



**LEGISLATIVE EDUCATION  
STUDY COMMITTEE**

**REPORT TO THE FIRST SESSION**

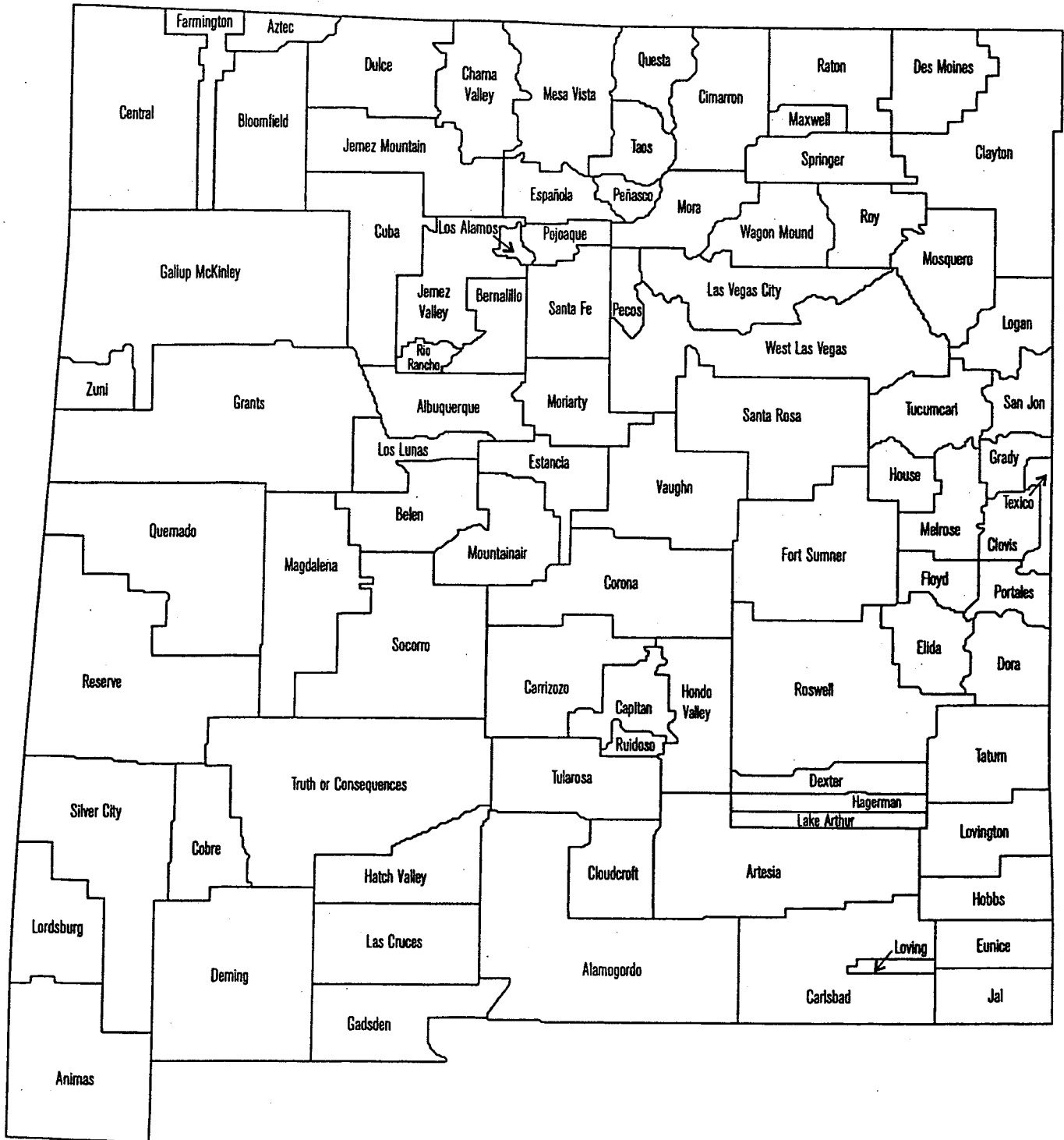
**OF THE**

**FIFTY-FIRST LEGISLATURE**

**State of New Mexico**

**APRIL 2013**

# School District Map of New Mexico



**STATE OF NEW MEXICO**  
**LEGISLATIVE EDUCATION STUDY COMMITTEE**

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April 2013

Fifty-first Legislature, First Session, 2013  
State Capitol  
Santa Fe, New Mexico

Dear Fellow Legislators:

This report summarizes the activities of the Legislative Education Study Committee (LESC) during the 2012 legislative interim as well as the committee's recommendations for the 2013 legislative session.

Like the reports of previous interims, this one reviews the research and testimony that the LESC considered in making its appropriation recommendations for public school support and for legislation introduced during the 2013 legislative session. And like previous reports, this one is being presented primarily in electronic format on the LESC website, <http://www.nmlegis.gov/lcs/lesc>. In addition to serving the purposes of economy and efficiency, this format will allow hyperlinks that you may use to move quickly and easily from one part of the report to another. Please note, however, that hard copies can still be provided upon request to the LESC office.

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

Sincerely,

A handwritten signature in black ink that reads "Frances Ramirez-Maestas".

Frances Ramírez-Maestas

## THE LEGISLATIVE EDUCATION STUDY COMMITTEE

As a permanent bipartisan, bicameral committee of the Legislature, the Legislative Education Study Committee (LESC):

- conducts 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, including the training of certified teaching personnel in postsecondary institutions;
- recommends funding levels for public education;
- recommends changes in laws relating to education; and
- makes a full report of its findings and recommendations.

The LESC comprises 10 voting members appointed to provide proportionate representation from both houses and both major political parties, as well as a number of advisory members of the Legislature.

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# LEGISLATIVE EDUCATION STUDY COMMITTEE

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# LEGISLATIVE EDUCATION STUDY COMMITTEE

## REPORT OF THE 2012 INTERIM

### RECOMMENDATIONS OF THE LESC

#### FISCAL ISSUES

1. **Educational Retirement Act (ERA) Contribution Changes:** Endorse legislation recommended by the Investments and Pensions Oversight Committee (IPOC) to amend the ERA to: increase certain members' contribution rates; change the benefits for new members by imposing a minimum retirement age of 55; delay the cost-of-living adjustment eligibility; and increase the age and service requirements.
2. **Public Employee Retirement Changes:** Endorse legislation recommended by IPOC to amend the *Public Employees Retirement Act* to: improve the actuarial standing of the retirement fund; reduce cost-of-living adjustments for all retirees; delay the cost-of-living adjustment for certain future retirees up to seven years from the current two-year waiting period, with a three-year phase-in of the provision; suspend cost-of-living adjustments for certain return-to-work retirees; provide for an increase in employee and employer contributions; clarify definitions; provide that municipal employers will not pay any portion of the 1.5 percent increase in employee contributions effective July 1, 2013 without passing a resolution or executing a collective bargaining agreement; provide that municipalities may by subsequent resolution or agreement elect to pay a portion of employee contribution increases that may occur after July 1, 2013; clarify how service credit earned under multiple coverage plans will be calculated; change the benefits for members initially employed after June 30, 2013 by reducing the multiplier and increasing the number of years used to calculate the final average salary; increase the vesting period; increase age and service requirements for normal retirement and increase the maximum pension benefit; and limit plan enhancements (see SB 27, *Public Employee Retirement Changes*, pre-filed).

#### ASSESSMENT AND ACCOUNTABILITY

3. **K-3 Plus Transportation Costs:** Introduce legislation to provide for to-and-from school bus transportation for students enrolled in department-approved K-3 Plus programs, with a priority on schools graded D and F and schools with 80 percent or more of their enrolled students eligible for free or reduced-fee lunch.

## EDUCATOR QUALITY

4. **Educator Accountability Reporting System (EARS) Annual Report Submission Date:** Introduce legislation to amend the *School Personnel Act* to require the annual EARS report to be compiled and disseminated by July 1 of each year, rather than November 1.

## MEETING THE NEEDS OF STUDENTS

5. **General Educational Development (GED) Testing:** Introduce legislation to provide for an alternative term for “GED,” which is a registered trademark of the American Council on Education.

## OTHER TOPICS

6. **Bus Rental Fee Extension:** Introduce legislation to extend the period of time during which a school district can pay rental fees on any one bus to 12 years from five years to allow for flexibility in contractor financing and to align with the 12-year school bus replacement cycle.
7. **Gross Receipts Exemption for Fuel Purchase:** Introduce legislation to amend the *Gross Receipts and Compensating Tax Act* to allow for an exemption from gross receipts tax for school bus contractors for purchases of gasoline and special and alternative fuels.
8. **School-owned Bus Replacements Capital Appropriation:** Through severance tax bonds, appropriate \$20.145 million to the Public Education Department (PED) for the purchase of school-owned buses.
9. **Supplemental Fuel Funding Based on Mileage:** Appropriate \$1.0 million to PED for quarterly supplemental fuel funding based on to-and-from mileage if the Secretary of Public Education determines that there is a need due to an increase in fuel costs.
10. **Global Positioning System (GPS):** Introduce legislation to make a special appropriation of \$565,000 to PED for expenditure in FY 14 for purchase and/or operation of GPS equipment based on an estimate for operating costs for GPS hardware; to provide a method for PED to verify mileage, idle time, and fuel use to accurately reimburse costs; and to inform future studies of the school transportation funding formula, including site characteristics.
11. **School Bus Transportation Distribution Based on Prior-year Reporting:** Introduce legislation to amend law to base prior-year reporting on the average of the 80<sup>th</sup> and 120<sup>th</sup> reporting date.
12. **Public Education Commission (PEC) as an Independent Administrative Body:** Introduce a resolution to create the PEC as an independent administrative body, with oversight of charter school applications, renewals and appeals; with rulemaking authority; and with its own staff.



13. **Standards-based Assessment Costs to Be Borne by PED Rather than by Districts:** Introduce legislation to amend the *Assessment and Accountability Act* to require PED to pay the costs of standards-based assessments.
14. **Public School Capital Outlay Fund Distributions for Building Systems:** Endorse legislation recommended by the Public School Capital Outlay Oversight Task Force (PSCOOTF) to define “building system”; to allow a specific distribution each year from FY 14 to FY 18 from the Public School Capital Outlay Fund for building systems repair, remodel, or replacement; and to provide guidelines for council determination of grant award recipients.
15. **Local Match Waiver Eligibility:** Endorse legislation recommended by PSCOOTF to provide more flexibility to the Public School Capital Outlay Council (PSCOC) to determine local match waiver eligibility; to provide that, before making any adjustments to the local share of appropriations made for a capital project, the council “may,” rather than “shall,” consider certain school district factors, including enrollment, bonding capacity, and property tax rates; and to add districts with fewer than 800 students to the eligibility.
16. **Lease-Assistance Program Consumer (CPI) Price Index Adjustment:** Endorse legislation recommended by PSCOOTF to allow the PSCOC to modify or not grant the automatic CPI adjustment from the lease-assistance program; and to provide that the amount of a grant to a school district “may,” rather than “shall,” be adjusted by the percentage change between the next to last calendar year and the immediately preceding calendar year of the CPI for the United States.
17. **Charter School Capital Outlay Fund:** Endorse legislation recommended by PSCOOTF to re-establish the Charter School Capital Outlay Fund, which was repealed July 1, 2012; and to re-establish the criteria for grant awards from that fund.
18. **Deferred Maintenance for School Districts and Charter Schools:** Endorse legislation recommended by PSCOOTF to appropriate \$10.0 million from the Public School Capital Outlay Fund to the PSCOC for expenditure from FY 14 to FY 16 to establish a program to assist districts and charter schools with deferred maintenance issues.

# 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 2012 legislative interim and includes the committee's recommendations for legislation during the 2013 legislative session. For the 2013 session, the LESL chose not to make its own recommendations for public school support but instead to assist the House Education Committee in developing recommendations for HB 3, the *Education Appropriation Act*.

During the 2012 interim, the LESL selected five focus areas, with presentations on each one at virtually every meeting:

1. the waiver of certain provisions of the federal *No Child Left Behind Act*;
2. the A-B-C-D-F School Rating System;
3. the Common Core State Standards;
4. teacher and principal evaluation system; and
5. charter schools.

In addition to these topics and a number of others, the LESL also met an additional day to discuss reading issues and formed a subcommittee to work with stakeholders on school bus transportation.

In order to see and hear the concerns of constituents, the LESL held two meetings outside of Santa Fe: the July meeting in Portales and the September meeting in Las Cruces. At all of its meetings during the 2012 interim, the LESL continued to provide a forum for students, school personnel, members of the public, and other interested parties to express their views on education issues.

This report includes summaries of presentations categorized according to certain themes: Focus Areas, Fiscal Issues, Assessment and Accountability, Educator Quality, Meeting the Needs of Students, and Other Topics. Although the report covers all of the issues examined during the 2012 legislative interim, it is intended only as a summary, not a detailed record. Readers interested in more information about these topics are encouraged to consult staff reports, minutes, reports of previous interims, and other material on file in the LESL office or available through the LESL website, <http://www.nmlegis.gov/lcs/lesl>. And readers interested in public school data are encouraged to consult a companion report, *Public School Data Reference Guide, 2013*.

