

Long-Term Programmatic and Financial Planning

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The Legislature invested \$4.9 billion in public school support in fiscal year 2027 (FY27). With the discretionary nature of the state equalization guarantee (SEG), the state's public school funding formula, local decisions on using those funds are critical in shaping student outcomes. School districts and charter schools can effectively use these resources by practicing long-term programmatic and financial planning, where time, people, facilities, and funding are intentionally aligned to achieve long-term goals for improving student outcomes. This approach to programming and budgeting is increasingly important, as public schools navigate declining enrollment and changes in student needs.

While the Legislature and the Public Education Department (PED) have created tools for assisting public schools in programmatic and financial planning, these processes are fragmented, burdensome, disconnected, and not aligned with long-term and cohesive strategic objectives.

This brief discusses the state's landscape of planning tools, as well as the programmatic and fiscal symptoms New Mexico is experiencing because of its disconnected planning processes. The brief also presents recommendations for how the Legislature can build a long-term planning framework that promotes greater intentionality in how public schools use resources to improve student outcomes over several years. Achieving this programmatic and financial intentionality will require revisions to statute, realignments in local and agency capacity, inter-agency collaboration, and investments in staffing, data systems, and other tools.

Background

In December 2025, LESC staff presented a [brief](#) on strategic resource management, which noted how the Legislature has created policies intended to build local capacity in achieving sustainable improvements in outcomes. However, in practice, some school districts and charter schools remain focused on improving outcomes through short-term and reactionary strategies. As a result, New Mexico displays signs of a disconnected public education system, where the Legislature, PED, and schools are sometimes moving toward different strategic objectives, on different timelines, and with different benchmarks for measuring success.

Landscape of Financial and Programmatic Planning Requirements

Many public schools practice short-term planning cycles, where local capacity is primarily invested in determining the programming, staffing, and other needs for the immediately succeeding fiscal year. Historically, this short-term planning system was perpetuated by underinvestment in public education, as well as unstable revenue flowing into the state's general fund. In the last several years, however, the Legislature has made progress in stabilizing its revenue sources and directing substantial amounts of funding toward public schools. At the same time, the Legislature has attempted to increase local intentionality around how these significant amounts of new funding are used, primarily through the adoption of reporting requirements and the use of planning frameworks.

PED has identified 37 required planning, compliance, or reporting processes in statute, federal law, or agency policy. Many of these requirements are siloed, duplicative, and excessively time consuming, creating administrative burden at the local level and in the department. **Table 1: Select Examples of Current Planning Tools** includes examples of these required processes, categorized by the type of process.

Key Takeaways

- New Mexico has a disconnected system of planning tools (*Pages 2-4*).
- LESC staff's advisory groups identified considerations for promoting long-term planning at the local level (*Pages 5-8*).
- The recommendations include revisions to statute and school business official licensure (*Pages 5-8*).
- The Legislature should use a phase-in approach in transitioning toward long-term programmatic and financial planning (*Page 9*).
- Community buy-in and common assumptions are critical to long-term planning (*Pages 10-11*).

Table 1: Select Examples of Current Planning Tools

Category of Process	Select Examples
Federal Sub-Grants	• Title 1 - A; and • Comprehensive Literacy Development Grant.
State Funding	• Bilingual Multicultural Education Programs; and • Out of School Time and Summer Enrichment grant
Program Plans	• NM DASH; and • Educational Plan.
Monitoring	• Special Education Accountability System; and • Instructional Material Annual Report.

Source: PED

Accreditation binds some of these processes together. [Section 22-2-2 NMSA 1978](#) requires PED to accredit schools, which the department implements through the assessment of 10 components, including program plans, expenditures, enrollment, class loads, caseloads, subjects of instruction, and student needs assessments. Each year, PED verifies compliance with statute and promotes intentionality in how public schools are planning and implementing programming. Public school accreditation results for FY26 may be found [here](#).

At the core of accreditation is the Educational Plan. [Section 22-8-6 NMSA 1978](#) requires school districts and charter schools to submit an educational plan (Ed Plan) each year that identifies strategies for improving student outcomes. Despite its legislative intent as a planning tool, the Ed Plan is often perceived as a compliance exercise that does not inform other planning processes. In LESC staff's conversations with school district and charter school leaders, the Ed Plan is routinely described as a "copy and paste" exercise, where little time is invested in developing original responses. The annual framework of the Ed Plan is also misaligned with the facility master plan and local strategic plans, which are living documents that are developed through separate processes, and serve as the primary documents guiding the priorities and implementation strategies of a community.

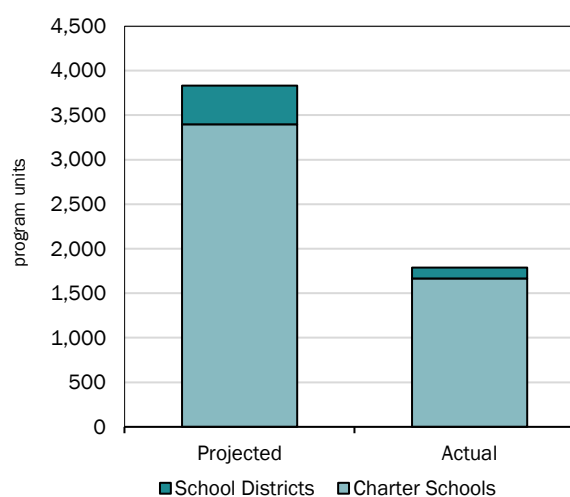
Symptoms of Disconnection in Programmatic and Financial Planning

This disconnection between the financial and programmatic planning tools used by New Mexico schools is manifesting in key trends that occur throughout the state, partly because of a lack of a robust and cohesive long-term planning framework. Most of these trends are not new to New Mexico, but their programmatic and fiscal impact has become increasingly amplified, especially through statewide disruptions in funding.

