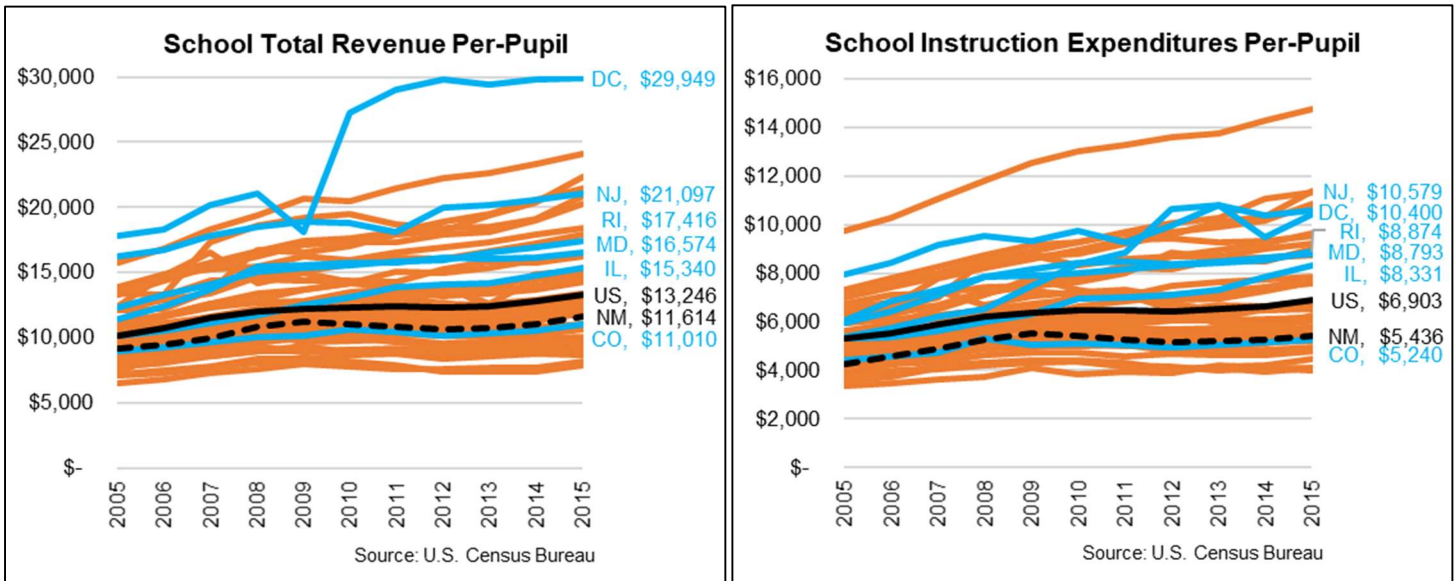


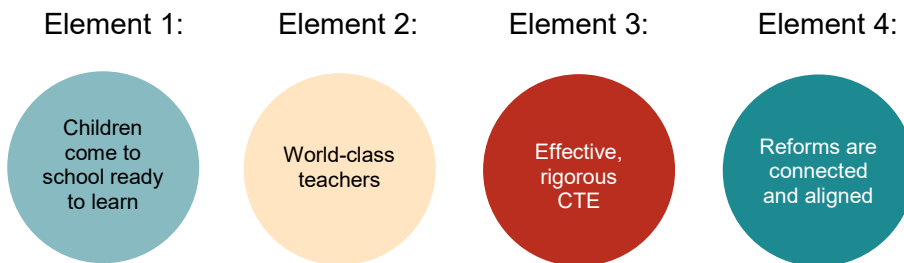


BACKGROUND INFORMATION

Historically, New Mexico allocates a significant portion of state revenues to public education. Approximately 44 percent of general fund appropriations are allocated to public schools annually. According to the U.S. Census Bureau’s 2015 Annual Survey of School System Finances, New Mexico was ranked 35th in the nation for total revenue per pupil and 39th for instruction expenditures per pupil. Despite spending more per pupil on instruction than several states, New Mexico consistently ranks at or near the bottom on many educational measures. This suggests that simply increasing funding for public education without addressing underlying policy and programmatic issues could be an inefficient or ineffective strategy for improving student achievement. As such, policymakers should focus spending on practices and programs proven to improve educational outcomes and target resources to serve the state’s most economically-disadvantaged students.



The 2016 National Conference of State Legislatures report, *No Time to Lose*, found that nations faring well on international academic comparisons shared four common elements: strong programs for early childhood readiness, especially for disadvantaged children; highly selective teacher preparation programs concentrated in prestigious research universities; rigorous licensure systems with career paths that allow for teacher advancement; rigorous systems of career and technical education; and carefully aligned education reforms.



The report also found high-performing countries rarely administer standardized tests annually like the United States. Instead, these countries assess key transition points in a student’s career, with tests that usually emphasized essays over multiple-choice questions to engage students’ complex thinking skills. High-performing countries focus resources to serve economically disadvantaged students and make efforts to narrow the achievement gap between low- and high-performing students. Investments are made in early childhood programs to improve the quality of education during critical developmental stages before the achievement gap widens. More teachers are typically allocated to struggling schools, with the best teachers serving in the most challenging schools. In these countries, teacher recruitment is highly selective, preparation and licensure programs are extremely rigorous, and teacher career and compensation ladders rival professions like engineers, doctors, and lawyers. Career and vocational training programs are designed to be as academically challenging