# ISSUES STUDIED BY THE LESC

## FOCUS AREAS

### **WAIVER OF CERTAIN PROVISIONS OF THE FEDERAL *NO CHILD LEFT BEHIND ACT***

In September 2011, US Secretary of Education Arne Duncan published an open letter to all state chief school officers inviting them to request flexibility from the requirements of the federal *No Child Left Behind Act of 2001* (NCLB). These waivers would apply to school years 2011-2012 through 2013-2014, after which states would have the option to apply for a one-year extension of the flexibility for school year 2014-2015. As of January 23, 2013, 44 states, the District of Columbia, Puerto Rico, and the Bureau of Indian Education had submitted requests for ESEA flexibility; and 34 of those states and the District of Columbia had been approved.<sup>1</sup>

After two applications that required further clarification and revision, New Mexico was granted its waiver request on February 15, 2012. One of the particular conditions for approval was that the Public Education Department (PED) submit a description of how the department solicited input from groups representing teachers, students, and parents, as well as community-based and civil rights organizations, Indian tribes, students with disabilities, and English language learners.

Staff testimony during the 2012 interim described the four principles of the NCLB waivers:

- College- and Career-ready Expectations of All Students;
- State-developed Differentiated Recognition, Accountability, and Support;
- Supporting Effective Instruction and Leadership; and
- Reducing Duplication and Unnecessary Burden.

This testimony further noted that PED intends to address the first three of those principles through specific initiatives: the implementation of the Common Core State Standards (see “Common Core State Standards,” p. 9); the A-F school grading system enacted through legislation in 2011 and implemented through PED rule (see “A-B-C-D-F School Rating System,” p. 3); and the teacher and principal evaluation system being developed through PED rule (see “Teacher and Principal Evaluation System,” p. 11). In addition to these initiatives, staff testimony explained, PED had also committed to 14 different assurances of certain actions, most of them related to one of the four principles.

Staff testimony also reviewed the 13 specific waivers that Secretary Duncan had made available, in each case explaining:

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<sup>1</sup> Vermont withdrew its request when it became apparent that the USDE Secretary would not consider allowing the state to develop its own “measurements for progress and teacher qualifications.” In addition, California expressed dissatisfaction at the conditional nature of the waiver package and has indicated that the state will not apply because of the cost of implementing a new teacher evaluation system.

- NCLB statutory requirements;
- flexibility waiver provisions;
- PED actions under each waiver; and
- local education agency actions under each waiver.

Of particular note was the waiver of the federal requirement that districts measure “adequate yearly progress” (AYP), identify Title I schools that fail to make AYP for two consecutive years, and require those schools to implement a series of correction actions. In exchange, however, districts are still required to focus on low-performing schools through new waiver categories of “priority” or “focus” schools. Furthermore, staff indicated that PED will use A-F school grades instead of AYP determinations. In addition, requirements for improvement plans for “highly qualified teachers” were waived in favor of focusing on “more meaningful evaluation systems” for teachers and principals.

On the matter of AYP in particular, staff testified that, although the US Department of Education (USDE) has waived certain requirements of federal law, some of those requirements – the provisions for AYP and the actions required of schools in need of improvement, for example – still exist in state law, specifically in the *Assessment and Accountability Act*, one of the explicit purposes of which is to comply with federal accountability requirements. Moreover, this testimony added, AYP is a factor in PED’s rule implementing the school grading system, which says, “any school that meets adequate yearly progress pursuant to the federal No Child Left Behind Act of 2001 during the 2011-2012 school year shall not be assigned a grade lower than a C.” These factors notwithstanding, however, PED did not calculate AYP for school year 2011-2012 and, consequently, the LESC did not receive the customary AYP reports. At the December meeting, the Secretary-designate informed the committee that PED had not finished the AYP report because “we are still working around our commitments to school grades, etc. and will continue to pursue that as we go forward.”

Finally, staff testimony also reviewed three other aspects of the waivers:

- the scope of the US Secretary’s authority to grant waivers from federal law;
- the prospect of waivers granted to specific school districts; and
- the possibility that, if Congress continues work toward reauthorization of NCLB and does it without provision for the waiver package, many states, including New Mexico, would have to shift their focus and requirements again.

## **A-B-C-D-F SCHOOL RATING SYSTEM**

Enacted in 2011, the *A-B-C-D-F Schools Rating Act* created a new public school accountability system that, beginning in school year 2011-2012, was to operate in addition to, and separate from, the existing AYP system created in state and federal law. Among its provisions, the legislation requires that:

- all public schools be graded annually on an A-F scale;<sup>2</sup>
- the rating scale for elementary and middle schools include factors such as student proficiency and growth, as well as growth of the lowest 25<sup>th</sup> percentile of students;
- the rating scale for high schools include additional academic indicators such as high school graduation rates and growth in those rates;
- parents of a student in a public school rated F for two of the last four years have the right to transfer the student to any public school in the state or continue schooling through the statewide cyber academy; and
- PED ensure that a local school board or charter school governing body is prioritizing the resources of a public school rated D or F until the school earns a grade of C or better for two consecutive years.

While the overall grading system is prescribed in law, the details and many of the substantive provisions are in PED rule, first promulgated in December 2011 and then revised in May 2012. As discussed more fully below, during the 2012 interim PED used this grading system to issue two sets of school grades: preliminary grades in January and final grades in July.

Throughout the 2012 interim, the LESC heard testimony about this new school rating system, as provided both in law and in PED rule. This testimony addressed basic provisions, the calculation of the school grades, the assignment of preliminary and final grades, the instructional audits that resulted from the grades, and issues and questions in general.

### **Basic Provisions**

Citing language in the department’s request for flexibility under NCLB (see “Waiver of Certain Provisions of the Federal *No Child Left Behind Act*,” p. 2, testimony by LESC staff explained the premise of the school grading system. Staff testimony further explained that PED had replaced the NCLB term “annual measurable objectives” with the term “school growth target” and defined the goal as the 90<sup>th</sup> percentile of current performance. In addition, PED’s waiver request indicates that schools will be measured against each other: “a target that aims for every school to be an ‘A’ creates a meaningless measure that loses its ability to differentiate among schools’ performance. Therefore, the A-B-C-D-F rating system . . . differentiates between schools in terms of relative performance and also sets long-term goals of student performance.”

LESC staff testimony also illustrated in detail a number of provisions in PED rule that are not included in state law, among them:

- the use of specific measures of college readiness, such as the Accuplacer placement test, the SAT, and the International Baccalaureate program, as well as “other measurements approved by PED”;
- the creation of a “Supplemental Accountability Model” for schools that meet prescribed criteria for a modified accountability calculation;
- the use of a value-added model (VAM) for calculating a school’s grade;<sup>3</sup> and

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<sup>2</sup> Bureau of Indian Education schools, private schools, and home schools are exempt from the school grading requirements.

- the specific indicators and the points (weighting) assigned to them that constitute a school’s grade.

Another basic point that staff testimony addressed was the differences between the A-F grading system and the AYP school accountability system still in state law despite the federal waiver. An initial question was whether schools in New Mexico are subject to two accountability systems; and a recurring question was when, or whether, PED would calculate AYP as required under state law (see “Waiver of Certain Provisions of the Federal *No Child Left Behind Act*,” p. 2).

### **The New Mexico School Grading Technical Guide and PED Grade Calculator**

With requests for a meeting with PED staff still pending, in July LESC staff reviewed several sources of information available on the PED website, including the *New Mexico School Grading Technical Guide*, in an effort to provide the committee with an overview of the calculation of grades for elementary, middle, and high schools. In addition to a wide range of details, LESC staff reviewed the six indicators that contribute to elementary and middle school grades and the point values assigned to those indicators:

1. current standing (40 points);
2. school growth (10 points);
3. growth of highest performing students (20 points);
4. growth of lowest performing students (20 points);
5. opportunity to learn (10 points); and
6. student and parent engagement bonus points (up to 5 bonus points added to the final grade).

For high schools, this testimony continued, seven indicators contribute to a school’s final grade:

1. current standing (30 points);
2. growth of highest performing students (15 points);
3. growth of lowest performing students (15 points);
4. graduation (17 points);
5. career- and college-readiness (15 points);
6. opportunity to learn (8 points); and
7. student and parent engagement bonus points (up to 5 bonus points added to the final grade).

This testimony concluded that:

- schools appear to be graded on a curve based upon how they perform relative to the state average; and
- the growth points that a school generates in a given year are dependent on school growth as compared to the state average for growth.

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<sup>3</sup> As revised in May 2012, PED rule defines the value-added model (VAM) as “estimating conditional school growth and conditional status, where ‘conditional’ refers to taking student background characteristics into account.” For additional information on the VAM, see “Teacher Preparation Issues Committee Report,” p. 31.

Additional testimony came from the Coalition for Excellence in Science and Math Education, which had conducted an independent analysis of PED's *School Grading Technical Guide*. This analysis raised a number of issues that resulted in recommendations to improve the existing PED manual, such as:

- having the document peer-reviewed by educational statisticians;
- defining the methodology in a complete and clear manner; and
- allowing school districts to use a simpler VAM.

Later in the interim, LESC staff testified on changes in the technical guide in order to align the A-F system with the adoption of the Common Core State Standards (CCSS) and new Partnership for Assessment of Readiness for College and Careers assessments (see "Common Core State Standards," p. 9, and "Computer-based Assessments: Information Technology Needs," p. 27). The changes, which contribute to the variances from preliminary grades issued in January 2012 to the final grades issued in July 2012, include:

- elimination of student demographics in the VAM calculation;
- normalization of all indicators to school year 2011-2012 as the base year;
- addition of a student survey in the "opportunity to learn" category;
- six-year graduation rates in the "current standing" calculation;
- a "shared accountability system" used for the "college and career readiness" calculation;
- the addition of a "no cohort" option for qualifying schools;
- use of the "supplemental accountability model" for qualifying schools;
- additional "participation" requirements;
- a "bonus point rubric"; and
- alterations to the methodology in determining "feeder schools."

By November, staff testified, these factors and others had been included in a school calculator that PED issued to school districts, giving them the ability to determine how their school grades were calculated. In the meantime, PED staff continued work to create an online calculator for public use on the department website.

## **Preliminary and Final School Grades**

### ***Preliminary School Grades***

Preliminary A-F school grades, released in January 2012, showed that approximately 64 percent of schools earned a grade of A, B, or C, while 36 percent received grades of D or F. The grades were based on:

- student data from school years 2008-2009, 2009-2010, and 2010-2011;
- graduation rates from four-year and five-year cohorts; and
- student data from reading and math standards-based assessments.

### ***Final School Grades***

After the final official school grades were issued in July, reflecting the changes noted above, LESC staff testimony compared the preliminary grades with the final ones. While there was little difference in the number of B and C grades, there were significant differences in the other grades: the comparison of preliminary with final grades showed that 34 fewer schools received an A (a 47 percent reduction), 43 more received a D (a 21 percent increase), and 19 fewer received an F (a 22 percent reduction).

### ***Appeals***

The July 3 memorandum from the Secretary-designate of Public Education that announced the availability of the final school grades (embargoed until July 5) also advised school administrators that they could appeal school grades, under certain prescribed conditions. At the time of the testimony, August 22, 2012, the Secretary-designate said that PED had received a total of 74 appeals, some of which were still under review. The department, this testimony continued, had approved approximately one-third of the appeals, resulting in 15 higher grades, one lower grade, and the rest unchanged.

Also in August, LESC staff testimony presented results of an email survey sent to all superintendents, state charter school administrators, and regional education cooperative directors to solicit their views on the appeals process. Among their suggestions, respondents requested that PED:

- provide descriptions or examples of A, B, C, D, or F schools, and a list of actions that schools can take to improve their grade;
- supply additional information, particularly on school grade calculations;
- issue embargoed grades during the school year so that staff is available to file appeals;
- embargo the grades until all appeals have been resolved and data have been reviewed for accuracy; and
- form a committee of external experts to conduct an independent review of the appeals, rather than allowing the same staff members that issue the grades to conduct the appeals.

### ***District Concerns***

Finally, also entered into committee testimony was a letter from the Superintendent of Rio Rancho Public Schools, detailing district concerns over a number of aspects of the school grading system and making a number of recommendations, among them:

- more guidance from PED to make the A-F school grading system understandable and useful; and
- a focus on the expenditure of district resources to improve instruction rather than trying to understand the grading system.

### **A-F Grading System Instructional Audits**

Even though they are mentioned in neither law nor rule, PED required instructional audits of more than 300 schools that had received a grade of D or F or that had been designated as a Focus



or Priority school (in terms of the NCLB waiver; see p. 2). LESC staff testified that the purposes of the audits, according to the instructional audit handbook, were:

- to help D, F, Focus, and Priority schools identify problems related to the systems that support effective instruction, which are or are not in place in the school; and
- to provide the school the opportunity to address these problems, with the ultimate goal of improving student achievement.

The handbook further requires that:

- audit findings be shared with the principal and school leadership team during an exit conference;
- that the superintendent and principal receive a report within 10 to 14 days after the site visit; and
- that the school revise the Web Educational Plan for Student Success to reflect the findings of the audit.

Still citing the handbook, LESC staff further testified that PED is required to audit the Priority and F schools and districts are required to audit the Focus and D schools. In both cases, the audit teams comprise three members who, after certain preparations, conduct a three-day on-site audit, performing certain prescribed activities each day. The audit team then drafts the post-visit report.

