

LFC Hearing Brief



BACKGROUND INFORMATION

In response to findings in the *Martinez-Yazzie* education sufficiency lawsuit that found New Mexico failed to provide experienced and skilled teachers for at-risk students, the state substantially raised educator compensation and established new programs to strengthen the teacher pipeline. Additionally, the state removed student test scores from the teacher evaluation system, changed state assessments, removed some licensure exam requirements, created a new micro-credential system for licensure advancement, and increased instructional hour requirements.

While New Mexico has substantially improved the recruitment of new teachers in recent years, the state continues to have special education teacher vacancies, high turnover rates, a lack of workforce diversity, a declining student population, and more training needs for teachers after they have entered the classroom. Neighboring states have also raised compensation levels for educators to remain competitive, and changes to working conditions following the pandemic will affect the attractiveness of the profession moving forward.

Teacher Pipeline

While the number of teacher candidates graduating from New Mexico educator preparation programs has grown in recent years, the total in-state cohort is still building to completion levels that were higher a decade ago. Notably more program completers, or 59 percent, are now graduating through alternative licensure tracks than the traditional preparation pathway at colleges of education, including an increasing number of candidates completing programs not affiliated with higher education institutions.

Research on the effects of alternative licensure teachers on student achievement remains mixed, although some studies suggest alternative licensure teachers leave classrooms at higher rates than traditional pathway teachers. In New Mexico, the results reflect this higher attrition, with only 36 percent of alternative level 1 teachers in FY21 remaining in the same school by FY23. About 44 percent of traditional level 1 teachers remained in the same school over the same period. Annually, about 3,000 teachers in New Mexico, or 14 percent, leave their school or district, creating many new vacant positions to be filled each year.

According to the Southwest Outreach Academic Research Center, statewide teacher vacancies have dropped, falling from 1,048 vacancies in FY22 to 690 vacancies in FY23, or 34 percent. PED notes vacancies for FY24 have reached 721 positions. The largest vacancies in 2022 were concentrated in the central region of the state and were primarily for 193 special education and 187 elementary school teachers. For FY22, preparation programs graduated 1,027 students, including 346 completers focused on elementary education and 262 completers focused on special education. Most of the special education completers, or 224 students, graduated from an alternative pathway program. Like the bilingual endorsement or science of reading requirement, many educators may be retaking college-level courses to meet requirements for special education licensure after already teaching

AGENCY: Public Education Department (PED)

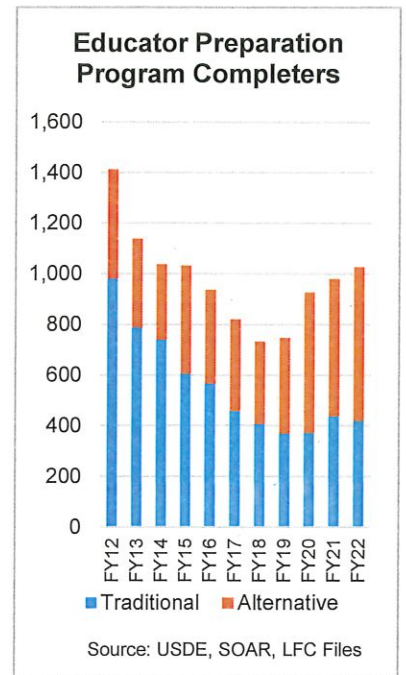
DATE: September 28, 2023

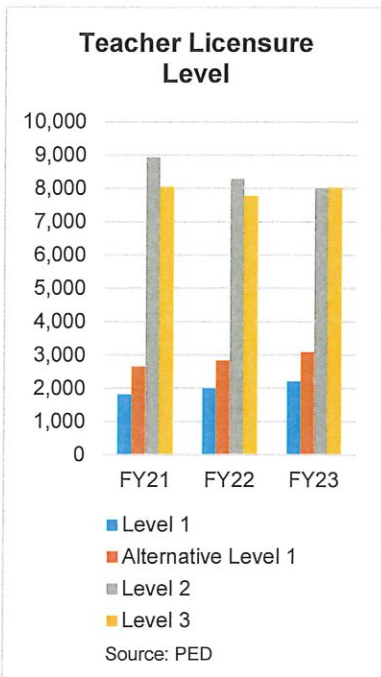
PURPOSE OF HEARING: Status of the Educator Workforce

WITNESS: Dr. Arsenio Romero, Secretary, PED

PREPARED BY: Sunny Liu, Fiscal Analyst, LFC, and Anna Rose, MPP Fellow, UNM

EXPECTED OUTCOME: Informational



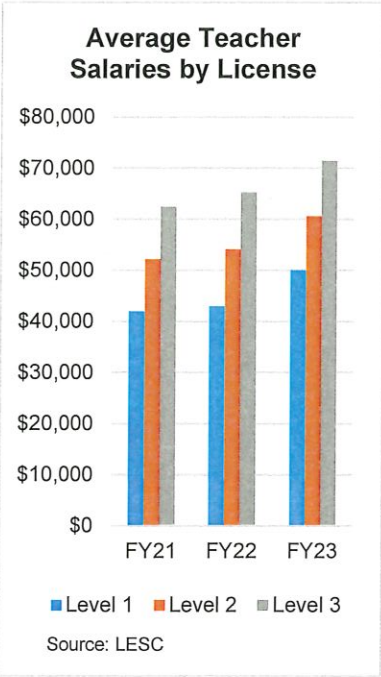


in the classroom. To efficiently meet workforce needs for specialty areas, the state needs to monitor shortage areas, target incentives to attract candidates, and work with teacher preparation programs to arrange quality experiences for candidates at high need schools.

The increase in alternative licensure and level 1 licenses is coinciding with an overall drop in teacher years of experience and a decrease in the total count of level 2 licenses. This shift suggests New Mexico’s teacher workforce is becoming increasingly less experienced, which will require schools to replace a larger share of their staff each year with new employees. According to a 2022 McKinsey and Company survey, the top reasons teachers plan to leave the classroom nationally are due to inadequate compensation, unsustainable work expectations, uninspiring leadership, and lack of well-being.

Teacher Recruitment

Since the *Martinez-Yazzie* court ruling in 2019, the Legislature has increased recurring funding for public schools to \$4.2 billion, an increase of \$1.5 billion, or 55 percent. Nearly half of the total increase, or \$709 million, is attributable to educator compensation, including higher minimum salaries, across-the-board raises, and expanded coverage of benefits. According to the National Education Association (NEA), projected average teacher salaries across the nation rose in the 2022-2023 school year to \$68.5 thousand, a 2.6 percent increase from the previous year. New Mexico provided the largest increase of any state (17 percent) after raising the three-tiered minimum teacher salary levels to \$50 thousand, \$60 thousand, and \$70 thousand in FY23. At an average teacher salary of \$63.6 thousand, New Mexico’s ranking shot up from 41st to 22nd in the nation.



Beyond pay increases, the state has reduced barriers to entry by funding teacher residencies, providing stipends for students during the student teaching experience, offering financial assistance and time off for educational assistants taking coursework to become a teacher, allowing retirees to return to work, providing a portfolio alternative to licensure tests, and increasing appropriations to the teacher preparation affordability scholarship and teacher loan repayment funds. While these changes remove financial and administrative hurdles for prospective teachers, the state should focus more on programs that provide longer clinical practice experiences and expose students to teaching sooner (like residencies and educator fellows) and prepare candidates for their first year of teaching, given about 1,500 level 1 teachers leave their classrooms each year in New Mexico.