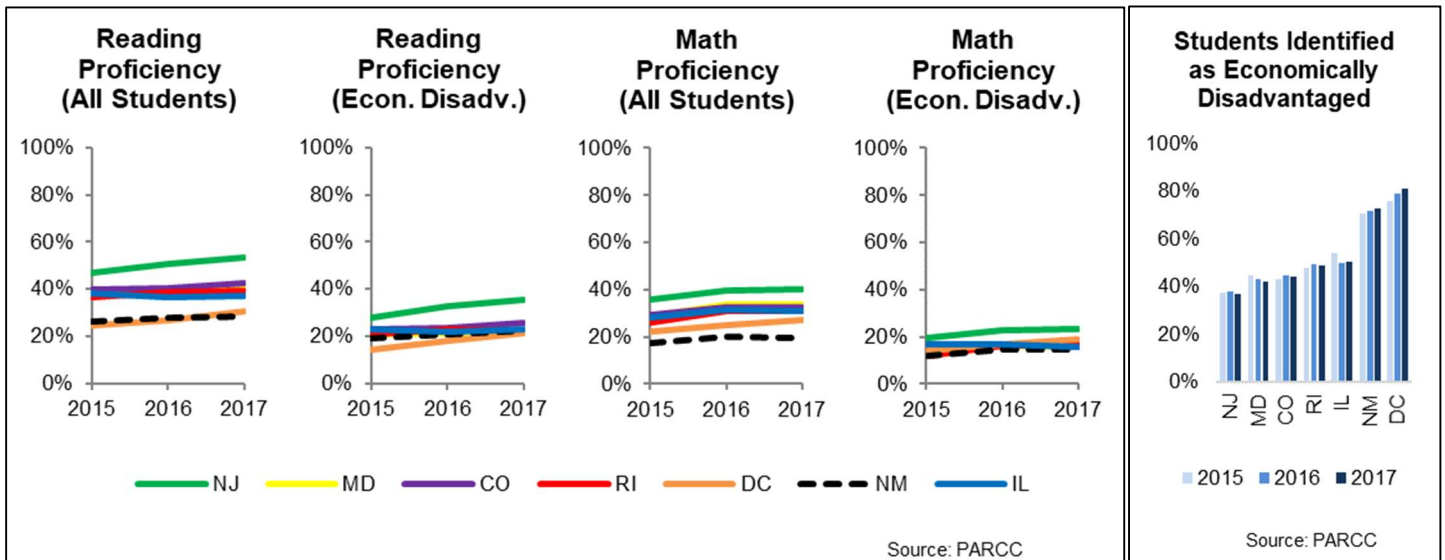


as college-track pathways so higher education institutions and employers strategically improve workforce opportunities and align student pathways to high-demand careers.

Top performing countries aligned reforms to build their world-class education system. Rather than adopting only one or two “silver bullet” policies, these countries reimaged and re-engineered their entire systems, taking multiple “silver buckshot” approaches. Although many countries developed their vision at the national level, individual U.S. state systems resemble these education governance structures. With greater state flexibility and autonomy provided in the federal Every Student Succeeds Act (ESSA), New Mexico is well-positioned to develop a clear vision for aligned education reforms. LFC and LESC staff are working together to monitor student outcomes in New Mexico, identify best practices from other states and countries, and provide recommendations on public education policy and funding issues.

Performance

In 2015, New Mexico students began taking the Partnership for Assessment of Readiness for College and Careers (PARCC) test, which replaced the New Mexico standards-based assessment. Between 2016 and 2017, New Mexico’s overall English language arts (ELA) proficiency rates improved slightly from 27.6 percent to 28.6 percent, while math proficiency rates dropped from 19.9 percent to 19.7 percent. In 2017, New Mexico’s PARCC scores were the lowest of all states participating in the test, apart from 11th grade ELA. Despite spending significantly more on instruction per pupil, the District of Columbia only scored marginally better than New Mexico. Likewise, Colorado spent less on instruction per pupil but had substantially better proficiency rates, suggesting that other factors might be affecting student achievement. New Jersey, the state with the highest PARCC scores, attained an ELA proficiency rate of 53.2 percent and math proficiency rate of 40.5 percent.



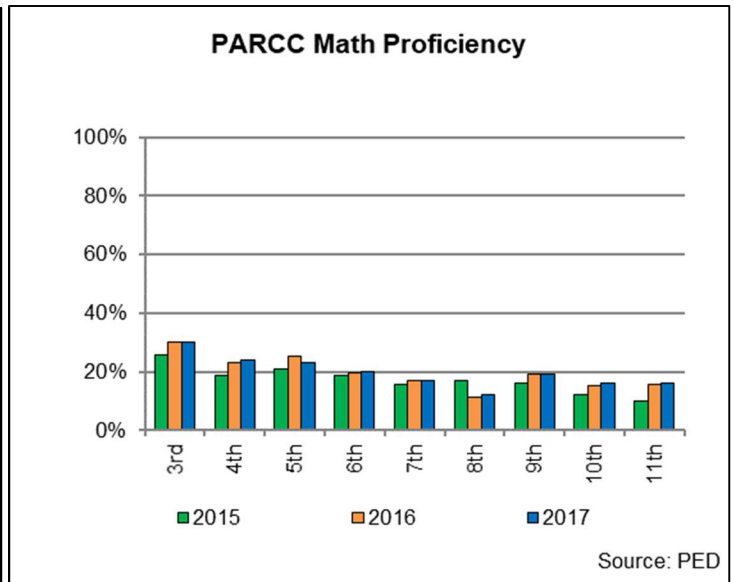
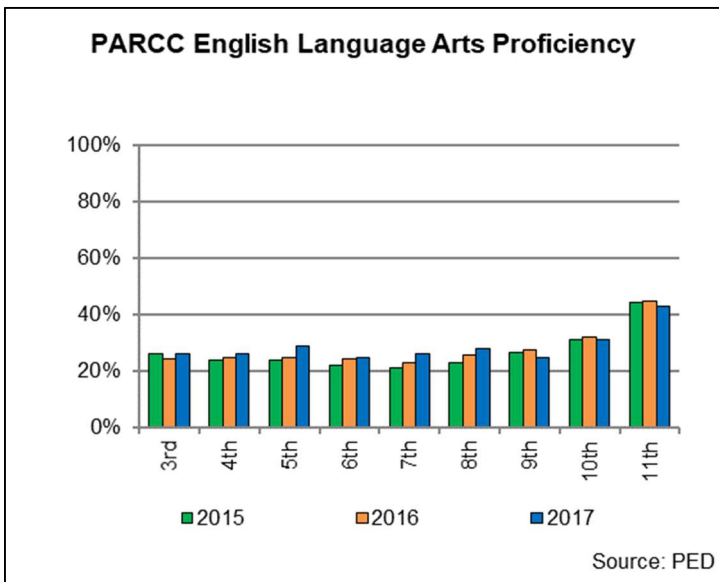
In comparing state-by-state performance of students identified as economically disadvantaged, the differences in PARCC achievement are markedly narrower. Students who are identified as economically disadvantaged are eligible for free and reduced-fee lunch. In every state, students with economic disadvantages were less proficient in both reading and math by at least 5.1 percentage points and as much as 18.8 percentage points when compared with state averages. New Mexico and the District of Columbia had higher percentages of students identified as economically disadvantaged than other states in the PARCC consortia, which resulted in lower average proficiency rates.

New Mexico tests all students who are not eligible for accommodation from third to 11th grade with the PARCC assessment; however, other states in the PARCC consortia do not necessarily test this range, limiting comparability. Some states use the ACT or SAT exams for high school testing requirements. Under ESSA, states are required to test students in reading or language arts and math annually in third through eighth grade and once in 10th through 12th grade. Science must be tested once between third and fifth grade, once between sixth and ninth grade, and once between 10th and 12th grade. In 2017,



Colorado announced the state was shifting to a shorter version of the PARCC exam to reduce testing time and expedite test results. Colorado also stopped giving the PARCC test to high school students in 2015 and Illinois stopped high school PARCC testing in 2016. Rhode Island recently decided to stop using the PARCC test, and announced the state would switch to the Massachusetts Comprehensive Assessment System in 2018 to test students in third through eighth grade.

New Mexico’s assessment results vary by grade level. For 2017, math proficiency rates between third and eighth grades show a significant downward trend, falling from approximately 30 percent of third-grade students meeting expectations to about 12 percent of eighth graders meeting expectations. While ELA proficiency rates remain relatively stable from third through eighth grades at around 27 percent, proficiency rates increase drastically for high school students, increasing from 25 percent in ninth grade to 43 percent proficiency in 11th grade.