Additional testimony about the instructional audits came from representatives of three school districts. Among the points raised were that:

- conducting the audits is a difficult task for small school districts with limited staff;
- despite following the template provided by PED, the process was disruptive because it came at the end of a grading period; and
- for large districts, the instructional audits require a great deal of staff work, including additional costs for substitute teachers, explanatory letters and interview consent forms sent to parents, training and background checks, and amended teacher contracts to address extended duty days.

In her response, the Secretary-designate of Public Education testified that PED had conducted 20 regional meetings to address alignment to the new accountability system and had tried to allow the districts more flexibility.

### **Issues and Questions in General**

Testimony on the school grading system throughout the interim raised a number of other points of interest or concern:

- Early in the interim the Superintendents Advisory Council cited a number of issues with the rating system that had been proposed at that time and that remained to be resolved, including the short timeline for implementation and prioritization of resources for school improvement.

- Noting the complexity of calculating school grades under the A-F system, the Center for Education Policy Research at the University of New Mexico identified several points that merit further study to determine how the grading system addresses circumstances beyond a school's control.
- In November, LESC staff testimony reported the details of another aspect of the school grading system: awards made by PED in October to schools graded A and schools recognized as "Top Growth" (that is, those that had increased by two letter grades from January to July). This testimony identified the funding source of the awards for those schools as a general obligation (GO) bond authorized in 2010; and noted that there was some question whether the criteria for the awards align with the criteria for "reward schools" as outlined in the NCLB waivers.

Finally, as committee members discussed the testimony presented throughout the interim, they raised a number of additional points:

- the difficulty of explaining school grades to districts, schools, and the communities, especially considering the demoralizing impact on D and F schools;
- the questionable legality of spending GO bond funds in order to reward Top Growth and A schools when the language approved by the voters indicated that the funds would benefit all schools statewide;
- the possibility of using the New Mexico School Leadership Institute to train school principals to conduct instructional audits;
- the question whether the school grading system properly accounts for such conditions as the high percentages of English language learners, students with reading problems, high truancy rates, and limited teacher professional development; and
- the likelihood that high-performing schools may be punished under this grading system.

## **COMMON CORE STATE STANDARDS**

Designed to emphasize critical thinking skills and to ensure that students leave high school with the necessary skills for college and/or a career, the Common Core State Standards (CCSS) initiative began in December 2008 when the National Governors Association and the Council of Chief State School Officers formed a collaborative effort and published the document *Benchmarking for Success*. Currently, the initiative includes 48 states (New Mexico among them), the District of Columbia, Guam, and the US Virgin Islands. As this interim report illustrates, the LESC heard testimony about the CCSS throughout the 2012 interim, in both formal presentations on the topic itself and references within presentations on related topics.

The initial testimony, in June, came from the National Conference of State Legislatures (NCSL), when a staff member described the criteria used to develop the CCSS and emphasized that the standards are:

- not a federal mandate, but rather a common effort among the states;
- focused on the core areas of English/language arts and mathematics;
- state-led; and
- not a curriculum or a national assessment, but rather a set of standards.

Among other points in the NCSL testimony:

- the implementation timeline continues through 2015 and includes several years of pilot programs in various districts and states;
- New Mexico is a governing state member of one of the two consortia implementing the initiative, the Partnership for Assessment of Readiness for College and Careers, which will administer its first summative assessment in 2015; and
- no state has opted out of its initial commitment to the CCSS initiative, although some states have required state-level departments of education to obtain legislative approval to adopt the standards.

The NCSL testimony also addressed the cost of implementing the CCSS across the country. Estimates from two different institutes – the Pioneer Institute and the Fordham Institute – each of which has certain limitations, place the cost anywhere from a low of \$3.0 billion to a high of \$16.0 billion. An additional fiscal concern, especially for school districts, is that Microsoft Corporation announced that it will no longer support the Windows XP computer operating system.

During the August and September interim meetings, the committee heard testimony on the implementation of the CCSS from representatives of the Pecos Valley Education Alliance (PVEA), Cooperative Educational Services (CES), the Southwest Educational Development Laboratory (SEDL), New Mexico State University (NMSU), and several school districts.

Members of the PVEA, a regional education cooperative serving five school districts, testified that the PVEA expects the total cost to implement the new standards in New Mexico to be approximately \$500,000. The PVEA testimony also explained the role of CES in obtaining resources for the implementation of the CCSS and noted that SEDL would be providing professional development and support. Testimony from the SEDL representative provided an overview of the major shifts in English language arts and literacy as a result of the CCSS.

According to the NMSU testimony, the CCSS will provide several benefits to K-12 education in mathematics, among them:

- collaborative professional development based on best practices;
- development of common assessments and other tools;
- development of CCSS mathematics-aligned textbooks and resources; and
- development of resources for students to learn how to think and reason mathematically.

The summative assessments in mathematics, this testimony continued, will include a performance-based assessment that will be administered as close to the end of the school year as possible and that will focus on the mathematical practices of applying skills, concepts, and understanding to solve multi-step problems.

Staff from Las Cruces Public Schools testified that the district began its implementation of the CCSS over the summer of 2012 by:

- developing pacing guides for teachers;
- ensuring that all students have access to the CCSS; and
- creating a K-3 report card aligned to the CCSS.

Created by teams comprising two teachers, one instructional specialist, one administrator, and one district professional development school representative for English/language arts and mathematics, the pacing guides provide an interval-based description of what teachers teach in a particular grade or course, the order in which it is taught, and the amount of time dedicated to teaching the content. The purpose of the pacing guides is to ensure that all of the standards are addressed during the academic year.

Finally, the CCSS testimony in November turned to information technology needs and mandatory computer-based testing effective in 2014 (see “Computer-based Assessments: Information Technology Needs,” p. 27).

## **TEACHER AND PRINCIPAL EVALUATION SYSTEM**

In 2011, the Legislature considered, but did not pass, legislation that would have implemented a new system for evaluating teachers and principals. Through executive order in the 2011 interim, the Governor created the New Mexico Teacher Evaluation Advisory Council (NMTEACH), whose charge was to provide recommendations to the Governor regarding how best to measure the effectiveness of teachers and school leaders based on specific parameters. In the 2012 session, the NMTEACH recommendations led to other legislation that the Legislature considered but did not pass.

Then in April 2012, the Governor issued a press release directing PED to formulate a new teacher and principal evaluation system through rule. Among its points, this press release:

- noted that the development of a framework for a new evaluation system was one of the conditions for the waiver from NCLB, which PED had recently obtained (see “Waiver of Certain Provisions of the Federal *No Child Left Behind Act*,” p. 2);
- announced that the new system will incorporate many of the measures that were part of the 2012 legislation;
- prescribed components of the system;
- assigned values, or weights, to those components; and
- presented a timeline for the development and implementation of the new evaluation system.

Throughout the 2012 interim, the LESC heard testimony about the evaluation of teachers and principals, which is summarized below under the topics overview of the testimony, the pilot schools, and selected provisions of the PED rule.

### **Overview of the Testimony**

In June, the committee heard testimony from LESC staff about NMTEACH and Principle 3 of the NCLB flexibility waiver, Supporting Effective Instruction and Leadership. One of the main

components of this principle, staff testimony explained, is a system of evaluating teachers and principals that incorporates student achievement as a major factor. Staff also delineated the methods that PED planned to use to measure evidence of change in teacher and leader practice and identified two actions that the plan contained though without details on how they would be implemented:

- the removal of teachers who receive multiple ineffective evaluations and fail to improve despite opportunities to do so; and
- the possibility that an effective teacher's compensation may be accelerated.

Staff testimony continued with a description of PED's Technical Assistance Council (TAC), comprising representatives of teachers, administrators, and outreach groups from all regions of the state, to include representation from the Hispanic Education Advisory Council and Indian Education Advisory Council. In addition to remaining intact for study and feedback of the new evaluation system, TAC will assist in establishing:

- the overall evaluation model;
- a professional development strategy to support implementation;
- operational procedures; and
- timelines, to include spending the first year providing technical assistance and using the regional education cooperatives as resources for statewide outreach.

In July, the committee heard additional staff testimony that summarized provisions from the draft rule *Teacher and School Leader Effectiveness* and compared the draft rule provisions to current provisions in the *School Personnel Act*. In general, the staff review found alignment between the draft rule and state law in some areas:

- the school district, district-authorized charter school, and state-authorized charter school must develop procedures for the performance evaluation system;
- classroom observation is required to be a component of the performance evaluation system; and
- an appeal process is outlined, though differences in the two processes exist.

However, staff testimony continued, this review also yielded areas where alignment between the *School Personnel Act* and the proposed rule were not as clear; therefore, in advance of the public hearing scheduled for July 18, 2012, LESC staff submitted questions about these points for PED to consider. One of the points raised as committee members discussed this testimony was that implementing the system properly is more important than implementing it quickly.

Additional testimony in July came from PED. The department provided details about members selected for NMTEACH, discussed NMTEACH's progress toward developing observation protocols for the evaluation pilot, and expressed commitment to aligning the department rule with the three-tiered licensure system.

In August, the month when the final rule was published, the committee received testimony from the National Conference of State Legislatures (NCSL) about state efforts to reform educator evaluation systems. Among other points, this testimony noted that in most states the new teacher evaluation systems exist in legislation rather than agency rule. In fact, 34 states had enacted

legislation creating new systems to evaluate teachers, with a significant part based on student achievement in reading and math even though most teachers teach un-tested subjects. NCSL added that, although most of those states base 50 percent of their teachers' evaluations on standards-based student assessments, researchers generally recommend 30 or 40 percent. In addition, this testimony continued, most states currently use, or plan to use, teacher evaluation results in making key human resource decisions.

## **The Pilot Schools**

The testimony in November focused on pilots of the rule-mandated teacher and principal evaluation system, conducted to comply with the terms of the NCLB waivers. According to PED testimony, 68 schools have been selected for the pilot, either because they have received School Improvement Grants<sup>4</sup> (SIG) or because they have volunteered to participate. These schools, LESC staff testimony explained, must commit to 100 percent participation in training and data reporting. In addition, this testimony continued, PED will visit each pilot school each semester during school year 2012-2013 to provide technical assistance with observation protocols. The department expects the pilots to inform the statewide implementation of the evaluation system during school year 2013-2014 in terms of:

- observation protocols;
- professional development and training;
- non-tested subjects and grades;
- other multiple measures; and
- data collection and reporting.

In a similar vein, staff testimony continued, PED expects the pilot schools to help:

- establish a differentiated evaluation system;
- prioritize student outcomes;
- define a measure of effectiveness;
- provide data to teachers and school leaders; and
- target professional development and training.

The testimony on the pilot schools continued with the Superintendent of Aztec Municipal Schools, who said that his district was willing to participate in the pilot in order to have sufficient and effective implementation guidelines once the new evaluation system is implemented statewide. One of the points raised in this testimony was that, during the pilot year, the schools are running two parallel systems, which creates more work for the principals as the state transitions to the new evaluation system. This testimony also addressed the importance of targeted interventions to enhance teachers' instructional practice, timely feedback, and differentiation among levels of proficiency; and it identified the challenges that had arisen, among them:

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<sup>4</sup> Title I of the *Elementary and Secondary Education Act* (also known as NCLB) authorizes School Improvement Grants through state educational agencies to local educational agencies for use in Title I schools that are identified for improvement and that demonstrate the greatest need for the funds and the strongest commitment to use them to raise substantially the achievement of their students. Participating schools must select one of four USDE-approved models for improvement.

- a heavy caseload for elementary school principals because the principal-to-teacher ratio is one to 36;
- uncertainty over how to conduct the required number of observations for teachers at all schools with current staff constraints; and
- concerns among teachers regarding how the new evaluation system will affect their teaching status and advancement through the three-tiered licensure system.

Another district participating in the PED pilot is Albuquerque Public Schools (APS). Testimony from APS noted that, in addition to the six schools in the state pilot, during school year 2011-2012 APS partnered with the Albuquerque Teachers Federation to create a one-year teacher evaluation system pilot of its own in four SIG schools. The district conducted an evaluation and compensation pilot that utilized multiple observations by administrators, data on student growth, student learning goals, and student perception surveys. APS further testified that all participants were compensated according to their performance based on high, average, or low outcomes on multiple measures – student surveys, multiple observations, and student learning goals among them – and that, at the end of the pilot, 98 percent of teachers and support staff provided feedback on the process and measures.

### **Selected Provisions of the PED Rule, *Teacher and School Leader Effectiveness***

#### ***Objective and Terms***

Published and effective in late August 2012, the PED rule on evaluating teachers and principals states as its objective to establish uniform procedures for conducting annual evaluations of licensed school employees for:

- setting the standards for each effectiveness level;
- measuring and implementing student achievement growth; and
- monitoring each school district’s implementation of its teacher and school leader effectiveness evaluation system.

The rule begins with the definitions of a number of terms, among them “EES,” which means effectiveness evaluation systems that are developed by school districts to measure the effectiveness of licensed school employees. The term “licensed school employee” means “teachers and school leaders employed in a public school.”<sup>5</sup>

#### ***EES Provisions***

Provisions for the EES require all school districts and state-authorized charter schools to:

- submit an EES for measuring the performance of licensed school employees for PED approval prior to the beginning of school year 2013-2014;
- implement an approved EES during school year 2013-2014; and
- annually report to PED the results of effectiveness evaluations of licensed school employees and the alignment of the EES with the three-tiered licensure system.