Licensure Requirements. Teachers must obtain a license in New Mexico by taking the Praxis licensure exam or completing a new portfolio process for alternative licensure. There is also a reciprocal pathway by which a teacher transfers licensure obtained in a different state to New Mexico. The licensure application process in New Mexico, and in other states, creates some barriers to entry. For some applicants seeking reciprocity, the process can take more than 9 months. Praxis exams, currently required by 48 states to obtain a license, show higher failure rates for non-white test takers. According to the Educational Testing Service, 92 percent of white test-takers passed the reading test in 2019, versus 80 percent of Hispanic test-takers and 68 percent of Black test-takers. Exams also cost upwards of \$700. Previous LFC reports indicated prior pass rates typically exceeded 90 percent but were not disaggregated by demographic groups.

Beginning in FY24, PED will no longer require the Praxis exams for licensure except for elementary and special education. Instead, the department will shift to

a portfolio-based system to increase the number of candidates receiving licensure. Revoking licensure testing requirements will likely increase the supply and diversity of teachers but could negatively affect student achievement. According to the National Council on Teacher Quality and previous LFC evaluations, the research on licensure tests suggests candidates who pass these tests generally have students with higher achievement. Additionally, the cost of creating and staffing a statewide portfolio review system could be more expensive than offering waivers or additional support programs for Praxis exams or other content-based tests. A portfolio system risks even longer wait times or less effective teachers obtaining licensure. As most other states still require Praxis exams, teachers licensed in New Mexico may face difficulty gaining licensure in other states.

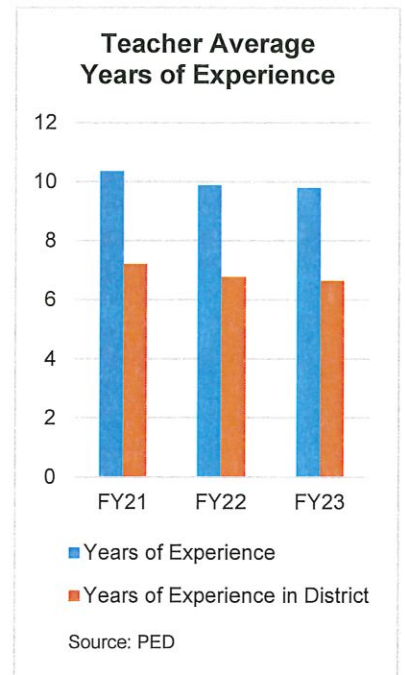
Teacher Evaluation. Although findings in the *Martinez-Yazzie* court case pointed to the unintended consequences of the former teacher evaluation system encouraging experienced teachers to serve in classrooms with fewer at-risk students, the court noted high quality teachers were a key remedy to addressing the state’s deficiencies. Following executive orders to transition away from the NMTeach evaluation system and PARCC standardized test in 2019, PED removed student test data from the teacher evaluation rubric and changed the state assessment in 2020. The state did not administer student testing or teacher evaluations during the Covid-19 pandemic but resumed testing in 2022.

Under the NMTeach system, teacher evaluation data was used for hiring and intervention decisions at the local level. Pandemic disruptions and new guidance from PED has changed the focus of the new system, Elevate NM, toward professional development plans developed by teachers after principal observations. PED has not tracked evaluation data or reported a metric for evaluating teacher quality at a statewide level since the pandemic but is working with a vendor to compile statewide data by January 2024.

Micro-credentials. In 2022, PED began transitioning away from the professional development dossier process and began development of a micro-credentialing system for licensure advancement. Previous LFC evaluations noted the dossier process was predictive of teacher effectiveness and their student achievement; however, teachers noted the dossier review process could be slow and did not include sufficient feedback for applications that were denied.

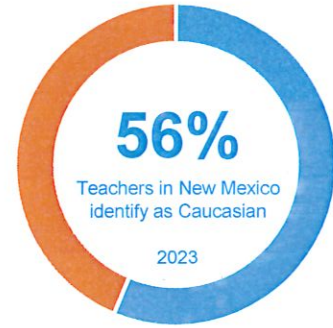
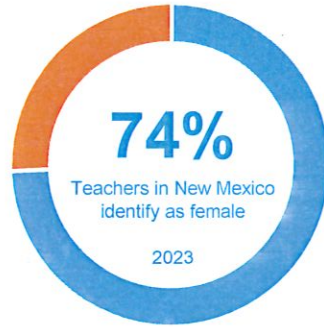
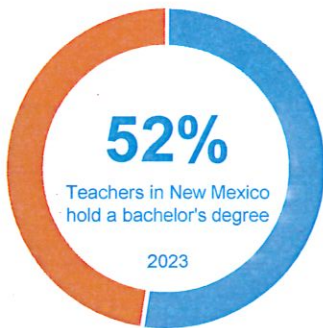
PED’s advanced program level (APL) micro-credentialing system is a competency-based course offering, or series of online modules to test specific skills required under the Elevate NM rubric. Each micro-credential course for teachers has an assigned facilitator to provide feedback on the content and approve eligibility for advancement. PED has already rolled out the APL system for level 2 applicants and is beginning to offer APL micro-credentials for level 3 applicants. The department will end its dossier process at the end of FY24. As the state transitions to this new system, PED should evaluate its effectiveness on improving teacher practice and student outcomes and consider using a third-party reviewer.

Professional Learning. Changes to school calendars in FY24 allowed schools to count professional work time as part of instructional hour requirements; however, some schools supplanted existing professional work time or reduced development days in response to the increase in instructional hour requirements. With new required trainings on the science of reading for all elementary school teachers and significant onboarding needed for new teachers, schools should expand calendars through the K-12 Plus formula to provide more embedded professional work time alongside extended classroom instructional time.

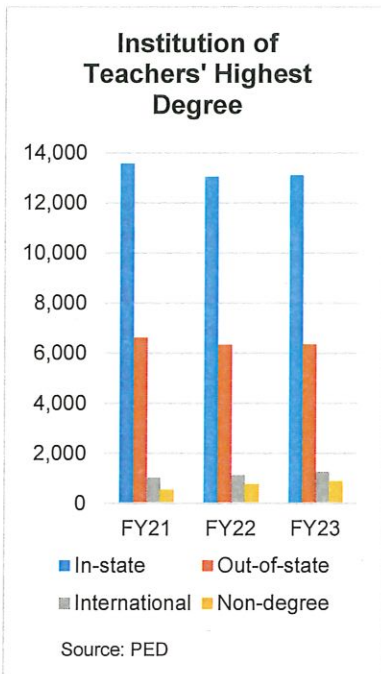


Teacher Workforce

New Mexico’s teaching workforce predominantly identifies as female and Caucasian. While the share of teachers identifying as male or a person of color has inched up marginally, the workforce has largely maintained these demographic proportions over time. Most teachers in New Mexico are between the ages of 40 and 50, and over 60 percent are graduates of a New Mexico college. A 2019 study by the Los Alamos National Laboratory Foundation in northern New Mexico found teachers who taught in the community where they grew up and attended school were more likely to stay in the teaching profession, remain within the same school district, and live in the local community over the long term. PED is administering an educator fellows grow-your-own program designed to specifically recruit teachers from within their home schools and communities.