Graduation and College Remediation Rates

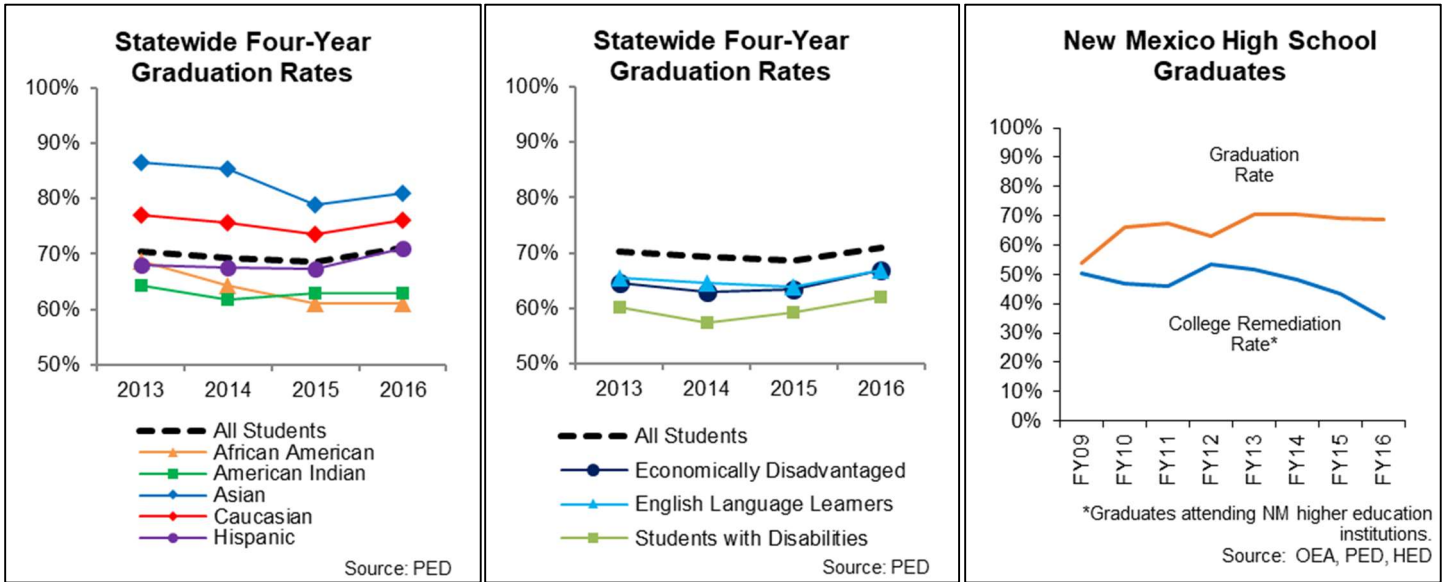
Four-year cohort graduation rates increased to a record 71 percent in 2016; however, New Mexico’s graduation rate remains significantly lower than the most-recent national data, which showed an average rate of 83 percent. Additionally, many New Mexico high school graduates are required to take remedial courses at higher education institutions. For FY16, the Higher Education Department reported 39.2 percent of New Mexico high school graduates that attend public higher education institutions in New Mexico require at least one remedial course. About half of high school graduates attend a public higher education institution in New Mexico; it is not known how many students attending private or out-of-state institutions require remediation, although students with more higher education options may be less likely to require remediation. A 2011 Office of Education Accountability study found students who are required to take remedial courses in college are less likely to graduate on time, and a student taking four remedial courses has a 1 percent chance of graduating in six years.

In New Mexico, a higher percentage of Native American and Hispanic students take remedial courses. The high number of students requiring remediation still signals a need for better preparation and improved alignment between high schools and colleges in New Mexico. In recent years, the college remediation rate of New Mexico high school graduates attending in-state higher education institutions has declined; however, more information is needed to determine if this is a result of improved college readiness, declining college enrollment, or different remediation standards.

Additionally, four-year cohort graduation rates for African American, American Indian, economically disadvantaged, disability, and English learner status continue to be lower than the statewide average. Recently, graduation rates for students with Hispanic students, economically disadvantaged students, English learners, and students with disabilities improved. Hispanic students, who make up nearly 59 percent of New Mexico’s student population, increased their graduation rate by 2.1 percentage points between 2013 and 2016 – matching the statewide average. According to the Pew Research Center,

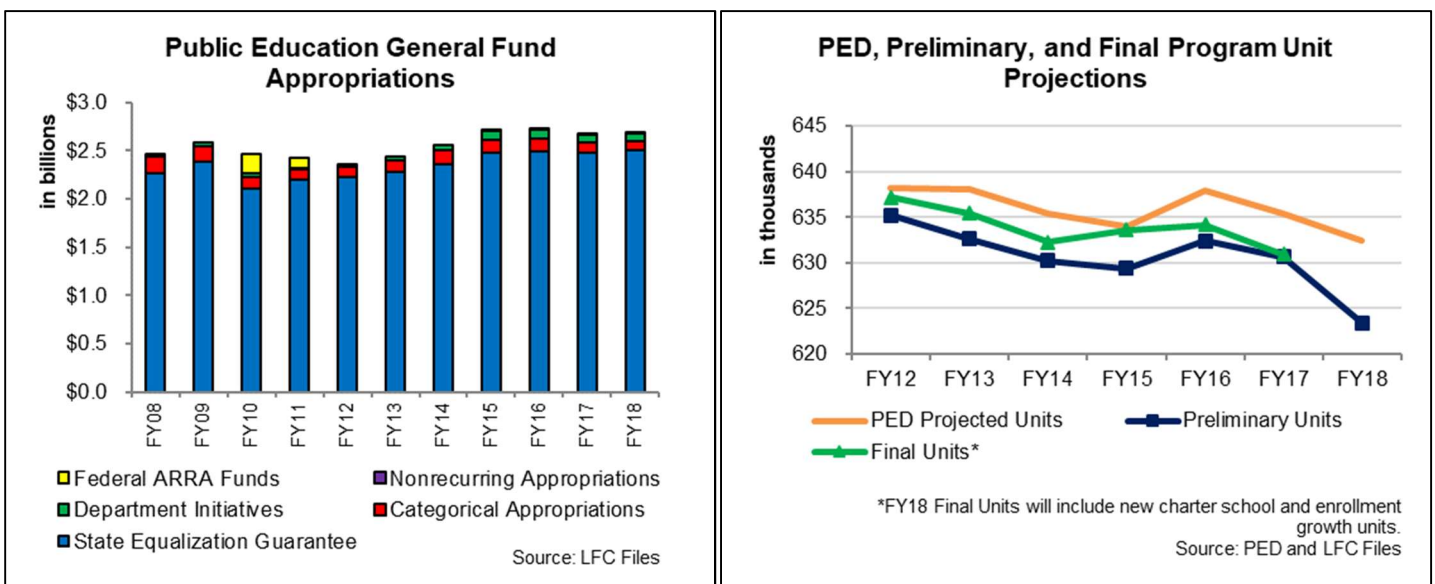


nationally, the high school dropout rate among Hispanic students has dropped significantly and Hispanic student enrollment in college has risen.