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<sup>5</sup> The rule does not apply to teachers and administrators in private schools, Bureau of Indian Education schools, or state agencies.

This section of the rule further requires that the evaluations of teachers and school leaders use the five following performance rating levels;

1. exemplary, meets competency;
2. highly effective, meets competency;
3. effective, meets competency;
4. minimally effective, does not meet competency; and
5. ineffective, does not meet competency.

In general, the school leader responsible for supervising a licensed school employee must be the one who evaluates that employee's performance. However, a school leader's annual effectiveness evaluation must be conducted by "a qualified person and approved by PED"<sup>6</sup>; and a classroom teacher whose previous annual evaluation rating was either highly effective or exemplary "shall continue to be observed four separate times a year by [the] school principal or other qualified external observers."

### ***Teachers in Designated Content Areas***

For teachers in content areas included in the standards-based assessments, the EES requires:

- an evaluation based on sound educational principles and contemporary research in effective educational practices; and
- a student achievement growth component, which is based on:
  - valid and reliable data and indicators of student achievement growth assessed annually through a combination of 35 percent standards-based assessment and 15 percent additional department-approved assessments, for a total of 50 percent, provided that this calculation is not based upon a single test score;
  - assessments that are selected by a school district from a list of options approved by the department for any subjects and grade levels not measured by state assessments; and
  - the PED-adopted measure of student achievement growth calculated for all courses associated with state assessments and for which the school district must select comparable measures of student achievement growth for other grades and subjects.

### ***Teachers in Non-standards-based Assessments Content Areas***

For teachers in non-standards-based assessments content areas and grades, the EES requires:

- an evaluation based on sound educational principles and contemporary research in effective educational practices; and
- a student achievement growth component, which is based on:
  - valid and reliable data and indicators of student achievement growth assessed annually on district-selected and department-approved assessments, for a total of 50 percent;

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<sup>6</sup> The term "qualified person" is not defined.



- assessments that are selected by a school district from a list of options approved by the department for any subjects and grade levels not measured by department-approved assessments; and
- the PED-adopted measure of student achievement growth calculated for all courses associated with department-approved assessments and for which the school district must select comparable measures of student achievement growth approved by PED, for other grades and subjects.

In addition, a school district may develop its own assessment that measures student achievement growth for classroom teachers who do not teach in a standards-based assessment grade or subject, provided that the district submits the assessment to the department for approval.

### ***School Leaders***

For the evaluation of school leaders, the rule requires that:

- the EES rating for the performance of a school leader be based on:
  - the change in a school’s A through F letter grade (50 percent);
  - multiple measures (a minimum of two multiple measures must be adopted and they must align with improved student achievement, for 25 percent of the evaluation); and
  - documented fidelity observations of school leaders (25 percent); and
- the effectiveness evaluation of school leaders include student achievement growth data for students assigned to the public school for at least three consecutive school years, provided that the student achievement growth component of the effectiveness evaluation is based on the change in the school’s A through F letter grade (see “A-B-C-D-F School Rating System,” p. 3).

### ***Other Provisions***

Finally, among its other provisions, the PED rule:

- prescribes criteria and training for external evaluators, including New Mexico educator licensure and at least five consecutive years of verifiable classroom teaching experience;
- provides a 90-day performance growth plan for teachers rated minimally effective or ineffective, during which period those teachers must be observed and evaluated at least four times; and
- prescribes a process for appealing effectiveness evaluations, including the requirement that the person who receives and determines the appeal not be the one who evaluated the licensed school employee.

## CHARTER SCHOOLS

### Charter School Updates

As in past interims, the LESC heard periodic updates about charter schools during the 2012 interim. This testimony addressed four topics:

- practices of the Charter Schools Division (CSD) of the Public Education Department (PED);
- the status of the 11 charter schools approved by the Public Education Commission (PEC) in 2011 and the one school approved by a local school board;
- the notices of intent and applications submitted in 2012 for school year 2013-2014; and
- questions about credits earned at a charter school by students in traditional public schools.

At the June meeting, the Interim Director, Options for Parents, PED, testified about the recent activities of the CSD. Among the points covered were:

- a description of the several training sessions that the 11 PEC-approved schools had attended;
- an overview of the progress toward opening in school year 2012-2013 that those 11 schools had made;
- an account of the revised format for the notices of intent, which provides considerably more information about the plans of the prospective applicants than the format used in years past; and
- a summary of legislation enacted in 2011 and in effect for the first time in 2012, which prohibits a charter school from opening or relocating unless its facilities equal or exceed the average New Mexico condition index for that year or the school demonstrates a plan to achieve that rating within 18 months.

Staff testimony throughout the interim supplemented those points and tracked the progress of all 11 schools approved in 2011 toward meeting the conditions imposed by their authorizers, with particular attention to the facilities that these schools were intending to use. One school asked for an additional planning year because it had been unable to obtain a suitable facility. In most of the other cases, staff testified, these schools did not receive final and complete approval of their facilities until August or September 2012. As a result, though all 11 schools were able to open, some did so later than initially planned.

One point of emphasis in the recurring staff testimony was the New Mexico Virtual Academy (NMVA), approved by the school board of Farmington Municipal Schools as the state's first virtual charter school (see "Virtual Charter Schools," p. 19). This testimony summarized the school board hearings; tracked the status of the facility in Farmington that the NMVA intended to use as a learning center; and provided a number of details from the memorandum of understanding (MOU) between the NMVA and the provider of the virtual education program, K12 Inc. This last point was significant, staff testified, because it indicates the relationship between a virtual charter school and the provider of the virtual education program.

Regarding new applications, staff testified that 43 notices of intent were submitted early in 2012; and they covered a wide range in terms of mission, targeted population, and curriculum. One notable difference in 2012, staff testimony continued, is that for the first time multiple out-of-state charter management organizations (CMOs) had submitted notices to open multiple charter schools in New Mexico: 18 altogether. Staff testimony then provided brief overviews of each of the four CMOs and their intentions for New Mexico, noting that all of them planned for nonprofit organizations to run the schools and had planned to apply to the PEC.

Subsequent staff testimony noted that, from the 43 notices of intent, there were 14 actual applications, all to the PEC. These included applications from three of the four out-of-state organizations profiled in earlier staff testimony, including a virtual charter school. By the time of the PEC hearing in September, three of those applications were withdrawn. Of the 11 remaining, the CSD recommended denying seven and approving four, all with conditions. As the hearing progressed, two other applicants withdrew. Ultimately, the PEC acted in accordance with some of the CSD recommendations but against others as the commissioners denied eight of the remaining applications, including the virtual school proposed by one of the CMOs,<sup>7</sup> and approved one application, with conditions in addition to those recommended by the CSD.<sup>8</sup>

Finally, the questions about credits that students in traditional public schools earned in a particular charter school arose through a case in Albuquerque involving a senior at an APS high school who had failed senior English but who, in fewer than four days in mid-May 2012, earned a C in the course at Southwest Secondary Learning Center (SSLC) and thereby satisfied the graduation requirements. In response to this incident – and to the discovery that many more APS students had earned credits from SSLC during school year 2011-2012 – the Superintendent of APS wrote to the Secretary-designate of Public Education asking that PED investigate what the superintendent called the “granting of ‘quick’ credit” from SSLC. Staff further testified that the issue had also attracted the attention of the PEC, which held a special hearing in June to present a number of questions for consideration by the CSD.

During the July LESC meeting, the Secretary-designate of Public Education and the Audit Manager, PED, presented a report of the department’s investigation into the issue. The report found that:

- contrary to PED’s distance learning rule, there was no written agreement between SSLC and APS, nor had APS students received written permission to take classes at SSLC;
- the instructional materials that SSLC used through the e2020 distance learning program have met PED approval; and
- APS students have taken a variety of courses at SSLC, with further variety in the amount of time spent on the courses and the results achieved.

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<sup>7</sup> The CSD recommendation to approve the application of the New Mexico Connections Academy, the proposed virtual charter school, noted, “There may be a question concerning the ability of the PEC to approve statewide virtual programs.”

<sup>8</sup> The New Mexico Connections Academy appealed the PEC ruling to the Secretary-designate of Public Education. After a hearing in December 2012, the Secretary-designate issued a decision and order on January 30, 2013 reversing the PEC decision and remanding the application to the PEC for approval, with certain conditions. On February 26, 2013, the PEC appealed the Secretary-designate’s ruling to district court.

Testimony on this issue also included a letter from a member of the APS board listing a number of objections to the findings of the PED investigation.

### **Virtual Charter Schools**

Virtual charter schools are a growing component of the charter school movement nationwide, in that the number of full-time online charter schools has increased from fewer than 50 in 2000 to more than 200 in 2011. In New Mexico, one locally chartered virtual charter school – the New Mexico Virtual Academy (NMVA) – opened in Farmington for school year 2012-2013; and another applied to the PEC to open a school in Santa Fe in school year 2013-2014 (see “Charter School Updates,” p. 17). Staff testimony during the 2012 interim provided the LESC with an overview of virtual charter schools to identify some of the questions, issues, and concerns that may merit attention.

The National Association of Charter School Authorizers defines a virtual charter school as:

An educational organization that offers K-12 courses through Internet-based methods, with time and/or distance separating the teacher and learner. Students enroll to earn credit towards grade-level advancement and/or graduation.

The instruction, staff testimony continued, may be delivered synchronously – that is, in real-time mode via webinars or some other form of interaction – or asynchronously – that is, through prepared lessons that students may access in their own time at their own convenience. Staff testimony also cited the International Association for K-12 Online Learning, which notes that community learning centers that students visit at their option are becoming more common, as are classroom-like settings in which all students and their teacher log in at the same time. Also increasing in frequency are opportunities for social interaction, like field trips, and teachers’ maintaining regular office hours when students may contact them for help.

One point of agreement among virtually all parties is that virtual charter schools are not for every student. While virtual charter schools may be especially well-suited for students with particular needs – those who could benefit from an accelerated educational program or who are medically fragile, for example – the students must be capable of independent work and they need a supportive adult at home.

Staff testimony then identified some of the issues associated with virtual charter schools.

- Costs are perhaps one of the least-understood aspects of virtual charter schools, with wide ranges in the various estimates that have been offered.
- Funding virtual charter schools presents challenges as well, partly because funding based on the traditional count day may not be feasible. For New Mexico in particular, virtual charter schools may take students – and thereby funding – from school districts or other charter schools; and they may draw students who were previously home-schooled, diluting the unit value.
- Because virtual charter schools could theoretically enroll students from anywhere, their recruitment efforts are generally broad-based. The NMVA in Farmington, for example, recruited students statewide so that only a small percentage of those enrolled reside in San Juan County.

- The effect of virtual charter schools on student achievement is generally unclear, with some studies showing increases, others decreases, and still others indicating levels similar to those produced by traditional charter schools.
- Other issues include student assessments, special education, teacher professional development, the effects of online instruction on the roles and the employment of teachers, the role of the chartering authority, the business relationship between the virtual charter school and the provider of the virtual education program, and the possible tax liability that an out-of-state for-profit company may incur by providing a virtual education program to a charter school in New Mexico.

Finally, staff testimony identified some legal questions about virtual charter schools:

- On the grounds that New Mexico law contemplates schools as “brick and mortar” buildings with a physical presence in a particular place, tied to “attendance areas,” with “walk zones,” and “allowable class sizes,” a legal opinion by the counsel for the CSD in 2009 concluded that the PEC could not legally authorize virtual charter schools.<sup>9</sup>
- The *Charter Schools Act* contains this prohibition: “the governing body [of a charter school] shall not contract with a for-profit entity for the management of the charter school.” Because the term “management” is not defined and because for-profit providers perform a wide range of services, it may be difficult to determine whether that prohibition is being violated.
- In a situation similar to the NMVA in New Mexico, a local school board in North Carolina approved a virtual charter school to be operated by a nonprofit group affiliated with K12, culminating in a series of legal and political actions regarding the legitimacy of the school board’s approval of the virtual academy.
- Class action lawsuits were filed recently in US District Court for the Eastern District of Virginia against K12 and some of its officers, alleging that the company had violated provisions of the *Securities Exchange Act of 1934* and related regulations by concealing material information and making false and misleading statements relating to K12’s business and financial condition.

## **FISCAL ISSUES**

### **RECURRING AND NONRECURRING APPROPRIATIONS TO PED: FY 13 ALLOCATIONS BY SCHOOL DISTRICT AND CHARTER SCHOOL**

The 2012 Legislature made a number of recurring and nonrecurring appropriations to PED for a wide variety of programs, activities, and initiatives. Early in the 2012 interim, the LESC heard testimony about the department’s allocation of these appropriations to school districts and charter

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<sup>9</sup> An advisory letter from the Attorney General in 2008 on a somewhat different topic reached a conclusion similar to that of the CSD counsel. In January 2013, the new General Counsel at PED issued a contrary opinion that the PEC does have the legal authority to authorize virtual charter schools.

schools. Staff testimony identified the purposes and amounts of the various appropriations, and the Deputy Secretary for Finance and Operations, PED, testified about their allocation.

