiative, which helps selected minority-serving two-year institutions use data to develop programs that improve the degree completion rate of at-risk students; and
- sharing career-technical facilities with local school districts to avoid duplication of capital projects.

Committee discussions in response to this testimony throughout the interim addressed a number of issues, predominant among them the high percentage of students needing remediation; involvement of business and industry in planning career-technical programs; development of P-20 data systems; alignment of secondary and postsecondary standards; and teacher preparation.

In addition, committee members sought reassurance from the representatives of two-year institutions in particular that they were planning and designing their programs in consultation with local business, industry, and trade groups. These representatives testified that the institutions had advisory councils for all of their career-technical programs and that college officials served on local chambers of commerce and economic development councils.

P-20 DATA SYSTEM

Realizing that reliable data are critical to educational research and policy development, the 2005 Legislature included language in the *General Appropriation Act* to establish a comprehensive data warehouse at PED to begin to collect and store student, teacher, course, testing, and financial data in one comprehensive system. Legislation enacted two years later (1) required Higher Education Department (HED) to use the PED student identification (ID) number for students enrolled in higher education in order to facilitate longitudinal research; and (2) required PED to collaborate with public teacher preparation programs and HED to create a uniform statewide teacher education accountability reporting system. In addition, the Legislature has supported the implementation of this comprehensive data warehouse, known as the Student Teacher Accountability Reporting System (STARS), with appropriations to PED of approximately \$14.0 million (including more than \$2.5 million for FY 09).

Common PED and HED Student ID

During the 2007 interim, the LESC heard staff testimony on the development of data warehouses nationally and in New Mexico and testimony from the Data Sharing Task Force, which HED convened in response to a request from the LESC to plan the implementation of a common P-20 student ID. Staff testimony during the 2008 interim reviewed these points and raised a few others: for one, the application for a federal Statewide Longitudinal Data Systems Grant of \$9.0 million submitted by the Data Sharing Task Force in collaboration with PED and HED. According to PED, the grant applications are currently under review, and the awardees will likely be announced in January or February 2009.

Staff testimony also discussed several challenges that HED has faced in assigning PED student ID numbers to students in public postsecondary institutions, among them: that the PED student ID number is not included on high school transcripts and students rarely know their own ID numbers; that, even if the ID numbers were on the high school transcripts, community colleges would not have them because the colleges' open enrollment policies do not currently require high school transcripts for admission; and that the multiple ID numbers currently in use among the various institutional and agency data systems create barriers to data searches. This last issue, staff testimony explained, should be resolved through an upgrade of Banner, the student information system used by postsecondary institutions, financed by the reauthorization of a 2007 appropriation of \$1.0 million.

Finally, testimony from the Secretary of Higher Education explained the different purposes served by the current HED data system as opposed to the PED data system and, consequently, the different kinds of data collected by each system; described some of the concerns of postsecondary educational institutions; and supported other points that staff testimony had raised, among them a suggestion of legislation to phase in the creation of a P-20 educational data system and suggestions for reporting and collecting the PED student ID number, such as requiring that it be included on all high school transcripts and General Educational Development (GED) certificates.

Teacher Education Accountability Reporting System (TEARS)

As noted above, legislation enacted in 2007 requires PED to collaborate with teacher preparation programs and with HED to create a uniform statewide teacher education accountability system (TEARS) to measure and track teacher candidates from pre-entry to post-graduation in order to benchmark the productivity and accountability of New Mexico's teacher workforce. Thus, TEARS is an aspect of the P-20 Initiative, connecting public school student data from elementary and secondary school through higher education and, in the case of new teachers, back into the classroom.

Staff testimony on TEARS during the 2008 interim began with a review of testimony during the 2007 interim, when the LESC heard a presentation on progress made by a work group composed of the deans and directors of teacher preparation programs, HED, PED, the Office Education of Accountability (OEA), and LESC staff to design the template for the TEARS report. Staff testimony also presented the first TEARS report, as the work group had pledged in 2007, which consists of a separate report for each teacher preparation program and a summary state report. Available both in hard copy and on CD-ROM, this report is also posted on the OEA webpage.

The committee also heard testimony from a work group member representing the deans and directors of New Mexico teacher preparation programs, who summarized the contents of the report. Among the findings, this testimony continued, are that teacher education programs in New Mexico attract academically prepared candidates, as measured by average statewide grade-point averages on admission; that standards for admission use common factors that enhance transparency and seamless transferability among institutions; and that field and clinical programs in general are designed to connect classroom practices to candidate preparation, although the level of institutional supervision is often limited because of fiscal constraints. This representative further testified that the 2008 report provided the statutorily mandated data regarding preparation of candidates in the high needs areas of mathematics, science, and technology; and that data for other shortage areas identified by PED (special education, bilingual education, teaching English as a second language, and elementary education) would be included in the 2009 TEARS report.

The work group testimony also identified certain issues that must be resolved to ensure that future TEARS reports are complete and accurate, most of them involving data deficiencies of one kind or another: for example, inconsistent definitions among institutions related to alternative licensure programs and budget and finance; inaccurate or unverified reports of students' institutional affiliations in their applications for the New Mexico Teacher Assessments; and missing data because of institutional failure to report. This testimony concluded with the enumeration of several steps required before TEARS data can be reported in STARS, as required by law; an acknowledgement that the purpose of the data system is to inform policies that affect student achievement; and the intention of the work group to resolve the data deficiency issues and to continue to refine the process during the 2009 interim.

GENERAL INTEREST TOPICS

ACCOUNTABILITY

NO CHILD LEFT BEHIND ACT OF 2001 (NCLB) REAUTHORIZATION

During its first meeting of the interim, in April, the LESC heard testimony from Mr. David Shreve, Federal Affairs Counsel for State-Federal Relations, National Conference of State Legislatures (NCSL), on the prospects for and issues surrounding reauthorization of the federal *No Child Left Behind Act of 2001* (NCLB). Although the law had technically expired on September 30, 2007, Mr. Shreve said, it contains an automatic one-year extension and in fact remains in effect permanently so long as Congress continues to appropriate funds. As of April 2008, Mr. Shreve testified, more than 100 bills had been introduced in Congress to amend NCLB; however, given the presidential primaries and the general election, Mr. Shreve suggested that action on any of these bills during 2008 was unlikely. (As of this writing, Congress has yet to reauthorize NCLB; and no action is expected before late winter or early spring 2009.)

Mr. Shreve's testimony also enumerated the objections of NCSL to a proposal for reauthorization by the US Department of Education (USDE), among them that the proposal "would greatly expand the reach of the federal government into state and local school finances and funding decisions"; and that it includes the continued use of adequate yearly progress (AYP), a "failed metric" of student achievement (see "Adequate Yearly Progress Results for School Year 2007-2008," p. 22). Mr. Shreve added that the NCSL Task Force on NCLB has urged Congress that any draft its committees adopt should take into consideration the recommendations in the 2005 report of the task force. Other points of concern with NCLB, Mr. Shreve testified, are the "uneven" granting of flexibility and waivers by USDE; the bureaucratic, "process-oriented" nature of the law; the enormous variety in the rigor of state standards, which makes comparisons of states' progress impossible; and sharp declines in many states' Title I funds.

LEGISLATIVE FINANCE COMMITTEE AUDIT OF RIO RANCHO PUBLIC SCHOOLS

Citing statutory authority to examine the laws governing the finances and operation of departments, including state agencies and political subdivisions of the state, the Legislative Finance Committee (LFC) staff sought to evaluate the operations of a selected school district to identify best practices and efficient and effective use of public resources. The LFC staff testified that they selected Rio Rancho Public Schools (RRPS) primarily because of the district's student population, amount of state revenue, and school construction. According to this testimony, the program evaluation during the 2008 interim focused on assessing the district's governance practices, resource allocation and spending decisions, and efforts to improve teacher quality and student performance.

Overall, this testimony explained, RRPS appropriately focuses its efforts and resources on the classroom, resulting in generally positive student outcomes. The district has also benefited from stable leadership over a long period of time. Among the findings noted, however, are that low-income and other special-needs students lag behind their peers in achievement gains; financial

resources and qualified teachers are not always aligned at the schools with the highest concentration of low-income students; the current funding formula overcompensates RRPS for student population growth; the district has used bond proceeds for technology and used operational funds for items than can be purchased with bond money; and the emergency supplemental funding that the district received in FY 08 was the largest single distribution to any school district within the last 10 years.

In response, RRPS testified that the district has already incorporated the audit committee's insights into its planning and explained appropriations and budget circumstances since 2003 that have affected district operations, among them: mandates by state and federal law; costly special education interventions required by courts; issues related to enrollment growth funding, including gubernatorial vetoes; additional costs associated with enrollment growth, including teachers, educational assistants, and portable buildings; the cost of implementing the three-tiered teacher licensure and salary system; and an insufficient cash balance. Likewise, the Secretary of Public Education testified that a review of the school district's funds by PED staff determined not only that the district's cash balance was low, but also that the district was opening two new schools in the subsequent school year, a situation that merited the allocation of emergency funds.

READINESS AND HIGH SCHOOL ASSESSMENTS

During the 2006 interim, the LESC heard testimony that approximately half of recent New Mexico high school graduates required remedial courses in their first semester at state-funded postsecondary institutions. Also in 2006, the committee convened the LESC College/Workplace Readiness and High School Redesign Work Group, which heard additional testimony and proposed a package of reforms to increase the value of the high school diploma and to improve student readiness for college and the workplace, including an overhaul of the high school assessment system. These high school redesign measures were endorsed by the LESC and passed by the 2007 Legislature; and, in 2008, the Legislature amended that law to add further specificity to the assessment requirements.

Staff testimony during the 2008 interim summarized the high school assessment requirements in law: that, no later than school year 2008-2009, PED must establish a statewide college and workplace readiness assessment system that is aligned with state standards, college placement tests, and entry-level career skill requirements. In brief, this system eliminates the current standards-based assessment in grade 9 and phases out the current High School Competency Examination. In their place, the system requires additional short-cycle diagnostic assessments in grades 9 and 10; a college or workplace readiness assessment chosen by the student in the fall of grade 11; the current standards-based assessment in the spring of grade 11; and, beginning in school year 2010-2011, a new high school graduation measure, consisting of a standards-based assessment or assessments or a portfolio of standards-based indicators.

In 2007, staff testimony continued, the Legislature appropriated \$2.0 million to PED for FY 08 for assessment costs, including \$500,000 to develop a federally required alternative assessment and \$1.5 million to develop a new grade 11 assessment. In 2008, the Legislature reauthorized the use of the \$1.5 million for expenditure through FY 09 and appropriated an additional \$4.0 million for assessments, for a total of \$5.5 million available for expenditure in FY 09 for assessments. And in 2008 the Legislature included \$464,800 in the Public School Funding Formula to help cover recurring school district administrative costs associated with current testing requirements in FY 09, an amount that PED said would be insufficient.

Staff testimony also reviewed the steps that PED had taken to establish the new assessments and to inform districts about the new requirements; reported the results of an LESC staff survey of selected school districts, which indicated general preparedness for the new assessment system but also lingering concerns over funding, staff time, and resources; and discussed some of the issues, including legal ones, related to the use of “high stakes” exams – that is, those that have a direct consequence for students such as promotion to the next grade or graduation from high school.

Finally, the Secretary of Public Education testified that the new assessment system as a whole and the new Diploma of Excellence would ultimately reduce the need for remediation; and she noted that PED is promulgating a rule to designate the grade 11 standards-based assessment as the graduation assessment, although students would also have recourse to alternative measures, such as a portfolio of work.

ADEQUATE YEARLY PROGRESS RESULTS FOR SCHOOL YEAR 2007-2008

A provision of both state law and NCLB (see “*No Child Left Behind Act of 2001* (NCLB) Reauthorization,” p. 20), adequate yearly progress (AYP) is a prescribed degree of improvement, primarily in student achievement, that schools are expected to make each year – not only for their entire student populations but also for certain subgroups of students: economically disadvantaged students, major racial or ethnic groups, students with disabilities, and English language learners. Schools that fail to make AYP for two consecutive years face a series of increasingly prescriptive sanctions in the school improvement cycle until they make AYP for two consecutive years. The ultimate goal is that all students, including those in all the subgroups, will be proficient in reading and math by school year 2013-2014. As many educators and policymakers have noted, however, this goal may be unrealistic, and making AYP becomes more difficult each year. Testimony from the Secretary of Public Education presented the AYP results in New Mexico for school year 2007-2008.

The Secretary testified that, in school year 2007-2008, approximately 33 percent of New Mexico public schools made AYP and the remaining 67 percent did not make AYP. In addition, 13 schools improved enough to make AYP for two years in a row and were therefore removed from the school improvement cycle. The Secretary’s testimony also explained the schedule of increases in annual measurable objectives, which are the increasing percentages of students in each type of school configuration who must score proficient or better in reading and mathematics each year in order for the school to make AYP.