Funding

School districts and charter schools receive the vast majority of their operational funding through the state equalization guarantee (SEG) distribution, often referred to as the public education funding formula. Precipitous declines in revenues resulted in mid-year reductions to the SEG in FY17, including a 1.5 percent cut in formula funding and 2 percent credit for school districts and charter schools cash balances, which contributed a combined \$78 million to the general fund. Additionally, FY17 appropriations for transportation, instructional materials, and PED initiatives were reduced by \$25.5 million. In FY18, general fund appropriations for public school support totaled \$2.59 billion, a \$14 million, or 0.5 percent increase from adjusted FY17 appropriations.





Public School Funding Formula

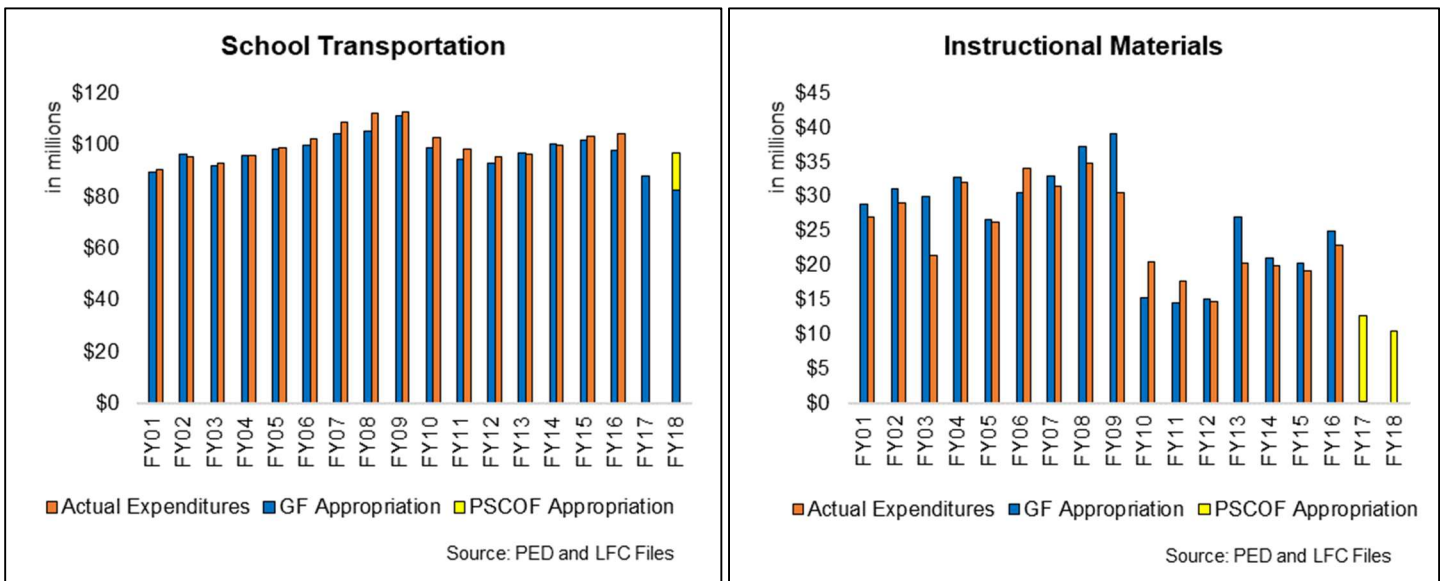
According to PED, preliminary figures indicate the state experienced an average decline of about 2,000 students in FY17. PED’s initial projections of FY18 program units appear to be overstated, resulting in a low FY18 preliminary unit value (dollars per program unit). The PED secretary has typically finalized the unit value in January, often resulting in a mid-year increase in the unit value and influx of unbudgeted revenue for schools.

For FY18, preliminary estimates show a total of 623.4 thousand program units generated by the funding formula, about 9,000 units less than PED’s projection of 632.5 thousand units, which was used to determine the FY18 preliminary unit value of \$4,053.55. Typically, the number of units in the preliminary funded run may increase by about 2,000 units due to enrollment growth or new charter school units; however, even accounting for these adjustments, over \$30 million of the FY18 SEG distribution is currently not available to public schools based on the current preliminary unit value and estimated credits for federal and local revenues. Additional funds will likely be allocated when the final unit value is set in January and could increase cash reserves for school districts and charter schools.

Language in the Supplemental General Appropriation Act of 2017 allowed PED to increase the preliminary unit value by up to \$16 prior to the start of the 2017-2018 school year, effectively making \$10 million of SEG dollars available for distribution to public schools at the beginning of the year. The language also authorized the department to use up to \$10 million from the general fund operating reserve to address potential shortfalls resulting from the additional \$16 unit value increase; however, PED did not yet exercised this authority. If PED increases the unit value in January, the incremental revenue may end up in district reserves.

Categorical Appropriations

Some operational expenses, like transportation and instructional materials, are appropriated separately from the funding formula but restricted for specific uses. These categorical appropriations have typically averaged around \$130 million in the last two decades and include funding for transportation, instructional materials, standards-based assessments (PARCC), emergency supplemental appropriations, and Indian education programs. Transportation and instructional materials generally comprise over 90 percent of the categorical appropriations.



Categorical appropriations for transportation and instructional materials reached \$167.7 million in FY09, but have since remained below that funding level. In response to revenue shortfalls during FY17, the Legislature began utilizing supplemental severance tax bond proceeds from the public school capital outlay fund (PSCOF) to supplant general fund appropriations for transportation and textbooks. Legislation from the October 2016 special session set aside \$25 million



