NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY20
Public Education

Due to the COVID-19 pandemic, the Public Education Department (PED) ordered schools to switch to distance learning and waived standardized testing requirements for FY20. As such, traditional measures of student performance like math and reading proficiency rates were not reported. This sudden loss of performance data came on the heels of the largest investment in public schools in recent decades and a monumental shift in the delivery of instruction, making FY20 an anomaly of a year in education. Additionally, the lack of information hampers the state's ability to demonstrate progress on addressing court findings from the *Martinez-Yazzie* education sufficiency case, which argued that dismal test scores, substantial achievement gaps, and poor graduation and college remediation rates were indicators of an inadequate education system, particularly for at-risk students.

With an entire generation of students projected to lose more ground on learning than usual and precipitous declines in state revenue, the state must assess the impact of the pandemic on educational outcomes and re-prioritize resources toward programs that will help students catch up on lost growth. With fewer schools projected to participate in prekindergarten and extended learning programs, and online programs being less effective, the state must ensure programmatic expansions are high quality rather than simply scaling up programs. Similar to the data-driven approach used to decide re-openings during the public health emergency, New Mexico should use data on student outcomes to evaluate and identify the ways in which the state can mitigate the COVID-19 slide and close the existing achievement gap.

Student Achievement

Reading and Math Proficiency. After schools closed to mitigate the spread of COVID-19, PED requested and received approval from the U.S. Department of Education to waive standardized testing requirements for FY20. Additionally, the department waived attendance intervention requirements and ordered schools to develop plans and implement distance learning for the fourth quarter. As such, PED did not report data for most annual FY20 performance metrics. Although student test data is necessary for most of the department's performance measures, PED also did not report on metrics relating budgeted expenditures for instruction.

LFC's 2020 evaluation on the impact of school closures found students were likely to lose 3 months to a year of learning over the summer, with greater losses expected for younger and at-risk student populations. The evaluation also found schools emphasized review rather than teaching new content and by the end of the year, teachers reported less than half of students were still actively participating in distance learning. Surveys of school officials further suggested that 22 percent of students lacked adequate access to Internet services at home and 32 percent lacked appropriate technology or devices for distance learning.

Budget: $3,198,572.9   **FTE:** N/A

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Fourth grade reading proficiency	29.1%	30%	30%	Not reported	R

ACTION PLAN

Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	Yes

Reading Proficiency

*Not reported. Testing waived in FY20.
Source: PED
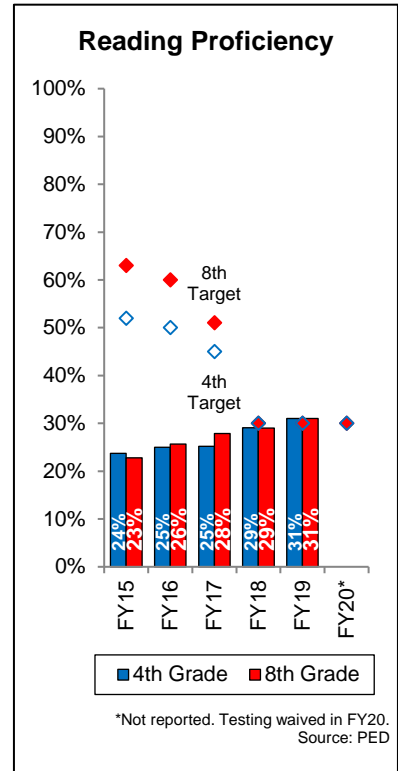
Testing Changes

Prior to FY15, New Mexico tested students on a state-developed Standards Based Assessment (SBA), which was replaced with the PARCC test. In FY19, PARCC was replaced with TAMELA as a transition test. For FY21, the state will begin using a test developed by Cognia and the SAT, the third testing change in 7 years.

To ensure accurate comparisons of academic performance over time, New Mexico should consider maintaining the same assessment over a longer period.