Among other points in her testimony, the Secretary explained that NCLB requires schools to meet 37 separate achievement targets each year, thus creating 37 ways to fail to make AYP; she cautioned against state-to-state comparison of AYP results, explaining that each state sets its own proficiency cut scores and designs its own test to measure AYP and that a number of states have lower standards and less rigorous tests than New Mexico; and she noted that, despite significant gains for English language learners and for Hispanic, Native American, and economically disadvantaged students, the achievement gap in both math and reading persists because all subgroups are generally improving at approximately the same rate.

Finally, the Secretary cited two exemplary schools in New Mexico – Velarde Elementary School in Española Public Schools and Georgia O’Keefe Elementary School in Albuquerque Public Schools – which the USDE had named Blue Ribbon schools because of their growth in student proficiency.

STUDY SCHOOL ACCOUNTABILITY TARGETS, SJM 43

Senate Joint Memorial 43 (2008) requested that the LESC, in collaboration with PED, the Legislative Council Service, public school superintendents, directors of special education, directors of bilingual education, and other appropriate educators, form a study group to meet during the 2008 interim:

- to discuss the possible use of short-cycle assessments as an indicator of student progress;
- to recommend an accountability mechanism for specific subpopulations based on a growth model;
- to study the impact of using the federal Office of Special Education targets in lieu of New Mexico accountability targets;
- to examine opportunity-to-learn factors as a companion to New Mexico accountability targets; and
- to report its findings to the appropriate interim committee of the Legislature by December 2008.

Toward the end of the 2008 interim, the LESC received a detailed report of the work of the 2008 LESC Assessment and Accountability Work Group and heard staff testimony about the activities as reflected in the report. In brief, the report and the testimony addressed changes in states' policies toward assessment, in part due to NCLB (see "*No Child Left Behind Act of 2001* (NCLB) Reauthorization," p. 20); reviewed the topics discussed over the course of four meetings of the work group; and noted that the members of the work group reached consensus on several recommendations, among them:

- that PED develop for the consideration of the Legislature a state accountability system for grades 4 through 8 based on a growth model, separate from and complementary to the existing accountability system in statute and required by NCLB;
- that some members of the 2008 LESC Assessment and Accountability Work Group be included in another work group focusing on the secondary-postsecondary alignment work of the New Mexico American Diploma Project to facilitate the development of an assessment and accountability system that measures how well high schools prepare students for college and careers;
- that the LESC consider endorsing a memorial to request that PED convene a one-time work group to develop a New Mexico Value Table, which is an accountability growth model that measures schools based on all changes in student proficiency levels from year to year;
- that, among other features, the complementary accountability system provide for a limited, voluntary pilot of the complementary assessment and accountability system for grades 4 through 8 to determine if it is workable and if it provides useful information to evaluate and improve the performance of public schools; and

- that, regarding NCLB, the department (1) continue to pursue approval of a growth model once NCLB has been reauthorized, and (2) the Legislature and the Executive continue coordinating with professional associations at the state and national levels in the redesign and reauthorization of NCLB in order to eliminate the unintended negative consequences of the act as it currently stands.

NEW MEXICO PREK AND K-3 PLUS EXTERNAL PROGRAM EVALUATIONS

During every interim since 1998, the LESC has heard testimony about early childhood education (ECE). Understanding the importance of ECE as a means of closing the achievement gap between disadvantaged students and other students, the committee has been instrumental in the passage of key legislation designed to strengthen ECE in New Mexico. In addition to full-day kindergarten, which was phased in over a five-year period beginning with school year 2000-2001, the LESC has endorsed other legislation resulting in major ECE initiatives.

- Enacted in 2005, the *Pre-Kindergarten Act* established a voluntary program of pre-kindergarten services for four-year-old children offered by public schools, tribes or pueblos, Head Start centers, and licensed private providers. Known as New Mexico PreK, the program is administered jointly by PED and the Children, Youth and Families Department (CYFD).
- Enacted in 2007, K-3 Plus, patterned after Kindergarten Plus, is a six-year pilot project that extends the school year in kindergarten through third grade by at least 25 instructional days, beginning up to two months earlier than other classes. The project is designed to demonstrate that increased time in kindergarten and the early grades narrows the achievement gap between disadvantaged students and other students, increases cognitive skills, and leads to higher test scores for all participants.

Testimony during the 2008 interim focused on the external evaluations of these two programs, as required in law. For each program, staff testimony summarized the statutory requirements, outlined the requests for proposals issued by OEA and the contracts for evaluation between OEA and the designated external evaluators, and enumerated fiscal and programmatic details.

Since the inception of New Mexico PreK, staff testified, the Legislature has appropriated a total of approximately \$46.0 million in General Fund revenue to implement the program, plus an additional \$2.0 million in Temporary Assistance for Needy Families revenue and \$7.0 million in severance tax bond receipts for capital outlay costs associated with pre-kindergarten classrooms. For FY 09, PED and CYFD have approved a total of 148 programs serving a total of 4,567 children statewide. PED has approved 61 programs serving 2,231 children in 27 school districts; and CYFD has approved 87 programs, operated by 46 contractors, serving 2,336 children.

Staff testimony continued with similar information about K-3 Plus. Since 2007, the Legislature has appropriated a total of almost \$14.7 million in General Fund revenue to fund the K-3 Plus pilot program. For school year 2007-2008, PED approved and funded 54 programs serving a total of 5,069 students in 17 school districts; for school year 2008-2009, 92 programs are serving 6,996 students in 25 school districts.

One issue that arose during the staff testimony is that the student identification number that PED issues to all New Mexico PreK students, whether the students are enrolled in a PED-approved or a CYFD-approved program, is among the New Mexico PreK data kept at the University of New Mexico and not included in the Student Teacher Accountability Reporting System (STARS) at PED.

The external evaluator of New Mexico PreK is the National Institute for Early Education Research (NIEER), at Rutgers University, which in 2005 had been awarded a contract renewable for up to three additional years to conduct a longitudinal study. NIEER testified that the most recent evaluation had focused on two dimensions of the PreK program: the benefits to children in terms of language development, math skills, and literacy skills; and the overall quality of the PreK classrooms. On the first point, NIEER testified that New Mexico PreK had produced statistically significant gains in children's vocabulary knowledge, math skills, and print awareness. Comparing the PED-administered programs with the CYFD-administered programs, NIEER found larger gains in vocabulary and early literacy among the children in the PED programs and a larger gain in math among the children in the CYFD programs. However, based on the assessment instruments used, the evaluators found the overall classroom quality of New Mexico PreK programs to be limited or mediocre. Furthermore, NIEER testified that, in this regard, there were no statistically significant differences between the programs administered by PED and those administered by CYFD primarily because of the limited sample sizes.

The external evaluator of K-3 Plus is the Early Intervention Research Institute (EIRI), at Utah State University, which had conducted a cost-benefit analysis of New Mexico PreK in 2007. Because the contract was awarded in June 2008, the evaluator had no results to present during the 2008 interim. Rather, the EIRI testimony addressed the components to be included in the study, among them: community demographics; family awareness and engagement; teacher qualifications and experience; assessments; and student demographics, including grade, ethnicity, economic status, and academic data. The evaluation, which began in July 2008, will focus on K-3 Plus programs in five school districts – Albuquerque Public Schools, Gadsden Independent Schools, Gallup-McKinley County Public Schools, Roswell Independent Schools, and Taos Municipal Schools. The final report is due June 30, 2009.

EDUCATOR QUALITY

TEACHER ASSESSMENT AND LICENSURE

During the 2007 interim, members of the committee raised questions about two aspects of teacher certification in New Mexico: the teacher assessments that candidates must pass and the state's policies and practices related to licensure reciprocity. Regarding the teacher assessments, the concern was that teacher candidates are not allowed to "bank," or receive credit for, parts of the test that they passed during one testing session and then to retake only those parts that they failed. Regarding the reciprocity issue, there was some concern that, in order to avoid the requirement of the professional development dossier (PDD) for advancement from one licensure level to the next, some New Mexico teachers are obtaining licensure in other states and then seeking reciprocity to teach in New Mexico.

Staff testimony on the first of the two issues revealed that candidates may indeed bank passing scores on any of the three major components of the New Mexico Teacher Assessments (NMTA) but not on any of the several sub-areas within each of the three components. This testimony also reviewed the history and rationale for this practice and noted that PED is planning to form a task force in 2009 to review the NMTA and the scoring of its parts, in advance of the expiration of the current contract with the testing vendor on June 30, 2011.

Another point raised in staff testimony was that the passing percentage on one of the three major components of the NMTA – the Assessment of Teacher Competency, Early Childhood – was significantly lower (19 points, on average) than the passing percentage on the other main components of the NMTA. With the consensus of the committee, the Chair requested that staff draft a memorandum to the Secretary of Public Education requesting that PED collaborate with other agencies and with early childhood teacher preparation programs to review the alignment of the teacher competency exam in early childhood education with the material taught in teacher preparation courses and with the standards expected of early childhood teachers. Later in the interim, PED reported the finding of a work group convened to review the issue: that the major cause of the low passage rate was not any sort of misalignment but rather the large number of people who had taken the test with no preparation in early childhood education at all.

An issue that arose during the discussion of the NMTA was the unique barriers to passing the test for candidates who are deaf or hard of hearing, barriers created by those candidates' limited recognition of the auditory aspects of language. At the request of the committee, PED formed a work group to study this issue, as well. Later in the interim, PED reported the recommendation of this group to amend statute to allow an alternative to passage of the NMTA for deaf and hard-of-hearing candidates.

Regarding licensure reciprocity, staff testimony explained the statutory and regulatory provisions, which limit reciprocity in New Mexico to teachers and administrators, excluding counselors and instructional support personnel; described the state's experience with requests; reported that school districts have had generally positive experiences with teachers licensed through reciprocity; and noted that the greatest interest among teachers from other states and other countries has been in Level 2 and Level 3-A licenses, especially at those times when the minimum salaries for each level went into effect. As for the concern that had prompted the inquiry – that teachers are seeking licensure in other states to avoid the PDD – staff testified that there seem to be very few instances of this practice.

PROFESSIONAL DEVELOPMENT SCHOOLS

The 2006 LESC Work Group on College/Workplace Readiness and High School Redesign recommended improving the preparation of new teachers by expanding and better supporting field experiences in colleges of education and by moving more of the work of teacher education programs into the schools. During the 2008 interim, the LESC heard testimony on partnerships engaged in ongoing professional development schools (PDS) as a means toward that end.

Describing the PDS as one of the most widely known types of school-college partnerships that integrate expanded field experiences into teacher preparation, staff testimony discussed a six-year effort by the National Council for Accreditation of Teacher Education to develop and field-test PDS standards. Staff testimony also reviewed the findings of research on the effectiveness

of the PDS model in improving teaching and learning of students and educators. Despite certain limitations in some of this research, studies suggest that those who participate in a PDS are more likely than their non-PDS counterparts to feel prepared to teach and to remain in the profession; and that the PDS model, particularly if implemented faithfully, has the potential to improve student performance. Even so, this testimony continued, questions remain regarding when those improvements in learning occur, with which students, and what practices and circumstances produce those benefits, all indicating the need for additional research.

Staff testimony concluded with an account of two initiatives underway to expand the presence of the PDS model in the state. The first is the federally funded Teacher Quality Enhancement-Recruiting grants (awarded to the Educator Support Center at Farmington Municipal Schools and the Northern New Mexico Network for Rural Enhancement). On this point, the Director of the Educator Support Center described activities in Farmington Municipal Schools, Aztec Municipal Schools, and Bloomfield Schools, with plans to expand to Central Consolidated Schools. The second initiative is the New Mexico Professional Development Schools Network, a partnership of approximately 60 New Mexico college of education faculty, public school teachers, and administrators statewide.

Testimony from Eastern New Mexico University and New Mexico State University (NMSU) described the PDS partnerships between those two postsecondary educational institutions and a number of elementary schools in their respective areas – some of which have been in place for several years. In brief, these partnerships place university faculty members in public schools, where they teach courses, monitor or supervise teaching candidates' practicum experiences, and coordinate other PDS-related activities. Other testimony came from Las Cruces Public Schools, confirming the value of the PDS partnerships with NMSU.

MENTORSHIP MODEL FOR BEGINNING HIGH SCHOOL TEACHERS

Since 2000, the Legislature has appropriated approximately \$10.1 million for beginning teacher mentorship, including \$2.0 million each for FY 08 and FY 09. During the 2007 legislative session, LESC-endorsed legislation amended the mentorship law in the *School Personnel Act* to require teacher preparation programs to work with colleges of arts and sciences and high schools to develop a model to provide mentorship services to each of their graduates teaching in public high schools in New Mexico. In June 2007, PED and HED formed the Mentorship Task Force, which, testifying in December 2007, proposed continuing to work on the model. During the 2008 interim, the LESC, PED, HED, and OEA formed the 2008 LESC Mentorship Model Work Group, with increased participation from colleges of arts and sciences, school districts, charter schools, and regional education cooperatives.