A lack of long-term planning is contributing to unreliable estimates of enrollment growth. [Section 22-8-22.1 NMSA 1978](#) permits program units for enrollment growth exceeding 1 percent. In FY26, enrollment growth was highly volatile, especially for charter schools: 60 percent of charter schools experienced lower growth than projected, with about 11 charter schools that initially projected enrollment growth ultimately not seeing any growth. In FY26, one charter school projected 28 percent year-over-year growth, and ultimately saw a 29 percent decrease.

For FY26, charter schools over-projected enrollment growth by 2,169 program units (see **Figure 1: Enrollment Growth Program Units**), or \$14.9 million at the FY26 unit value of \$6,877.10. School districts and charter schools that missed their enrollment projection adversely impacted their operational funding late in the fiscal year, as it resulted in a reduction to their final program cost.

Figure 1: Enrollment Growth Program Units
FY26



Source: LESC Files

A lack of financial planning has contributed to an increase in emergency supplemental requests. In FY26, five school districts and charter schools requested \$3.8 million in emergency supplemental funding, which comes from a fund containing \$1 million in FY26 (see **Table 2: Emergency Supplemental Awards**). Applications for emergency supplemental cited several contributing factors, including declining enrollment, facility maintenance costs, and local errors in operational funding and enrollment projections.

Table 2: Emergency Supplemental Awards

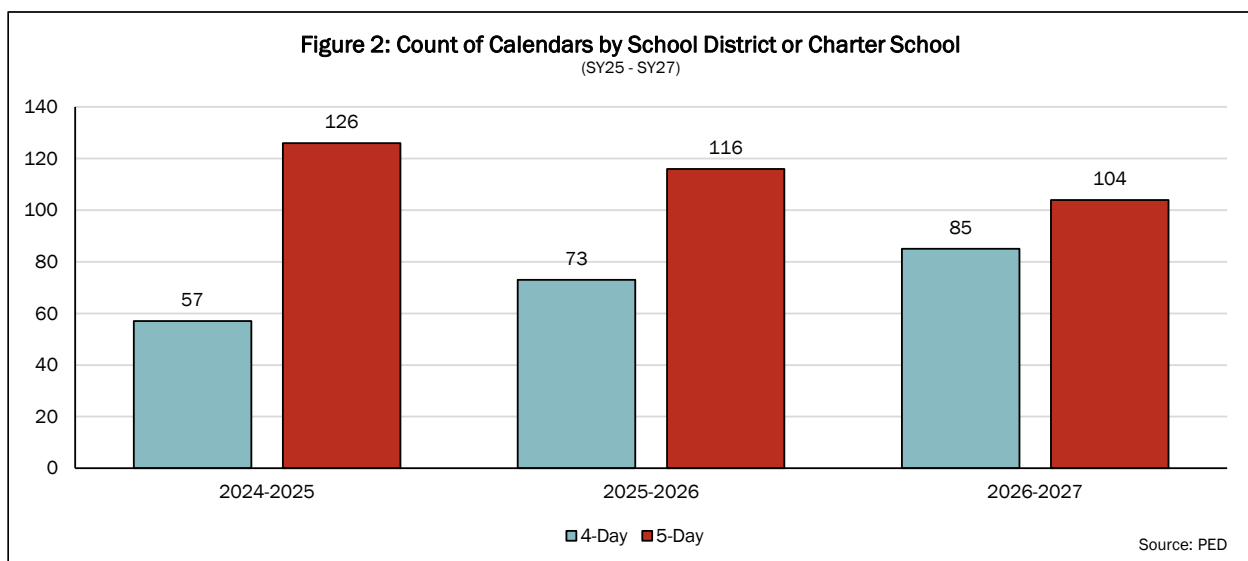
FY26		
School District or Charter School	Request	Award
Alamogordo Public Schools	\$1,000,000	\$464,658
Chama Valley Independent Schools	\$1,108,962	\$250,712
ACES Technical Charter School	\$400,000	\$78,612
Explore Academy Rio Rancho	\$350,000	\$54,350
The Masters Program	\$900,000	\$151,668
Total	\$3,758,962	\$1,000,000

Source: PED

A lack of programmatic and financial planning has also contributed to an increase in four-day weeks. School districts and charter schools have discretion in designing instructional time, including whether it has a four- or five-day week. While four-day weeks have historically been used by small and rural school districts to accommodate students who travel large distances, urban school districts and charter schools are also now adopting four-day weeks, occasionally with little advance fiscal planning and programmatic intentionality.

This trend was most recently seen in Española Public Schools (EPS), where the governing body adopted a four-day week for SY27, based on expectations it would lower operational expenditures. The move subsequently prompted McCurdy Charter School and Pojoaque Valley School District to also adopt four-day weeks. EPS informed the Public School Capital Outlay Council on May 14, 2026, the school district no longer expected the anticipated operational savings from a four-day week to materialize in FY27.