The recurring appropriations under consideration were:

- Instructional Material Fund: \$26,975,800;
- K-3 Plus program: \$11.0 million;
- pre-kindergarten program (NM PreK): \$10.0 million;
- early reading initiative (New Mexico Reads to Lead!): \$8.5 million;
- breakfast for elementary students: \$1,924,600;
- teaching support for schools with low-income students: \$500,000;
- interventions for low-performing schools (D & F Schools): \$3.5 million;
- college- and career-readiness (ACT, SAT, PSAT, Explore, Plan): \$309,400; and
- statewide formative assessments (short-cycle, grades 4-10): \$2.5 million.

The nonrecurring appropriations were:

- supplemental funding for increases in school district and charter school fixed costs: \$2.5 million;
- emergency support for school districts experiencing shortfalls: \$4.0 million;
- emergency supplemental support to small, rural, and isolated districts with a total student membership of fewer than 200 in elementary, middle, and high schools: \$1.5 million;
- transition to the CCSS: \$1.0 million;
- K-12 science instructional materials for school districts with low student performance in science: \$1.5 million;
- increased fuel costs (Emergency Transportation Fund): \$1.5 million; and
- reauthorized funds from the 2011 appropriation to implement a new teacher evaluation system based on student achievement growth: \$1.0 million.

In his testimony, the Deputy Secretary provided enrollment and participation data for the designated activities and programs supported by recurring funds, including instructional materials, the K-3 Plus Program, NM PreK, Breakfast for Elementary Students, and the Early Reading Initiative. Among the interventions for low-performing schools funded by recurring dollars was professional development for teachers, coaches, and administrators: including a one-day training open to all D, F, Priority, and Focus schools on the use of data and criterion-referenced data; and a school turnaround program that the University of Virginia hosted for 10 state teams.

With regard to distributions from nonrecurring dollars, the Deputy Secretary's testimony included:

- a by-district, by-charter school spreadsheet outlining special supplemental funding for increases in fixed costs based on school year 2011-2012 final funded program units;
- a summary of preliminary budgeted amounts to 24 school districts experiencing budget shortfalls, including four small rural and isolated districts;
- the allocations to support the transition to the CCSS (see "Common Core State Standards," p. 9); and

- a request for information proposal to determine awards for K-12 science instructional materials for districts with low student performance in science.

During their discussion following this initial testimony, committee members raised questions about:

- the department's changes to the K-3 Plus Program and decreased level of participation in the program (see "K-3 Plus Program Evaluation Report," p. 30);
- the selection of the University of Virginia as the provider of the school turnaround program and the process of selecting the schools that participated;
- the costs of transitioning to the CCSS;
- the means by which districts were made aware of the teacher evaluation pilot program (see "Teacher and Principal Evaluation System," p. 11); and
- the applications for and funding of the New Mexico Reads to Lead! program.

Later in the interim, staff testimony provided more details about the nonrecurring appropriation to PED for the transition to the CCSS and about three of the recurring appropriations:

1. the K-3 Plus Program;
2. the Early Reading Initiative; and
3. interventions for low-performing schools.

### ***The K-3 Plus Program***

According to this testimony, PED used the \$11.0 million appropriation for the K-3 Plus Program in three ways:

- \$7.8 million to provide programming to 7,100 students across New Mexico;
- \$140,000 for administrative costs; and
- \$300,000 for professional development contracts.

This testimony also described features of the K-3 Plus Program and its funding, as well as the application process that PED used, which provided a total of seven calendar days for school administrators and districts to complete and submit their applications to the department.

### ***Early Reading Initiative***

For the early reading initiative, staff testimony continued, PED divided the appropriation of \$8.5 million as follows:

- \$3.0 million for a contract with Wireless Generation DIBELS Next to provide a K-3 common formative assessment and professional development;
- \$1.0 million for professional development on reading instruction, use of data, and the alignment with the CCSS; and
- \$4.5 million for 14 regional and 13 district-level reading coaches and interventions.

### ***Interventions for Low-Performing Schools***

Staff further testified that PED had divided the \$3.5 million appropriation for interventions for low-performing schools (those receiving a grade of D or F) among three items:

- \$150,000 for professional development of teachers, reading coaches, and administrators;
- a \$300,000 request for proposals for a contractor to provide a comprehensive review of D and F school budgets to identify efficiencies and cost savings; and
- \$2.55 million to send school and district leaders to the University of Virginia School Turnaround Specialist Program (UVA-STSP).

To date, this testimony continued, 30 staff members from 10 schools have participated in the UVA-STSP, along with eight district personnel from three school districts and two PED staff members.

Finally, staff testified that \$850,000 of the \$1.0 million nonrecurring appropriation to PED for the Common Core transition was allocated to provide statewide professional development on the CCSS, with the \$150,000 balance to be used for administrative costs including, staff travel, communication, and website and online updates.

Most committee discussion of this testimony focused on the UVA-STSP. Among the points raised was that the state may have benefitted if staff of the New Mexico Leadership Institute had been invited to attend the program. Members also questioned the nature of the agreement between PED and UVA-STSP.

### **PROPOSED ADJUSTMENTS TO RETIREMENT PLANS**

Testimony by the Legislative Council Service (LCS) staff provided an overview of changes in accounting standards on public pensions and government financial reporting. Although investors have long been aware of public pension liabilities, new rules will require state and local governments to report these liabilities in their balance sheets. This testimony also explained that pension funding, which is usually the largest long-term liability facing governments, comprises two main components: contributions and investment earnings. In the case of the two state plans – the *Educational Retirement Act* (ERA) and the *Public Employees Retirement Act* – approximately 40 percent of funding comes from employer and employee contributions, and the other 60 percent comes from stock market and investment payouts.

The LCS testimony further indicated that there is currently no reason to move away from a defined benefit pension to a 401(k) or other defined contribution program; however, more drastic changes will be required if an intervention is delayed. For one thing, the two plans are spending down funds that could be used for investments, resulting in further deterioration. This testimony concluded with a comparison of actions that other states have taken to address pension plan liabilities.

LESC staff testimony noted that the funding status of both plans had declined due to several factors, including:



- a decrease in asset values resulting from the financial crisis;
- a maturing of plan demographics; and
- the state's fiscal outlook, which led to decreases in hiring and wage growth.

This testimony then reviewed the proposed changes that are designed to eliminate the existing unfunded actuarial accrued liability (UAAL) for each retirement program. According to this testimony, the Educational Retirement Board (ERB) proposal is structured so that:

- the plan could become fully funded within 30 years;
- employee contributions increase by 2.8 percent; and
- benefits are reduced for new plan members through:
  - a minimum retirement age of 55; and
  - eligibility for the cost-of-living adjustment (COLA) starting at age 67, up from 65.

The other proposal, this testimony continued, addresses the UAAL of the Public Employees Retirement Fund through:

- a reduction of its COLA for all members from 3.0 percent to 2.0 percent;
- increasing total contributions by 3.0 percent; and
- additional changes to benefits for members hired on or after July 1, 2010.

Staff testimony further explained the internal rate of return as a metric to evaluate the proposed plan adjustments, suggested that the proposed changes to the retirement plans may have an effect on recruitment and retention efforts, and further suggested that the proposed changes may require current generations to pay off the unfunded liabilities of prior active members in order to hold future generations harmless.

The Executive Director of the ERB testified that the proposed changes had been presented to stakeholders for approval. ERB members, according to this testimony, have always paid a substantial portion of the total contribution rate, and they are willing to pay more to keep the benefits at the same level. Addressing one of the points in the staff testimony, the Executive Director agreed that higher contribution rates may affect recruitment and retention but added that, even with these changes, the ERB plan would remain one of the most generous in the nation. Currently, this testimony continued, ERB is approximately 60 percent funded; and the proposal would result in a 95 percent funding status by 2043. When the next actuarial valuation is released, the ERB's UAAL is expected to be approximately \$6.0 billion.

Testimony by the Executive Director of the Public Employees Retirement Association (PERA) began with a reference to HJM 19 (2012), which had requested that PERA develop a proposal to eliminate its UAAL, currently estimated at \$6.2 billion, by 2041. To accomplish this goal, the testimony continued, the PERA proposal would institute an eight-year vesting period for new employees while setting the maximum pension benefit at 90 percent of final average salary. Among other proposed changes to reduce the UAAL, new members would receive a 2.0 percent compounding COLA with a seven-year waiting period, phased in over four years, before the COLA would take effect. The changes would affect current retirees as well, by reducing their COLA from 3.0 percent to 2.0 percent. With these changes, the PERA testimony concluded, the funded status will reach 100 percent by 2042.

*See recommendations 1 and 2.*

## **FY 12 UNEMPLOYMENT COMPENSATION ASSESSMENTS OF SCHOOL DISTRICTS AND CHARTER SCHOOLS**

During the 2011 interim, LESC staff provided testimony regarding the unemployment compensation assessments of school districts by the General Services Department (GSD). For FY 12, many of these districts had indicated that their rates for unemployment compensation increased substantially as compared to the previous year, resulting in budget shortfalls for some districts. Since then, GSD issued school districts additional invoices in the fourth quarter of FY 12 for costs incurred from FY 08 through FY 12, and it appeared that budget shortfalls would exist again in FY 13.

Staff testimony during the 2012 interim presented a number of conditions indicating that issues with unemployment compensation remain unresolved, among them that:

- 42 districts did not budget sufficient resources in FY 13 to cover their unemployment compensation assessment, resulting in a deficit of approximately \$2.5 million across those districts, over three times the statewide deficit;
- all but one of those 42 districts had sufficient unrestricted cash balances as of June 30, 2012 to pay for the unemployment compensation assessment; and that district has applied for emergency supplemental funding from PED, though it is uncertain whether the emergency funding will be sufficient to overcome the projected shortfall;
- some assessments and invoices by GSD seem to have been calculated annually rather than quarterly, as the law requires; and
- one district was charged an administrative fee of more than 250 percent of the assessment.

In his testimony, the Interim Director of the Risk Management Division (RMD) of GSD acknowledged the committee's concerns and expressed his goal of resolving issues and providing more clarity. He also suggested that the LESC, PED, and GSD collaborate with the Department of Finance and Administration and the Department of Workforce Solutions (WFS) in the efforts to address inadequate reserve levels for unemployment compensation funds that force RMD to dip into other funds, further suggesting that this process could produce a model of interest to other state agencies. The Interim Director also reminded the committee that the system is a reimbursement, not insurance, program.

Additional testimony came from school administrators in the audience, who raised such issues as:

- districts' limited control over unemployment compensation assessments and their difficulty in budgeting for them;
- the need for continued education and training; and
- the wide variation in the assessment amounts from year to year.

Finally, given the willingness of PED and other parties to work toward a resolution, the Chair requested that a letter be sent to the Legislative Finance Committee (LFC) asking the LFC to form a work group. A work group was formed, at the initiative of the LESC, comprising staff from the LESC, the LFC, PED, RMD, and WFS. While members acknowledged that dates in statute for the prescription of unemployment compensation schedules and submission of districts' budgets to PED do conflict, they reached no consensus on alternative dates. However, recognizing the need for education and training of school administrators, WFS and RMD agreed to participate in training sessions at PED's 2013 spring budget workshop.

## **FY 14 INSURANCE APPROPRIATION REQUESTS AND THE IMPACT OF NATIONAL HEALTH INSURANCE**

Each year, if funding is available, the Legislature appropriates dollars to the State Equalization Guarantee (SEG) distribution to provide for projected increases in the employer's group health and risk insurance contribution rates of the state's public schools. New Mexico's charter schools and most school districts participate in the New Mexico Public Schools Insurance Authority (NMPSIA), while Albuquerque Public Schools (APS), due to its size, is exempted from participation in NMPSIA and is self-insured.

Staff testimony explained that the appropriation is based on NMPSIA's and APS's respective budget requests, which are based on projected contribution rates considered to be adequate to provide for anticipated insurance claims, administrative costs, and reserves in the next fiscal year. These increases may be offset by NMPSIA or APS board action that allows the agencies to use reserve fund balances to reduce the projected increases. Staff further testified that, for FY 14, NMPSIA and APS are requesting a combined \$29.8 million for increases in the employer's group health and risk insurance contribution rates, which amounts to approximately \$21.0 million for NMPSIA and \$8.8 million for APS.

According to NMPSIA testimony, the agency's appropriation request considers:

- a 10.4 percent increase in health premiums;
- a 6.0 percent increase in dental premiums;
- no increases for vision or long-term disability premiums; and
- a 15 percent increase for risk insurance, which includes property, liability, and workers' compensation claims.

This testimony further explained that NMPSIA is asking for an appropriation for the risk program because claims projections may create a deficit, primarily because of settlements regarding hazing incidents in the Las Vegas City Public Schools and in the Los Lunas Public Schools.

APS testified that the district's request considers an 8.6 percent increase in medical, dental, and vision insurance premiums but no increases for life and disability. In addition, the district expects a 5.0 percent increase in property and liability premiums and workers' compensation claims; however, these costs are not factored into the appropriation request as the APS Board of Education has instructed the district to use \$6.35 million of its reserve fund to help offset these

increases. The APS testimony also provided the committee with an overview of the APS plan design changes for 2013, which include increases in copays and deductibles and raises in employee contributions.