Staff testimony provided an overview of the results of surveys administered by PED to new teachers and mentor teachers in 2008. Among other points, the surveys revealed that not only teachers holding a Level 1 license but also teachers holding an Internship license (defined in PED rule and coded as "Level 0") are receiving mentorship services; that both Level 2 and Level 3 teachers serve as mentors; and that, in some cases, Level 1 teachers and other individuals may be providing mentoring services. Staff testimony also summarized the recommendations of the work group and reviewed the funding history, noting in particular a concern regarding the delay in the distribution of mentorship funds as a result of the 2007 requirement that PED distribute the funds to school districts according to 40th day data. Finally, staff testimony identified several issues related to the Internship license, among them the requirement in PED rule that teachers holding this license assume full teaching duties for at least a full year as the teacher of record.

Testimony from PED presented the recommendations of the work group for a mentorship model to be implemented in two phases. Phase I of the mentorship model, according to this testimony, includes using existing resources to provide online support to new high school teachers, developing relationships to establish regional support in Phase II, and annual reporting, all of which can be done at no additional cost. Phase II, which would require more time and additional funding to implement, will include expanded online resources such as video modules developed in-state; expanded regional support for new teachers from institutions of higher education, including content coaching from arts and sciences faculty; expanded data collection and reporting, including tracking the institution where teachers complete their teacher preparation programs; and a three-year teacher induction program for all new teachers to align with the requirements for advancement from Level 1 to Level 2 in the three-tiered licensure system.

SCHOOL PRINCIPAL RECRUITMENT AND MENTORING, SJM 3

Endorsed by the LESC, Senate Joint Memorial 3 (2008) was a response to needs identified in a joint study during the 2007 interim of the three-tiered licensure, evaluation, and salary system by OEA, the LESC, and the LFC. SJM 3 requested that OEA, PED, and HED, in collaboration with school districts and institutions of higher education, develop a plan to enhance the recruitment, preparation, mentoring, evaluation, professional development, and support for school principals and other school leaders. SJM 3 also asked that these agencies report their findings and recommendations to the LESC and that the plan be reviewed by the LESC before implementation. Testimony during the 2008 interim described the work conducted in response to the memorial, much of it revolving around six statewide meetings hosted by OEA and attended by more than 150 people from throughout the state.

Staff testimony began with a review of the history of the committee's study of and involvement in the issue of school leadership since 2001, including LESC-endorsed legislation in 2007 that implemented minimum salaries for principals and assistant principals, based on a school-level responsibility factor and requiring an evaluation component. Staff testimony also provided a context for school leadership in New Mexico and the nation; described the report on SJM 3, produced by OEA in collaboration with PED and HED; identified as a central point the shift in the expectations for principals from traditional administrative and managerial roles to a focus on the school principal's influence on school effectiveness and student learning; and enumerated the six recommendations in the report "for strengthening New Mexico's capacity to attract and retain strong school leaders":

1. revitalize school principal standards: by devoting particular attention to alignment between the PED rule on administrative licensure and the recently adopted framework for the evaluation of principals and assistant principals; and by implementing a revised, standards-based process through which PED approves all educational leadership preparation programs in New Mexico;
2. strengthen recruitment, incentives, and retention: by identifying potential school leaders; by considering financial incentives like a loan-for-service program; and by improving the working conditions through such activities as mentoring, internships, and defining school success in terms broader than just the adequate yearly progress of NCLB;

3. develop and implement the New Mexico Leadership Institute: by supporting a collaborative framework for strengthening the preparation, mentoring, and professional development of school leaders through several specific programs;
4. establish data and accountability systems: by developing a database that, among other features, links higher education and public school data to track supply and demand and that captures demographic and academic data on leadership candidates;
5. refine current certification requirements: by changing the required years of teaching experience to obtain a Level 3-B license and by developing a provisional school administrator license; and
6. refine and revitalize university principal preparation programs: by developing a core educational leadership curriculum for the colleges of education and ensuring transferability of this core curriculum; and by having the colleges of education partner in the development of the New Mexico Leadership Institute.

Testimony in support of these recommendations came from the National Conference of State Legislatures, OEA, PED, HED, and representatives of public schools, colleges of education, and other administrator preparation programs.

STUDY SCHOOL STAFF SHORTAGE ISSUES, HJM 3

Also endorsed by the LESC, House Joint Memorial 3 (2008), *Study School Staff Shortage Issues*, requested that PED and OEA examine issues related to turnover and emergencies resulting from predicted shortages of school counselors, nurses, and other professional instructional support personnel in public school districts and charter schools. The memorial further requested that PED and OEA report their findings and recommendations to the LESC prior to the first session of the Forty-ninth Legislature. Staff testimony on this issue during the 2008 interim summarized the findings and recommendations of the report that PED and OEA produced in response to HJM 3, with particular attention to issues affecting school counselors and school nurses.

With regard to school counselors, the report reviewed the services performed, from providing academic and career guidance to providing individual and group counseling in response to crisis situations; noted that the student-to-counselor ratio in New Mexico is higher than the national average and considerably higher than that recommended by the American School Counselor Association; and suggested that the age of most counselors in New Mexico – from their late 40s to late 50s – portends a shortage of counselors in the near future. The report contained similar findings regarding nurses, with the additional emphasis upon the services performed – caring for students with serious medical conditions such as diabetes, asthma, epilepsy, and behavioral health issues – and the fact that, according to PED, 25 percent of students in New Mexico public schools require daily medical procedures.

Staff testimony concluded with the recommendation in the report to create a joint task force comprising representatives from PED and the boards of both the New Mexico School Counselors Association and the New Mexico School Nurses Association. Among its activities, this task force would review the alignment between state and national standards for school counselors and

nurses; review the career pathway for counselors and nurses, particularly in terms of the proposed funding formula (see “Proposed Public School Funding Formula,” p. 11); address the need for PED oversight of the school counseling programs in New Mexico; and work on a systematic plan to reduce student-to-counselor and student-to-nurse ratios.

SCHOOL PROGRAMS AND STUDENT SERVICES

STATEWIDE CYBER ACADEMY/INNOVATIVE DIGITAL EDUCATION AND LEARNING (IDEAL-NM)

In 2007, the Legislature passed LESC-endorsed legislation to create a statewide cyber academy (the *Statewide Cyber Academy Act*) and appropriated funds to implement the Innovative Digital Education and Learning-New Mexico (IDEAL-NM). Since 2007, the Legislature has appropriated a total of approximately \$9.1 million for these initiatives, including \$7.4 million to HED and \$1.67 million to PED. The three main goals of IDEAL-NM are: (1) create a statewide eLearning services center; (2) implement a statewide eLearning system that will provide online learning and professional development to P-12, higher education, and state agencies; and (3) create a statewide cyber academy serving grades P-12. Testimony about IDEAL-NM during the 2008 interim came from LESC staff, the Executive Director of IDEAL-NM, and the Department of Information Technology.

Staff testimony reviewed several issues that had arisen during the early stages of implementation of IDEAL-NM – among them, limited awareness of the cyber academy by school districts and the absence of a PED rule to govern the cyber academy – but then added that these issues have since been resolved. Staff testimony also noted that the plan to serve grades P-12 is more comprehensive than the *Statewide Cyber Academy Act*, which requires distance learning courses only for grades 6 through 12.

The Executive Director of IDEAL-NM described a pilot program that had operated in school year 2007-2008; announced the official opening of the statewide cyber academy, scheduled for August 12, 2008; and described the progress toward and plans for implementation of IDEAL-NM in higher education and state agencies. Regarding the cyber academy in particular, the director testified that, for fall 2008, the academy will offer 19 courses developed in New Mexico and 15 courses developed by a vendor, all taught by New Mexico teachers, as well as 19 Advanced Placement courses instructed by national providers. The average cost to develop a cyber academy course, this testimony continued, is approximately \$7,200, including developing and uploading the course content and purchasing interactive mathematics and science simulations.

Finally, testimony from the Department of Information Technology provided an overview of the process for certifying projects and releasing the funds, explaining that each phase of a project must be certified, including the initiation phase, planning phase, implementation phase, and closeout phase. On average, this testimony continued, certification for a single project takes 12 days to complete – longer if agencies submit incomplete requests for certification.

ADULT BASIC EDUCATION

The federal *Workforce Investment Act of 1998* defined adult basic education (ABE) within Title II as services or instruction below the postsecondary level for individuals who have attained 16 years of age; who are not enrolled or required to be enrolled in secondary school under state law; and who lack sufficient mastery of basic educational skills to enable them to function effectively in society. In 2003, the Legislature amended statute to transfer the responsibility and authority of the state level ABE program from the former State Board of Education to the Commission on Higher Education (now the Higher Education Department, or HED). The administrative transfer of the ABE program to HED occurred in April 2005. During the 2008 interim, the LESC heard testimony on this program for the first time since it was transferred to HED.

Staff testimony began with a description of the need for ABE services in New Mexico. According to a HED report in 2007, approximately 400,000 adults in New Mexico need education services because they lack either a high school education or the ability to speak English well, or both. Furthermore, this testimony continued, the 28 local ABE programs administered by the Adult Basic Education Division at HED annually serve fewer than 6.0 percent of the eligible ABE population and only 4.3 percent of the eligible English-as-a-second language population.

Funding for ABE programs, this testimony continued, comes from federal and state sources. For FY 08, HED reports the receipt of over \$3.4 million in federal funds from the *Workforce Investment Act*. At the state level, the Legislature has historically appropriated an amount well above the required federal match of 25 percent. For FY 08, for example, the 2007 Legislature appropriated approximately \$6.4 million, an amount in addition to the instructional materials provided to ABE programs through the Instructional Material Fund. During the past three fiscal years, federal funding has decreased slightly and state funding has grown modestly; and, overall, funding levels are a point of concern among directors of ABE programs.

Staff testimony also included the results of a survey conducted by LESC staff of the directors of the 28 ABE programs in New Mexico. With an 82 percent response rate, survey respondents noted the reduced program effectiveness because of limited funding, the lack of adequate instructional materials, and the respondents' desire for greater cooperation with colleges to meet the needs of eligible ABE students, among other concerns. One particular issue that the survey identified was a dilemma resulting from the conflict between the federal eligible age for ABE and General Educational Development services – 16 years old – and the compulsory school age under New Mexico law – 18 years old.

Testimony from HED focused on the department's plans to expand and enhance ABE services: serving those on the waiting list, increasing the number of instructional hours per week, developing curricula around New Mexico's career pathways, preparing students for college, and expanding services to increase enrollment by 10 percent. Altogether, these initiatives account for a total ABE request of \$8.45 million.

Finally, the committee voted unanimously to write a letter to the Secretary of Higher Education requesting that HED develop a plan to address ABE funding.

WORK-STUDY PROGRAMS

Classified as financial aid, work-study programs provide eligible undergraduate and graduate students with employment opportunities that are funded in part by state or federal work-study funds. Both the state and the federal work-study programs require that employers match a portion of students' work-study salaries (20 percent for the state program, 25 percent for the federal program) and that students earn at least the minimum wage. To receive a state or federal work-study award, students complete the Free Application for Federal Student Aid to determine their level of financial need. Based upon that need, postsecondary institutions provide each eligible student with a work-study award, which is the maximum amount that the student may earn in a work-study job during the academic year. Since 1999, the Legislature has appropriated approximately \$223.2 million in non-reverting funds from the General Fund to HED for student financial aid; of that amount, approximately \$54.0 million, or 24 percent, of all student financial aid has gone to the state work-study program.

Staff testimony on this topic identified several issues:

- Currently, HED does not maintain a list of nonprofit organizations approved for the work-study program, as allowed in the state *Work-Study Act*, and the department rule has not been updated since 1998.
- A number of the reports filed with HED by institutions receiving state work-study funding contain omissions and discrepancies.
- Phased increases in both the New Mexico and the federal minimum wages, which began in 2007, will affect the number and amount of work-study awards, as well as the appropriations needed to support the program.
- Although HED has allocated state work-study funds to community colleges and tribal colleges, there are legal questions whether those institutions are eligible for the work-study program under state law and the state constitution.

Testimony from HED explained how the department has begun to address these issues and described the department's efforts with the articulation and transfer of courses from community colleges to four-year institutions and from tribal colleges to four-year institutions.

DUAL CREDIT: LESC WORK GROUP REPORT

Enacted in 2007, LESC-endorsed legislation provided, for the first time, a statewide dual credit program authorized in statute and supported by the state. This legislation was amended in 2008, also as endorsed by the LESC, to expand the program to include state-supported schools, in addition to school districts and charter schools, and to allow dual credit courses to be taken during the summer term. In school year 2008-2009, the program is being fully implemented.