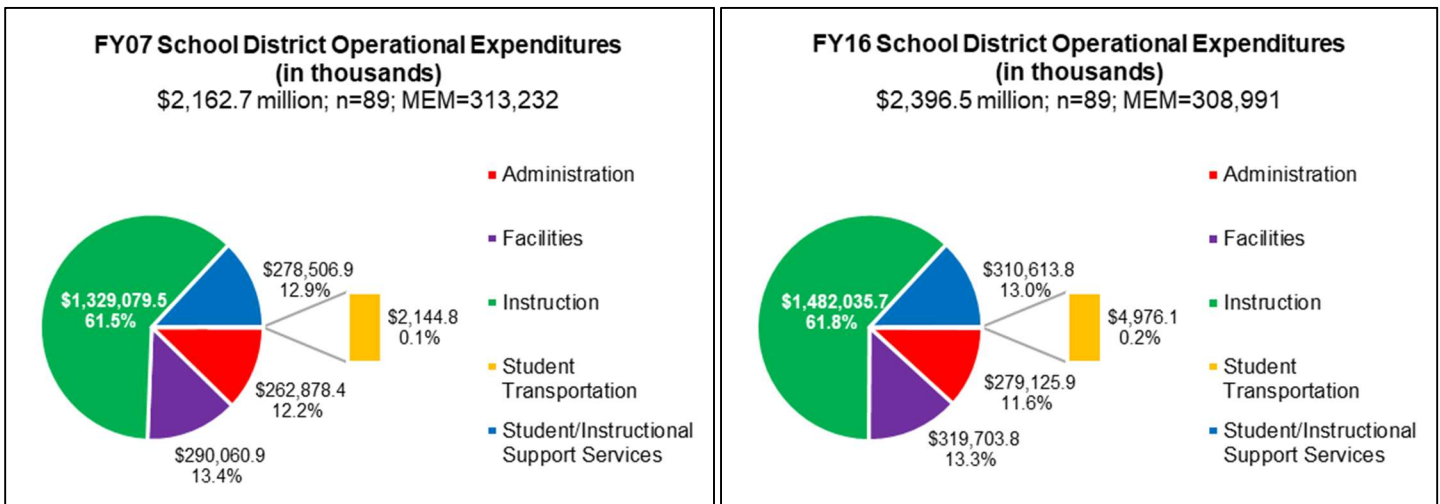
from PSCOF each year until FY22 to be appropriated by the Legislature for school transportation and instructional materials and allowed school districts and charter schools to use prior year cash balances from the transportation and instructional materials allocations for operational purposes.

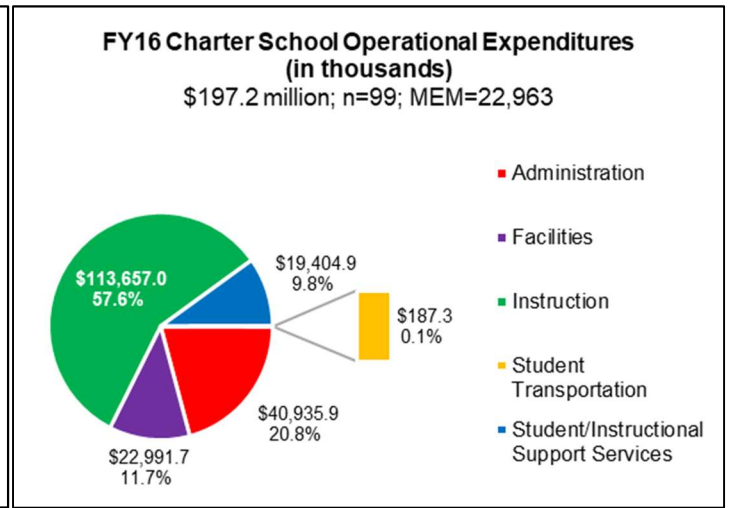
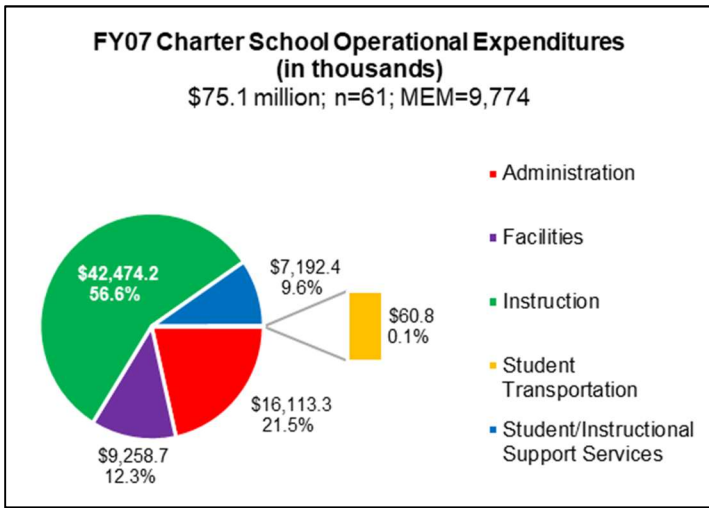
Transportation. By statute, school buses must be replaced every 12 years unless an alternative replacement schedule is approved by PED. For FY19, PED requested \$27.1 million in capital outlay appropriations to replace 319 school buses, including 201 buses that are beyond their 12-year replacement cycle. House Bill 47, introduced in the 2017 legislative session, sought to change replacement requirements to 15 years or an odometer reading exceeding 300 thousand miles, whichever occurred earlier. In the absence of action, liability for school bus replacements will continue to increase, as well as the costs of maintenance on older fleets. New Mexico is entitled to about \$18 million from a settlement with Volkswagen, to replace eligible vehicles with more fuel-efficient alternatives. PED indicated the department would apply to the New Mexico Environment Department, the agency developing an application process for the settlement proceeds, for school bus replacement funding. However, a timeline has not been set for the application process, and the settlement proceeds are likely to be phased in over the next three years rather than becoming immediately available.

Instructional Materials. In 2017, PED delayed the adoption of new science instructional materials until 2018, resulting in a 2017 adoption cycle for only health and physical education instructional materials. Typically, new instructional materials for a subject area (English language arts, math, etc.) are reviewed every six years and recommended by a panel for adoption. Upon approval by the PED secretary, agreements with publishers are established for six years for the materials, which are added to the “multiple list.” By statute, school districts cannot spend more than 50 percent of instructional material allocations on materials outside of the multiple list. In FY17, PED distributed \$5.1 million of available instructional materials funding (originally allocated to private schools) to school districts, charter schools, and state supported schools in FY17. Language in the General Appropriation Act of 2016 required PED to direct the funds to “all other eligible entities,” which, under the Instructional Materials Law, includes an allocation for adult basic education. The additional funding was made available as a result of the *Moses v. Skandera* case, in which the New Mexico Supreme Court ruled the state’s practice of providing free textbooks to private school students as unconstitutional.

Public School Expenditures

Between FY07 and FY16, school districts’ and charter schools’ operational expenses increased by more than \$355 million and school districts and charter schools allocated a higher share of spending to instructional and support services expenses, while spending on administration and facilities maintenance have decreased. Over the past decade, more than 75 percent of additional operational spending was directed to instruction and support functions, accounting for more than \$268 million in additional funding services that directly impact students. Overall operational expenditures grew from \$2.237 billion to \$2.593 billion.

