




B i t e s i z e

 The Public Education Department has yet to transfer funds that would allow the state to pay for additional slots in K-3 Plus, the extended school year program aimed at low-income and low-performing students. The 2013 General Appropriation Act required PED to transfer money left in the Kindergarten Plus fund, a defunct program, to the K-3 Plus fund but the funds had not been transferred as of mid May. The funds would pay for 74 additional students.

 The New Mexico Center on Law and Poverty, a plaintiff in the lawsuit that argues the state is not meeting a constitutional mandate to sufficiently fund public schools, says an update of figures in a 2008 study by the American Institutes for Research indicates New Mexico is underfunding its schools by \$600 million. The trial for the lawsuit, which has cost the state \$1.2 million already, is set to begin June 12.

 Absent FY18 funding for the statewide online learning program known as IDEAL-NM, the Public Education Department has ended its contract with Brightspace, the online course delivery system, and will start building courses in Canvas, an open source platform. IDEAL-NM provides courses to schools for free but will not be available to students over the summer. As a result, some school districts and charter schools are buying their own systems.



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Senator Mimi Stewart, Chair / Representative Stephanie Garcia Richard, Vice Chair / Rachel S. Gudgel, Director / June 2017

From the Chairwoman

A Path Forward

The most significant finding of an international study of successful schools wasn't that career education is important, or that skilled teachers make a difference, or even that a strong early childhood program is critical. No, the most significant finding was that U.S. states' efforts have been haphazard and piecemeal and U.S. schools will not improve until policymakers recognize the crisis is now.

No Time To Lose, the study sponsored by the National Conference of State Legislatures, notes U.S. students are falling behind, even behind students from less-developed countries, and emphasizes states must move quickly to keep the United States competitive in the global marketplace.

That urgency is even more pronounced in New Mexico, which languishes at the bottom of many measures. Our state cannot build a strong economy or a better quality of life without an excellent education system. Surveys show business leaders want a quality workforce and good schools for their own children more than they want tax breaks.

It's not that we haven't tried to improve, with strong investment in early education and a teacher pay ladder that is supposed to reward the most skilled teachers. However, less than half of New Mexico's small children are in publicly funded preschool and teachers at the highest pay levels are not always those most effective in the classroom.

The study found similar stories throughout the United States. Some states have raised teacher pay without setting more rigorous standards, some have invested in early education without creating supports for elementary and high school students, and some have increased funding but have not focused that spending on programs with proven results.

High-performing education systems are comprehensive, carefully planned, and fully aligned, the study says. They not only have strong early education but also provide extra support for children at risk of failing; they not only have career and technical education but robust programs that prepare students for the workplace.

The committee will be using *No Time To Lose* to guide its studies this year and possibly next with the goal of contributing to a committed, collaborative approach to improve New Mexico schools. Every year the state waits on education reform, more students fall through the cracks, students who could be more successful adults and contribute more to their families, their communities, and our state.

Senator Mimi Stewart

Public Schools Slated To Get More per Unit

Although total public school funding for the fiscal year that starts July 1 is supposed to increase by less than a half percent, the number of dollars school districts and charter schools will get for each funding unit will increase by at least 1.9 percent, and the increase could be larger.

Total FY18 funding for public schools is \$2.69 billion, a 0.4 percent increase over FY17, but \$2.57 billion of that is for the state equalization guarantee, or SEG, the pool of money distributed to schools through a funding formula in which each student counts for multiple units depending on need. The FY18 SEG appropriation is 0.7 percent over the \$2.55 billion budgeted in FY17.

However, the difference between the FY17 and FY18 SEG is actually closer to 1.9 percent because of the way cuts were enacted last year.

Prompted by declining revenue, the Legislature during a special session in October directed the Public Education Department to lower the unit value by 1.5 percent, allowing the state to reduce the SEG distribution by \$37.8 million.

But the cut in the unit value not

only reduced the FY17 preliminary unit value set before the school year started, it stopped the mid-school-year unit value increase built into department practices, effectively forcing an estimated reversion of \$40 million.

The Public Education Department has set the preliminary FY18 value at \$4,053.55, compared with a final FY17 unit value of \$3,979.63, a 1.85 percent increase.

The unit value could get an additional boost from action the Legislature took during the special session in May earlier this year.

PED, which sets the preliminary unit value by dividing the total dollars expected by an estimate of the total number of units, typically overestimates the unit count before the school year starts to compensate for any shortfalls. When it then determines the actual number of units and sets a final unit value halfway through the school year, the unit count is usually lower, increasing the funding available per unit. In FY17, PED projected a unit count of about 637,000 but the final count was about 631,000.