One of the requirements in the legislation is that the school district, charter school, or state-supported school provide the student's textbooks and course supplies, a requirement whose fiscal impact had caused some concern. To help offset this impact for school year 2008-2009, the

Legislature increased the FY 09 appropriation to the Instructional Material Fund by \$1.3 million. Seeking a more long-term solution, the LESC Chair asked the Director to convene a work group to determine the amount of money needed and a methodology for distributing the funds. Staff testimony described the activities and recommendations of this work group.

To address the first charge to the work group – estimating the cost of textbooks and course supplies for dual credit courses – members gathered enrollment data and textbook cost data and reached consensus on the following points:

- an average per-course cost of textbooks and course supplies of \$82.00;
- a projected enrollment in dual credit courses of 6,000 students during school year 2008-2009; and
- an average of three dual credit courses per student.

Therefore, this testimony continued, assuming 18,000 dual credit courses at a cost of \$82.00 each for books and supplies, the work group recommended an appropriation of approximately \$1.5 million for FY 10 (school year 2009-2010).

Regarding the second charge – a method for distributing the funds – staff testified that the members of the work group agreed that a separate fund should be created strictly for dual credit textbooks and course supplies. They also agreed on a distribution method somewhat like the process used in the *Instructional Material Law*, except that the allocations would be based on a school's or district's actual enrollment in dual credit courses during the preceding calendar year and that PED would distribute 100 percent of those allocations, to the extent that funds are available.

Finally, several other members of the work group testified that they and the entities they represent support the recommendations of the work group.

INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

Interstate compacts are contracts between two or more states – somewhat like treaties between nations – that establish agreements at either the regional or national level. The compacts currently in effect in the United States cover a range of issues such as conservation and resource management, civil defense, education, emergency management, and transportation. During the 2008 interim, the LESC heard testimony on the Interstate Compact on Educational Opportunity for Military Children, which was drafted by the Council on State Governments, in collaboration with the Department of Defense, to address the educational transition issues of children of military families.

To begin the testimony, the Regional Liaison for Military Families, with the Office of the Deputy Undersecretary of Defense, reviewed the background to and need for the compact and explained its major provisions. Through four major components – enrollment, eligibility, placement, and graduation – the compact addresses the needs of military school children during transition and deployment of their parents. Focusing on both the sending and receiving state, this

testimony continued, the compact provides for such matters as timely transfer of records, flexibility in extracurricular activities, and accommodations for graduation requirements. The Regional Liaison further testified that, because 11 states have adopted it (a minimum of 10 is required), the compact is now in effect; and that the Interstate Commission, which will oversee implementation of the compact, scheduled its first meeting for late October 2008. He encouraged New Mexico to join the other 11 states in adopting the compact, a point reinforced during committee discussion by the Senior State Liaison with the Office of the Undersecretary of Defense.

While it also addressed the need for the compact, the nature of the military presence in New Mexico, services and accommodations already available for military families, and compact-related actions in other states, staff testimony focused on the likely consequences to the state if it were to join the compact. For one, the state would cede its sovereignty over matters governed by the compact because the provisions of the compact in general take precedence over state law and because the rules to be promulgated by the Interstate Commission will have the force and effect of state law. For another, the state's executive, legislative, and judicial branches would be responsible for enforcing the compact; and the state could be subject to injunctive relief and damages through legal action in the US District Court for the District of Columbia if the Interstate Commission determined that the state had defaulted in the performance of its obligations. Finally, staff testimony noted, the compact would also have an undetermined fiscal impact on the state, in the form of membership fees payable to the Interstate Commission; expenses incurred in state-level administration, including the state council and the military family education liaison that the compact requires; expenses to attend out-of-state meetings of the commission; and any penalties that the commission may assess against the state.

TRUANCY: LESC WORK GROUP RECOMMENDATIONS

The LESC has always recognized the importance of regular school attendance. During recent years, the committee's formal focus on truancy has led to LESC-endorsed legislation to amend the *Compulsory School Attendance Law* in the *Public School Code* with regard to parental responsibility and district- and school-level intervention to keep students in school; and the comprehensive school reform legislation that the LESC endorsed in 2003 included the *Family and Youth Resource Act* (FYRA), which, although not directed at truancy *per se*, addresses some of the causes of truancy. In addition, since FY 05, the Legislature has appropriated approximately \$3.8 million for truancy and dropout prevention initiatives, including \$495,000 in FY 09 for school-based projects at 16 sites and in addition to \$1.5 million in FY 09 for FYRA.

Despite these efforts, however, truancy remains a concern. According to a report from PED, there were more than 1.6 million unexcused absences reported during school year 2007-2008; and more than 13 percent of students in regular public schools and charter schools were habitually truant. To continue to address this issue, in February 2008, at the request of the Chair, the LESC Director convened the LESC 2008 Truancy Work Group. Staff testimony described the activities and recommendations of this work group.

Over the course of five meetings during the interim, staff testimony explained, the work group focused on such aspects of truancy as provisions in current law; current practices in school districts; intervention strategies and recognized best practices; and funding of truancy prevention

initiatives in New Mexico. Through its examination of successful programs already operating in the state, the work group identified these practices as most effective: the case management approach, pre-adjudication training sessions for parents and students, age- and grade-level interventions, school-based behavioral health services, and community coordination teams. Among its other findings, supplemented by an LESC staff survey of school districts and truancy/dropout prevention programs, the work group determined that district practices vary widely, especially in terms of intervention and enforcement methods; that the *Public School Code* and the *Children's Code* define truancy terms in different ways; that some districts lack an adequate number of trained staff; that the guidance from PED is insufficient; and that a comprehensive approach would be the most effective means of addressing truancy statewide. Of particular concern to the work group, staff testimony continued, was the potentially stigmatizing and counterproductive effect of the term "truant" when, as provided in current law, it is applied to a student with five unexcused absences within a 20-day period.

Staff testimony concluded with the work group's recommendations to address these issues and concerns. In general, these recommendations focused on the definitions of terms, guidance and oversight by PED, and district-level practices and procedures. More specifically, the work group recommended legislation establishing a statewide program of truancy/dropout prevention and increased appropriations to FYRA (see "Statutorily Created Funds," p. 36).

Finally, other members of the work group, including representatives of PED and CYFD, testified in support of the recommendations, noting that they reflected the consensus, if not the unanimous agreement, of the other members.

FISCAL ISSUES AND RISK MANAGEMENT

LAND GRANT PERMANENT FUND: ROYALTIES AND CONTRIBUTIONS

During the late 19th and early 20th centuries, in anticipation of statehood for New Mexico, the United States transferred 13.4 million acres of federal land to the Territory of New Mexico, with the stipulation that those lands be held in trust for the designated beneficiaries. As the trustees of these resources, the Commissioner of Public Lands and the State Land Office (SLO) lease the trust lands for mineral exploration and grazing rights, and, under certain conditions, may also sell or exchange trust properties. The revenues produced from these activities are transferred to the Land Grant Permanent Fund and then invested by the State Investment Office.

During the 2008 interim, testimony by the Commissioner of Public Lands provided an overview of the Land Grant Permanent Fund, including royalties and contributions to the fund; reviewed the outreach programs and other initiatives of the SLO; and described the historical role of the SLO to maximize revenues for New Mexico's public schools while safeguarding and preserving the millions of acres of land and minerals held in trust for the fund's beneficiaries. Those beneficiaries include not only the public schools but also several universities, state-supported schools, hospitals, penal institutions, and, since 1949, the State Parks Division.

This testimony explained that the SLO derives revenue from both renewable resources, such as rentals, rights-of-way, and interest (which are deposited into the Land Maintenance Fund); and from non-renewable resources, such as royalties and land sale proceeds (which are deposited into the Land Grant Permanent Fund for the trust beneficiaries). From FY 03 through FY 07, total distributions from the Land Maintenance Fund have been almost \$238.0 million and from the Land Grant Permanent Fund almost \$2.0 billion; and the value of the Land Grant Permanent Fund at the time of the testimony (June 2008) was approximately \$11.0 billion, almost all of it generated through oil and gas revenues.

In his testimony, the Commissioner also reviewed the constitutional amendment adopted in 2003, which established a temporary additional distribution from the Permanent Fund to fund educational reform: 5.8 percent of the five-year average market value from FY 05 through FY 12; and 5.5 percent from FY 13 through FY 16. Then in FY 17 the distribution reverts to the base 5.0 percent. If the proposed public school funding formula is adopted, the Commissioner added, he would recommend keeping the distribution rate at 5.8 percent (see “Proposed Public School Funding Formula,” p. 11).

STATUTORILY CREATED FUNDS

In order to provide school districts with funding for specific programs, the Legislature has created a number of separate categorical funds with specific criteria and formulas for distribution. During the 2008 interim, LESC staff provided a review of some of those funds, with particular attention to: (1) the purpose of the funds; (2) the appropriation history of the funds; and (3) the distribution of funds, as well as any other significant issues.

According to staff testimony, one issue discovered during the staff review was a pattern of delayed distributions from some of the funds examined, particularly those for which PED requires school districts to request funds on a reimbursement basis. In some cases, district requests for reimbursement had not been processed in a timely manner; in other cases, districts seemed slow to request reimbursement. The staff testimony also identified more particular issues with certain specific funds. For example:

- The staff review of the Family and Youth Resource Fund found that, in some instances, programs funded in previous years had lost their funding for FY 08 because their student populations no longer met the 80 percent Free and Reduced-fee Lunch eligibility requirement; however, the student demographics in those schools were essentially unchanged and therefore still in a position to benefit from the services offered through the *Family and Youth Resource Act*.
- Of the \$6.5 million budgeted for expenditure from the Indian Education Fund for FY 08, nearly \$2.1 million remained unexpended or unencumbered at the time of the review. The staff testimony also noted that, during previous interims, PED had retained large cash balances in the Indian Education Fund, suggesting that the needs identified in the act are possibly not being addressed.
- Another fund with a large balance is the Educational Technology Deficiency Correction Fund. Of the \$4.3 million budgeted for expenditure in FY 08, only approximately \$370,000 had been expended at the time of the staff testimony. Another issue with this fund is that PED reports that the department has no available resources to contract with an independent third party to verify the assessment of deficiencies, as required by the *Technology for Education Act*. Instead, PED requests that superintendents sign an assurance document as a means of verifying districts’ technology needs.
- Finally, PED has not yet developed rules for the distribution of money in the Mathematics and Science Proficiency Fund. Granted that no appropriations have been made to the fund to date, staff testimony suggested that it would be prudent to have a rule in place in anticipation of funding rather than to receive funding without the benefit of a rule, especially if the Legislature were to appropriate the funds for summer science, math, and reading institutes to this fund.

RETIREE HEALTH CARE FUND SOLVENCY

Created in 1990 to administer healthcare benefits and life insurance for New Mexico's current and future eligible retirees and their dependents, the Retiree Health Care Fund currently serves 487 employers and approximately 42,000 employees. The fund has four primary sources of income: (1) contributions from participating employers and active employees; (2) distributions from state income tax payments; (3) monthly premium contributions of enrolled participants; and (4) investment income. In response to legislation enacted in 2007, a work group identified three significant issues facing the fund and the Retiree Health Care Authority (RHCA), which administers the fund:

- a projection of insolvency by June 2014;
- new accounting standards that may eventually affect the state's bond rating; and
- costs exceeding revenues because of increasing medical costs, increasing numbers of retirees entering the system, and little pre-funding of benefits.

Staff testimony reviewed the work group's recommendations for addressing these issues, including such measures as adjusting premiums, increasing the employer and employee contributions, using the revenue to pre-fund future liabilities, and focusing on extending the solvency of the fund to 25 years. Staff testimony also noted that legislation based on the work group's recommendations was introduced during the 2008 legislative session; however, it did not pass.

The Executive Director of the RHCA testified about actions taken by the RHCA board in both 2007 and 2008 to extend the solvency of the fund. Among them were adjusting benefit designs, including increases to certain co-payments and out-of-pocket expenses; approving premium increases in both years; and establishing a policy requiring future premium increases to track medical cost trends. This testimony also identified further actions that the RHCA board is considering, such as requiring that all enrollees attest that they are not eligible for other healthcare coverage due to other employment and requiring a medical exam prior to reentry into the system.

OTHER TOPICS

STUDY REGIONAL EDUCATION COOPERATIVES, SM 41: FINAL REPORT

Senate Memorial 41 (2008), *Study Regional Education Cooperatives*, requests that the LESC, PED, and the state's nine regional education cooperatives (RECs) study the roles, responsibilities, and financial requirements of the RECs and report to the LESC their findings and recommendations, including recommendations for statutory changes and funding, if necessary. The memorial was introduced in response to several fiscal and communication issues that had arisen in recent years between PED and the RECs – issues related to late reimbursements, loss of federal funding, and misunderstandings regarding the RECs' ability to apply for and receive federal grants on behalf of their members.