The committee heard additional testimony on insurance during the December meeting, after the November 2012 national elections and the continued implementation of the federal *Patient Protection and Affordable Care Act (ACA)*. This federal law, staff testified, may affect insurance costs in two ways: programmatic and non-programmatic. Programmatic effects, this testimony explained, are foreseeable costs that can be directly estimated. Non-programmatic effects, on the other hand, will remain unforeseen until the ACA is fully implemented. Staff also provided the committee a timeline of selected provisions of the ACA that may have bearing on the discussion.

A representative of APS reviewed the provisions of the ACA that may have a fiscal impact on the district. One of the features is the play-or-pay mandate for employers, which requires them to provide coverage to eligible employees or be subjected to a fine. Furthermore, if the insurance program does not meet certain adequacy and affordability thresholds, the employer would be subject to the fines as well. Other factors include:

- additional costs to provide mandatory coverage for substitute teachers;
- fees associated with the transitional reinsurance program, which assists previously uninsurable individuals in finding coverage;
- the migration of spouses and dependents to the APS plan;
- projected growth in Medicaid and Medicare enrollment; and
- the prohibition against denying coverage for pre-existing conditions.

Altogether, this testimony concluded, the initial APS appropriation request for FY 14 may need to be increased by \$2.5 million.

Testimony by NMPSIA indicated that the authority would face the same costs that APS had identified, adding that, beginning in 2013, there will be a 2.3 percent tax on durable metal equipment, including medical devices from defibrillators to wheel chairs. Although NMPSIA is generally more liberal than the ACA with regard to qualification for benefits, NMPSIA currently excludes substitute teachers from benefits coverage. This testimony anticipated a \$3.0 million increase in the FY 14 appropriation request.

## **ASSESSMENT AND ACCOUNTABILITY**

### **COMPUTER-BASED ASSESSMENTS: INFORMATION TECHNOLOGY NEEDS**

Staff testimony provided background on two computer-based assessments that are expected to be required in 2014: assessments associated with the CCSS and the new General Educational Development (GED) test. Regarding the first, staff testified that PED will utilize a test developed by the Partnership for Assessment of Readiness for College and Careers (PARCC), which is scheduled to replace the New Mexico Standards-based Assessment in school year 2014-

2015 (see “Common Core State Standards,” p. 9). Regarding the second, when the GED test is scheduled to undergo its fifth revision in 2014, it will be available only in a computer-based format (see “General Educational Development Testing,” p. 36).

The Chief Information Officer and Director of Business Systems, Albuquerque Public Schools (APS), testified that the assessment being developed by PARCC is based on newer technology than the school districts are currently using. While the specifications are being rolled out in three phases, the first phase has already shown that more than half of the APS computers do not meet the PARCC minimum technical standards. This testimony further noted that APS intends to roll out an information technology improvement plan in two phases, the second of which is pending additional PARCC specifications.

Testimony by CenturyLink provided an overview of the company and its plan to invest \$60.0 million in New Mexico over the next several years, in addition to the \$400 million that the company invested in the last five years. This testimony also noted that the company had added fiber Internet speeds to 100,000 customers in the last year; that it has ensured that high-speed Internet is available to at least 75 percent of households in rural New Mexico; and that CenturyLink is planning to deploy high-speed Internet to areas currently without service via the Connect America Fund.

The Senior Program Manager, GED Testing Service, testified that the new computer-based test will require test-takers to have some familiarity with technology. As rationale for this requirement, the testimony noted that current job postings and applications are mostly online and that technological advances will account for many of the career opportunities to be created in the next decade. In addition, this testimony continued, computer-based tests have the benefits of convenience, enhanced test security, a flexible testing experience, and instant score reports.

Turning to the testing centers themselves, the GED testimony emphasized that, in order to administer the 2014 GED test, a testing center must obtain certification by Pearson Virtual University Enterprises (Pearson VUE). This certification requires that a testing center:

- provide a distraction-free location with a separate check-in area;
- have a minimum of at least two computers;
- obtain an enhanced security protocol kit, which can be purchased from Pearson VUE for \$450; and
- supply a certified test proctor.

Approved testing centers, this testimony concluded, will be compensated at \$5.00 per scheduled testing hour per test-taker.

Testimony by the Chief Information Officer, Public School Facilities Authority, described the work of the Information Technology Advisory Group (ITAG), which has recently focused on three particular areas:

- technology plans and their relationship to facilities master plans;
- technology adequacy standards; and
- broadband needs that are required to support the educational program delivery.

This testimony also addressed the information technology challenges that public schools face, among them:

- the ability to meet technology requirements for the CCSS;
- the need for groups to meet the needs and requirements of their respective programs;
- the lack of a clear understanding of all technology requirements and needs; and
- the absence of standards or guidelines to define adequate broadband service to support education programs and facilities.

A representative of the E-Rate Division of the International Computer Corporation testified that the E-Rate program is a tax on each phone and Internet connection, the revenue of which is provided for schools and libraries to fund Internet and phone connections through a reimbursement process. Through this program, libraries and schools in New Mexico collected \$36.0 million in 2012 and \$31.0 million in 2011.

Finally, the Chief Information Officer, Information Technology Division, PED, testified that the department has been working with ITAG and with school districts; and has recently completed a technology survey of school districts.

## **AUDIT RESULTS OF PED-SELECTED SCHOOL DISTRICTS AND CHARTER SCHOOLS**

During the spring of 2011, PED audited 34 school districts and 28 charter schools whose unit growth data raised certain questions, particularly with regard to special education (Tier I audits). Of those, PED identified nine school districts and one charter school for more in-depth audits by an independent auditor (Tier II audits). The *LESC Report of the 2011 Interim* provides details about the audit process, the concerns of LESC staff, the initial audit findings, and the responses of school districts and charter schools. At the time that the report was being completed (late January 2012), the independent auditor had not issued a report of the additional in-depth audits of those nine school districts and one charter school; and PED had notified LESC staff that the department expected the reports in March 2012. Staff testimony during the 2012 interim reviewed the testimony that the LESC had heard during the 2011 interim and added that the results of the in-depth audits were released in June 2012.

During the 2012 interim, the Secretary-designate of Public Education testified that, as a result of the audits, reporting for special education and other funding formula factors has improved. The schools selected for in-depth audits were sent an email notice that they had two weeks to respond to any findings. The Secretary-designate also testified that, now with an audit team in place and a handbook for audit procedures online, the department planned to schedule audits with a third of school districts or charter schools on an annual basis.

Additional testimony came from the superintendents of Albuquerque Public Schools (APS) and Melrose Public Schools.

- The APS testimony reviewed the allegations made last spring by the Secretary-designate that some school districts were “gaming the system” and described the uncertainty felt by APS and a number of other districts that had received no formal notification of their status.

- The Melrose Public Schools testimony described the 15-month-long process through which the district, first accused of wrongdoing and then subjected to the Tier II audit, was eventually cleared of any findings. This testimony also cited the damage that the district had suffered because of media coverage of this issue.

Committee discussion produced a request that PED notify the audited districts of their status.

## **K-3 PLUS PROGRAM EVALUATION REPORT**

Enacted in 2007, K-3 Plus began as a six-year pilot program that extends the school year in kindergarten through grade 3 by at least 25 instructional days. The program is intended to demonstrate the academic and social benefits of increased time in kindergarten and the early grades. In 2012, the K-3 Plus provisions were amended to convert the program from a pilot project to an established PED program, which has been evaluated by Start Smart K-3 Plus Project, Utah State University (USU).

Staff testimony provided some background to the program, enumerated the provisions in law, and reviewed the funding history of the program. For FY 13 (school year 2012-2013):

- the Legislature appropriated \$11.0 million for K-3 Plus;
- of that amount, PED reported allocating \$8,902,829;<sup>10</sup> and
- PED approved 75 programs serving 7,163 students in 20 districts and one state-chartered charter school.

The evaluator from USU testified that the Start Smart K-3 Plus Project is a federally funded study examining the effect of K-3 Plus on student achievement and the cost-benefit aspects of the program. He also described the design behind the study, which is a randomized controlled trial in which students are randomly assigned to an intervention group and to a control group in order to eliminate selection bias. The study has followed approximately 1,700 students in eight districts, with half of the students randomly assigned to the intervention group and half randomly assigned to the control group. This testimony further noted that one school district had withdrawn from the study, reducing the number of kindergarten student participants.

With a caveat that some of the data are preliminary, the USU evaluator testified that strong and statistically significant outcome effects of the Start Smart K-3 Plus program were found in broad reading, broad writing, basic math, and expressive vocabulary. In terms of kindergarten readiness, participants in the intervention group received higher percentile ranks than those in the control group.

Addressing the question whether the effects of the program endure over time, the evaluator testified that small effects in reading, math, writing, and vocabulary were found for students in

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<sup>10</sup> Subsequent to the testimony during the December meeting, LESC staff learned that, for the program in July and August 2012, PED had actually reimbursed fewer dollars – \$6,649,940 altogether – because a number of students had attended fewer days than anticipated and the reimbursements were based on attendance.

first grade, but they were not statistically significant at the 95 percent level of confidence. To answer the question more fully, USU will:

- gather more data;
- follow the students for a longer period of time; and
- examine whether certain subgroups may benefit more than others.

Finally, the USU testimony identified several lessons that the research staff had learned, among them that:

- early notification of families helps because in the second year the sample size was doubled by sending information to families sooner; and
- student participation requires student and family interest and availability, schools that offer the program, and resources to run the program.

*See Recommendation 3.*

## **EDUCATOR QUALITY**

### **TEACHER PREPARATION ISSUES COMMITTEE REPORT**

The Dean of the College of Education, New Mexico State University, testified about his service on a national committee to consider the reauthorization of Title II of the *Elementary and Secondary Education Act* (also known as NCLB) – Preparing, Training, and Recruiting High Quality Teachers and Principals – and to examine the evaluation of teacher preparation programs. Because members of this committee were unable to reach consensus on recommendations, the Dean testified that the US Department of Education (USDE) would likely propose regulations on its own.

This testimony identified a number of concerns about the direction the rules may take, among them a reliance upon a value-added model (VAM) as the primary determinant in evaluating teacher preparation programs. The issues that the VAM approach raises, according to this testimony, include:

- excessive or inappropriate teaching to standardized tests, especially considering that not all subjects are covered by standardized tests;
- the inaccuracy of standardized test scores – only a “snapshot” – as a reflection of student growth; and
- the instability and large error rates associated with using one year of standardized testing data to determine teacher performance.

Another concern of the members of this committee was that students enrolled in programs judged to be low-performing will not be eligible for Teacher Education Assistance for College and Higher Education (TEACH) grants, primarily because the funding of TEACH grants would be based on program rating. This testimony also noted that the majority of major national



organizations representing colleges and universities oppose this approach, considering it punitive.

There were also concerns about such matters as:

- the imposition of a federal system of teacher program evaluation;
- increasing the regulatory burden and costs on states and teacher education programs; and
- the validity and reliability of the proposed criteria.

Committee discussion of this topic addressed such issues as the cost and effectiveness of the VAM, whether for program evaluations or personnel decisions; the amount of classroom time spent on student testing and the purposes of those tests; and the assessments to be developed as part of the transition to the CCSS (see p. 9).

## **EDUCATOR ACCOUNTABILITY REPORTING SYSTEM**

The Educator Accountability Reporting System (EARS) is a data system that measures how well colleges, schools, and departments of education are performing in the preparation of educators. Staff testimony noted that, although statute assigns the reporting responsibility to PED, the deans and directors of teacher preparation programs have compiled the report each year so far. Staff testimony also enumerated the key findings of the 2012 EARS report:

- Educator preparation programs consistently attract academically prepared candidates in terms of grade point averages, scores on the New Mexico Teacher Assessments, and ACT or SAT scores.
- Standards for admission to teacher education programs use common factors such as references, writing samples, and evidence of tutoring or work with children that enhance transparency and seamless transferability among institutions.
- Educator preparation programs strive to mirror student population data with state ethnicity data.
- Field and clinical experiences are designed to connect classroom practices to candidate preparation through practical classroom experiences at the beginning, middle, and end of their programs.
- For the field and clinical experience, candidates are placed with highly qualified teachers, as defined by provisions in NCLB.
- One goal of teacher preparation programs is to recruit, prepare, and graduate candidates in the high-need areas of mathematics, science, and special education.
- The report contains significant improvements in financial data collection and analysis.

Staff also noted that the deans and directors of the state's teacher preparation programs had requested that the due date of the annual EARS report, currently November 1, be changed to July 1 to align with federal Title II reporting requirements.

*See Recommendation 4.*

# MEETING THE NEEDS OF STUDENTS

## READING

### Staff Overview

As noted in the Introduction to this report, during the 2012 interim the LESC met an additional day, in November, to discuss issues related to the teaching of reading:

- P-3 reading policies and initiatives in selected states;
- literacy instructional strategies: Neuhaus Education Center;
- reading initiatives statewide; and
- best practice model: Anthony Elementary School, Gadsden Independent Schools.