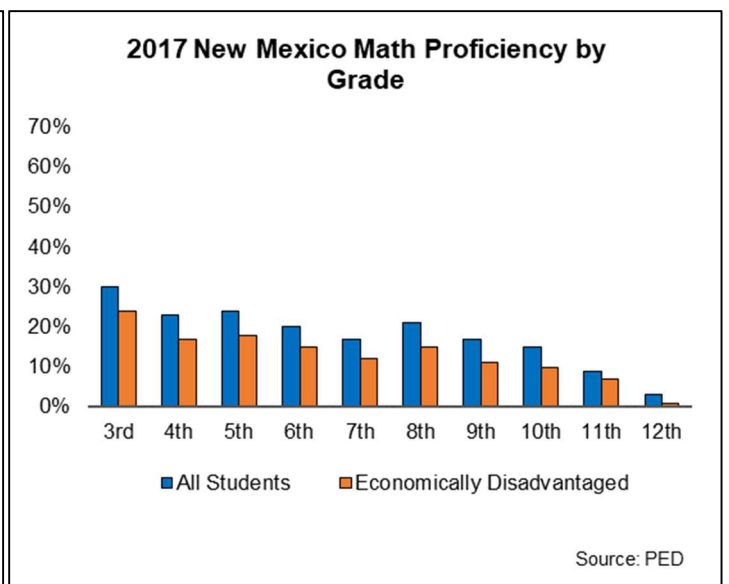
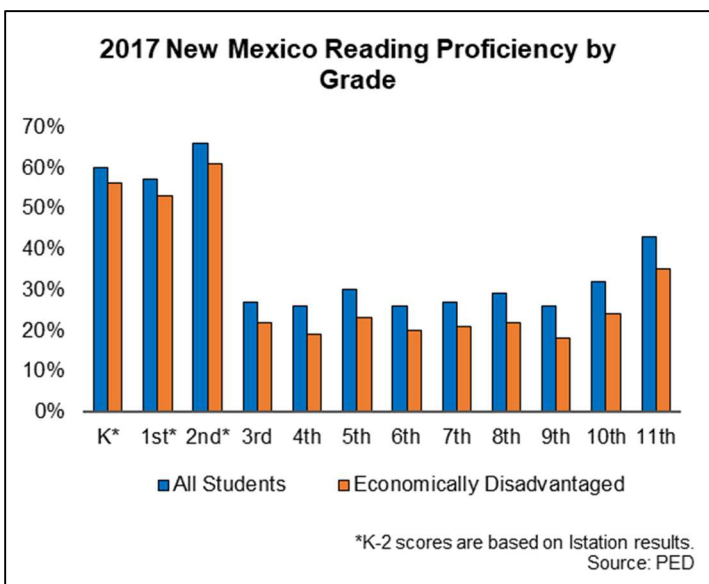




Although overall student enrollment increased by more than 8 thousand students between FY07 and FY16, today most school districts are smaller than they were a decade ago. During that period, 38 new charter schools were authorized and nearly 23 thousand students chose to attend charter schools, a 135 percent increase from FY07 charter school enrollment. School district enrollment has fallen by 4,241 students, or 1.3 percent. As a result, charter schools statewide increased expenses by more than \$122 million, or 163 percent.

Accountability

The achievement gap describes a disparity in performance between groups of students defined by gender, race, language, and socioeconomic status. Research has shown the achievement gap is largely a function of poverty and language. New Mexico has high rates of students at risk of academic failure, primarily students from low-income families and students learning English. Additionally, many students are not yet proficient in either their home language or English, creating unique challenges. When not adequately addressed, the achievement gap persists well into high school, postsecondary education, and the workforce.



In FY17, the performance of New Mexico's students with economic disadvantages on the PARCC exam lagged the statewide average by about 7 percentage points in English language arts and 5 percentage points in math. Statewide, 29 percent of all students were proficient in reading and 20 percent were proficient in math on the PARCC exam. English

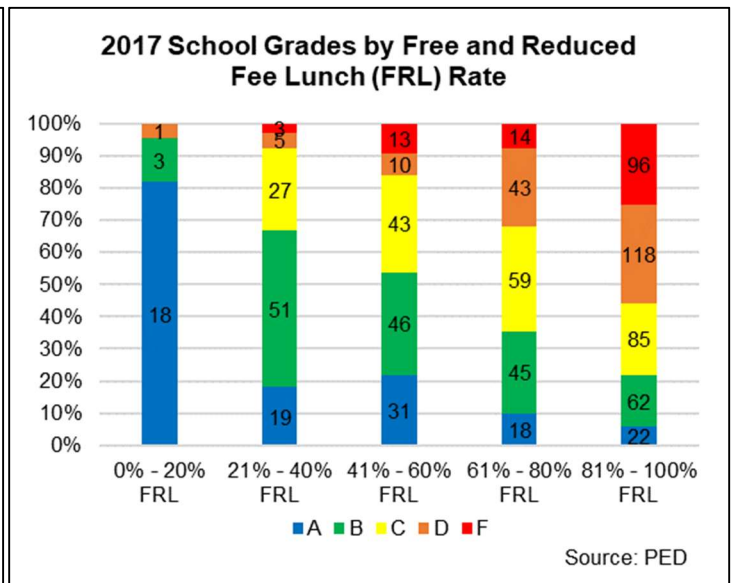
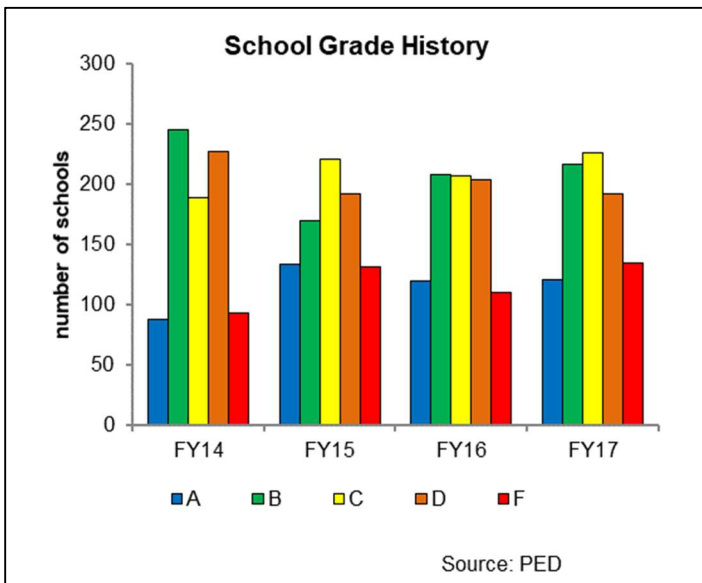


language arts results for economically disadvantaged elementary school students improved from FY16; however, proficiency rates were lower than desired, and the achievement gap narrowed by only about 1 percentage point. Math results remained relatively the same from FY16. Statewide proficiency for reading in all grade levels when combining SBA Spanish Reading, NMAPA Reading, and Istation Reading assessments with PARCC scores rises to 37 percent. Statewide proficiency for math in all grade levels remains at 20 percent when combining NMAPA Math with PARCC scores.

A 2017 LFC evaluation found New Mexico schools, on average, produce a year’s worth of growth for each grade; however, most students start school behind and stay behind throughout their education. Students with economic disadvantages often had lower rates of proficiency in reading and math, compared with their more affluent peers. Additionally, schools with more low-income students and English language learners tended to have high student mobility rates. As such, these at-risk students might not have benefited from consistent academic interventions due to frequent school changes. The evaluation recommended expanding prekindergarten programs, including extended day services, to improve kindergarten readiness and ensuring statewide interventions, like K-3 Plus programs, are implemented with fidelity to close achievement gaps.