Staff testimony described the activities of the LESC SM 41 Regional Education Cooperatives Work Group through its meetings during the 2008 interim and noted that the members of the work group had reached consensus on several recommendations, among them: amending statute to allow RECs to engage in entrepreneurial activities and to identify procedures to hold RECs accountable for meeting the needs of their members. Other recommendations addressed such issues as an integrated data base, additional accountability measures, refined budget reporting requirements, and the possibility of annual legislative appropriations to PED for REC base operational costs.

Another point raised in staff testimony was the question whether the RECs, which are categorized as educational service agencies, are eligible to apply for and receive federal grants, which are often intended only for local education agencies (LEAs), usually construed to be school districts. At a meeting subsequent to the presentation to the LESC, the RECs chose to recommend statutory language that would allow them to apply for and receive federal grants on behalf of their members without becoming LEAs themselves.

Testimony from two of the RECs focused first on the services provided to the 58 rural school districts served by the RECs, with a total enrollment of approximately 42,700 students. Of those schools served, according to this testimony, 70 percent met AYP for school year 2006-2007, compared to the statewide average of 45.5 percent. The REC testimony also reviewed the results of the work group's efforts regarding the development of uniform budgeting and reporting procedures for the RECs and presented the budgets of the RECs.

ADDITIONAL PRESENTATIONS AND REPORTS

In addition to the presentations summarized elsewhere in this report, the LESC heard testimony about public school budgets for FY 09; the Higher Education Funding Formula; the Public School Capital Outlay Oversight Task Force; the New Mexico Alliance for School-based Health Care; the New Mexico Public School Insurance Authority; ENLACE New Mexico; identical memorials from 2008, HM 46 and SM 36, on the feasibility of implementing a pre-apprenticeship curriculum in high school; the New Mexico Association for the Gifted; the Albuquerque Association for Gifted and Talented Students; the Roswell Association for Gifted Students; Library Media Services/Instructional Materials, Albuquerque Public Schools; the Shapiro Method for Teaching Math; proposed legislation regarding biological origins; Science Technology, Engineering and Math (STEM) education; the Save the Children Program; New Mexico Forum for Youth in Community; ABC Community Schools Partnership; the New Mexico Coalition of School Administrators; the Albuquerque Teachers Federation; National Education Association-New Mexico; the New Mexico School Boards Association; the New Mexico Congress of Parents and Teachers Association; the Healthy Kids Initiative; the Summer Science Program, Inc.; Parents for Behaviorally Different Children; Citizen Schools; New Mexico RoboRAVE International; Healthy Kids, Healthy Economy; New Mexico Advisory Council for Arts Education; Local 4127 Union-Albuquerque Secretarial/Clerical Association; and a variety of programs at the University of New Mexico.

The committee also received the following written reports: *Public School Capital Outlay Awards Annual Report*; *Monitor Response to Intervention Program, SJM 9*; *Math and Science Education in New Mexico*; *Study Education Accountability Targets, SJM 43*; and *Study School Transportation Funding, SJM 12*.

PUBLIC SCHOOL SUPPORT DATA

TABLE 1	History of General Fund Recurring Appropriations for Public Education FY 99 through FY 09
FIGURE 1	FY 09 General Fund Appropriations
TABLE 2	Percentage Change in New Mexico Average Returning Teacher Salaries, 1998-1999 through 2008-2009
TABLE 3	Average Returning Teachers' Salaries, 2007-2008 Estimated Actual to 2008-2009 Budgeted (Ranked by 2008-2009 Salary)
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TABLE 1
HISTORY OF GENERAL FUND RECURRING APPROPRIATIONS
FOR PUBLIC EDUCATION
(FY 99 through FY 09)

Fiscal Year	Total Appropriation (in thousands)	Public Education* (in thousands)	Dollar Increase (from prior year) (in thousands)	Percent to Public Education
1999	\$3,152,680.1	\$1,487,260.3	\$112,976.3	47.2%
2000	\$3,328,489.7	\$1,562,907.9	\$75,647.6	47.0%
2001	\$3,574,160.3	\$1,657,343.6	\$94,435.7	46.4%
2002	\$3,866,225.9	\$1,805,538.6	\$148,195.0	46.7%
2003	\$3,896,246.7	\$1,808,677.6	\$3,139.0	46.4%
2004	\$4,119,803.3	\$1,883,638.4	\$74,960.8	45.7%
2005	\$4,384,999.0	\$1,992,856.7	\$109,218.3	45.4%
2006	\$4,708,633.3	\$2,131,901.6	\$139,044.9	45.3%
2007	\$5,113,148.0	\$2,293,467.1	\$161,565.5	44.9%
2008 (Preliminary)	\$5,674,925.3	\$2,484,677.9	\$191,210.8	43.8%
2009 (Estimated)	\$5,867,656.0	\$2,553,241.0	\$68,563.1	43.5%

* Beginning in FY 06, public education includes public school support, funding for the Public Education Department, and special projects. Prior to FY 06, public education also included General Fund appropriations to the School for the Blind and Visually Impaired and the School for the Deaf.

FIGURE 1

FY 09 GENERAL FUND APPROPRIATIONS
(TOTAL GENERAL FUND RECURRING APPROPRIATIONS = \$5,867,656.0)
(dollar amounts in thousands)

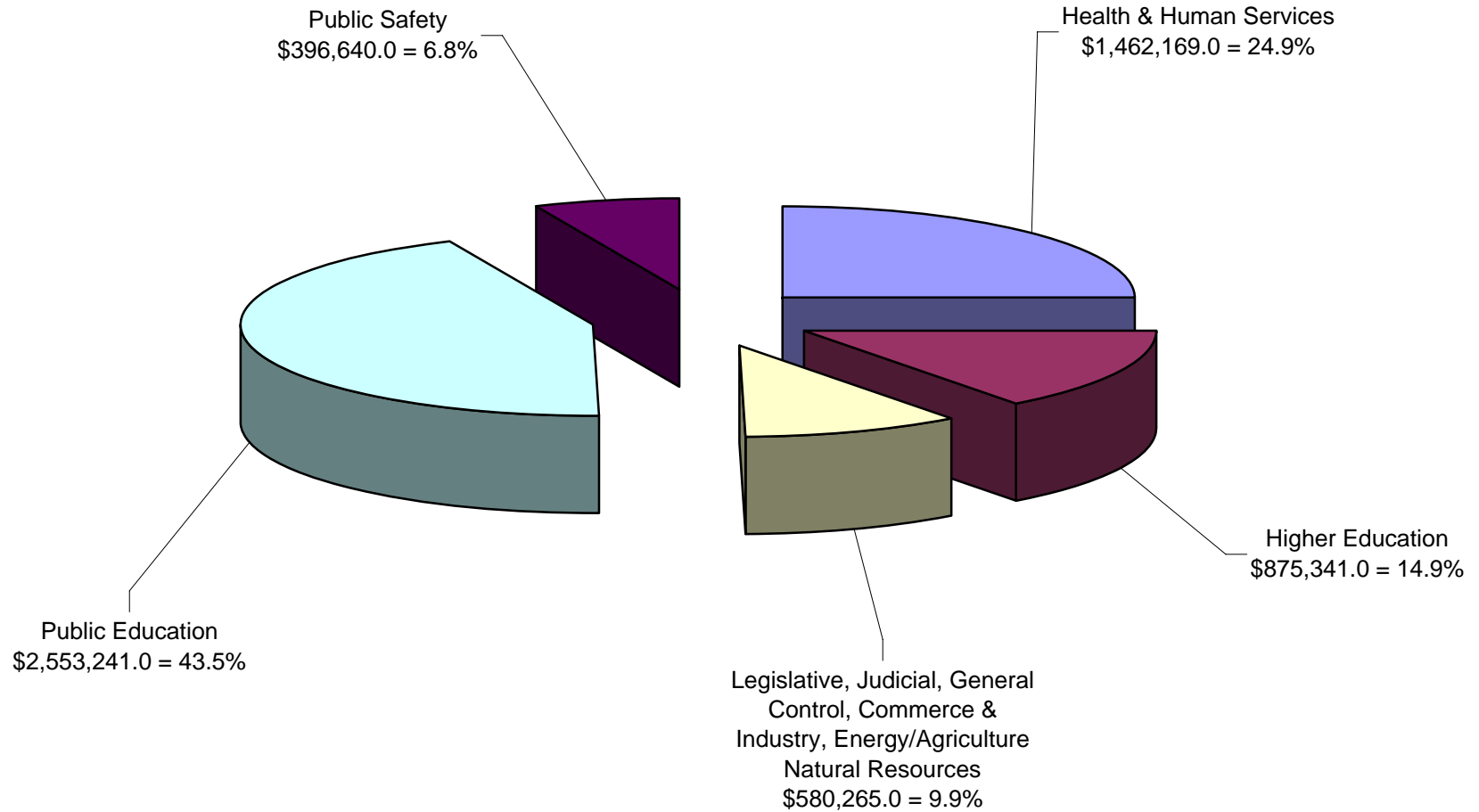


TABLE 2

**PERCENTAGE CHANGE IN NEW MEXICO
AVERAGE RETURNING TEACHER SALARIES
1998-1999 THROUGH 2008-2009**

School Year	Average Returning Teacher Salary	Difference	Percent Increase
1998-1999	\$31,982	\$2,074	6.93%
1999-2000	\$32,731	\$749	2.34%
2000-2001	\$34,310	\$1,579	4.82%
2001-2002	\$36,440	\$2,130	6.21%
2002-2003	\$36,805	\$365	1.00%
2003-2004	\$38,196	\$1,391	3.78%
2004-2005	\$39,279	\$1,083	2.84%
2005-2006	\$40,804	\$1,525	3.88%
2006-2007	\$42,567	\$1,763	4.32%
2007-2008 ¹	\$45,552	\$2,985	7.01%
2008-2009 ²	\$46,885	\$1,333	2.93%

¹Public Education Department estimated actual

²Public Education Department budgeted

NOTE: New Mexico's average returning teacher salary includes only those salaries paid from state operational funds, and does not include beginning teacher salaries.

TABLE 3

AVERAGE RETURNING TEACHERS' SALARIES

2007-2008 ESTIMATED ACTUAL TO 2008-2009 BUDGETED (RANKED BY 2008-2009 SALARY*)