In September 2026, the LESC heard a [presentation](#) from the Northwest Evaluation Association, a research association focused on education, which discussed the negative average effects of four-day weeks on student assessment results, and its lack of measurable effects on expenditures, attendance, and educator retention. Yet, since FY25, 31 school districts and charter schools have adopted a four-day week (see **Figure 2: Count of Calendars by School District or Charter School**), occasionally without community input, a long-term programmatic plan, or a fiscal analysis of the impact to operational revenues and expenditures. This trend contributed to a \$40 million SEG shortfall in FY25 that required an appropriation to avoid a decrease in the final unit value.



Distance learning is being used to generate operational revenue, often with limited investments in programmatic design, staffing models, and support services. Distance learning programs have a long history in New Mexico, particularly in rural school districts, where these programs help accommodate other student responsibilities. However, some school districts and charter schools have increasingly leaned on statewide full-time distance learning programs to increase enrollment and operational funding.

This trend was notable in Santa Rosa Consolidated Schools and Chama Valley Independent Schools, which created a for-profit managed distance learning program serving 3.6 thousand students after Gallup-McKinley County Schools closed its own program. The abrupt and large-scale nature of this programmatic change resulted in a \$35 million SEG shortfall in FY26 and the adoption of [Laws 2026, Chapter 89 \(House Bill 253\)](#), which partly suspended the SEG's enrollment growth factor for two fiscal years. Provisions in the school district's contracts that require a 95 percent revenue share with the contractor have also resulted in an uncertain budgeting environment for PED and both school districts.

In July 2026, Las Cruces Public Schools engaged in a similar strategy when it created a statewide distance learning program. PED has since closed this program as it violated the one-year prohibition on new distance learning programs enacted by [Laws 2026, Chapter 89 \(House Bill 253\)](#). The program's students were then transferred to Gallup-McKinley County Schools, similarly to the conditions that created the FY26 SEG shortfall.

Currently, statute does not require school districts and charter schools to notify PED when they adopt significant changes in programming, which has recently resulted in unforeseen statewide disruptions in operational funding.

A lack of enrollment planning has led to charter school closures. In FY26, Voz Collegiate Preparatory School, a state-chartered charter school in Albuquerque serving grades five through eight, closed in the first year of its renewal. In August 2026, the Public Education Commission also denied charters for two entities, while a third withdrew its application to Albuquerque Public Schools, partly in response to concerns about low enrollment.

Table 3: Charter Schools with a MEM Below 50

FY27	
Charter School	MEM
Six Directions Indigenous School	45
San Diego Riverside	38
Collins Lake Outdoor School	37
Sacramento School Of Engineering And Science	35
Walatowa Charter High	29
Dream Dine Charter School	20

Source: LESC Files

In FY27, Equip Academy, a new state-chartered charter school in Albuquerque serving kindergarten, closed before the school year began, due to low enrollment. Before its closure, Equip Academy received one monthly SEG payment, resulting in about \$51 thousand in lost operational funding. During Equip Academy's governing board deliberations around closing the school, administrative staff noted the school could not sustain operations without a student membership (MEM) of at least 50. In FY27, six charter schools had a MEM below 50, including one in their first year of operation (see **Table 3: Charter Schools with a MEM Below 50**).

School districts are also experiencing disruptions from declining enrollment and a lack of long-term programmatic and financial planning, with school boards considering closing or consolidating small and rural schools. The school board of Socorro Consolidated Schools recently grappled with potentially closing a small and rural school but found the school district did not have a long-term programmatic or financial plan that specified how the closure would impact programming, expenditures, or revenue from the SEG's small school size factor.

Despite the symptoms of the state's disconnected planning frameworks, there are innovative areas showing promise. The unified application for federal programs was introduced as PED's response to the administrative workloads associated with federal grant applications. By consolidating common requirements across federal programs and automating data entry and calculations, PED has created an innovative approach to programmatic and financial planning that ensures compliance with federal requirements. In conversations with school district and charter school leaders, LESC staff found the unified application has promoted significant collaboration between program and finance staff, in a way that may not have occurred organically.

Examples of Robust Long-Term Programmatic and Financial Planning

While the state is broadly experiencing the adverse impacts of a disconnected planning framework, there are school districts and charter schools that are actively practicing robust approaches to long-term planning.

Cottonwood Classical Preparatory School (CCPS) and East Mountain High School (EMHS), Spotlight charter schools in Albuquerque, are engaging in multi-year planning. For several years, CCPS has engaged in long-term financial planning by aligning its revenues with its staffing models and other programmatic considerations. At EMHS, the school has approached its expansion to middle school through programmatic and financial planning, to ensure the expansion was financially sustainable and would result in high-quality secondary programming. EMHS opened grade six in August 2026 and will introduce grades seven and eight in SY28.

The Public Education Commission has been a leader in long-term financial forecasting, as it requires proposed charter schools to submit a five-year financial plan. Each plan includes projections of operational funding and anticipated staffing expenditures, and are reviewed by the charter schools division, which has demonstrated its capacity to collaboratively review long-term financial plans. Prior examples of submitted plans also provide helpful context for potential areas of professional learning, particularly in the nuances of the SEG.