About 36 percent of all New Mexico teachers hold a level 2 license and another 36 percent hold a level 3-A license. Over half, or 52 percent, of teachers’ highest level of educational attainment is a bachelor's degree and 42 percent hold a master’s degree. In recent years, the state has seen an increasing number of teachers with degrees outside of the U.S. or no degree at all, from 1,565 educators in FY21 to 2,140 educators in FY23. New Mexico teachers without a degree show similar turnover rates as alternative licensure teachers, and many international teachers with J-1 visas run the risk of deportation from expiring visas.



Regional Competitiveness

NEA projects average teacher salaries in New Mexico to be the highest in the region, when compared to average salaries for teachers in Oklahoma, Arizona, Texas, Nevada, and Utah. The projected FY23 average teacher salary in New Mexico still falls \$4,889 below the projected national average of \$68.5 thousand but is a significant improvement over the prior year where the average salary for a teacher in New Mexico was \$12.5 thousand less than the FY22 national average of \$66.7 thousand. Notably, New Mexico was the lowest ranked state in the region for average teacher pay in FY22 but is now the highest ranked state in the region for average teacher pay, despite a major shift in the workforce to newer teachers.

Other states in the region are pursuing a range of strategies to address teacher compensation. Oklahoma and Utah are funding across-the-board pay increases for public school teachers, and Oklahoma is additionally funding performance-based incentives and sign-on bonuses for shortage areas. Arizona, Nevada, and Colorado are appropriating new funds for education but are leaving specific budget increases up to each school district. Texas has not passed comprehensive educator compensation increases in at least 4 years but appears to be heading for a special session on teacher pay in the coming months. Efforts to increase teacher

compensation in Arizona, Texas, and Utah were all closely tied to debates over the use of public funds for private education through scholarships and vouchers.

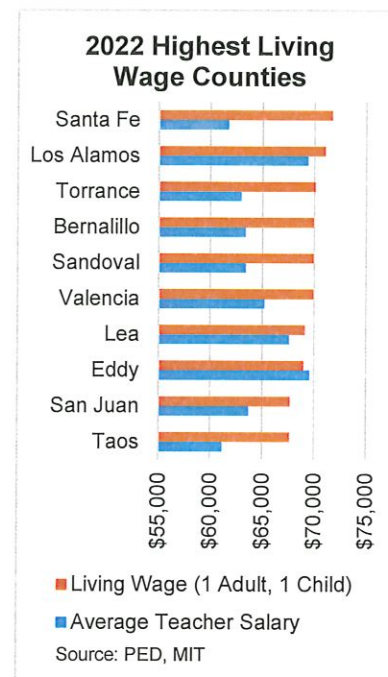
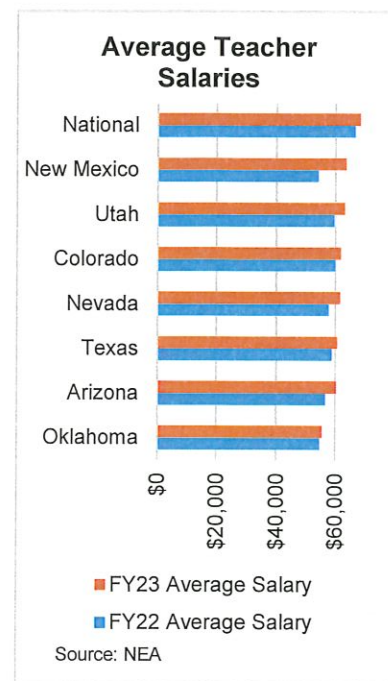
Living Wages. A 2018 study by the Massachusetts Institute of Technology (MIT) showed average teacher salaries in 30 states were below a living wage. MIT noted New Mexico had the ninth largest teacher wage gap with the average teacher salary being 16.3 percent below the statewide living wage. MIT’s living wage calculator makes minimum costs assumptions for various family structures, including the living wage required for one full-time working adult to support a child without needing the aid of social welfare programs.

Since 2018, the state has substantially increased teacher pay; however, costs of living have also grown. MIT’s 2022 analysis shows the estimated statewide living wage in New Mexico for one full-time working adult supporting a child was \$68.6 thousand. At a statewide average teacher salary of \$61.1 thousand in FY23, the average teacher wage gap has narrowed but remains 10.9 percent below MIT’s statewide living wage average for one adult supporting one child. Living wages also differ by county, creating unique challenges for each district to attract and retain teachers based on regional cost of living differences.

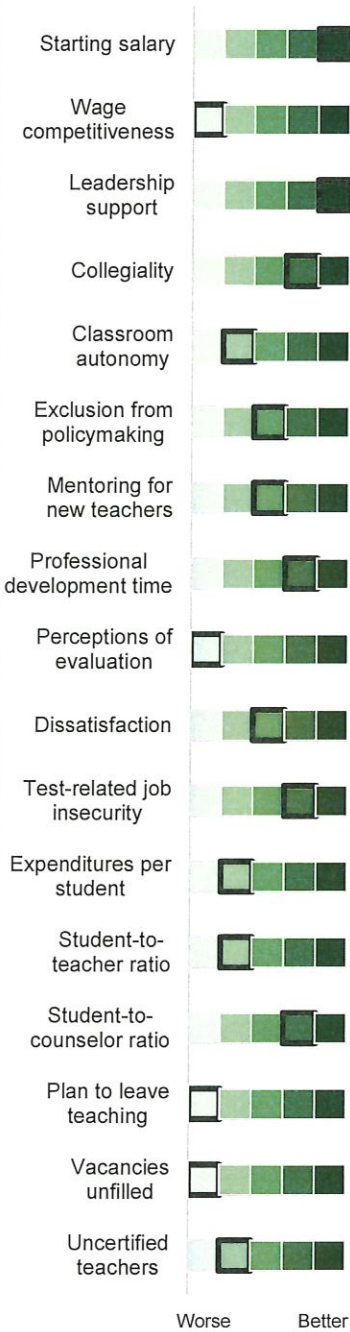
Teacher Cost Index. The costs of providing teacher salaries are highly dependent on the composition of staffing patterns and teacher licensure levels within a district or charter. Local districts and charters can elect to include additional pay increases based on years of experience or other credentials but mainly develop schedules around license levels. The school funding formula includes a teacher cost index that allocates additional dollars to schools with more experienced or higher license level teachers. Because the index is multiplied by student enrollment and does not consider local living wages or costs of living, districts and charters experience budgetary pressures to right-size their workforce when enrollment changes and have an incentive to hire experienced or higher licensed teachers.

A 2023 Legislative Education Study Committee (LESC) analysis of the teacher cost index found the index provided more funding to schools for experienced level 2 and level 3 teachers’ salaries than the actual costs of their reported salaries. Conversely, the index provided less funding to schools for inexperienced level 1 and level 2 teachers’ salaries than the actual costs. Like prior analyses of the teacher cost index, LESL’s report also found small-sized schools or schools with higher minimum salary schedules were more likely to have teacher salary costs exceeding revenue generated by the index. These findings corroborate challenges with downsizing in small schools, as enrollment declines are usually not large enough to allow for a decrease in programming. Regional wage competition, particularly in districts bordering other states, also drives local decisions to provide minimums above statutory requirements to attract teachers.