District	2008-2009	2007-2008	2008-2009	Difference	Change	Contract	Avg Yrs
	Rank	Average	Average			Hourly Rate	
ALAMOGORDO	62	\$44,868	\$46,123	\$1,255	2.80%	\$35.81	12.17
ALBUQUERQUE		\$45,600	\$46,738	\$1,138	2.50%	\$38.76	13.06
Academia de Lengua y Cultura		\$45,629	\$46,191	\$562	1.23%	\$32.31	1.33
AIMS @ UNM		\$43,323	\$45,712	\$2,389	5.51%	\$38.85	4.11
Alb. Talent Development Secondary Charter		\$45,986	\$52,542	\$6,556	14.26%	\$47.59	15.42
Amy Biehl Charter High		\$43,625	\$45,810	\$2,185	5.01%	\$31.81	7.53
Bataan Military Academy		\$50,726	\$52,253	\$1,527	3.01%	\$38.49	30.00
Career Academic & Tech. Academy		\$47,047	\$48,306	\$1,259	2.68%	\$38.14	8.23
Cesar Chavez Community School		\$50,683	\$53,841	\$3,158	6.23%	\$35.24	6.50
Christine Duncan Community School		\$40,452	\$43,305	\$2,853	7.05%	\$31.04	1.56
Creative Education Prep. Institute #1		\$46,766	\$48,636	\$1,870	4.00%	\$32.69	9.34
Creative Education Prep. Institute #2		\$49,514	\$51,247	\$1,733	3.50%	\$35.59	7.75
Digital Arts & Technology		\$43,043	\$44,609	\$1,566	3.64%	\$29.50	11.73
East Mountain High School		\$42,834	\$43,929	\$1,095	2.56%	\$29.84	7.38
El Camino Real Academy		\$39,117	\$40,152	\$1,035	2.65%	\$28.30	5.19
La Academia de Esperanza		\$46,970	\$48,167	\$1,197	2.55%	\$38.36	8.86
La Luz del Monte Learning Center		\$42,778	\$43,851	\$1,073	2.51%	\$32.34	4.78
La Promesa Early Learning Center		\$41,219	\$42,662	\$1,443	3.50%	\$42.86	5.00
La Resolana Leadership Academy		\$40,000	\$41,044	\$1,044	2.61%	\$28.80	8.00
Learning Community Charter School (The)		\$48,940	\$50,653	\$1,713	3.50%	\$40.20	15.00
Los Puentes Charter School		\$45,896	\$47,071	\$1,175	2.56%	\$34.30	8.67
Montessori Elementary School		\$34,987	\$36,881	\$1,894	5.41%	\$29.27	4.00
Montessori of the Rio Grande		\$40,800	\$41,834	\$1,034	2.53%	\$30.99	7.30
Mountain Mahogany Community School		\$41,232	\$42,680	\$1,448	3.51%	\$30.43	5.26
Native American Community Academy		\$40,065	\$41,691	\$1,626	4.06%	\$25.42	2.92
North Albuquerque Co-Op Community		\$43,324	\$44,441	\$1,117	2.58%	\$33.10	6.63
Nuestros Valores Charter School		\$49,186	\$50,404	\$1,218	2.48%	\$37.66	9.79
Public Academy for Performing Arts (PAPA)		\$45,148	\$47,324	\$2,176	4.82%	\$39.17	8.09
Ralph J. Bunche Academy		\$37,800	\$39,942	\$2,142	5.67%	\$31.14	5.00
Robert F. Kennedy Charter School		\$42,132	\$43,311	\$1,179	2.80%	\$27.53	9.48
S.I.A. Tech		\$59,670	\$66,171	\$6,501	10.89%	\$44.03	10.00
South Valley Academy		\$49,680	\$51,171	\$1,491	3.00%	\$31.82	7.38
Southwest Primary Learning Center		\$45,663	\$46,809	\$1,146	2.51%	\$30.19	3.86
Southwest Secondary Learning Center		\$41,665	\$42,701	\$1,036	2.49%	\$29.42	3.88
Twenty-First Century Public Academy		\$45,161	\$46,317	\$1,156	2.56%	\$40.26	10.89
Youth Build Trade & Technology High		\$46,470	\$48,016	\$1,546	3.33%	\$37.23	2.44
ALBUQUERQUE W/CHARTERS ¹	53	\$45,533	\$46,707	\$1,174	2.58%	\$34.36	7.90
ANIMAS	17	\$48,503	\$50,050	\$1,547	3.19%	\$39.35	17.95
ARTESIA	18	\$48,567	\$49,976	\$1,409	2.90%	\$36.81	14.45
AZTEC		\$45,086	\$46,748	\$1,662	3.69%	\$34.20	13.58
Mosaic Academy Charter		\$38,435	\$41,995	\$3,560	9.26%	\$31.28	8.74
AZTEC W/CHARTER ¹	55	\$44,798	\$46,541	\$1,743	3.89%	\$32.74	11.16
BELEN	50	\$44,539	\$46,872	\$2,333	5.24%	\$36.86	12.13
BERNALILLO		\$44,509	\$45,688	\$1,179	2.65%	\$35.85	13.34
Village Academy		\$40,679	\$42,848	\$2,169	5.33%	\$36.02	12.00
BERNALILLO W/CHARTER ¹	69	\$44,461	\$45,652	\$1,191	2.68%	\$35.94	12.67
BLOOMFIELD	52	\$45,841	\$46,756	\$915	2.00%	\$36.04	15.46
CAPITAN	31	\$46,302	\$48,444	\$2,142	4.63%	\$34.95	16.22
CARLSBAD		\$60,518	\$62,451	\$1,933	3.19%	\$48.42	15.58
Jefferson Montessori Academy		\$47,066	\$48,890	\$1,824	3.88%	\$36.85	6.24
CARLSBAD W/CHARTER ¹	1	\$60,295	\$62,226	\$1,931	3.20%	\$42.64	10.91
CARRIZOZO	11	\$49,613	\$51,414	\$1,801	3.63%	\$38.08	14.19
CENTRAL	15	\$49,560	\$50,826	\$1,266	2.55%	\$36.63	16.26
CHAMA	20	\$47,091	\$49,663	\$2,572	5.46%	\$47.13	17.90
CIMARRON		\$47,148	\$48,392	\$1,244	2.64%	\$37.57	20.34
Moreno Valley High School		\$39,116	\$41,837	\$2,721	6.96%	\$38.09	10.98
CIMARRON W/CHARTER ¹	40	\$45,868	\$47,347	\$1,479	3.22%	\$37.83	15.66
CLAYTON	47	\$45,095	\$47,090	\$1,995	4.42%	\$33.47	15.43
CLOUDCROFT	28	\$47,370	\$48,767	\$1,397	2.95%	\$36.12	17.79
CLOVIS	79	\$43,408	\$44,731	\$1,323	3.05%	\$33.71	11.13

TABLE 3

**AVERAGE RETURNING TEACHERS' SALARIES
2007-2008 ESTIMATED ACTUAL TO 2008-2009 BUDGETED (RANKED BY 2008-2009 SALARY*)**

District	2008-2009	2007-2008	2008-2009	Difference	Change	Contract	Avg Yrs
	Rank	Average	Average			Hourly Rate	
COBRE	22	\$48,277	\$49,512	\$1,235	2.56%	\$38.44	14.79
CORONA	46	\$45,416	\$47,132	\$1,716	3.78%	\$37.21	13.04
CUBA	16	\$48,379	\$50,105	\$1,726	3.57%	\$34.22	17.47
DEMING		\$43,791	\$45,101	\$1,310	2.99%	\$32.83	10.83
Deming Cesar Chavez Charter High		\$33,686	\$38,140	\$4,454	13.22%	\$27.34	2.20
DEMING W/CHARTERS ¹	75	\$43,617	\$44,981	\$1,364	3.13%	\$30.08	6.51
DES MOINES	83	\$43,388	\$44,510	\$1,122	2.59%	\$29.48	12.36
DEXTER	60	\$44,816	\$46,208	\$1,392	3.11%	\$35.75	11.23
DORA	9	\$50,179	\$51,511	\$1,332	2.65%	\$34.86	18.52
DULCE	63	\$43,990	\$46,051	\$2,061	4.69%	\$33.92	11.53
ELIDA	59	\$45,021	\$46,218	\$1,197	2.66%	\$36.20	13.10
ESPANOLA		\$44,811	\$45,949	\$1,138	2.54%	\$36.47	13.83
Cariños de los Niños ³		\$41,459	\$44,453	\$2,994	7.22%	\$29.56	8.75
Espanola Military Academy		\$45,598	\$46,760	\$1,162	2.55%	\$31.26	12.75
ESPANOLA W/CHARTERS ¹	65	\$44,774	\$45,939	\$1,165	2.60%	\$32.43	11.78
ESTANCIA	36	\$46,585	\$48,097	\$1,512	3.25%	\$35.43	13.92
EUNICE	77	\$43,807	\$44,928	\$1,121	2.56%	\$33.16	12.59
FARMINGTON	48	\$45,486	\$47,005	\$1,519	3.34%	\$33.88	13.65
FLOYD	30	\$46,861	\$48,604	\$1,743	3.72%	\$37.05	12.49
FT. SUMNER	7	\$49,814	\$51,758	\$1,944	3.90%	\$41.28	19.89
GADSDEN	81	\$43,179	\$44,682	\$1,503	3.48%	\$34.62	10.29
GALLUP		\$42,956	\$44,037	\$1,081	2.52%	\$31.49	11.62
Middle College High School ²		\$48,940	\$50,455	\$1,515	3.10%	\$26.28	12.86
GALLUP W/CHARTER ¹	87	\$42,967	\$44,048	\$1,081	2.52%	\$28.89	12.24
GRADY	34	\$47,033	\$48,217	\$1,184	2.52%	\$41.10	18.33
GRANTS	39	\$45,975	\$47,702	\$1,727	3.76%	\$34.35	14.96
HAGERMAN	71	\$43,757	\$45,577	\$1,820	4.16%	\$33.76	9.15
HATCH	25	\$47,842	\$49,071	\$1,229	2.57%	\$35.75	11.57
HOBBS	42	\$45,758	\$47,222	\$1,464	3.20%	\$33.41	12.58
HONDO	78	\$43,049	\$44,774	\$1,725	4.01%	\$40.34	14.17
HORIZON ACADEMY WEST	90	\$40,915	\$42,638	\$1,723	4.21%	\$31.58	5.83
HOUSE	38	\$45,246	\$47,861	\$2,615	5.78%	\$40.41	12.27
JAL	4	\$53,003	\$54,857	\$1,854	3.50%	\$41.89	20.00
JEMEZ MOUNTAIN		\$46,847	\$48,065	\$1,218	2.60%	\$36.79	12.91
Lindrieth Area Heritage Charter School		\$51,316	\$55,384	\$4,068	7.93%	\$45.52	27.89
JEMEZ MOUNTAIN W/CHARTER ¹	29	\$47,202	\$48,647	\$1,445	3.06%	\$41.15	20.40
JEMEZ VALLEY		\$46,009	\$47,198	\$1,189	2.58%	\$32.92	10.77
San Diego Riverside		\$47,217	\$48,424	\$1,207	2.56%	\$39.84	12.44
Walatowa Charter High School		\$44,883	\$46,027	\$1,144	2.55%	\$35.35	6.53
JEMEZ VALLEY W/CHARTERS ¹	41	\$46,145	\$47,333	\$1,188	2.57%	\$36.04	9.91
LAKE ARTHUR	89	\$41,542	\$42,657	\$1,115	2.68%	\$29.62	8.18
LAS CRUCES		\$45,164	\$46,342	\$1,178	2.61%	\$33.37	12.18
Alma D' Arte Charter High		\$48,784	\$49,980	\$1,196	2.45%	\$36.42	15.61
La Academia Dolores Huerta		\$45,523	\$47,125	\$1,602	3.52%	\$37.40	16.31
Las Montanas Charter		\$46,117	\$47,294	\$1,177	2.55%	\$32.84	12.75
LAS CRUCES W/CHARTERS ¹	57	\$45,193	\$46,372	\$1,179	2.61%	\$35.01	14.21
LAS VEGAS CITY	66	\$44,770	\$45,912	\$1,142	2.55%	\$33.15	13.97
LOGAN	23	\$47,983	\$49,225	\$1,242	2.59%	\$41.76	18.30
LORDSBURG	68	\$44,646	\$45,862	\$1,216	2.72%	\$33.06	15.00
LOS ALAMOS	8	\$50,340	\$51,624	\$1,284	2.55%	\$43.26	16.68
LOS LUNAS	73	\$43,938	\$45,222	\$1,284	2.92%	\$35.11	12.00
LOVING	12	\$49,578	\$51,330	\$1,752	3.53%	\$39.85	13.42
LOVINGTON	49	\$45,571	\$46,952	\$1,381	3.03%	\$33.91	13.18
MAGDALENA	27	\$46,902	\$48,892	\$1,990	4.24%	\$39.94	13.09
MAXWELL	32	\$47,150	\$48,357	\$1,207	2.56%	\$39.81	16.74
MELROSE	26	\$47,735	\$48,988	\$1,253	2.62%	\$38.66	20.31
MESA VISTA	76	\$42,710	\$44,938	\$2,228	5.22%	\$35.86	12.88
MORA	33	\$46,442	\$48,228	\$1,786	3.85%	\$37.04	13.82
MORIARTY	67	\$44,191	\$45,866	\$1,675	3.79%	\$35.61	15.03
MOSQUERO	74	\$43,932	\$45,095	\$1,163	2.65%	\$37.90	21.68