Stakeholder Engagement

As the state's disconnection in planning frameworks contributes to local and statewide disruptions in programming and budgets, it is critical for the Legislature to identify whether there are systemic barriers and local conditions contributing to these trends and influence how communities respond to these challenges. To do so, LESC staff engaged with focus groups to identify local conditions that impact how school districts and charter schools engage in long-term planning. Based on initial findings, LESC staff then assembled advisory groups to develop policy considerations for the Legislature, PED, and other partners that focused on promoting greater long-term programmatic and budgeting intentionality in both school districts and charter schools.

Roles and Findings of the Focus Groups

To identify how communities use the state's planning tools to identify local priorities and use those priorities to guide local programmatic and budget planning, LESC staff completed focus group interviews with 10 school districts and charter schools during the 2026 interim. The discussions focused on how governing bodies identify their programmatic priorities and allocate staffing, funding, and other resources toward those priorities. Other discussions also included how they navigate changes in programmatic, financial, policy, or regulatory conditions.

Themes from the LESC's Focus Groups

- The state's existing planning requirements are excessive, siloed, duplicative, and misaligned in ways that create administrative burden and prevent long-term planning;
- A long-term planning tool is needed to encourage programming consistency; and
- There is a lack of local capacity to adequately engage in long-term planning.

One overarching theme of the focus groups was a need to have one long-term planning framework that removes administrative burden, aligns reporting requirements, and promotes long-term intentionality in budgeting and programming. However, focus group participants cautioned there are statutory, regulatory, and staffing barriers that could adversely impact a transition toward long-term planning, including a lack of a robust school business official (SBO) workforce. LESC staff responded to these considerations by assembling a long-term planning advisory group, as well as an advisory group focused on expanding and strengthening the SBO workforce.

Roles and Purpose of the Advisory Groups

The long-term planning and SBO advisory groups included stakeholders from throughout the state, including school district and charter school leaders, SBOs, non-profit leaders, and PED staff. Each group met three times during the 2026 interim and collaborated in identifying their visions for the state's public schools; key challenges in reaching those visions; and policy considerations. The proposals in this brief represent what each advisory group recommended for consideration by the Legislature.

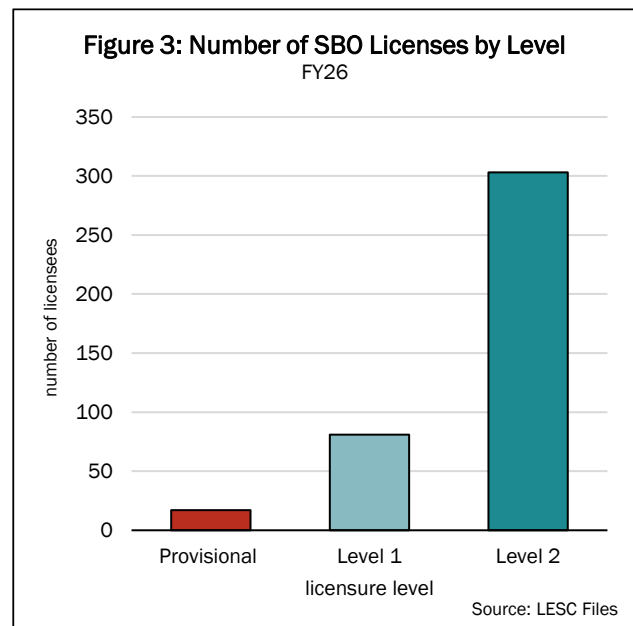
Advisory Group Recommendations

Promoting greater intentionality in programming and budgeting will require greater collaboration between superintendents, SBOs, and governing bodies, and creating capacity in communities and PED by refocusing stakeholders' capacity toward meaningful planning and implementation, rather than compliance verifications.

Revising SBO Licensure

Having a well-qualified SBO is critical in a school district's or charter school's capacity to strategically use their resources to achieve long-term programmatic goals. The workload of this role has significantly grown in recent years, however, partly because of the growing number of the state's planning, reporting, and monitoring tools.

As the role of the SBO has grown, the state has struggled to recruit and retain a high-quality SBO workforce. Part of the challenge in this space is the licensure requirements in [NMAC 6.63.12.8](#), which establishes the degrees and experience required for licensure. SBOs are also limited in licensure advancement, with only two licenses available to them. As shown in **Figure 3: Number of SBO Licenses by Level**, most SBOs hold a Level 2 license, with few people in the beginning stages of the pathway. Licensure also does not reflect the content knowledge and skillsets needed to serve in leadership role in school business offices.



To address these challenges, the SBO advisory group recommended licensure revisions that would increase pathways to the career; strengthen the preparation of license holders; and provide a pathway to licensure advancement for experienced SBOs. In particular, the advisory group recommended all school districts and charter schools should have an experienced SBO serving in leadership roles, an increase in professional learning, a revision to work experience requirements, and the creation of a mentorship program for new SBOs. **Table 4: Proposed Revisions to School Business Official Licensure** summarizes the advisory group's recommendations.

Table 4: Proposed Revisions to School Business Official Licensure

Category	Summary of Proposed Revisions
Pathways into Workforce	- Expanding postsecondary credit criteria to include financial management and data analysis; - Allowing candidates to claim work experience in governmental accounting, broadly; and - Expanding eligible degrees to include public administration and related fields.
Annual Professional Learning Requirements	- Increasing annual professional learning requirements to 32 hours; and - Requiring annual verification of professional learning completion to PED.
Demonstration of Skills and Career Advancement	Creating a level 3 license linked to education, experience, and a demonstration of skills.
Alignment with School District and Charter School Needs	- Requiring all school districts and charter schools with a MEM below 8 thousand to have a level 2 school business official serving as a chief finance officer or an equivalent position; and - Requiring all school districts and charter schools with a MEM of over 8 thousand to have a level 3 school business official serving as a chief finance officer or an equivalent position.