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Public Input Limited on ESSA Plan

The Public Education Department limited the topics at the more than 20 public meetings held to develop the state's federally required education plan because, it said, many existing policies, developed with minimal public input, needed no changes.

The Every Student Succeeds Act, the 2015 reauthorization of the Elementary and Secondary Education Act that governs federal Title I grants for high-poverty schools and other major federal programs, emphasizes public input and accountability and increases state control over schools.

Before submitting its accountability plan to the U.S. Department of Education, which has until the end of June to accept or reject it, PED worked with the nonprofit public policy group New Mexico First and collected feedback from almost 2,000 New Mexicans, including community members, teachers, and tribal leaders.

Although PED provided participants with information on school report cards, students assessments, supports for low-performing schools and English learners, and other areas

of potential reform under ESSA, the discussions focused on what works and doesn't work for schools districts and general suggestions on how to improve New Mexico's public schools.

PED administrators said they were already in compliance with many of the requirements of ESSA under a waiver from the stricter rules of the prior reauthorization, the No Child Left Behind Act, and did not need to change many policies.

However, LESC analysis notes the state department failed to take advantage of the opportunity to reevaluate its policies with public input and without stringent mandates from the federal government.

The community action group Learning Alliance New Mexico, which collected its own input on ESSA and education policy in partnership with the New Mexico School Superintendents' Association, the New Mexico Coalition for Charter Schools, and the University of New Mexico Center for Education Policy Research, has issued its own report based on feedback from 4,000 stakeholders.

Their input focused on academic content standards, student assessments, and a statewide teacher and school accountability system.

In the accountability plan submitted to the federal department, PED outlines its use of existing standardized testing and a new tool for assessing English proficiency, a teacher evaluation system that will add a teacher report card, and an intervention plan for failing schools that requires districts and charters to close the school, redesign and restructure its programs, reopen it as a charter school, or offer choices that include private schools and online learning.

The plan also includes short-term and long-term goals, including a three-year plan to increase the share of students performing at grade level to 50 percent, increase the high school graduation rate to 80 percent, and decrease the share of college freshmen from New Mexico who need remedial classes to 25 percent.

Currently, 20 percent of students are proficient in math and 27 percent are proficient in reading, the high school graduation rate is 71 percent, and 43 percent of college freshmen from New Mexico need remediation.

Possibly connected to comments made during the ESSA meetings, the department recently reduced the weight of test results in teacher evaluations from 50 percent to 35 percent and cut back slightly the amount of time spent on mandatory testing. On both, the former policy has been highly contentious.

School Unit Funding Up

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Because districts and charter schools create their budgets based on the lower value, the extra money that comes in halfway through the year often goes into cash balances. Cash balances had grown to an estimated \$333 million statewide before the Legislature took credit for \$41 million this year.

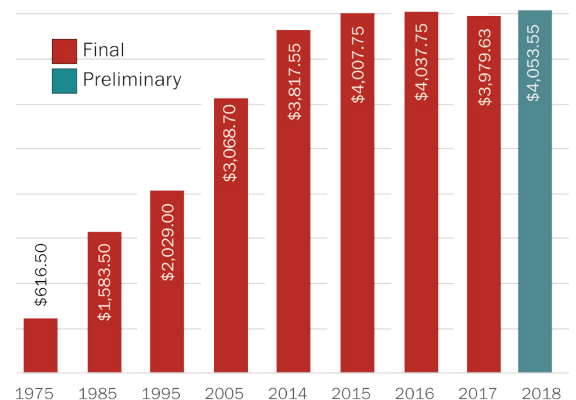
During the May special session, the Legislature authorized PED to increase the preliminary FY18 unit value at the beginning of the school year and provided PED a cushion of \$10 million to cover a shortfall caused by more-than-

expected units or less-than-expected federal funding.

By making it possible for PED to set a more realistic unit count earlier, a higher preliminary unit value should give districts and charter schools the opportunity to put that money to use from the start of the school year.

Unit Value over Time

The unit value of the public school funding formula - the dollar amount allocated to each of the enrollment- and need-based units - has increased more than 650 percent since 1975 and about 6 percent in the last five years. Typically, the final value is slightly higher than the preliminary value, which is based on estimates of income and units. The final value has dropped from the preliminary value just six times since 1993, generally in years during the recession.



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325 Don Gaspar, Suite 200
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(505) 986-4591 www.nmlegis.gov/lesc

Marit Rogne, Staff Editor | Helen Gaussoin, Editor