TABLE 3

**AVERAGE RETURNING TEACHERS' SALARIES
2007-2008 ESTIMATED ACTUAL TO 2008-2009 BUDGETED (RANKED BY 2008-2009 SALARY*)**

District	2008-2009	2007-2008	2008-2009		Change	Contract	Avg Yrs Exp.
	Rank	Average	Average	Difference		Hourly Rate	
MOUNTAINAIR	45	\$45,587	\$47,135	\$1,548	3.40%	\$36.60	15.02
NORTH VALLEY ACADEMY	91	\$41,342	\$42,391	\$1,049	2.54%	\$34.14	6.37
PECOS	58	\$45,113	\$46,265	\$1,152	2.55%	\$33.34	13.76
PENASCO	21	\$47,934	\$49,630	\$1,696	3.54%	\$38.69	13.61
POJOAQUE	56	\$44,288	\$46,502	\$2,214	5.00%	\$38.88	12.84
PORTALES	43	\$44,580	\$47,172	\$2,592	5.81%	\$34.02	13.50
QUEMADO	86	\$43,170	\$44,327	\$1,157	2.68%	\$36.02	13.77
QUESTA		\$46,182	\$47,363	\$1,181	2.56%	\$36.77	15.64
Red River Valley Charter		\$27,776	\$28,663	\$887	3.19%	\$34.67	7.17
Roots & Wings Community School ³		\$50,000	\$53,428	\$3,428	6.86%	\$29.68	19.00
QUESTA W/CHARTERS¹	88	\$42,419	\$43,590	\$1,171	2.76%	\$33.71	13.93
RATON	37	\$46,650	\$47,893	\$1,243	2.66%	\$34.71	15.81
RESERVE	14	\$48,969	\$50,875	\$1,906	3.89%	\$42.12	18.21
RIO RANCHO	70	\$44,460	\$45,598	\$1,138	2.56%	\$35.60	10.31
ROSWELL		\$45,481	\$47,175	\$1,694	3.72%	\$34.64	13.37
Sidney Gutierrez Middle School		\$42,892	\$43,988	\$1,096	2.56%	\$30.55	10.62
ROSWELL W/CHARTER¹	44	\$45,456	\$47,145	\$1,689	3.72%	\$32.59	12.00
ROY	6	\$51,468	\$52,848	\$1,380	2.68%	\$43.75	12.53
RUIDOSO	5	\$52,157	\$53,586	\$1,429	2.74%	\$39.02	18.04
SAN JON	10	\$50,101	\$51,438	\$1,337	2.67%	\$41.49	21.13
SANTA FE		\$44,592	\$46,243	\$1,651	3.70%	\$36.70	13.00
Academy for Tech. and the Classics		\$42,811	\$43,670	\$859	2.01%	\$29.74	10.48
Charter School 37		\$38,911	\$39,915	\$1,004	2.58%	\$28.14	10.63
Monte del Sol Charter School		\$43,431	\$46,451	\$3,020	6.95%	\$32.26	13.18
Turquoise Trail Elementary		\$44,789	\$46,940	\$2,151	4.80%	\$33.77	10.61
SANTA FE W/CHARTERS¹	61	\$44,479	\$46,164	\$1,685	3.79%	\$32.12	11.58
SANTA ROSA	64	\$44,609	\$45,964	\$1,355	3.04%	\$35.35	13.62
SILVER CITY		\$49,571	\$51,297	\$1,726	3.48%	\$37.37	18.11
Aldo Leopold Charter School		\$46,514	\$48,169	\$1,655	3.56%	\$32.19	14.13
SILVER CITY W/CHARTER¹	13	\$49,453	\$51,176	\$1,723	3.48%	\$34.78	16.12
SOCORRO		\$43,360	\$44,464	\$1,104	2.55%	\$34.77	13.04
Cottonwood Valley Charter School		\$40,481	\$42,866	\$2,385	5.89%	\$34.02	7.88
SOCORRO W/CHARTER¹	85	\$43,169	\$44,358	\$1,189	2.75%	\$34.39	10.46
SPRINGER	72	\$44,403	\$45,576	\$1,173	2.64%	\$37.48	10.44
TAOS		\$43,260	\$44,555	\$1,295	2.99%	\$37.59	12.78
Anansi Charter School		\$46,919	\$48,116	\$1,197	2.55%	\$32.34	19.22
Taos Municipal Charter School		\$44,634	\$46,469	\$1,835	4.11%	\$31.74	11.69
Vista Grande High School		\$35,000	\$35,875	\$875	2.50%	\$22.20	1.00
TAOS W/CHARTERS¹	84	\$43,194	\$44,509	\$1,315	3.04%	\$30.97	11.17
TATUM	3	\$55,582	\$57,484	\$1,902	3.42%	\$48.63	22.20
TEXICO	2	\$55,599	\$57,954	\$2,355	4.24%	\$45.19	15.12
TRUTH OR CONSEQUENCES	54	\$44,388	\$46,612	\$2,224	5.01%	\$33.85	11.79
TUCUMCARI	51	\$45,601	\$46,811	\$1,210	2.65%	\$37.64	14.69
TULAROSA	19	\$47,683	\$49,775	\$2,092	4.39%	\$38.71	16.32
VAUGHN	82	\$42,917	\$44,635	\$1,718	4.00%	\$32.82	12.33
WAGON MOUND	24	\$46,775	\$49,205	\$2,430	5.20%	\$37.38	14.75
WEST LAS VEGAS		\$43,157	\$44,474	\$1,317	3.05%	\$35.42	13.54
Rio Gallinas School		\$47,306	\$49,128	\$1,822	3.85%	\$39.13	17.00
WEST LAS VEGAS W/CHARTER¹	80	\$43,345	\$44,685	\$1,340	3.09%	\$37.28	15.27
ZUNI	35	\$46,309	\$48,142	\$1,833	3.96%	\$33.72	14.55
STATEWIDE		\$45,552	\$46,885	\$1,333	2.93%	\$35.10	12.37

*The salary data presented in this table were provided by the school districts with their 2008-2009 Operating Budgets.

¹The subtotal for districts with charter schools is a weighted average of the school districts' and charter schools' data. For ranking purposes, the subtotal for districts with charter schools was used.

²Charter school teachers are contracted through the University of New Mexico and are not contracted through the district.

³Utilizes a head teacher as the Administrator/Principal.

TABLE 4

**NATIONAL EDUCATION ASSOCIATION COMPARISON OF
NEW MEXICO AVERAGE TEACHER SALARY TO REGIONAL AND NATIONAL AVERAGES
1998-1999 THROUGH 2008-2009 (estimated)**

School Year	Arizona		Colorado		New Mexico		Oklahoma		Texas		Utah		Regional Average Salary	U.S. Average Salary
	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank		
1998-1999	\$35,025	2	\$38,025	1	\$32,398	5	\$31,149	6	\$35,041	3	\$32,950	4	\$34,098	\$40,582
1999-2000	\$35,650	2	\$38,163	1	\$32,554	5	\$31,298	6	\$37,567	3	\$34,946	4	\$35,030	\$41,754
2000-2001	\$36,302	2	\$39,184	1	\$33,785	6	\$34,499	5	\$38,361	3	\$36,441	4	\$36,429	\$43,335
2001-2002	\$39,973	2	\$40,659	1	\$36,440	5	\$34,738	6	\$39,232	3	\$38,139	4	\$38,197	\$44,632
2002-2003	\$40,894	2	\$42,680	1	\$36,965	5	\$34,877	6	\$39,974	3	\$38,268	4	\$38,943	\$45,810
2003-2004	\$41,843	2	\$43,319	1	\$37,877	5	\$35,061	6	\$40,476	3	\$38,976	4	\$39,592	\$46,735
2004-2005	\$42,905	2	\$43,949	1	\$39,391	5	\$37,879	6	\$41,011	3	\$39,456	4	\$40,765	\$47,674
2005-2006	\$44,672	2	\$44,439	1	\$41,637	4	\$38,772	6	\$41,744	3	\$40,007	5	\$41,879	\$49,026
2006-2007	\$45,941	1	\$45,833	2	\$42,780	4	\$42,379	5	\$44,897	3	\$40,566	6	\$43,733	\$50,816
2007-2008														
(estimated) 2008-2009	\$45,772	3	\$47,248	1	\$45,112	4	\$43,551	5	\$46,179	2	\$41,615	6	\$44,913	\$52,308
(estimated)	\$47,937	2	\$48,707	1	\$47,341	3	\$45,702	5	\$46,179	4	\$42,335	6	\$46,367	\$53,910

NOTE: National Education Association-New Mexico (NEA-NM) average teacher salary data include salaries paid from all funding sources.

TABLE 5

**COMPARISON OF PROGRAM UNITS AND STUDENT MEMBERSHIP
1998-1999 THROUGH 2008-2009**

School Year	Student Membership	ECE Units ¹	Grades 1-12 Units	Special Education Units	Bilingual Education Units ²	Elementary P.E. Units ⁹	Fine Arts Program Units	T & E Units	Size Adjustment Units	At-Risk Units	Enrollment Growth Units	National Board Certified Teacher Units	Charter School and Home School Activity Units ⁸	Hold-Harmless Units	Total Program Units
1998-1999	316,548	19,907	357,737	112,101	15,773			46,751	18,393	23,575	914			217	595,368
1999-2000 ³	316,634	19,914	357,832	112,107	15,777			47,236	18,472	23,161	881			165	595,545
2000-2001 ⁴	312,134	21,824	350,782	112,965	13,580			45,351	19,194	22,900	352			455	587,403
2001-2002	312,209	26,105	347,289	113,685	13,168			45,675	19,871	23,881	1,415			328	591,417
2002-2003 ⁵	313,030	27,356	347,230	114,131	12,830			46,050	20,489	23,151	1,278			210	592,726
2003-2004 ^{5,6}	315,543	31,206	347,119	112,966	12,053		1,328	48,453	20,974	23,228	5,768	128		90	603,311
2004-2005 ^{5,6}	320,452	36,498	348,946	112,717	11,490		5,027	52,525	21,993	22,601	5,445	167		4	617,412
2005-2006 ⁶	321,663	38,884	348,609	112,009	11,002		6,094	51,856	22,664	22,233	4,071	206		118	617,746
2006-2007 ^{6,7}	323,006	39,837	349,499	114,934	11,350		7,800	57,117	23,180	21,735	5,100	260		45	630,855
2007-2008 ^{6,7}	323,760	40,547	349,869	116,957	10,705	2,151	7,898	54,882	23,608	21,663	3,407	344	3	603	632,636
2008-2009 ^{6,7}	322,680	40,574	348,385	112,755	10,025	3,908	7,971	51,675	24,108	20,920	3,790	441	5	835	625,392

¹ Early Childhood Education (ECE) began in 1976. Beginning in FY 98, ECE includes three- and four-year-old developmentally delayed children due to 1997 funding formula changes. Beginning in FY 01, full-day kindergarten was phased in over five years.

² Bilingual education programs were initially implemented in grades K-6. These programs were expanded to include grades 7-9 in school year 1989-1990 and grades 11-12 in school year 1990-1991. In addition, the program cost differential was incrementally increased from 0.3 to 0.5 from school year 1990-1991 through school year 1994-1995.

³ In FY 00, funding based on prior year 40th-day basic membership and prior year December 1 special education membership; adjustment for FY 00 of the enrollment growth factor from 0.5 to 1.0.

⁴ Beginning in FY 01, based on average of prior-year membership of 40th, 80th, and 120th school days plus full-day kindergarten and start-up charter schools.

⁵ Includes adjustment for at-risk hold harmless.

⁶ Beginning in FY 04, changes to the funding formula amended the way growth units are calculated and added units for fine arts programs in elementary schools and for the number of National Board certified teachers on staff.

⁷ Beginning in FY 07, based on average of prior-year membership of 80th and 120th school days.

⁸ Charter school and home school activities units were first implemented in school year 2007-2008.

⁹ Elementary Physical Education (P.E.) programs were initially implemented in school year 2007-2008.

TABLE 6

**PERCENTAGE CHANGE IN PROGRAM COST, PROGRAM UNITS,
UNIT VALUE, AND STUDENT MEMBERSHIP
1998-1999 THROUGH 2008-2009**

School Year	Actual Program Cost	% Change	Program Unit	Unit Value	% Change	Student Membership	% Change
1998-1999	\$1,395,596,112	8.38%	595,368	\$2,344.09	7.77%	316,548	-0.39%
1999-2000	\$1,464,654,810 ¹	4.95%	595,545	\$2,460.00	4.94%	316,634	0.03%
2000-2001	\$1,554,602,603 ²	6.14%	587,403	\$2,647.56	7.62%	312,134	-1.42%
2001-2002	\$1,699,963,260	9.35%	591,417	\$2,871.01	8.44%	312,209	0.02%
2002-2003	\$1,714,838,008 ³	0.88%	592,726	\$2,889.89	0.66%	313,030	0.26%
2003-2004	\$1,797,400,880 ^{3, 4}	4.81%	603,311	\$2,976.20	2.99%	315,543	0.80%
2004-2005	\$1,896,234,222 ^{3, 4}	5.50%	617,412	\$3,068.70	3.11%	320,452	1.56%
2005-2006	\$2,027,358,726 ^{4, 5}	6.91%	617,746	\$3,198.01	4.21%	321,663	0.38%
2006-2007	\$2,174,205,395 ^{4, 6}	7.24%	630,855	\$3,446.44	7.77%	323,006	0.42%
2007-2008	\$2,324,469,017 ^{4, 6}	6.91%	632,636	\$3,674.26	6.61%	323,760	0.23%
2008-2009	\$2,434,321,311 ^{4, 6}	4.73%	625,392	\$3,871.79	5.38%	322,680	-0.33%

¹ In FY 00, funding based on prior-year 40th-day basic membership and prior-year December 1 special education membership; adjustment for FY 00 of the enrollment growth factor from 0.5 to 1.0.

² Beginning in FY 01, funding based on average of prior-year membership of 40th, 80th, and 120th school days plus full-day kindergarten and start-up charter schools.

³ Includes adjustment for at-risk hold harmless.

⁴ Beginning in FY 04, the calculation of growth units was amended and additional units were included for fine arts programs in elementary schools and for National Board certified teachers.

⁵ Appropriated program cost contains an additional \$51.8 million to implement the third year of the five-year phase-in of the three-tiered licensure system. Although this funding was distributed based on need in FY 06, it was included in the calculation of unit value in FY 07.