Source: LESC Files

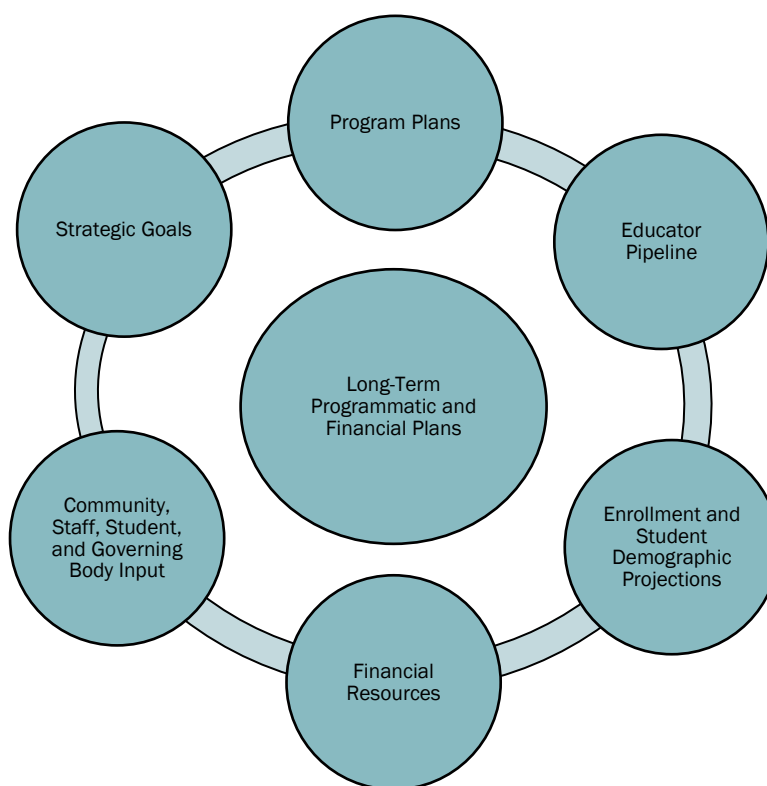
Requiring Long-Term Programmatic and Financial Planning

The LESC's long-term planning advisory group found New Mexico's complex and multilayered planning framework is not yielding the planning or implementation necessary to meaningfully improve student outcomes over several fiscal years. Rather, the state's approach to long-term planning seems to have the opposite effect, where public schools are continuously prompted to focus on short-term goals and implementation strategies, instead of a cohesive long-term approach that merges budget, program, staffing, and facilities.

To address this misalignment in programming, budgeting, and broader capacity, the LESC's long-term financial advisory group recommended the Legislature require all school districts and charter schools to practice long-term programmatic and financial planning and recommended a framework that could be used to do so.

Transforming New Mexico's disconnected planning system would require revisions to statute, PED administrative rule, and local governing practices, as well as investments in professional learning and data systems. If done well, however, these investments of time, capacity, and funding may yield a programmatic and financial planning framework that is responsive to local conditions; encourages consistent and evidence-based approaches to programming; and ultimately serves as a tool that informs the legislative policy- and budget-making process.

Figure 4: Recommended Components of Long-Term Programmatic and Financial Plans



As shown in **Figure 4: Recommended Components of Long-Term Programmatic and Financial Plans**, the advisory group recommended a programmatic and financial planning framework that requires school districts and charter schools to identify locally responsive approaches to long-term planning, by drawing on their strategic goals, expectations around programming, budgeting, professional learning, educator pipelines, enrollment and demographic trends, and community expectations for public schools. These plans will require collaboration between PED, school districts, and charter schools, and extensive internal collaboration within school districts and charter schools. Because of this, the Legislature and PED should consider the limitations, challenges, and opportunities at the local level, and design the plans with the intention of communities actively treating them as living documents, rather than compliance exercises.

Considerations for Building a Long-Term Planning Framework

- A framework should yield adequate fiscal and programmatic context for informing PED and legislative processes;
- Longer-term timelines are foundational for fiscal and programmatic planning;
- Public-school personnel must have adequate capacity to engage in long-term planning;
- Extensive collaboration between finance and program is critical; and
- Adequate support is needed from PED to support planning and implementation.

The advisory group recommended the creation of a long-term programmatic and financial planning framework should begin with the repeal of the Ed Plan. One of the challenging aspects with New Mexico's approach to long-term planning is that many of the state's planning frameworks have been designed with a short-term focus. This trend is most evident in the Ed Plan, which requires school districts and charter schools to submit a programmatic plan, often during the spring budgeting season, that is largely focused on the upcoming school year. The advisory group found this approach limits local and PED capacity on a planning framework that is too narrowly focused, lacking in intention, excessively burdensome, and poorly timed during the fiscal year.

To transform New Mexico's approach to long-term planning, the advisory group recommended school districts complete a three-year programmatic and financial plan, while charter schools should be required to complete plans that align with their approved charter. The goal would be for these two plans to be mutually informative and connect to other existing planning requirements, such as the facility master plan, the accreditation process, and program plans. Like the Ed Plan, PED would be tasked with assisting communities in the initial creation of programmatic and financial plans, with the goal of promoting greater intentionality in local programming and budgeting, while also drawing on them to inform legislative appropriations and PED allocations of below-the-line funding.