Staff testimony outlined the day's agenda and provided some background information, beginning with a review of selected reading initiatives statewide:

- the development of a reading assessment for new teachers as required in law;<sup>11</sup> and
- the distribution of an \$8.5 million appropriation to PED to support early reading initiatives statewide in FY 13, with specific reference to the New Mexico Reads to Lead! K-3 Reading Initiative (see "Recurring and Nonrecurring Appropriations to PED: FY 13 Allocations by School District and Charter School," p. 20);

Staff testimony continued with:

- a concern about bilingual reading that the US Office of Civil Rights had raised with PED;
- a summary of the New Mexico First Report about reading proficiency among students in New Mexico and five other states; and
- a synopsis of the New Mexico K-3 Plus Program Evaluation Report from 2011, which had been provided to the committee during the December 2011 interim meeting.

### P-3 Reading Policies and Initiatives in Selected States

Testimony by policy analysts from the Education Commission of the States (ECS) compared early literacy in New Mexico with that of five other states – Delaware, Kentucky, Maryland, North Carolina, and Texas – that had been highlighted in the New Mexico First Town Hall report provided to the committee during the July interim meeting.

Among the points that the ECS testimony raised:

- New Mexico's largest minority group, Hispanic students, is underperforming its cohort in other states;

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<sup>11</sup> Laws 2011, Chapter 95, amended sections of the *Public School Code* to require "a rigorous assessment of the [teaching] candidate's knowledge of the science of teaching reading" as part of the New Mexico teacher assessments for elementary Level 1 and alternative Level 1 licensure.

- except for Texas, which has a higher percentage of English language learners (ELLs), New Mexico has a higher percentage of ELLs and students qualifying for free and reduced-price lunch than the other states;
- schools in Montgomery County, Maryland, have a number of best practices and are showing promise in educating pre-K to third grade ELL students, with nearly 75 percent of ELL students proficient in reading; and
- several common themes reflect best practices of those five states, which may have contributed to the states' improvements in reading proficiency, including:
  - teaching preparation focused on the science of teaching reading (for example, Kentucky requires instruction in reading for licensure);
  - professional development and training;
  - early intervention strategies;
  - the creation of quality rating systems to measure program effectiveness in preparing students; and
  - summer reading programs.

### **Literacy Instructional Strategies: Neuhaus Education Center**

Other testimony came from representatives of the Neuhaus Education Center (NEC) and the International Dyslexia Association. A nonprofit organization based in Texas and designed to prevent reading failure by providing teachers with professional development in research-based methods of literacy instruction, NEC focused its testimony on the success of two school districts in Texas.

- Brownsville Independent Schools, a district on the Texas-Mexico border, has provided teachers with professional development from two Neuhaus programs, Reading Readiness and Language Enrichment, which are said to target developing readers and students at-risk for learning failure.
- The Houston Independent Schools District has implemented reading initiatives that focus on professional development for all elementary school principals, general education classroom teachers, teacher development specialists, K-12 literacy coaches, and special education program specialists.

This testimony also reviewed a series of bills enacted in Texas, beginning with a law enacted in 1997 that requires all K-2 students to take reading assessments, whose results are used to identify, treat, and monitor the progress of students at risk for dyslexia or other related disorders.

### **Reading Initiatives Statewide**

The Secretary-designate of Public Education and PED staff testified about a number of statewide reading initiatives, some of which, according to this testimony, include practices like those cited in previous presentations. This testimony also provided details on PED's use of funding for reading initiatives statewide, including:

- the appropriation of \$8.5 million for FY 13 to support early reading initiatives;
- the funds provided to districts through the Reads to Lead! application process; and
- a recently launched PED reading website with resources in both English and Spanish.

In response to committee questions about the selection of districts for Reads to Lead! funding, PED staff testified that all schools were required to frame their requests for funding according to proven practices from leading research and that PED would provide a report to the LESC of the activities of each of the Reads to Lead! grantees. Of the 44 districts and charter schools that had applied, 13 received awards.

This testimony further reported that, in September, the first cohort of teacher candidates had taken the new reading assessment. PED staff described the features of the assessment and noted that participants would receive final scores in December 2012 once the standards-setting process is completed.

In response to the concern about the bilingual reading model that the US Office of Civil Rights (OCR) had raised, PED staff reported that:

- there is no state-adopted bilingual reading curriculum or program;
- school districts have the autonomy to make decisions about the reading curricula they want to use;
- the Bilingual and Multicultural Education Bureau at PED supports several different program models, including dual-language, transitional, heritage, and enrichment;
- New Mexico is not in violation of any funded programs through the OCR; and
- PED is currently working with the Kellogg Foundation to identify successful dual-language programs throughout the state.

### **Best Practice Model: Anthony Elementary School, Gadsden Independent Schools**

Finally, testimony by LESC staff and officials from Anthony Elementary School (AES), Gadsden Independent Schools, provided an overview of the school's success in exceeding district and state proficiency levels at a school whose students are 100 percent Hispanic, 98 percent low-income, and 60 percent ELL.

Staff testimony summarized the school's success:

- it was the only school in its district to earn a grade of A through the PED school grading system (see "A-B-C-D-F School Rating System," p. 3); and
- the standards-based assessment scores at AES in reading and math proficiency were higher than both the district and the state average.

The principal of AES testified about her efforts to address the excessive absences that she found when she began working at the school and to reshape the mission of the school to make AES a college-bound campus where failure is not an option. Among their approaches, this testimony continued, the educators at AES:

- have a common goal that all students can learn;
- host a Reading and Math Night to train parents to help their child at home, where dinner is provided and the parents learn how to do math through investigation, an instructional approach that trains children to think through math problems and solutions step by step;

- engage in small group coaching every week to plan, analyze, and disaggregate data; and
- are provided with time during the day and after school for interventions and tutoring.

Further AES testimony described the data notebooks that teachers submit on a weekly basis, the professional learning communities that focus on student success, the balanced literacy approach that requires instruction tailored to student levels, and the close monitoring of ELLs so that these students can become proficient in English by the fourth grade. In response to a question during committee discussion, the principal said that the school had not received a Reads to Lead! grant.

## **GENERAL EDUCATIONAL DEVELOPMENT TESTING**

Developed in 1942 in response to the needs of the industrial era, the general educational development (GED) program offers students a widely accepted alternative to a traditional high school diploma. The program and test have been revised over time to reflect changing needs although the fundamental purpose has remained. Staff testimony during the 2012 interim noted that, now in its fourth series, released in 2002, the current GED test is based on content standards at the national and jurisdictional level, and it is scheduled to expire December 31, 2013. This testimony, together with testimony by an adult basic education (ABE) administrator at New Mexico State University-Grants and by the director of ABE, Eastern New Mexico University (ENMU)-Roswell, also addressed recent and proposed changes in the administration of the GED program and in the test itself. These changes to the GED test that will go into effect in 2014 seem likely to result in:

- the apparent privatization of the GED;
- mandatory computer-based testing for the new GED; and
- the likelihood of increased cost of the new GED.

LESC staff testified that, in March 2011, the American Council on Education, which currently administers and owns all the intellectual property rights to the GED test, formed a new limited liability corporation with Pearson PLC. The new corporation, GED Testing Service LLC, was reportedly created in order to revise the GED test with more modern, rigorous, and meaningful content.

The current GED test, staff testified early in the interim, can be offered either on paper or on the computer; in New Mexico, however, the test is offered only on paper, except for a computer-based testing pilot program at four GED testing sites planned for later in the interim. Among the 29 testing centers in the state, costs range from \$25 to \$100. The new test, to be implemented in 2014, will be available only on computer. In addition, registration for the new test must be over the phone or through the Internet, either of which will require a credit, debit, or prepaid card. GED Testing Service will charge \$120 per test-taker in 2014, with approximately \$38 of that testing fee paid out to compensate testing centers (see “Computer-based Assessments: Information Technology Needs,” p. 27).

Staff and ABE officials testified that these changes have raised a number of concerns, among them:

- that rural GED testing centers without the technological infrastructure to handle the test will not be able to administer it;
- that computer-based testing will leave those who are not as familiar with computers at a disadvantage; and
- that test-takers may be able to bypass ABE programs and register for the GED test without properly preparing.

Acknowledging the challenges from the upcoming changes to the GED test, the ENMU testimony added that the changes may also present opportunities to improve the current adult education and assessment system, among them:

- a potential increase to the number of individuals who transition from the GED to college;
- instant test results that could increase the GED completion rates in New Mexico; and
- computer-based testing that may inspire advanced-aged participants to learn computer skills.

ABE testimony suggested a number of responses to these issues, among them considering cost-sharing options between the New Mexico ABE programs and PED, subsidizing the 2014 GED test with state funding, and strengthening the relationships between ABE programs and community colleges and four-year universities. Another response, this testimony continued, is to seek an alternative to the GED test, which several other states have done. One factor in this approach, staff testified, is that the term “GED” is a registered trademark of the American Council on Education that cannot be reproduced without that group’s permission. Finally, ENMU testified that any new alternative pathway should incorporate an assessment recognized and valued by the workforce.

*See Recommendation 5.*

### **SJM 23 (2012), *EDUCATIONAL BARRIERS FOR PREGNANT TEENS***

The 2012 Legislature considered, but did not pass, SJM 23, *Educational Barriers for Pregnant Teens*, which requested that PED create a task force to study the obstacles faced by teen parents in completing their education. The joint memorial further requested that the task force issue a comprehensive report by November 1, 2012, with goals, both short-term and long-term, for eliminating obstacles that teen parents face in completing their education, as well as recommendations to increase the graduation rate for pregnant and parenting teens. Although SJM 23 did not pass, several organizations with an interest in examining this problem worked together in the interim to conduct research, compile a description of the problem, develop possible solutions, and release a report to the public. This report was included in the LESC 2012 interim workplan as an opportunity for the committee to review and discuss the issues raised by the joint memorial.

In her testimony, the Executive Director of New Mexico Graduation, Reality, and Dual-role Skills (GRADS) instructional program cited the findings of a 2010 Child Trends report, *Diploma Attainment among Teen Mothers*. Among the findings were that:

- teens who gave birth before the age of 18 were 22 percent less likely to receive a high school diploma than teens who gave birth after their 18<sup>th</sup> birthday;
- Hispanic teen parents were less likely to receive a high school diploma or a GED certificate than Caucasian and African-American teen parents; and
- only one-half of women in the study sample who had been teen mothers had earned a high school diploma by the age of 22, compared with 89 percent of young women in the study sample who had not given birth as a teen.

Complementary testimony came from two teen parents, who informed the committee of the challenges they faced going through pregnancy and caring for an infant while attending classes and trying to graduate.

Testimony by Albuquerque Public Schools (APS) addressed two points: the district attendance policy and the role of New Futures School (NFS), an alternative school that the district operates for teen parents.

- On the first point, the legislative liaison for APS testified that the current policy allows for 10 days of maternity leave plus nine absences in nine weeks for students attending NFS. All other schools follow state law, which marks students after five unexcused absences and defines a student as truant after 10 unexcused absences. In addition, the comprehensive high schools consult with NFS about parenting students attending their schools.
- On the second point, the Principal of NFS related the history of the school, noting that, before NFS established a school building in 1988, students either withdrew or dropped out of school as a result of their pregnancy. With its own facility, however, the school now provides daycare that allows parents to interact with their children in a safe, caring environment; and it allows teen parents additional time to catch up on any missed work.

During the committee discussion of this topic, the Chair recommended that the LESC work with PED to define the terms “attendance” and “excused absence,” primarily to address the maximum amount of time a student can be absent (see “Truancy in New Mexico,” p. 39). Another concern that arose was the likelihood that, given its student population and its purpose, NFS would receive an unfair grade in the school grading system (see “A-B-C-D-F School Rating System,” p. 3).

## **BUREAU OF INDIAN EDUCATION: STUDENT TRANSFER ISSUES**

The Bureau of Indian Education (BIE) is a federal agency within the US Department of the Interior that runs a nationwide school system for American Indian students. In this role, the BIE represents the fulfillment of the federal government’s trust responsibility for American Indian tribes that has been established in federal treaties and recognized by Congress, the executive branch, and the courts. In New Mexico, the BIE funds 45 primary and secondary schools, 25 of which are operated by the BIE itself while the other 20 are locally controlled by tribal governments as BIE grant schools. While these schools are intended to serve American Indian students, those students frequently transfer between BIE schools and state public schools, raising issues that the LESC examined during the 2012 interim.

Staff testimony explained the two types of student transfers: grade promotion, which occurs when a student completes the last grade level at a school and must change schools to continue his or her academic progression; and student mobility, which occurs when a student transfers schools for any other reason. In some cases under either event, students' academic records may not arrive in a timely manner or at all even though the transfer of these records is subject to federal laws applicable to BIE schools and state laws and local policies applicable to non-BIE schools. In 2005, this testimony continued, the Secretary of Public Education signed a memorandum of understanding (MOU) with the BIE in regard to data-sharing, but that the MOU was rescinded by the Governor of New Mexico at that time, citing a lack of input from the tribes.

In his testimony, the Acting Associate Deputy Director, Division of Performance and Accountability, BIE, reviewed the history and organization of the bureau, provided an overview of the statutes governing the transfer of student records for BIE schools, and explained the features of the Native American Student Information System (NASIS), which the BIE uses to monitor, analyze, and report student data.

This testimony also described the procedures followed when student records are transferred. For students transferring between BIE schools, an automated message requesting records goes to the last school where the student was enrolled. For students transferring to public or private schools, the BIE waits for the registrar at the new school to request records and then releases the records requested upon verification of the request.