Math Proficiency

*Not reported. Testing waived in FY20.
Source: PED
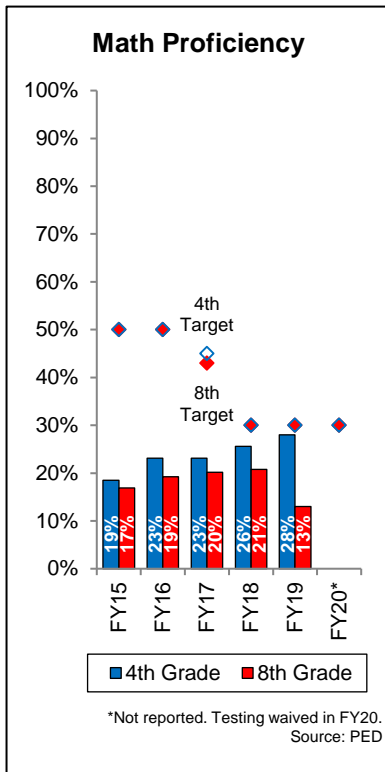
Fourth grade math proficiency	25.6%	27%	30%	Not reported	R
Eighth grade reading proficiency	29%	31%	30%	Not reported	R
Eighth grade math proficiency	20.8%	20%	30%	Not reported	R
Four-year high school graduation	73.9%	74.9%	75%	N/A	Y
Chronic absenteeism	New	New	<10%	Not reported	R
Large school district budget for instruction	73%	Not reported	75%	Not reported	R

Program Rating — R

*Measure is classified as explanatory and does not have a target.

PED has an opportunity to expand access to digital resources and improve the monitoring of student progress, given the substantial investment by schools to provide devices and Internet access to students for distance learning in the wake of COVID-19. PED's new learning management system, Canvas, could be used by educators as a hub for sharing resources and best practices. New Mexico Vistas, PED's school dashboard, replaces the school grading system and includes individual school data on historical performance, which the department can use to determine areas with the highest needs. After reopening, schools can also explore the possibilities of designing blended learning environments – a mixture of in-person instruction and online learning to maximize out-of-school instructional time.
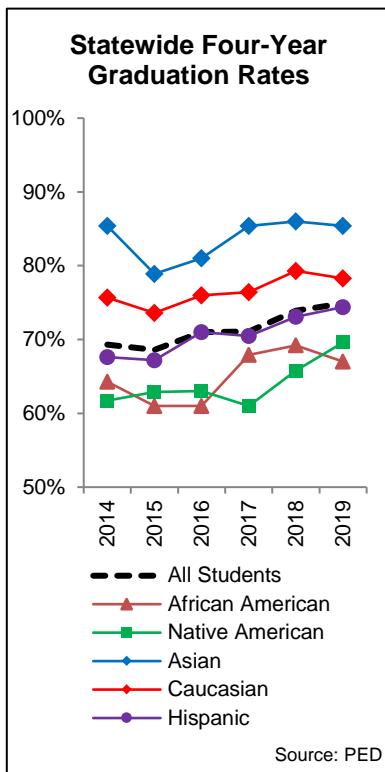
The state is developing a new assessment, through Cognia, for grades three through eight and using the SAT college entrance exam for high school assessment. The new Cognia test will include formative assessments, which could provide the state more frequent and standard information on student progress. Using the SAT will also align testing with college admission and provide all students the opportunity to demonstrate college readiness. Given the extraordinary uncertainty surrounding student outcomes this year and substantial gap in performance data, PED should consider administering an early assessment in FY21 to understand the effects of school closures and identify other performance metrics that can help the state address areas with the greatest needs.

Statewide Four-Year Graduation Rates

Source: PED

Graduation and College Readiness. The state's four-year high school graduation rate improved to 74.9 percent for the class of 2019. Although New Mexico still lags behind the 2018 national graduation rate (85.3 percent), the 1 percentage point increase from the prior year is in line with national trends.

Growth in the four-year graduation rate is driven primarily by Hispanic students (1.3 percentage point increase), which represent the largest student subgroup. Native American students saw the greatest improvement in graduation rates from the prior year (3.8 percentage point increase); while graduation rates for African American students declined the most (2.2 percentage points). Graduation rates for students with disabilities also fell by 1 percentage point.