The teacher cost index provides a fractional weight for level 1 teachers, but the formula prevents any district or charter from generating an index less than one. As such, schools do not have any incentive to retain level 1 teachers; however, the increasing share of level 1 teachers in the workforce will gradually reduce allocations to schools that continue to hire more new and inexperienced teachers—a group increasingly needing more support and training as they enter classrooms without preparation. Although the index provides additional allocations for years of experience, many school district salary schedules do not provide substantial compensation growth on an annual basis. Albuquerque Public Schools provides \$1 increments for many steps, effectively keeping teacher salaries relatively flat



2022 New Mexico Teaching Attractiveness



Source: LPI

unless they seek licensure advancement, higher education attainment, or transition into school leader roles. While local decisions and union bargaining dictate the salary schedule, the compaction created from this structure may be contributing to higher turnover rates and building a perception that licensure level advancement is intended for wage growth rather than increased responsibilities.

Student-Teacher Ratios. According to PED’s licensure data, the number of teachers with licenses has remained flat in the last three years, although discrepancies between licensure and salary increase datasets suggests the real number of active licensees may be 10 percent lower than reported. Still, the statewide student-to-teacher ratio remains between 13:1 and 15:1 and is decreasing over time as student enrollment drops. While state law establishes average class loads by grade level, school districts and charter schools must determine individual classroom sizes based on staffing patterns, community needs, and facility spaces. Because statutory provisions allow for an average class load, some classrooms may have more than the average number of students while others are below the average.

Research on smaller class sizes suggests the strategy is particularly costly and is more effective for younger students. In smaller New Mexico districts, the ratio can be as low as 8:1, suggesting this approach may not be cost-effective. The Learning Policy Institute rated New Mexico’s teacher attractiveness at 2.8 on a 5-point scale, which included its 14.8:1 student-to-teacher ratio as part of the score. Still, class sizes affect teacher working conditions, which are dependent on local decisions, particularly with school leaders determining staffing patterns. To ensure class loads are not negatively affecting working conditions, the state should improve monitoring of class loads and train school leaders on effective staffing strategies.

Budget and Policy Implications

With the highest salaries in the region and fewer barriers to entry for teaching candidates, New Mexico is a strong regional competitor for attracting new teachers. However, new teachers will increasingly need better training and existing structures are not incentivizing teachers to stay without advancement nor encouraging placement in high need areas. While the state’s recent push for educator pay will temporarily retain teachers, salary compaction, cost of living increases, and a shrinking student population will likely all contribute to a downsizing of the workforce in future years. Additionally, the lack of a comprehensive accountability system hinders the state’s ability to understand the impact of investments in public schools and thus the state cannot have a strategy for retaining its best educators.

New Mexico must take a comprehensive approach to building an effective teaching workforce, starting with more robust and timelier monitoring and reporting systems. Understanding why teachers are exiting or entering the system and measuring their ability to improve student outcomes will better inform policy and budget decisions. Secondly, the state should continue efforts to strengthen teacher preparation, with a particular focus on filling shortage areas, ensuring teachers have mastery of foundational concepts (like the science of reading), and incentivizing more clinical experiences for prospective teachers or frequent coaching supports for alternative licensees. Third, the state should build pathways to retain high quality teachers and increase stability within schools, such as expanding K-12 Plus funding to address professional learning needs, targeting compensation to high need areas, or reducing compaction issues. Finally, the state should consider investing in the training and development of school leaders to improve teacher retention rates and support strong instructional practices.

September 28, 2023
Agency 993

Below the Line Accountability Report

Dr. Arsenio Romero, Secretary, Public Education Department (PED)
Prepared By: Sunny Liu, Analyst, LFC

Revenue Sources for Department Initiatives

- For FY24, the Legislature provided \$25.9 million in recurring general fund appropriations to PED for “below-the-line” appropriations, or funding for department initiatives.
- Additionally, the state further provided \$223 million for other PED initiatives from nonrecurring funding sources, including \$183 million from the public education reform fund (PERF), and a large proportion of these initiatives may have recurring costs.
- The state discontinued the practice of reverting unspent K-5 Plus and Extended Learning Time program funding to PERF in FY24, which only has an estimated \$3 million unbudgeted balance remaining. Reversions from prior years may increase this amount substantially, although preliminary analysis suggests the largest PERF appropriations have mostly been expended or encumbered and recurring costs cannot be sustained by the fund.

	FY20	FY21	FY22	FY23	FY24
Beginning PERF Balance	\$0	\$125,517,462	\$170,066,545	\$218,358,062	\$186,451,586
Sources (Reversions)	\$125,517,462	\$69,131,382	\$202,176,317	\$176,423,324	\$0
Uses		(\$24,582,300)	(\$153,884,800)	(\$208,329,800)	(\$183,250,000)
Ending PERF Balance	\$125,517,462	\$170,066,545	\$218,358,062	\$186,451,586	\$3,201,586

- PED has also leveraged federal emergency pandemic funds to create new initiatives, such as an educator fellows program, which the department plans to request recurring state funding to support in FY25.

Recurring Programmatic Costs

- PED did not submit its FY25 below-the-line initiative requests to DFA or LFC with its operating budget request on September 1, as required by law.
- The department continues to use below-the-line funding to supplement its operating budget, reducing allocations for direct services and grants to schools.

- Staff analysis of below-the-line appropriations above \$5 million with recurring costs shows most funds have been encumbered or expended for FY24, with mixed implementation and fidelity to evidence-based practices.
- Few PED initiatives have an evaluation or measurement plan, suggesting the department has limited or no capacity to research or report data on the impacts of their initiatives.
- Although PED has increased staffing to 271 FTE in the last quarter, the agency still has 83 vacancies and continues to report delays in processing reimbursements and reporting key performance metrics, such as student proficiency and graduation data.
- The Legislature should consider consolidating duplicative below-the-line initiatives, reducing appropriations spent for unrelated purposes, and reprioritizing resources to programs that have established department plans for implementation, fidelity, and evaluation.
- Additionally, the Legislature should transition more funding responsibility to local school districts and charter schools through matching requirements or a gradual decrease in the share of state funding for programs over time.

SECTION 4 PED RELATED REQUESTS: RECURRING (in thousands)		FY23	FY24
1	Regional Education Cooperatives	\$1,100.0	\$1,350.0
2	Early Literacy and Reading Support ¹	\$8,000.0	\$11,500.0
3	School Leader Professional Development	\$2,500.0	\$5,000.0
4	Teacher Professional Development	\$3,000.0	\$3,000.0
5	GRADS – Teen Parent Interventions ³	\$650.0	\$750.0
6	STEAM (Science, Technology, Engineering, Arts, and Math) Initiatives	\$3,000.0	\$3,096.6
7	Advanced Placement and International Baccalaureate	\$1,000.0	\$1,250.0
8	Outdoor Classroom Initiatives	\$500.0	
9	Student Nutrition and Wellness	\$2,400.0	
10	Martinez-Yazzie Student and Program Supports	\$5,100.0	
11	Career Technical Education	\$250.0	
12	At-Risk Interventions for Students	\$10,000.0	
13	Health and Behavioral Health Curriculum	\$460.0	
14	Youth in Film Initiatives	\$210.0	
15	Post-Graduation Pathway Initiatives	\$440.0	
16	Media Literacy Programs	\$200.0	
	Subtotal Base	\$38,810.0	\$25,946.6
	SECTION 5 PED NONRECURRING APPROPRIATIONS	FY23	FY24
	General Fund		
17	Potential FY20 Impact Aid Liability	\$30,000.0	
18	Tribal Libraries	\$2,000.0	
19	Sufficiency Lawsuit Fees	\$500.0	\$500.0
20	Career Technical Education		\$20,000.0
21	Support for Attendance for Success		\$5,000.0
22	Special Education Initiatives		\$5,000.0
23	Micro-credentials		\$1,100.0
24	Behavioral Health Supports		\$5,000.0
	Subtotal Current Year Base	\$32,500.0	\$36,600.0