The Superintendent of Cuba Independent Schools, a district in which 73 percent of the students are Navajo, testified about the issues that these students face, among them high poverty levels, the isolation of Indian land, unusually long bus routes, low levels of student performance and proficiency, and inadequate healthcare. To address some of these needs, this testimony continued, the district is working with Presbyterian Health Care Systems to improve services for students, offering after-school programs and career fairs, conducting orientation programs, and hosting community meetings. One outcome of these community meetings was a suggestion that BIE and Cuba Independent Schools teachers consider observing one another.

Other testimony came from a curriculum and instruction specialist at Shiprock Northwest High School, a BIE grant school. In response to a committee query about the prospect of mandatory third grade retention of any student not proficient in reading, this specialist testified that nothing would prevent a family from bypassing such a state requirement by moving a student in and out of a BIE school.

Finally, the Chair requested that the Co-chair of the interim Indian Affairs Committee (IAC), who was present at the hearing, have the IAC collaborate with the LESC on this issue in the 2013 interim; and the Co-chair agreed.

## **TRUANCY IN NEW MEXICO**

The *Compulsory School Attendance Law* defines the term “habitual truant” as a student who has accumulated the equivalent of 10 or more days of unexcused absences in a school year. An “unexcused absence,” according to this law, means an absence from school or classes for which



the student does not have an excuse allowed under either the law or the rules of the local school board, the governing authority of a charter school, or a private school.

The Center for Education Policy Research (CEPR), at the University of New Mexico, testified that more than 51,000 students in the state's elementary, middle, and secondary schools were habitual truants in school year 2011-2012. Maps presented as part of this testimony illustrated that truancy rates vary widely among schools within given districts. This testimony also provided an overview of the entities that may take action in the enforcement of penalties for habitually truant students, including:

- the school of the truant student;
- the Public Education Department;
- the Probation Services Office of the Children, Youth and Families Department (CYFD);
- the district attorney; and
- law enforcement agencies.

While habitual truants can be identified, little is known about what happens to them once they receive attention from any of these entities, however.

The CEPR testimony also identified a number of the effects of habitual truancy:

- chronic absences in kindergarten have been correlated with lower fifth grade achievement for poor children;
- attendance rates in grade 9 reasonably predict graduation rates for students of all economic backgrounds; and
- according to the *2009 Youth Risk and Resiliency* study, habitual truants in New Mexico are more likely than other students to have:
  - used cocaine;
  - had sex; or
  - considered or attempted suicide.

This testimony added that truancy is a symptom of three general factors:

- individual challenges, such as low academic performance, low educational aspirations, boredom with school, drug use, or pregnancy;
- relational challenges, such as a lack of caring adults, bullying, or a lack of participation in school sports and other activities; and
- structural challenges, such as weak truancy policies, institutional racism and discrimination, and low-income families.

Additional testimony came from APS and CYFD.

- APS described the district's Truancy Intervention Program, in which students from 12 pilot schools are automatically enrolled upon a fifth unexcused absence. This testimony also recommended direct personal intervention to address habitual truancy and

recommended funding truancy prevention programs above the line to give districts the flexibility of consistent funding.

- CYFD discussed the daily referrals the agency receives from schools and the difficulty of determining whether a child's truancy is an indication of child neglect. This testimony further indicated that adequate local support of truancy prevention measures is likely to produce measurable results statewide.

## **OTHER TOPICS**

### **LESC INTERIM SUBCOMMITTEE ON SCHOOL BUS TRANSPORTATION**

Realizing that public school bus transportation funding had not been examined since the late 1990s and that committee members had recently expressed concerns relating to increased fuel costs for bus contractors, the LESG chair appointed the LESG Subcommittee on School Transportation, which met in August, October, and December 2012.

During the August meeting:

- the subcommittee chair requested that discussions be focused on agreement or consensus about legislation that the LESG could consider endorsing for the 2013 legislative session and further suggested that the subcommittee may be reconvened in future interims for ongoing discussion of issues and concerns;
- LESG staff provided an overview of the state's school transportation program, including key provisions in current law for regular district schools and for charter schools; appropriations history; and the PED appropriation development and allocation methodology;
- officials with the New Mexico Public Schools Insurance Authority (NMPSIA) described the health benefits that NMPSIA provides to approximately 25,000 school transportation employees, including one-bus contractors who are considered public school employees; and the liability coverage that NMPSIA provides for school bus operators and contractors; and
- Legislative Finance Committee (LFC) staff presented an overview of the 2011 LFC program evaluation of the school bus transportation program.

After discussing these points and a number of others, the subcommittee reached consensus that staff be requested to examine and report on the following three issues:

- fuel costs;
- school bus replacements; and
- site characteristics used in the allocation process.

During the two-day October meeting, staff from the LESG and PED presented information contained in three staff briefs about each of these issues.

#### **School Bus Replacements and Rental Fees**

LESC staff testified that, from FY 06 through FY 13, General Fund revenues were not sufficient to fully fund the cost of bus replacements and that the Legislature supported these replacements with other sources of funding, including severance tax bonds, general obligation bonds, General Fund revenue, and the Capital Projects Fund. Even with these other sources, however, the bus replacement needs outpaced available funding appropriated by the Legislature. As a result, according to information from PED, the FY 14 capital outlay request for district-owned school buses includes an appropriation request of \$20.1 million, which considers the replacement of a total of 237 buses that are behind the 12-year replacement schedule in current law.

With regard to the purchase of contractor-owned school buses, LESL staff noted that General Fund appropriations support these purchases, which in current law are established as rental fees paid to a contractor over a five-year period. Among options presented to the subcommittee for consideration was amending current law to extend the period of time during which a school district can pay rental fees on any one bus from five years to 12 to allow for flexibility in contractor financing.

### **Fuel Costs and Appropriation Request**

LESC staff reported that it is difficult to track appropriations specific to fuel because fuel costs are one of the three components that comprise the single categorical public school support line item for school transportation; the other two are operations and maintenance and salaries and benefits. Among other points related to fuel costs, LESL staff:

- reviewed provisions in the *Special Fuels Supplier Tax Act* that provide for a refund of state taxes on fuel and a credit to ensure that special fuel is not subject to double taxation – once from the supplier and again from the user;
- identified several variables that affect the cost of fuel and that complicate cost estimates;
- noted that, in New Mexico, fuel prices vary by region and that, because the transportation allocation does not consider regional fuel price variation either directly or indirectly through the site characteristics, a district's annual budget for fuel could fall short of actual expenditures even if the statewide annual average price projection were correct; and
- suggested several options for reducing fuel costs or distributing fuel more efficiently.

Testimony by PED staff explained that the department uses an average diesel price per gallon to help determine the fuel base funding request.

### **Site Characteristics and School Transportation Allocation**

LESC staff described the transportation data that school districts and charter schools submit to PED; and identified the site characteristics that the department considers in its current transportation calculation:

- students eligible for transportation;
- students transported;
- special education students;
- buses;

- buses with lifts;
- area;
- density (students divided by area);
- total miles traveled; and
- days.

PED staff outlined the data that can be compiled using the school bus global positioning system (GPS), which had been funded in 2007 with a capital outlay appropriation but that is currently unfunded. The staff emphasized the need to fund this system statewide in order to obtain accurate and reliable information to consider in amending the current transportation formula.

LESC staff noted additional site characteristics that affect school transportation operations, including:

- roadway miles, elevation, and high fuel costs;
- charter schools;
- small school districts with large land areas;
- high cost of fuel and equipment parts; and
- declines in student membership that affect transportation budget but that may require providing more transportation services as a result of students in charter schools or an increase in special needs students.

Subcommittee members also suggested a variety of means for addressing some of the issues presented, among them the use of prior-year numbers to provide more stability in school transportation funding and the potential benefits of a GPS.

In December, the subcommittee met twice to hear additional staff presentations and to reach consensus on recommendations to submit to the LESL. Among the points addressed in staff testimony were:

- an overview of provisions in other state laws, some of which allow more flexibility in local property taxes, the replacement of buses, and financing options;
- the potential of a GPS on school buses for increasing PED's oversight of the school transportation program statewide and providing additional data;
- provisions of the *New Mexico Finance Authority Act* and its Public Projects Revolving Fund, with the possibility of using this mechanism to finance school bus purchases; and
- an overview of provisions in current law that allow private school bus contractors to claim a deduction or credit against their special fuel excise tax liability.

LESL staff testimony also addressed PED's use of prior-year first reporting date data as the basis for the current year's tentative transportation budget. While this practice seems to work well, school districts have found that the additional PED practice of adjusting the allocations according to current-year first reporting date data has been disruptive. This testimony also noted that the purchase of school buses by private contractors is subject to the motor vehicle excise tax, which is 3.0 percent of the price paid for the vehicle. However, school districts receive an exemption from this tax, and contractors pass it on to the state through rental fees.

Subcommittee members then discussed a variety of possible initiatives and reached consensus on several recommendations to present to the LESC.

*See recommendations 6 – 11.*

## **PUBLIC EDUCATION COMMISSION REPORT**

Created through a constitutional amendment adopted in 2003, the Public Education Commission (PEC) comprises 10 members elected from districts throughout the state. The statutory duties of the PEC include authorizing state-chartered charter schools (see “Charter Schools,” p. 17), advising the Secretary of Public Education on the strategic plan for education, and overseeing certain federal funds. In its role as a chartering authority, the PEC works closely with the Charter Schools Division (CSD) of the PED; and staffing to support all of its functions is provided by PED. During the 2012 interim, the Chair and one of the members of the PEC presented a report to the LESC recommending some changes in the role and authority of the commission.

The report and commissioners’ testimony focused on the role of the PEC as a chartering authority, with particular attention to appeals of the PEC’s decisions. The PEC, this testimony explained, makes its decisions based on a thorough review of material and the recommendations of the CSD, which is under the control of the Secretary of Public Education. An applicant or charter school that objects to a PEC decision may appeal to the Secretary, creating a circuitous process, unlike the more appropriate appeal routes employed in other states.

A related issue, this testimony continued, is that the PEC bases its decisions in part on the members’ understanding of certain terms used in law but not defined, such as “minimum educational standards” and “material violation” – terms that the Secretary-designate defined differently in overturning three PEC decisions in 2010. This circumstance creates the dilemma of trying to abide by law without benefit of regulatory or other guidance from PED. The PEC has also been hampered by limited staffing and frequent turnover in the position of Director of the CSD, this testimony added.

Given these conditions, the commissioners requested that the LESC support legislation to make the PEC “an independent body with the authority to carry out all statutory duties and responsibilities, rule-making authority in the matter of charter schools, operational control of a dedicated staff sufficient to support the work of the Commission, and a line-item budget sufficient to accommodate the Commission’s duties and responsibilities.” The report and testimony also requested that law be amended to remove the Secretary of Public Education from the appeals process and suggested some alternative appeal routes.

*See Recommendation 12.*

## **ADDITIONAL PRESENTATIONS AND REPORTS**

In addition to the presentations summarized elsewhere in this report, the LESC heard testimony on reporting guidelines for the *School Athletics Equity Act*; administrative rule-making; state

revenue updates; the budget of the PED; public school support; the Creative Literacy in Motivating Book Reading (CLIMB)-Read for Joy Program; the Cradle to Career education program in Doña Ana County; the Spanish Resource Center at the University of New Mexico (UNM); the Literacy through Movement Program at New Mexico State University (NMSU); the Science, Technology, Engineering and Math (STEM) Outreach Program at NMSU; the Bridge of Southern New Mexico; an update on the higher education learning center developed by Santa Fe Community College; the New Mexico First Centennial Town Hall – Education Recommendations; highly qualified teachers, current requirements, and *Elementary and Secondary Education Act* flexibility; the *Early Childhood Care and Education Act*; High School Graduation Assessment/Alternative Demonstration of Competency; the Forward New Mexico Program run by Hidalgo Medical Services; a New Mexico School Boards Association briefing on the suspension of the Questa School Board; an update on New Mexico school libraries; the 2014 Education Partners Legislative Package; Branch College Taxing District; New Mexico EDGE (Education Designed to Generate Excellence in the Public Sector); Education Technology Plans and E-rates; the Summer Science Program at the New Mexico Institute of Mining and Technology; New Mexico-grown produce for school meals; the UNM Family Development Program; Teach for America-New Mexico; the New Mexico Golden Apple Foundation; and the recommendations of the Public School Capital Outlay Oversight Task Force.

Finally, the committee also received the following written reports: *Developing Early Literacy in New Mexico*; *School Athletics Equity Act Summary Report*; *Teacher and Administrator Preparation in New Mexico*; *Math and Science Advisory Council Annual Report*; *National Assessment of Educational Progress (NAEP): Results from the 2009 and 2011 NAEP Vocabulary Assessments*; *11<sup>th</sup> Grade Standards-based Assessments as High School Exit Exam*; *Sequestration and the Federal Budget Control Act*; *Dual Credit Annual Report for School Year 2010-2011*; *Dual Credit Annual Report for School Year 2011-2012*; *New Mexico PreK Program Annual Report for School Year 2011-2012*; *Bilingual Multicultural Education Annual Report for School Year 2010-2011*; *Bilingual Multicultural Education Annual Report for School Year 2011-2012*; *K-3 Plus Education Annual Report for School Year 2011-2012*; and *IDEAL-NM Annual Report for School Year 2011-2012*.

*See recommendations 13 – 18.*