Establishment of Statewide Priorities to Guide Local Planning

To align time, resources, and capacity in improving student outcomes, the advisory group recommended all school districts and charter schools should be required to align their long-term programming and budget plans with areas of statewide priority. These priorities should include:

- Math;
- Literacy;
- Attendance;
- Graduation rates; and
- Social-emotional health.

Promoting a comprehensive perspective of local conditions is also important. To encourage this holistic approach, school districts and charter schools should also be required to identify locally responsive measures of academic and organizational health.

For each statewide and local priority, the advisory group recommended school districts and charter schools should identify measurable goals for sustainably improving student outcomes in that space. Based on these measurable goals, the programmatic plans should prompt schools to identify the programs, staffing, and other components needed to make measurable progress toward achieving those goals. Anticipated programming should include instructional time, professional learning, distance learning models, and support services. Staffing considerations should include the workforce needed to sustain anticipated programming, such as class sizes and caseloads, teacher and administrator residencies, Ed Fellows, and other pipeline needs. School districts and charter schools may also identify other components needed to sustain their anticipated programming, including community partnerships and interagency collaborations.

The advisory group recommended each school district and charter school should also complete a long-term financial plan that complements their programmatic plans. Based on their long-term programmatic plan, each school district's and charter school's financial plan should prompt them to anticipate their revenues and identify how that funding could support components of their programmatic plan. Financial plan templates provided by PED would prompt communities to identify their anticipated operational funds, capital funds, and other revenues, and would require context for the assumptions driving each of those revenue expectations. School districts and charter schools would also be prompted to provide an overview of their expected expenditures over the same period, including personnel, non-personnel, capital, and other expenditures. Financial plans would also be supplemented with notes on local long-term trends, such as enrollment, federal revenue changes, and other relevant trends, some of which may be found in facility master plans.

The advisory group recommended accreditation should align with the Legislature's intent around long-term planning. The purpose of accreditation is to ensure school districts and charter schools are complying with statute and intentionally using their financial resources. However, because the purpose of a long-term planning framework is to refocus local and statewide capacity on planning and implementation, there may be an opportunity to move accreditation to a multi-year process, where school districts and charter schools receive a multi-year accreditation rather than complying with annual compliance verification processes.

The recommended long-term programmatic and financial planning framework should yield locally responsive and comprehensive strategies for improving student outcomes. In particular, the joint programmatic and financial planning framework should demonstrate how each school district and charter school intends to realize measurable and meaningful improvements in student outcomes over several fiscal years. However, achieving this transformative approach to long-term planning, across school districts and charter schools of varying sizes and capacities, may require a deliberate and phased approach to implementation.

Implementation Considerations

Ensuring all school districts and charter schools have the capacity to engage in long-term programmatic and financial planning will require deliberate investments of time, capacity, and professional learning from the Legislature, PED, and other agency partners.

Transitioning toward a statewide programmatic and financial planning framework should use a phased approach. To allow time for PED to reorganize its existing staffing capacity to support school districts and charter schools in their initial plan designs, the advisory group recommended a phased implementation using a cohort approach, where different school districts and charter schools would transition into the planning framework each year, over three years. In doing so, PED could have the time and capacity each year to engage in meaningful planning and implementation partnerships with a limited cohort of school districts and charter schools. This would be especially valuable for the school districts and charter schools that may not have the staffing to adequately engage in long-term planning, or those whose student needs may require additional agency guidance.

Transition Year for Statewide Training

One recommendation that emerged from the advisory group was that FY28 serve as a transition period for professional learning, template development, and data system updates.

In terms of professional learning, it would be critical for the New Mexico School Boards Association, the New Mexico Association of School Business Officials, and the New Mexico Coalition of Educational Leaders, among other organizations, to contribute to the development of statewide institutional knowledge in best practices for engaging in long-term planning.

The collaborative development of templates will also be critical in FY28, to ensure templates are responsive to local conditions, flexible, and informative to the Legislature and PED.

After a one-year transition period, the advisory group recommended a pilot year take place in FY29. This pilot period would primarily serve as an opportunity for school districts and charter schools that have historically displayed exceptional programmatic outcomes and fiscal management to design their plans with rigorous assistance from PED. In doing so, this limited segment of school districts and charter schools would serve as

models for the rest of the state, in terms of what a high-quality and responsive long-term programmatic and financial plan should look like. Some candidates for this pilot year already exist, including CCPS and EMHS.

As shown in **Table 5: Potential Pilot-Year Implementation Timeline**, this first cohort of school districts and charter schools could begin formulating their long-term plans in fall 2028, with school district submissions due by November 30, 2028, and charter school submissions due by October 1, 2028. PED could review plans through spring 2029 and approve the plans by April 30. By June 30, school districts and charter schools could be required to revise their financial plans with PED feedback, changes to the final unit value, and audited financials.

Table 5: Potential Pilot-Year Implementation Timeline

Deadline	Deliverable
October 1, 2028	Charter school long-term plan submission deadline.
November 30, 2028	School district long-term plan submission deadline.
April 30, 2029	PED approval of long-term plans.
June 30, 2029	Revisions with PED feedback, unit value revisions, and audited financials.