	OTHER STATE FUNDS	FY23	FY24
	<u>Public Education Reform Fund</u>		
25	Family Income Index Support		\$15,000.0
26	Transportation for K-5 Plus Programs	\$3,034.7	
27	Community School and Family Engagement Initiatives	\$8,000.0	\$10,000.0
28	K-12 Plus Programs	\$22,183.8	\$60,000.0
29	Out-of-School Learning, Summer Enrichment, and Quality Tutoring Programs		\$20,000.0
30	Tribal and Rural Community-Based Extended Learning	\$13,310.3	
31	K-12 Plus Planning Grants and Incentives	\$21,000.0	
32	Transportation for K-12 Plus Schools	\$1,551.0	
33	Career Technical Education	\$10,000.0	\$20,000.0
34	Teacher and Administrator Evaluation System	\$2,000.0	\$2,000.0
35	Teacher Residency Pilots	\$15,500.0	\$13,000.0
36	Principal, Counselor, and Social Worker Residency Pilots		\$2,000.0
37	Paid Student Teaching	\$6,000.0	\$6,500.0
38	Teach Up (ENMU, NMHU, SJCC, WNMU)	\$4,000.0	\$2,000.0
39	Teacher Preparation Affordability Scholarship Fund	\$20,000.0	\$8,000.0
40	Teacher Loan Repayment Fund	\$5,000.0	\$2,500.0
41	Endowed Faculty Teaching Positions	\$50,000.0	
42	Martinez-Yazzie Educational Technology and IT Staffing	\$10,000.0	
43	Targeted Dual Credit Programs	\$4,000.0	
44	Early Literacy and Reading Support	\$3,500.0	\$2,000.0
45	At-Risk Interventions (HAFC/SFC: Feminine Hygiene Products in At-Risk Index)	\$5,000.0	\$1,000.0
46	School Budget Transparency	\$1,000.0	
47	Cyber Security and Data Systems	\$1,500.0	
48	Parity for 520 Certificate Holders	\$1,250.0	
49	Hispanic Education Act	\$500.0	\$1,000.0
50	Bilingual Multicultural Education Act		\$5,000.0
51	School Panic Buttons		\$1,000.0
52	Special Education Training and Credentials		\$2,000.0
53	Instructional Materials Supplement		\$5,000.0
54	Math Achievement		\$5,000.0
55	Outdoor Classroom Initiatives		\$250.0
	Subtotal Current Year Base	\$208,329.8	\$183,250.0

Teacher Residency Program

Purpose

The teacher residency program is a yearlong, competitive apprenticeship for teacher candidates, or residents, to co-teach in classrooms with experienced mentor teachers. The program is designed to diversify the workforce, fill high-need positions, and provide a rigorous, hands-on approach to preparing teachers. Program funds primarily cover stipends for residents (\$35,000), mentor teachers (\$2,000), principals (\$2,000), and residency program coordinators (\$50,000).

Statutory Authority: Chapter 22, Article 10B, Teacher Residency Act

Intended Goals

- Diversify teaching workforce
- Increase beginning teacher retention rates
- Increase preparation program completion rates
- Improve teacher quality

Budget and Policy Issues

In FY22, two institutions—UNM and NMSU—were awarded for residency programs to support 40 residents. Of this cohort, 39 residents completed their residency programs and were hired to work in the Albuquerque and Las Cruces school districts. For FY23, eight colleges received awards for 359 residents, and PED provided a \$1 million grant to Golden Apple for recruitment and professional development efforts.

New Mexico colleges of education note teacher residencies are more intensive than traditional student teaching programs but cite challenges with recruiting candidates due to financial and commitment issues. Some prospective students are reluctant to commit to three years of service in the sponsoring district after program completion. Others see the alternative licensure pathway as a more feasible salary option (\$50 thousand for a level 1 teacher), especially if the \$35 thousand resident stipend makes them ineligible for certain benefits.

Recommendations

- Consolidate appropriation with paid student teaching, grow-your-own, special education teacher stipends, Teach Up, and federal educator fellows programs into a single appropriation to PED for educator pipeline initiatives
- Authorize a portion of the appropriation to be used for program evaluation
- Establish new AGA performance measures on teacher retention and preparation program completion rates

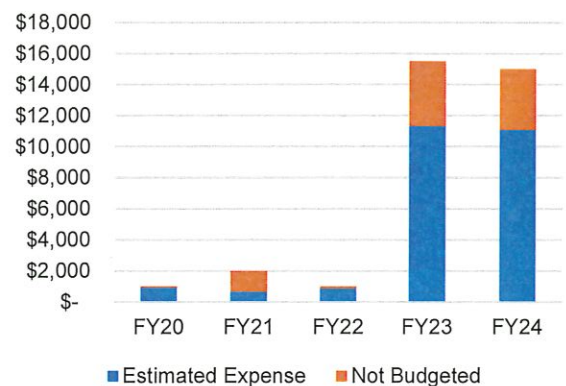
Total FY24 Appropriation (in thousands)

\$15,000.0

Public Education Reform Fund	\$13,000.0
Educator Licensure Fund	\$2,000.0

	Rating
Program Premise Improve new teacher clinical experience	G
Needs Assessment Statewide applications submitted	G
Program Description Supports resident stipends and coordinators	G
Research and Evidence Program has promising evidence base	Y
Implementation/Action Plan PED meeting regularly with prep programs	G
Fidelity Plan Statutory parameters for best practices	G
Measurement/Evaluation PED plans to contract with third-party reviewer	Y

Appropriation History (in thousands)



FY20-FY24 Total Budget (in thousands)

Personnel and Benefits	\$110.0	0.3%
Contractual Services	\$33,196.7	96.2%
Other	\$193.3	0.6%
Transfers	\$1,000.0	2.9%
Total	\$34,500.0	100.0%

Performance Outcomes

Metrics	FY22	FY23
Number of teacher residents	47	245
Teacher residents in NM classrooms	39	NR
Residents identifying as a person of color	NR	66%
Resident evaluation scores (out of 4)	3.2	NR

Paid Student Teaching

Purpose

The paid student teaching program provides financial aid for candidates who are completing a 16-week student teaching experience for teacher licensure. The program is intended to remove financial barriers to completing the student teaching requirement for traditional education students.

Statutory Authority: General Appropriation Act

Intended Goals

- Increase preparation program completion rates

Budget and Policy Issues

PED notes eight colleges will pay 365 student teachers a \$10.5 thousand stipend for their 16-week student teaching experience in FY23 and will further provide a \$1,000 stipend to mentor teachers. For FY24, PED will increase the stipend amount to \$12 thousand per student teacher for 446 individuals.

