



## \*NM School Superintendents Association Statement on the need to PROTECT OPERATIONAL RESERVES

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Amid legislative efforts to address budget shortfalls, safeguarding school operational reserves emerges as an imperative strategy to assist districts in navigating unanticipated hurdles. The significance of this safeguarding effort is underscored by several vital considerations, which encompass but extend beyond the following aspects:

- **Mitigating Cash Flow Disruptions:** Districts are bound to allocate funds for federal and categorical grants, leading to delays in reimbursements. This operational mechanism often results in cash flow predicaments, impacting the ability to meet essential obligations such as payroll and mandatory expenses.
- **Preserving Diverse Funding Sources:** In various districts, operational reserves consist of more than state operational funds. As such, excluding non-operational state funds from potential cash sweeps is crucial, ensuring the stability of resources earmarked for specific purposes.
- **Addressing Unique District Circumstances:** Some districts have diligently set aside funds for capital expenditures, making any potential sweeping of reserves burdensome and potentially detrimental to their functioning.
- **Impact on Financial Ratings:** The correlation between operational reserves and bond ratings is evident, with low reserves negatively influencing the latter. Protecting these reserves becomes vital for maintaining favorable financial standing.
- **Fueling School Initiatives:** Operational reserves play a pivotal role in enabling districts to successfully launch new schools, providing the necessary initial funding for start-up costs.

Every district recognizes the prudence of maintaining operational reserves as a cornerstone of effective financial management. These reserves secure districts against unforeseen emergency costs and act as a safety net for payroll during unexpected crises, much like the invaluable role they played during the recession period of 2008-2012.

In conclusion, our platform champions the principle of local control. By acknowledging the distinct needs and strengths of each school district in New Mexico, we believe decisions are most effective when made close to the heart of learning. Addressing the multifaceted challenges and seizing opportunities in our educational sector requires collaboration among school boards, educators, policymakers, communities, and legislators. With a focus on local expertise and self-governance, together, we can shape a vibrant, inclusive, and equitable education system for New Mexico.



## 2023-2024 Approved NMSSA Legislative Platform

- 1. Equitable Educational Funding Reform:** It is crucial for the New Mexico legislature to review and improve the state's school equalization guarantee (SEG). This is necessary to address discrepancies and ensure equitable educational opportunities for all students, regardless of where they live or their socioeconomic status. A thorough reevaluation of this guarantee is needed to uphold the commitment to providing each student with a fair and high-quality education. NMSSA strongly advocates for the maintenance of the teacher pipeline through various measures, including addressing the 'return to work' sit-out period, sustaining the Educator Fellows initiative, and continuing 'grow-your-own' and teacher residency programs.
- 2. Funding for Essential Services:** As the expiration date of ESSER funds approaches in September 2024, certain educational institutions have come to depend on these relief funds to furnish vital services to their students. It is crucially important to implement strategies and funding that prevent the looming possibility of encountering an "ESSER cliff." This approach ensures that schools possess the necessary resources to deliver high-quality education consistently.
- 3. Enhanced Safety & Security Funding:** Prioritizing the safety of our students and educators, we emphasize the heightened need for security funding, especially in rural school districts with extended police response times. In alignment with the shared concerns of students, staff, and parents, we advocate for an increased budget allocation dedicated to bolstering security measures across our schools. A harmonious learning environment ensures focus on education without compromising safety, fostering trust and a sense of well-being.
- 4. Transportation Funding Reform:** Recognizing the longstanding issue of transportation inequity that has persisted for years, it is evident that transportation plays a pivotal role within a well-operating educational framework. In light of this, we emphasize the urgent requirement for a comprehensive review and overhaul of the existing transportation funding formula. This endeavor aims to address the financial obstacles some districts confront and ensure the uniform provision of reliable and effective transportation services to every student.
- 5. Math Grant Funding Initiative:** Addressing New Mexico's math deficiencies, we propose establishing a grant funding initiative akin to the Comprehensive Literacy State Development Grant (CLSD). This initiative will facilitate targeted interventions and strategies, ensuring students receive the necessary support to excel in math and bridge existing gaps.
- 6. Support Staff Salary Enhancement:** Our schools thrive on support staff's dedication and hard work — including cooks, custodians, and secretaries. They form an indispensable backbone of our educational institutions. Yet, they often stand as the lowest compensated members of our school communities. We strongly advocate for a reassessment and improvement in their funded salary structures, recognizing their significant contributions and ensuring they receive equitable compensation reflective of their essential roles.
- 7. Fostering Skills and Leadership:** Strengthening CTE and CTSOs: Prioritizing Career Technical Education (CTE) is crucial, as it connects classroom learning with real-world skills demanded by industries. Through hands-on training and practical experiences, CTE equips students for diverse careers while fostering essential skills. To enhance this approach, it's vital to support Career and Technical Student Organizations (CTSOs) that provide leadership, networking, and competition opportunities. Investing in CTE and CTSOs empowers students, cultivates a job-ready workforce, and drives economic growth and innovation.