Source: LESC Files

Beginning in FY30, all remaining school districts and charter schools could begin to transition into the long-term planning framework, in a three-year rotating sequence determined by the department, that ensures the agency has the capacity and time to adequately support each school district and charter school in each cohort.

Unlike the current Ed Plan approval process, the advisory group recommended PED should have a limited role in the approval of long-term programmatic and financial plans. While all school districts and charter schools would use standardized programmatic and financial planning templates developed by PED, the development and approval processes of the long-term plans should be modeled after the facility master plan, where plan disapproval is reserved for considerable misalignments of resources. To achieve this balance, the advisory group recommended PED should primarily be focused on assisting school districts and charter schools in the initial planning process, such as providing resources, guidance, and feedback. Following governing body approval of the plans, PED should be tasked with reviewing each plan by focusing on identifying school districts and charter schools requiring financial safeguards or those requiring targeted investments and supplemental programmatic support. Plan disapproval by PED should be reserved for school districts and charter schools whose programming or finances are unsustainable or substantially misaligned with statewide and local priorities.

Capacity Building and Workload Reorganizations

The introduction of a statewide requirement for school districts and charter schools to engage in long-term programmatic and financial planning is intended to promote local intentionality. However, it is not intended to only levy additional requirements on the existing landscape of statutory and regulatory requirements.

To accomplish this balance, there should be several revisions to statute and PED processes, including:

- Repealing the Ed Plan;
- Adopting a multi-year accreditation process;
- Adopting multi-year program plans;
- Reducing statutory and regulatory reporting requirements conflicting with the intent of the long-term plans.

LESC and NMASBO staff have also collaborated on a proposal that would revise SBO licensure by expanding workforce entry pathways, increasing professional learning requirements, and incentivizing certain skills.

Some school districts and charter schools may be required to regularly update their programmatic and financial plans. While the intent of long-term planning is to refocus time and capacity on planning and implementation, requiring regular updating may be particularly needed for school districts and charter schools that demonstrate financial challenges, such as those with repeated negative cash balances and emergency supplemental requests. School districts with significant modifications to programming, such as those adopting statewide full-time distance learning programs and four-day school weeks, could also be required to submit a revised programmatic and financial plan before adopting those revisions. Mandatory revisions may also be required at the discretion of a chartering authority in alignment with monitoring processes or individual school contracts.

Chartering authorities may also be required to revise their application, renewal, and annual monitoring processes. The introduction of long-term programmatic and financial planning may also require local school districts that charter schools and the PEC to ensure their existing policies align with the proposal's legislative intent to refocus time and capacity on planning and implementation. In particular, substantial changes to charter school educational programs should require a revision to its long-term programmatic or financial plan, including conversions to four-day weeks, the adoption of new full-time distance learning programs, and revisions to enrollment caps, grade levels, or their geographic school district. Charter schools may also be required to submit additional information by their chartering authorities, using templates developed by the chartering authority.

Community buy-in is critical to sustaining progress that is aligned with the long-term programmatic and financial plans. To ensure each community is brought into this conversation, all programmatic and financial plans should require governing body approval to ensure all plans are public facing documents. All substantial revisions to programming, significant changes in enrollment, or a lack of progress toward statewide and local benchmarks may also warrant a mandatory revision to both the programmatic and financial plan and governing body approval.

Ensuring Consistency in Programmatic and Financial Plans

The advisory group recommended PED should collaborate with LESC, the Legislative Finance Committee, the Department of Finance and Administration, and local stakeholders to establish a dynamic framework of common assumptions.

This set of common assumptions could include anticipated long-term trends in the unit value, potential modifications to below-the-line programs, and anticipated changes in federal policy.

All common assumptions could be subject to change and potentially conservative estimations of changes to policy and budgeting, but they would nonetheless present a framework from which all school districts and charter schools could draw on to inform their long-term planning.

The state may also benefit from the development of a statewide data warehouse that provides high-quality projections of demographic trends throughout the state. Currently, school districts and charter schools rely on a fractured landscape of tools that yield a range of demographic projections, which may lead to significant variances in local programmatic and financial plans.

Investments in PED capacity are needed to achieve meaningful planning and implementation. Designing and implementing a statewide approach to long-term programmatic and financial planning will require considerable investments of time and capacity from PED staff. The department reports its capacity is already under strain from its existing statutory requirements, and many of its internal processes and data systems are not equipped to sustain the proposed long-term planning framework included in this brief. This lack of capacity is particularly notable in the school budget bureau, where staff complete a wide range of time-intensive manual processes, particularly in areas related to annual SEG calculations. Other staff in PED are also investing considerable capacity in annual compliance verifications, including program plan approvals for elementary fine arts and bilingual education programs, accreditation, and the design and approval processes for the Ed Plan.

If the Legislature enacts a long-term programmatic and financial planning framework, it will be critical for the department to assess its existing capacity and identify internal reorganization opportunities to support the potential implementation of long-term planning. This internal assessment of capacity will be particularly important if the Legislature also enacts targeted reductions in department workloads, such as the repeal of the Ed Plan. The department may also need to review its accreditation procedures to ensure they align with the Legislature's intent of administrative burden reduction and local workload realignment.