New Mexico colleges of education note the paid student teaching appropriation provides flexibility to support student teachers not participating in a residency program; however, PED has not yet evaluated whether paid student teaching is a more cost-effective option than the unpaid traditional pathway or residency programs.

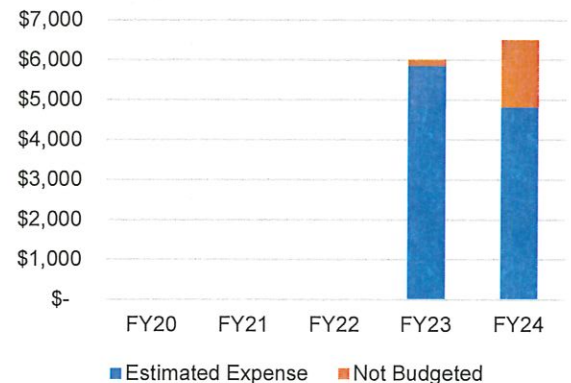
Recommendations

- Consolidate appropriation with teacher residency, grow-your-own, special education teacher stipends, Teach Up, and federal educator fellows programs into a single appropriation to PED for educator pipeline initiatives
- Authorize a portion of the appropriation to be used for program evaluation
- Establish new AGA performance measures on teacher retention rates and teacher diversity

Total FY24 Appropriation (in thousands)	\$6,500.0
Public Education Reform Fund	\$6,500.0

	Rating
Program Premise Increase teacher preparation completion rates	G
Needs Assessment Statewide applications submitted	G
Program Description Provides financial aid for student teachers	G
Research and Evidence Program has weak evidence base	R
Implementation/Action Plan No reported plan	R
Fidelity Plan No reported plan	R
Measurement/Evaluation No reported plan	R

Appropriation History
(in thousands)



FY20-FY24 Total Budget
(in thousands)

Personnel and Benefits	\$100.0	0.8%
Contractual Services	\$12,400.0	99.2%
Other	\$0.0	0.0%
Total	\$12,500.0	100.0%

Performance Outcomes

Metrics	FY22	FY23
Number of paid student teachers	New	365
Number of traditional program completers	420	NR

Family Income Index

Purpose

The family income index is a calculation of each public school's population poverty level. A school's index is calculated as the percentage of students living in a household with income below 130 percent of the federal poverty level approximated using income tax, welfare, and U.S. Census data. Schools with the highest poverty, or family income index, receive a direct grant for evidence-based interventions.

Statutory Authority: Chapter 22, Article 8F, Family Income Index Act

Intended Goals

- Target at-risk dollars to schools rather than districts
- Increase accuracy of measuring poverty levels
- Fund evidence-based, supplemental interventions

Budget and Policy Issues

In FY22, the state began collecting family income data by school site to develop a poverty index for purposes of allocating resources. To test the effects of targeting resources at the school level, the state appropriated \$15 million statewide to some of the highest poverty schools in each district and limited spending to reading, math, and evidence-based interventions.

Delays in award processing in FY22 and restrictions on expenditures resulted in large unspent balances. In response, the state relaxed spending limitations in FY24.

PED's FY22 report on family income index expenditures found spending at each school site varied significantly, from purchasing laptops to covering costs of summer school programs. PED recommended easing spending limitations, providing recurring funds, and awarding grants to all schools rather than the highest poverty schools.

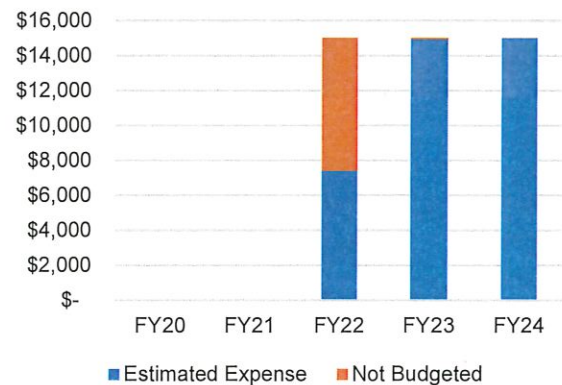
Recommendations

- Replace the Title I component of the at-risk index in the funding formula with the family income index
- Establish spending targets for at-risk student services at each school site based on the at-risk index (after integration of the family income index)

Total FY24 Appropriation (in thousands)	\$15,000.0
Public Education Reform Fund	\$15,000.0

	Rating
Program Premise Provide supplemental at-risk student services	G
Needs Assessment Needs are school specific	Y
Program Description Targets funding to low-income schools	G
Research and Evidence Program has limited evidence base	Y
Implementation/Action Plan No reported plan	R
Fidelity Plan No reported plan	R
Measurement/Evaluation PED survey conducted	Y

Appropriation History
(in thousands)



FY20-FY24 Total Budget
(in thousands)

Personnel and Benefits	\$0.0	0.0%
Contractual Services	\$45,000.0	100.0%
Other	\$0.0	0.0%
Total	\$45,000.0	100.0%

Performance Outcomes

Metrics	FY22	FY23
Math and literacy achievement gap	NR	NR
High school graduation gap	NR	NR
College remediation gap	NR	NR

K-12 Plus Pilot Programs

Purpose

The K-12 Plus Program, piloted in FY23 and codified in the state equalization guarantee (SEG) in FY24, represents an expansion of its two predecessors, the K-5 Plus Program and the Extended Learning Time Program. K-12 Plus is designed to provide additional funding for schools that provide additional days of learning above a threshold of 180 days (or 155 days for school districts and charter schools on four-day school weeks).

Statutory Authority: General Appropriation Act

Intended Goals

- Increase the number of days students spend at school
- Improve student achievement at all grade levels
- Support educator professional learning embedded throughout the school day

Budget and Policy Issues

In FY23, the Legislature provided \$22.3 million for schools to pilot the K-12 Plus pilot program and an additional \$21 million to plan for participation. About 64 percent of funds were allocated to school districts, with \$15.2 million unspent.

In FY24, the Legislature appropriated \$50 million to the SEG for K-12 Plus and provided a \$60 million nonrecurring appropriation from the public education reform fund to cover unexpected participation.

LESC analysis of school calendars for the current school year suggest demand for K-12 Plus days outpaced the funds provided; units created by the K-12 Plus program are valued at \$115 million, \$5 million more than the total of \$110 million appropriated for the program.

PED plans to distribute the \$60 million nonrecurring appropriation to schools for K-12 Plus out-of-school time (OST) programs not defined in statute. Schools providing up to 6 OST days (or 48 OST hours) were allowed to generate equivalent K-12 Plus formula funding for these OST days.