School Grades

The state’s school grading formula is used for both state and federal accountability purposes to gauge how schools are performing annually. The system gives schools a letter grade between A and F based largely on student performance in standards-based assessments, with smaller values awarded for student surveys, attendance, student and parent engagement, and other factors. For the 2016-2017 school year, PED released school grades showing a slight overall increase in the number of schools with ‘B’ and ‘F’ letter grades. Schools reported about the same number of ‘A’ letter grades and slightly fewer ‘C’ and ‘D’ letter grades. Historical trends suggest that significant year-over-year changes to letter grades are diminishing, as more schools are beginning to receive the same letter grade each year.

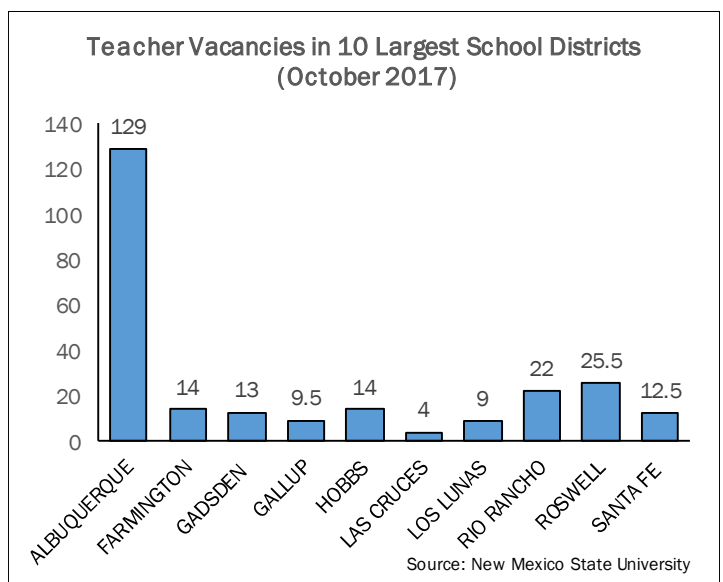
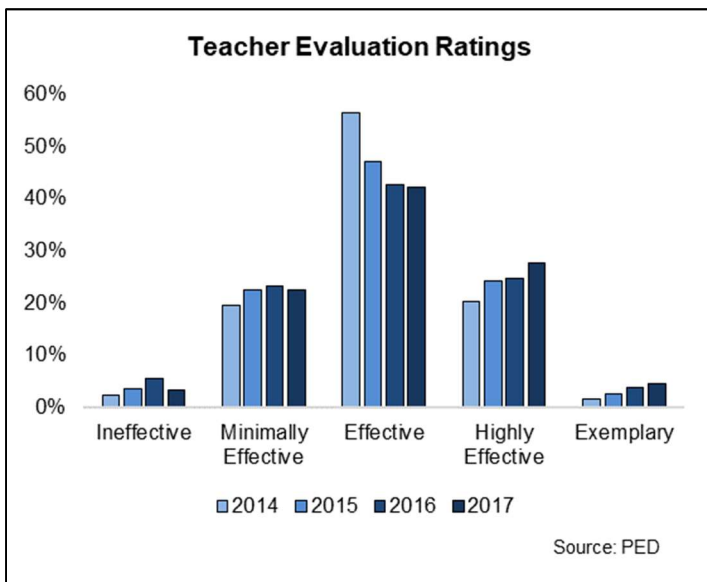


There appears to be a relationship between the distribution of school grades and the percentage of students eligible for free and reduced-fee lunch (FRL) in New Mexico. The distribution of grades for those schools with between 81 percent and 100 percent of their students eligible for FRL is different from more affluent schools. About half of schools fall into the 81 percent to 100 percent FRL category. Academic achievement and proficiency is the goal for all students despite economic conditions or other barriers to this end. Clearly there are some schools that, with the right resources, teaching staff, strategies, and culture are able to overcome these hurdles. However, the current standing points on the report card are more difficult to obtain for schools with larger percentages of low-income students, who score lower on standardized tests, and these conditions have a strong impact on whether a school is evaluated as high-performing or not.



Educator Quality

According to the Learning Policy Institute (LPI), teachers in the United States are less likely than teachers in top-performing countries to have mentors, adequate preparation, involvement with curriculum and assessment planning, and competitive compensation with other professions. Additionally, LPI finds U.S. teachers, on average, tend to spend more time teaching larger class loads with more low-income students. U.S. teacher attrition rates are high, and enrollment in teacher preparation programs has declined in recent years. Attrition rates can have a significant impact on school district finance. According to LPI, nationally, urban school districts can spend up to \$20 thousand to replace an existing teacher. While it is unknown how much New Mexico school districts have to spend on recruitment, professional development, and other expenses to attract new teachers to the state, it likely carries a significant cost. LPI rated New Mexico favorably for teacher wage competitiveness and low pupil-to-teacher ratios but poorly for inexperienced and uncertified teachers and testing-related job insecurity.

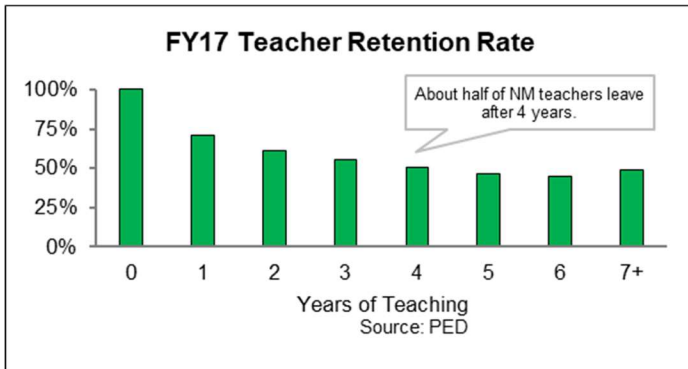


Teacher evaluation results from the 2016-2017 school year showed 74.3 percent of teachers in New Mexico receiving an effective, highly effective, or exemplary rating. This was an increase from 2015-2016 school year results, where 71.3 percent of teachers received a rating of effective or higher. Teacher evaluation ratings include factors such as student achievement, classroom observations, teacher attendance, as well as other domains relating to classroom practices. The teacher evaluation process is being challenged in three lawsuits. The first lawsuit, brought by the American Federation of Teachers New Mexico, the Albuquerque Teachers Federation, and other plaintiffs, argues the state’s teacher evaluation system is unfair and could put teachers at risk of being punished or fired. A second lawsuit, brought by the National Education Association of New Mexico, claims the evaluation system unlawfully takes control of teacher evaluations and supervision away from local school districts. The trials for both lawsuits have been postponed.

A third lawsuit, filed by a teacher in 2017, challenges the policy of penalizing teachers one effectiveness level on their annual evaluation if the teacher misses more than a set number of school days. During the 2017 regular legislative session, the governor vetoed legislation allowing teachers to use the 10 leave days in their contracts without losing points on their evaluations, which only allowed three days (House Bill 241). The Senate voted to override the governor’s veto; however, the House did not reach the two-thirds majority vote of members present to complete an override. Following the session, PED announced a rule change, decreasing the weight of student test scores on teacher evaluations from 50 percent to 35 percent and increasing the allowable teacher absence threshold from three days to six days.