As shown in **Table 6: Appropriation Considerations**, additional investments in PED capacity may also be needed to prepare the department to design and implement a responsive long-term planning framework. PED notes these potential investments may require a \$5 million appropriation over three years to update legacy modules in the Operating Budget Management System (OBMS), a financial data collection, review, and approval system originally designed in 2007, that has manual processes that strain capacity in school districts, charter schools, and the department. To support school districts and charter schools in financial planning, PED estimates \$1.8 million may also be needed to implement tools for funding formula calculations, projections, budgeting, reporting, and fiscal oversight.

Table 6: Appropriation Considerations

(in millions)

Appropriation	Description
\$5.0	Updating legacy modules on OBMS, including school calendar modules, over three fiscal years.
\$1.8	Enabling financial forecasting tools for school districts and charter schools.
\$0.8	Support the expansion of the unified application to below-the-line programs.
\$0.3	Supporting annual maintenance costs for financial forecasting tools.
\$0.1	Support one additional full-time equivalent personnel in the School Budget Bureau.

Source: PED and LESC Files

For FY28, PED has also requested \$750 thousand to support the expansion and maintenance of the unified application, which the department has proposed be expanded to below-the-line programs, rather than only federal grant programs. The department has also requested additional funding for personnel, including one budget analyst in the school budget bureau.

Broader revisions to statutory reporting requirements and PED internal processes may also be needed. Advisory group members recommended the Legislature enact a reduction in reporting requirements that create administrative burdens conflicting with the intent of the long-term programmatic and financial planning framework. One of the recommendations that came from this theme was the Instructional Materials Annual Report ([Section 22-15-11 NMSA 1978](#)), which places significant administrative burden on school districts and charter schools and does not result in meaningful data or context for either the Legislature or PED. Other recommendations from the advisory group included the incorporation of program plans for elementary fine arts and bilingual programs into the long-term planning framework, as well as the continued consolidation of federal needs assessments and other planning requirements by PED.

Policy Considerations and Recommendations

As school districts and charter schools continue to experience evolving challenges in serving the diverse needs of students, policymakers have an opportunity to ensure that resources are effectively aligned with long-term strategic goals that improve student outcomes and educator wellbeing. Doing so will require significant revisions to statutory planning requirements, realignments in local and agency capacity and workloads, inter-agency collaboration, and investments in staffing, data systems, and other tools.

The Legislature should consider...

- Repealing the Educational Plan.
- Requiring all school districts and charter schools to engage in long-term programmatic and financial planning.
- Appropriating \$5.0 million over three fiscal years to PED to support updates to OBMS.

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- Appropriating \$1.75 million to PED to modernize SEG calculations and enable local access to unit value and program cost projection tools.
 - Exploring future investments in building a data warehouse to ensure all school districts and charter schools have access to high-quality demographic data.

The Public Education Department should consider...

- Revising SBO licensure requirements in alignment with the recommendations of the SBO advisory group.
- Continuing to consolidate existing reporting and compliance processes.
- Revising state-chartered application, renewal, and annual monitoring processes with the legislative intent of long-term programmatic and financial planning.
- Reviewing its accreditation process and determine whether a multi-year accreditation cycle would appropriately align with a long-term programmatic and financial planning framework.
- Completing a comprehensive analysis of its existing internal staff capacity and determine whether there are opportunities to reorganize existing staff to align with the Legislature's intent around long-term programmatic and financial planning.
- Collaborating with statewide partners in designing professional learning around long-term planning for governing body members, superintendents, charter school leaders, and other stakeholders.

School Districts and Charter Schools should consider...

- Collaborating with PED staff in scoping and designing the proposed modifications to OBMS modules and financial forecasting tools.
- Ensuring all SBOs are completing required professional learning.
- Sustaining inclusive and collaborative internal processes for ensuring school business staff are participating in local long-term programmatic planning.
- Revising locally-chartered application, renewal, and annual monitoring processes with the legislative intent of long-term programmatic and financial planning.

Appendix A: School Business Official Advisory Group Members

Name	Organization
Bobbi Newland	Farmington Municipal Schools
Chris Parrino	Montessori of the Rio Grande
Claire Cieremans	New Mexico Association of School Business Officials
David Vigil	Albuquerque Public Schools
Evelyn Garcia	Aztec Municipal School District
Kyle Hunt	Christine Duncan Heritage Academy
Lee White	Loving Municipal Schools
Ludym Martinez	Gadsden Independent School District
Mike Vigil	The Vigil Group, LLC
Sara Cordova	Public Education Department
Sarah Stubbs	Portales Municipal School District
Seana Flanagan	Public Education Department
Sherrita Fluhman	Roy Municipal Schools
Terry Dean	New Mexico Association of School Business Officials

Appendix B: Long-Term Planning Advisory Group Members

Name	Organization
Amy Roble	Maxwell Municipal Schools
David Vigil	Albuquerque Public Schools
Gary Washburn	Carlsbad Municipal School District
Gene Strickland	Hobbs Municipal Schools
Ignacio Ruiz	Las Cruces Public Schools
Jade Rivera	Public Charter Schools of New Mexico
Joe Guillen	New Mexico School Boards Association
John Binnert	Cottonwood Classical Preparatory School
Jvanna Hanks	Gallup-McKinley County Schools
KatieAnn Juanico	Public Education Department
Lee White	Loving Municipal Schools
Sara Cordova	Public Education Department
Terry Dean	New Mexico Association of School Business Officials
Trey Smith	East Mountain High School
Yvonne Garcia	Public Education Department