Recommendations

- Move the appropriation for K-12 Plus to SEG, contingent on a bill to define OST and increase K-12 Plus formula factors

Total FY24 Appropriation
(in thousands)

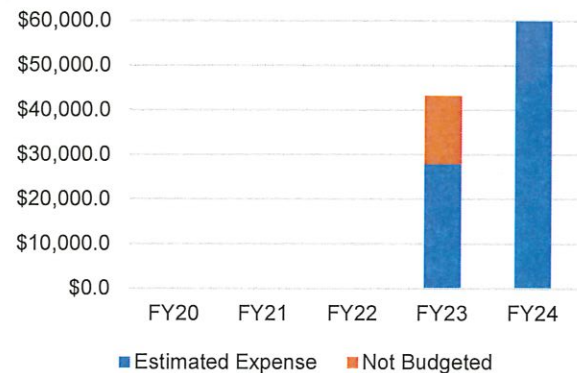
\$60,000.0

Public Education Reform Fund

\$60,000.0

	Rating
Program Premise Increase student learning time	Y
Needs Assessment Unclear if funds cover new or existing programs	Y
Program Description Provides K-12 Plus funding for OST hours	G
Research and Evidence Program has strong evidence base	G
Implementation/Action Plan Some PED guidance to schools provided	Y
Fidelity Plan Awardees must meet specific OST requirements	G
Measurement/Evaluation PED is developing an evaluation plan	Y

Appropriation History
(in thousands)



FY20-FY24 Total Budget
(in thousands)

Personnel and Benefits	\$0.0	0.0%
Contractual Services	\$100.0	0.4%
Other	\$87,820.4	99.8%
Total	\$87,920.0	100.0%

Performance Outcomes

Metrics	FY23	FY24
Number of students in Tier 1 programs (180+ days)	NR	145K
Number of students in Tier 2 programs (190+ days)	NR	54K
Reading proficiency in K-12 Plus schools	NR	NR
Math proficiency in K-12 Plus schools	NR	NR

Out-of-School Time Programs

Purpose

Out-of-School Time (OST) programs are designed to provide students with enrichment experiences outside of normal school hours. Many OST programs are coordinated by the New Mexico Out-of-School Time Network, a nonprofit organization which connects schools to community partners offering high quality enrichment opportunities. Schools use OST funds to provide after school enrichment, summer programs, and STEM activities.

Statutory Authority: General Appropriation Act

Intended Goals

- Improve student engagement and attendance
- Increase learning time for at-risk students
- Align the school and work day for working families

Budget and Policy Issues

FY24 is the first year PED received an appropriation specifically for out-of-school time programs. In prior years, the department used federal Covid-relief funding and other funds to support the initiative. [Guidance from PED](#) has also suggested that LEAs may support OST programs with K-12 Plus funds or other local and federal revenue sources.

PED intends to distribute approximately \$7.4 million to 17 school districts, eight charter schools, and 2 postsecondary institutions this year.

Approximately \$9.2 million of the appropriation has been budgeted for initiatives that fall outside the scope of the appropriation. Information in SHARE shows out-of-school time funding is encumbered as follows:

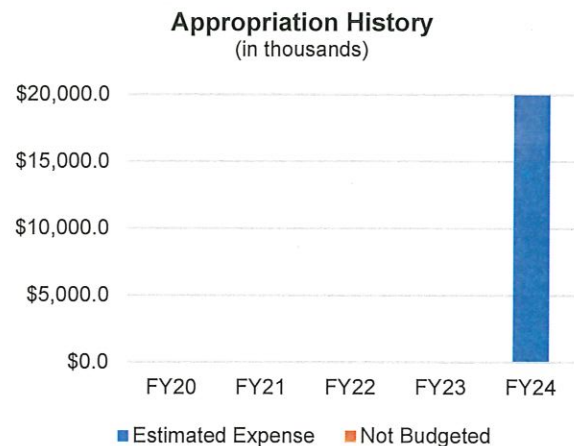
- \$5.8 million contract with Regional Education Cooperative (REC) 10 for academic acceleration;
- \$600 thousand for near-peer tutoring; and
- \$2.8 million to REC 9 for the educator fellows program.

Recommendations

- Request a report from PED on how funds directly support the stated purpose of the appropriation
- Reduce appropriation by amounts used for other purposes or incorporate funding into the K-12 Plus appropriation

Total FY24 Appropriation (in thousands)	\$20,000.0
Public Education Reform Fund	\$20,000.0

	Rating
Program Premise Increase student learning time	G
Needs Assessment No reporting on OST programming needs	R
Program Description Funds support other initiatives	R
Research and Evidence Program has strong evidence base	G
Implementation/Action Plan No reported plan	R
Fidelity Plan No reported plan	R
Measurement/Evaluation No reported plan	R



FY20-FY24 Total Budget
(in thousands)

Category	Amount	Percentage
Personnel and Benefits	\$0.0	0.0%
Contractual Services	\$11,975.0	59.9%
Other	\$8,025.0	40.1%
Total	\$20,000.0	100.0%

Performance Outcomes

Metrics	FY23	FY24
Number of LEAs participating in OST	NR	19
Chronic absenteeism rate	35.8%	NR
Math, literacy, and science proficiency	NR	NR

Career and Technical Education

Purpose

Career and technical education (CTE) describes education that combines academic and technical skills with knowledge and training needed to succeed in the present-day labor market. Funding for CTE programs has been allocated to support three initiatives as of FY24: the NextGen CTE pilot project, Innovation Zones, and work-based learning.

Governing Statutes: Chapter 22, Article 1, Section 12, Career Technical Education Pilot Project; Chapter 22, Article 1, Section 13, Career Technical Education Fund Created; General Appropriation Act

Intended Goals

- Improve student learning through increased attendance, engagement, graduation rates, and improved college, career, and civic readiness
- Develop New Mexico's workforce
- Increase partnerships between schools, colleges, and local businesses

Budget and Policy Issues

In 2019, the Legislature created a 7-year CTE pilot program (NextGen CTE) and a corresponding fund. From FY20 through FY22, CTE funds primarily supported NextGen. In FY23 and FY24, PED further used CTE funds to redesign the high school experience through Innovation Zones and establish work-based learning programs.

PED will award \$14.4 million for CTE pilot programs across 99 LEAs and seven BIE-funded schools, \$11.4 million for Innovation Zones across 47 schools, and \$8 million for work-based learning. The remaining \$6.2 million is budgeted for other purposes, such as supporting CTE student organizations, providing technical assistance, creating dashboards, and PED staffing. CTE participation is increasing statewide and many school districts and charter schools indicate a need for funding to support the growth of these programs.

Recommendations

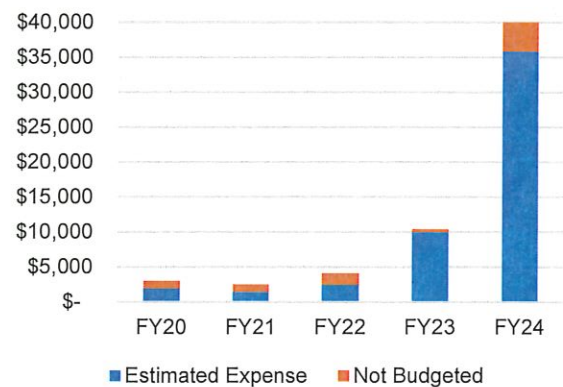
- Prioritize resources to programs with a clear plan of action, leveraging balances from the CTE fund
- Establish performance measures and prioritize allocations for high demand or high wage jobs
- Study options to incorporate recurring programs into the SEG
- Require local district or charter matching funds that shift funding responsibility to local schools over time

Total FY24 Appropriation
(in thousands) **\$40,000.0**

General Fund	\$20,000.0
Public Education Reform Fund	\$20,000.0

	Rating
Program Premise Increase college and career readiness	G
Needs Assessment National reporting but limited state data	Y
Program Description Formula allocation and various grant programs	G
Research and Evidence Program has strong evidence base	G
Implementation/Action Plan Programs established and entering pilot phase	G
Fidelity Plan No reported plan	R
Measurement/Evaluation NMSU conducting evaluation	G

Appropriation History
(in thousands)



FY20-FY24 Total Budget
(in thousands)

Personnel and Benefits	\$763.3	1.3%
Contractual Services	\$15,645.7	26.1%
Other	\$43,636.5	72.7%
Total	\$60,045.4	100.0%

Performance Outcomes

Metrics	FY22	FY23
Percent of disconnected youth	NR	NR
Median postsecondary earnings	NR	NR
Chronic absenteeism rate	38.2%	35.8%
High school graduation rate	NR	NR
Math, literacy, and science proficiency	NR	NR

Community Schools

Purpose

Community schools are a whole child, comprehensive strategy to create responsive school practices. Community schools are intended to leverage partnerships between the school and local community resources that respond to families' needs and improve student wellbeing and academic outcomes as a result.