⁶ Beginning in FY 07, funding based on average of prior-year membership of 80th and 120th school days.

TABLE 7

**DIFFERENCES BETWEEN PROJECTED
AND ACTUAL FUNDING FORMULA CREDITS¹
1998-1999 THROUGH 2008-2009**

School Year	Projected	Actual	Difference (Projected & Actual)	Percent Difference (Projected & Actual)
1998-1999	\$50,479,300	\$59,285,805	\$8,806,505	17.45%
1999-2000 ²	\$49,483,500	\$52,945,511	\$3,462,011	7.00%
2000-2001	\$49,483,500	\$51,594,736	\$2,111,236	4.27%
2001-2002	\$53,483,500	\$57,104,709	\$3,621,209	6.77%
2002-2003	\$57,483,500	\$58,903,705	\$1,420,205	2.47%
2003-2004	\$58,600,000	\$59,552,648	\$952,648	1.63%
2004-2005	\$61,000,000	\$61,449,095	\$449,095	0.74%
2005-2006 ³	\$58,600,000	\$57,731,867	(\$868,133)	-1.48%
2006-2007 ³	\$57,600,000	\$56,301,868	(\$1,298,132)	-2.25%
2007-2008 ³	\$55,600,000	\$66,792,782	\$11,192,782	20.13%
2008-2009 (projected) ³	\$55,400,000			

¹ Funding formula credits include: federal Impact Aid, federal Forest Reserve, and local property tax (0.5 mill levy).

² Effective in FY 00, the law was amended to reduce credits to 75 percent instead of 95 percent of eligible federal and local revenues for operational purposes and to require districts to budget state funds equal to 20 percent for capital outlay.

³ Effective in FY 06, the law was amended to remove the requirement that school districts budget an amount equal to 20 percent for capital outlay.

TABLE 8

**HISTORY OF THE UNIT VALUE
1974-1975 ACTUAL TO 2008-2009 INITIAL**

School Year	Initial Unit Value	Final Unit Value	Increase/ (Decrease)	Percent Difference
1974-1975		\$616.50		
1975-1976		\$703.00	\$86.50	14.0%
1976-1977		\$800.00	\$97.00	13.8%
1977-1978		\$905.00	\$105.00	13.1%
1978-1979		\$1,020.00	\$115.00	12.7%
1979-1980		\$1,145.00	\$125.00	12.3%
1980-1981		\$1,250.00	\$105.00	9.2%
1981-1982		\$1,405.00	\$155.00	12.4%
1982-1983 ¹	\$1,540.00	\$1,511.33	\$106.33	7.6%
1983-1984		\$1,486.00	(\$25.33)	-1.7%
1984-1985		\$1,583.50	\$97.50	6.6%
1985-1986 ²	\$1,608.00	\$1,618.87	\$35.37	2.2%
1986-1987		\$1,612.51	(\$6.36)	-0.4%
1987-1988		\$1,689.00	\$76.49	4.7%
1988-1989		\$1,737.78	\$48.78	2.9%
1989-1990		\$1,811.51	\$73.73	4.2%
1990-1991		\$1,883.74	\$72.23	4.0%
1991-1992		\$1,866.00	(\$17.74)	-0.9%
1992-1993 ³	\$1,851.73	\$1,867.96	\$1.96	0.1%
1993-1994	\$1,927.27	\$1,935.99	\$68.03	3.6%
1994-1995	\$2,015.70	\$2,029.00	\$93.01	4.8%
1995-1996	\$2,113.00	\$2,113.00	\$84.00	4.1%
1996-1997	\$2,125.83	\$2,149.11	\$36.11	1.7%
1997-1998	\$2,175.00	\$2,175.00	\$25.89	1.2%
1998-1999	\$2,322.00	\$2,344.09	\$169.09	7.8%
1999-2000 ⁴	\$2,460.00	\$2,460.00	\$115.91	4.9%
2000-2001	\$2,632.32	\$2,647.56	\$187.56	7.6%
2001-2002	\$2,868.72	\$2,871.01	\$223.45	8.4%
2002-2003	\$2,896.01	\$2,889.89	\$18.88	0.7%
2003-2004	\$2,977.23	\$2,976.20	\$86.31	3.0%
2004-2005	\$3,035.15	\$3,068.70	\$92.50	3.1%
2005-2006 ⁵	\$3,165.02	\$3,198.01	\$129.31	4.2%
2006-2007 ^{5,6}	\$3,444.35	\$3,446.44	\$248.43	7.8%
2007-2008	\$3,645.77	\$3,674.26	\$227.82	6.6%
2008-2009 ⁷	\$3,892.47	\$3,871.79	\$197.53	5.4%

¹ The 1982-83 General Fund appropriation was reduced by 2.0 percent.

² The final unit value includes \$10.87 due to the ½ mill redistribution (Laws 1985, Chapter 15).

³ The "floating" unit value went into effect.

⁴ The basis for funding changed to the prior-year average membership of the 40th, 80th, and 120th school days.

⁵ For FY 06, appropriated program cost contains an additional \$51.8 million to implement the third year of the five-year phase-in of the three-tiered licensure system. Although this funding was distributed based on need in FY 06, the \$51.8 million was included in the calculation of unit value in FY 07.

⁶ The basis for funding changed to the prior-year average membership of the 80th and 120th school days.

⁷ The FY 09 General Fund appropriation was reduced by 1.0 percent as part of the FY 09 solvency package enacted in 2009.

Sources: LESC; Issues and Answers, 1982-83; *A First Look at New Mexico Public School Budgets, 1983-84 through 1998-99*; PED funded reports (final unit value), 1999-00 to the present; PED miscellaneous correspondence.

TABLE 9

**2008-2009 PRELIMINARY ASSESSED VALUATION PER MEMBERSHIP (MEM)
(based on 2008-2009 initial total valuation and 2007-2008 final 40th day MEM)**

SCHOOL DISTRICT	2008-2009 INITIAL TOTAL VALUATIONS	2007-2008 FINAL 40th DAY MEM	ASSESSED VALUATION PER MEM
ALAMOGORDO	\$ 592,307,689	6,321.0	\$ 93,705
ALBUQUERQUE	\$ 14,163,284,689	95,250.5	\$ 148,695
ANIMAS	\$ 29,949,452	257.0	\$ 116,535
ARTESIA	\$ 1,240,738,218	3,548.5	\$ 349,651
AZTEC	\$ 1,292,359,603	3,224.5	\$ 400,794
BELEN	\$ 451,213,960	4,749.5	\$ 95,002
BERNALILLO	\$ 566,151,019	3,242.0	\$ 174,630
BLOOMFIELD	\$ 1,067,269,071	3,096.5	\$ 344,669
CAPITAN	\$ 291,434,306	536.5	\$ 543,214
CARLSBAD	\$ 1,385,320,676	5,987.5	\$ 231,369
CARRIZO	\$ 40,164,707	215.5	\$ 186,379
CENTRAL	\$ 679,571,886	6,614.5	\$ 102,740
CHAMA	\$ 116,808,162	454.0	\$ 257,287
CIMARRON	\$ 471,886,427	532.0	\$ 887,005
CLAYTON	\$ 108,861,958	539.5	\$ 201,783
CLOUDCROFT	\$ 137,339,845	461.0	\$ 297,917
CLOVIS	\$ 526,037,999	8,035.0	\$ 65,468
COBRE	\$ 204,176,749	1,396.5	\$ 146,206
CORONA	\$ 35,800,929	84.5	\$ 423,680
CUBA	\$ 55,629,385	695.0	\$ 80,042
DEMING	\$ 451,792,963	5,516.0	\$ 81,906
DES MOINES	\$ 22,462,284	94.0	\$ 238,960
DEXTER	\$ 62,386,815	1,097.0	\$ 56,870
DORA	\$ 29,346,438	225.5	\$ 130,139
DULCE	\$ 995,105,451	691.0	\$ 1,440,095
ELIDA	\$ 23,277,601	120.5	\$ 193,175
ESPANOLA	\$ 490,289,035	4,547.0	\$ 107,827
ESTANCIA	\$ 85,533,052	1,005.0	\$ 85,108
EUNICE	\$ 704,054,539	570.5	\$ 1,234,101
FARMINGTON	\$ 1,360,715,054	10,189.5	\$ 133,541
FLOYD	\$ 14,505,763	243.5	\$ 59,572
FT. SUMNER	\$ 47,752,916	304.5	\$ 156,824
GADSDEN	\$ 675,242,963	13,955.5	\$ 48,385
GALLUP-McKINLEY	\$ 680,420,111	12,209.0	\$ 55,731
GRADY	\$ 7,488,386	121.5	\$ 61,633
GRANTS-CIBOLA	\$ 243,675,667	3,698.0	\$ 65,894
HAGERMAN	\$ 28,383,282	448.0	\$ 63,356
HATCH	\$ 68,383,157	1,428.0	\$ 47,887
HOBBS	\$ 1,118,808,920	7,809.5	\$ 143,263
HONDO	\$ 24,848,111	121.5	\$ 204,511
HOUSE	\$ 9,124,518	107.0	\$ 85,276
JAL	\$ 250,670,308	405.0	\$ 618,939
JEMEZ MOUNTAIN	\$ 390,518,884	368.0	\$ 1,061,193
JEMEZ VALLEY	\$ 75,750,208	476.5	\$ 158,972
LAKE ARTHUR	\$ 26,848,979	148.0	\$ 181,412
LAS CRUCES	\$ 2,743,133,557	23,894.5	\$ 114,802
LAS VEGAS CITY	\$ 211,074,847	2,114.5	\$ 99,823

SCHOOL DISTRICT	2008-2009 INITIAL TOTAL VALUATIONS	2007-2008 FINAL 40th DAY MEM	ASSESSED VALUATION PER MEM
LOGAN	\$ 49,406,850	231.0	\$ 213,882
LORDSBURG	\$ 110,878,737	680.0	\$ 163,057
LOS ALAMOS	\$ 736,858,590	3,444.0	\$ 213,954
LOS LUNAS	\$ 653,261,304	8,561.0	\$ 76,307
LOVING	\$ 155,227,679	570.5	\$ 272,091
LOVINGTON	\$ 697,322,631	3,084.0	\$ 226,110
MAGDALENA	\$ 21,662,649	428.5	\$ 50,555
MAXWELL	\$ 11,681,495	102.0	\$ 114,524
MELROSE	\$ 20,485,000	208.5	\$ 98,249
MESA VISTA	\$ 57,932,752	437.0	\$ 132,569
MORA	\$ 62,094,306	567.5	\$ 109,417
MORIARTY	\$ 447,713,007	3,590.5	\$ 124,694
MOSQUERO	\$ 37,397,532	38.0	\$ 984,146
MOUNTAINAIR	\$ 47,045,429	339.0	\$ 138,777
PECOS	\$ 93,379,678	714.0	\$ 130,784
PEÑASCO	\$ 41,061,121	547.5	\$ 74,997
POJOAQUE	\$ 167,745,555	2,019.5	\$ 83,063
PORTALES	\$ 186,290,087	2,773.0	\$ 67,180
QUEMADO	\$ 79,079,362	186.0	\$ 425,158
QUESTA	\$ 171,125,312	519.5	\$ 329,404
RATON	\$ 132,820,743	1,360.5	\$ 97,626
RESERVE	\$ 39,473,147	185.0	\$ 213,368
RIO RANCHO	\$ 2,195,072,004	15,577.0	\$ 140,918
ROSWELL	\$ 841,045,782	9,433.5	\$ 89,155
ROY	\$ 7,325,963	79.0	\$ 92,734
RUIDOSO	\$ 504,036,407	2,273.5	\$ 221,701
SAN JON	\$ 10,804,038	149.5	\$ 72,268
SANTA FE	\$ 6,060,182,824	13,477.0	\$ 449,669
SANTA ROSA	\$ 75,919,628	654.0	\$ 116,085
SILVER CITY	\$ 469,575,335	3,186.5	\$ 147,364
SOCORRO	\$ 148,436,882	1,892.5	\$ 78,434
SPRINGER	\$ 29,101,133	195.0	\$ 149,237
TAOS	\$ 924,156,123	3,124.0	\$ 295,825
TATUM	\$ 158,373,737	292.5	\$ 541,449
TEXICO	\$ 64,274,761	526.0	\$ 122,195
T OR C	\$ 244,026,395	1,392.0	\$ 175,306
TUCUMCARI	\$ 76,395,985	1,045.0	\$ 73,106
TULAROSA	\$ 67,381,554	959.0	\$ 70,262
VAUGHN	\$ 41,411,016	103.5	\$ 400,106
WAGON MOUND	\$ 19,378,089	148.5	\$ 130,492
WEST LAS VEGAS	\$ 141,663,101	1,788.5	\$ 79,208
ZUNI	\$ 2,679,777	1,505.0	\$ 1,781

TOTALS	\$ 50,399,084,039	325,537.50
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