PED and the Higher Education Department stopped reporting on college remediation rates, but will instead begin reporting on post-secondary pathway completion in FY21 – a measure of student matriculation into college and the workforce after high school. Currently, student data between the public school and higher education systems is poorly linked, resulting in little to no analysis of how students fare after high school. However, bridging this information will help the state better understand if New Mexico students are college and career ready.

Student Enrollment

Declining Membership. Statewide, student membership continues to fall. Staff estimates indicate membership will likely be closer to 320 thousand students in FY21, a 0.7 percent decrease from the prior year. Since FY16, membership has declined by about 1 percent each year. Schools with declining enrollment – particularly smaller schools that do not strategically adjust operational and facility capacity – will face greater budget constraints and revenue volatility in future years.
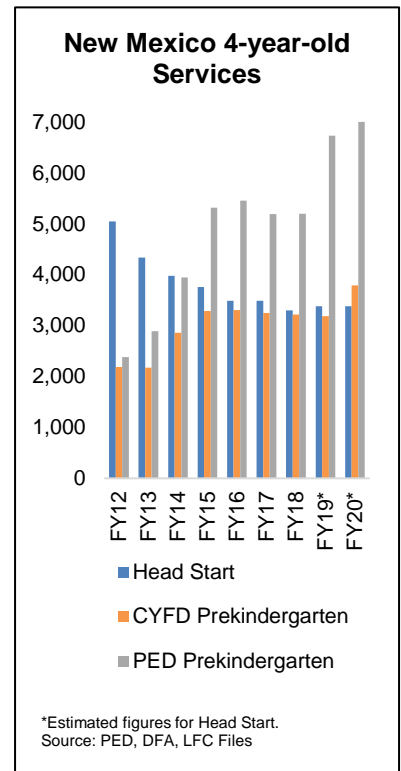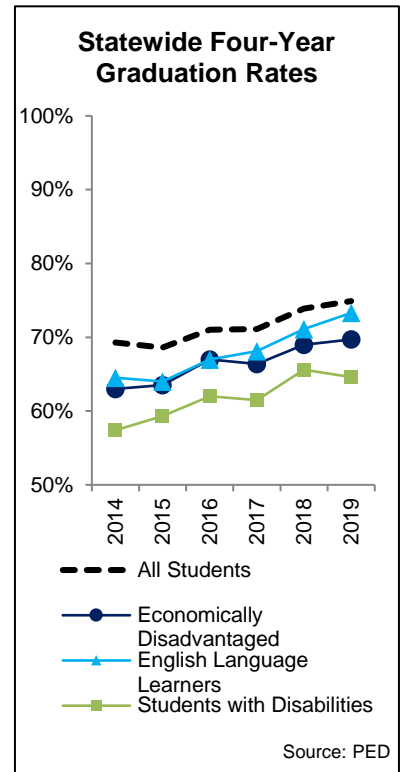
In the past decade, public school enrollment has shifted from rural areas to urban areas and from school districts to charter schools. The greatest declines have been in early grades, which causes a ripple effect in later grades. As overall membership continues to shrink, more schools may begin establishing prekindergarten programs to fully utilize building spaces and generate operational funding.
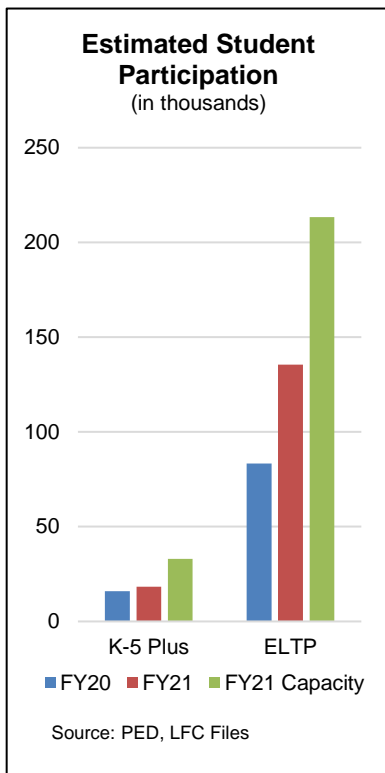
Expanded Learning Opportunities. Significant investments in early childhood programs, such as prekindergarten, have resulted in substantially higher participation rates statewide. A 2020 LFC evaluation found prekindergarten participants had better high school graduation rates, lower chronic absenteeism, lower grade retention, and better matriculation out of special education. In FY20, nearly 11 thousand 4-year-olds participated in state prekindergarten programs, an increase of 11.2 percent from the prior year. The new cohort includes 7,048 children at PED school sites and 4,718 children participating in full-day programs.