Statutory Authority: Chapter 22, Article 32, Community Schools

Intended Goals

- Remove barriers to learning
- Expand and enrich learning time and opportunities to provide academic support
- Increase family and community engagement
- Increase achievement and attendance

Budget and Policy Issues

In 2013, the state enacted the Community Schools Act and amended the act in 2019 to better define and make appropriations for community school initiatives. The state provides grants to cover costs of hiring school coordinators. PED provides planning grants (one-year, one-time grants up to \$50 thousand), implementation grants (of \$150 thousand for a period of three years), and renewal grants (funding extensions beyond implementation). For FY24, PED will award 27 planning grants, 46 implementation grants, and 18 renewal grants.

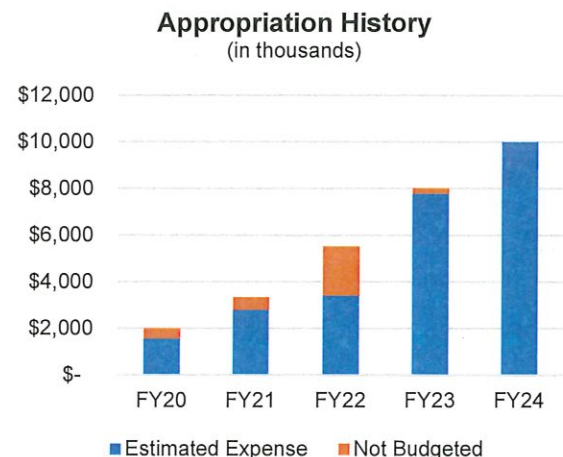
A 2019 LESC evaluation found New Mexico community schools did not appear to close achievement gaps, suggesting a lack of fidelity to evidence-based practices, and noted the state lacked adequate monitoring processes to evaluate the impact of the community schools strategy. A 2021 Learning Policy Institute report recommended helping community schools braid multiple funding sources, increase monitoring, and incentivizing local and business partnerships statewide. For FY24, PED is studying funding, outcomes, high quality indicators, and cost estimates for community schools.

Recommendations

- Establish common performance measures and targets or create a standard accreditation process
- Integrate community schools funding into the SEG and phase out nonrecurring appropriations
- Require local district or charter matching funds that shift funding responsibility to local schools over time

Total FY24 Appropriation (in thousands)	\$10,000.0
Public Education Reform Fund	\$10,000.0

	Rating
Program Premise Unclear statewide goals or targets	Y
Needs Assessment Needs are community specific	Y
Program Description Funds support community school coordinators	G
Research and Evidence Program has strong evidence base	G
Implementation/Action Plan Implementation is community specific	Y
Fidelity Plan No reported plan	R
Measurement/Evaluation PED is developing an evaluation plan	Y



FY20-FY24 Total Budget
(in thousands)

Category	Amount	Percentage
Personnel and Benefits	\$335.0	1.0%
Contractual Services	\$6,011.7	18.2%
Other	\$26,617.9	80.7%
Total	\$32,964.7	100.0%

Performance Outcomes

Metrics	FY22	FY23
State-funded community schools	54	69
Chronic absenteeism rate	38.2%	35.8%
Math, literacy, and science proficiency	NR	NR
School climate satisfaction	NR	NR

Structured Early Literacy Initiatives

Purpose

Structured literacy is training educators on the science of reading and implementing evidence-based instructional practices in the classroom to improve reading proficiency.

Statutory Authority: Sections 22-13-32 and 22-15-8.2 NMSA 1978, General Appropriation Act

Intended Goals

- Increase student reading proficiency rates
- Improve teacher instructional practices
- Improve biliteracy rates

Budget and Policy Issues

Mississippi has attracted national attention for significant improvements in student reading scores after sustaining a decades-long effort to train educators on the science of reading. Beyond training teachers on the science of reading, the state provides continuous coaching on practices, schools screen students and develop individual reading plans, and struggling students are given extended learning opportunities if they fail reading tests and are retained after third grade.

In FY21, New Mexico began investing in structured literacy interventions and providing training to elementary school teachers on the science of reading. The state expanded funding for structured literacy to PED and the SEG to support implementation statewide. Approximately \$8 million is included in SEG.

Preliminary iStation test results show teachers implementing the structured literacy model in K-2 classrooms had significantly higher test score growth than teachers without training. To expand training and implementation of structured literacy approaches, PED plans to train all elementary school teachers in the science of reading, phase in training for all secondary teachers, require all colleges of education to teach candidates the science of reading, increase the number of coaches, and build a literacy institute. As implementation of structured literacy continues, the state should focus on ensuring practices that support biliteracy.

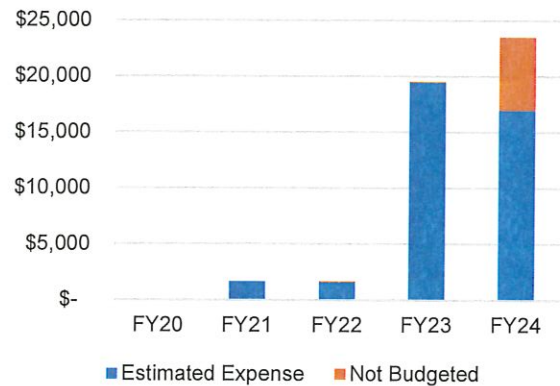
Recommendations

- Maintain structured literacy programming and require colleges of education to train new teachers on the science of reading for program approval
- Create or support development of materials and curricula for non-English languages

Total FY24 Appropriation (in thousands)	\$21,500.0
General Fund	\$19,500.0
Public Education Reform Fund	\$2,000.0

	Rating
Program Premise Increase student reading proficiency rates	G
Needs Assessment Low reading proficiency; untrained educators	G
Program Description Coaching and training in structured literacy	G
Research and Evidence Program has strong evidence base	G
Implementation/Action Plan Train all elementary teachers; phase in secondary	G
Fidelity Plan Trainings must follow science of reading	G
Measurement/Evaluation PED notes improvements in experimental group	G

Appropriation History
(in thousands)



FY20-FY24 Total Budget
(in thousands)

Personnel and Benefits	\$185.0	0.4%
Contractual Services	\$16,708.0	37.7%
Other	\$21,929.0	49.5%
Transfers	\$5,500.0	12.4%
Total	\$44,322.0	100.0%

Performance Outcomes

Metrics	FY22	FY23
Educators trained in the science of reading	8,998	2,000
Student reading proficiency rates	NR	NR
Student biliteracy rates	NR	NR