Given the rapid increase in prekindergarten programs and shrinking student population, some districts are nearing full service levels for 4-year-olds and increasingly competing with other providers (like federal Head Start programs) for participants. While the establishment of an Early Childhood Education and Care Department may improve coordination of early childhood programs, the system remains bifurcated between PED and private providers, presenting challenges with quality standardization and cost-effective program delivery.

Despite providing sufficient funding to provide two-thirds of elementary school students K-5 Plus extended school year programs, participation in FY20 fell to 17.8 thousand students, or 23 percent from the prior year. PED projected an increase to 50 thousand students for FY21 K-5 Plus programs prior to COVID-19; however, the department canceled programs set to start in July and staff estimates suggest participation will continue to decline. Previous LFC evaluations found low-income students that participated in prekindergarten and K-3 Plus programs were able to close the achievement gap with their more affluent peers. Additionally, the court noted K-3 Plus should be made available to all at-risk students.

The Legislature established extended learning time programs (ELTP) in FY20, and 83.3 thousand students were scheduled to receive 10 additional school days and after school programming. However, with school closures and the implementation of distance learning, it is unclear how schools complied with requirements for ELTPs and whether the additional time was applied to instruction that improved achievement. PED should consider monitoring and reporting on the efficacy of ELTPs, given participation in the program is expected to stay relative stable in spite of the COVID-19 pandemic.

Statewide Four-Year Graduation Rates

Source: PED

New Mexico 4-year-old Services

*Estimated figures for Head Start.
Source: PED, DFA, LFC Files

Estimated Student Participation
(in thousands)

Source: PED, LFC Files

Public Education Department

In the *Martinez-Yazzie* case, the court found PED did not exercise its full authority over school districts to ensure funding was spent on programs serving at-risk students. PED functions are focused primarily on compliance reporting, such as data audits conducted. For FY20, PED completed less than half of the number of audits expected, with none completed in the fourth quarter due to the public health emergency.

PED received budget and FTE increases for operations in FY20 to reduce the department's reliance on special program funding ("below-the-line" funding) for administration; however, the department's budget still diverts over $1 million in special program funding for administrative overhead. Of the amount remaining for initiatives, such as educator professional development and STEAM (science, technology, engineering, arts, and mathematics) programming, PED has not provided information on how the programs impact student outcomes or educator quality. The court also found PED special programs to be temporary and at an insufficient scale to be impactful.

Budget: $13,618.8   **FTE:** 282.2

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Children served in state-funded prekindergarten	8,427	9,757	N/A*	10,885	G
Students served in K-5 Plus	18,227	23,155	N/A*	17,827	R
Average days to process reimbursements	22.8	26.8	24	31	R
Data validation audits of funding formula	28	28	35	12	R
Program Rating					R

*Measure is classified as explanatory and does not have a target.

Partnership for Student Engagement. PED waived student attendance intervention requirements for the fourth quarter. As such, many schools relaxed attendance policies, and LFC's evaluation found many students became less engaged as remote learning continued. PED partnered with Graduation Alliance to develop *Engage NM*, a program providing individualized coaching and support to help students re-engage with school. Seventy-five school districts participated in the program, conducting 40 thousand outreach attempts and over 11 thousand interventions.

Engage NM found the top barrier to engagement was lack of structure and accountability. About 57 percent of the interventions focused on teaching students how to learn remotely and providing daily checks for engagement and consistent progress. The program also identified a "superclass" of at-risk students needing additional support, given only 25 percent of the students who participated in on-going coaching were succeeding academically prior to COVID-related barriers.

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