According to PED, of the nearly 17 thousand licenses issued to starting teachers since FY11, nearly 7 thousand, or 39.5 percent were no longer teaching in New Mexico classrooms by FY17. Nearly 29 percent of new teachers in FY16 did not continue in FY17. Rapid turnover increases the number of teacher vacancies school districts and charter schools need to fill. According to research from LPI, if schools could increase retention rates, reported teacher shortages could be eliminated or even turned to surpluses. In October 2017, there were 476 teacher vacancies in New Mexico school districts, with most vacancies in the central part of the state. Special education teachers accounted for 46 percent of all vacancies. According to New Mexico State University’s College of Education, more than 1,300 classrooms are staffed by teachers with alternative licensure or by long-term substitute teachers, likely caused by a 27 percent decrease in the number of teacher education program completions between FY10 and FY15.



Level	Count	Percent
Exemplary	57	2%
Highly Effective	492	19%
Effective	1,166	45%
Minimally Effective	713	27%
Ineffective	168	7%
Total	2,596	100%

Source: PED

In top-performing countries like Singapore, Finland, and Canada, beginning teachers are often guided by a senior mentor teacher on curriculum, lesson planning, and other key topics. They are given a reduced teaching load and receive training and support for between two and four years. Attrition rates for these countries are typically less than 4 percent annually for all teachers. Additionally, teachers are given 15 hours to 25 hours each week for collaboration and paid time for professional learning. Teachers also have robust career ladders in other countries. For example, in Shanghai, teachers have 13 levels of licensure and can choose a “master teacher” track rather than an administrative track. Ironically, most of these aforementioned best practices exist in some fashion within U.S. state systems; however, states are still working to design a coherent, aligned system of these strategies to the same extent as the top performing countries.

Sufficiency Lawsuit

In 2017, First Judicial District Court Judge Sarah Singleton heard oral arguments from the New Mexico Center on Law and Poverty and the Mexican American Legal Defense and Education Fund on whether the state was failing to offer an equal education to low-income, English learner, and Native American students. The plaintiffs cited low test scores for these at-risk groups as evidence of a constitutional violation of sufficient education and noted previous studies that called for \$334.7 million in additional education funding and changes to how the funding formula distributes education dollars. The defense questioned whether students’ low achievement was directly caused by the state’s negligence in regards to education and noted that positive educational outcomes could not be guaranteed even with a significant financial investment in the state’s education system. After oral arguments closed in August, Judge Singleton indicated she might make a decision near the end of FY18.

State supreme courts in Kansas and Washington have recently struck down their states’ public school funding formulas, ordering lawmakers to revise the formulas to increase funding and more equitably distribute education dollars to schools with low-income and at-risk students. Other states, like Iowa and Delaware, could make changes because of already-filed or threatened lawsuits. Connecticut’s state superior court judge recently ruled the state’s funding formula as inequitable to minority students, which the state is appealing to the Connecticut Supreme Court. Plaintiffs in New Mexico’s current sufficiency lawsuit have sought an additional \$350 million to \$600 million for public schools.

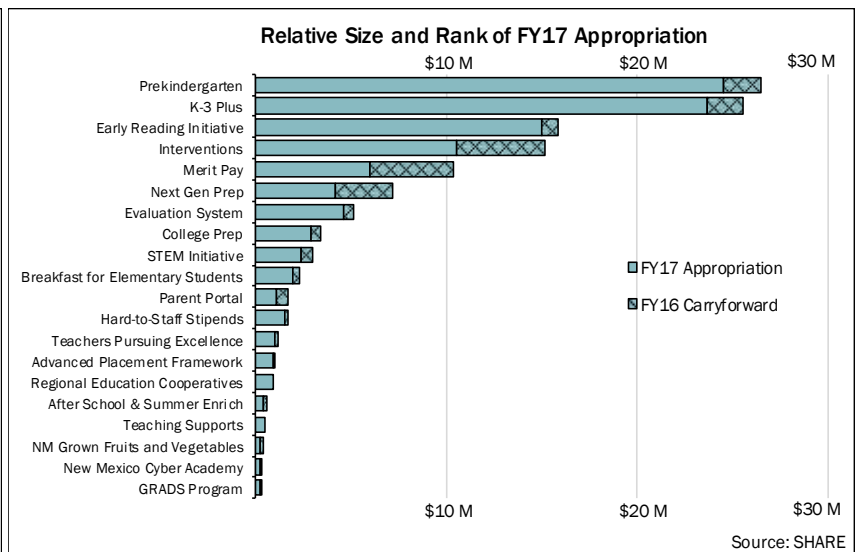
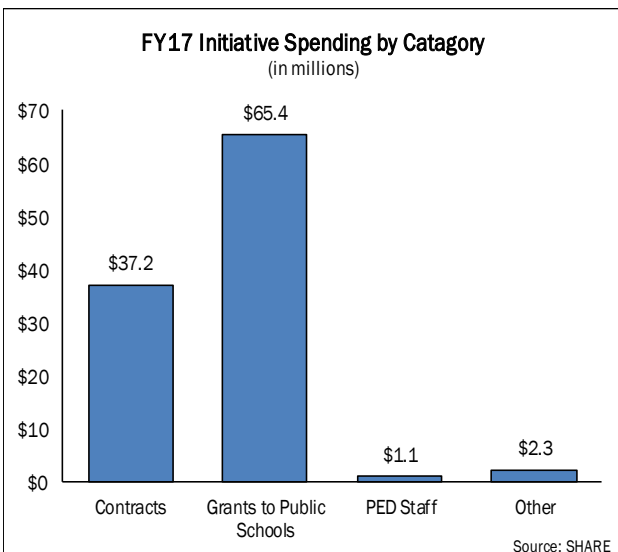
Initiative Funding

General fund appropriations for PED’s targeted initiatives have grown significantly over the past decade, from \$24.9 million in FY08 (not including funds earmarked for the Indian Education Act appropriation to the Educational Retirement Board) to a high of \$101 million in FY16. Appropriations decreased to \$91.1 million in FY17, and \$88.1 million in FY18. While prekindergarten and K-3 Plus account for \$32.5 million of the \$66.2 million increase between FY08 and FY17, programs not governed by statute have seen a significant increase as well. In addition to general fund appropriations for FY17, the Legislature appropriated \$16.5 million in unspent, FY16 initiative appropriations for recurring initiatives and \$1.5 million for a nonrecurring initiative to provide \$100 classroom supply gift cards to teachers. For FY17, general fund and other state funds appropriations totaled \$111.2 million after the \$8 million solvency reduction enacted during the 2017 legislative session. Total initiative spending in FY16 topped \$106 million.

Of the \$106 million in initiative spending:

- \$65.4 million was granted directly to school districts. Of the \$65.4 million in grants, \$44.3 million, or 68 percent, was directed to three programs that are governed by statutory requirements: prekindergarten, K-3 Plus and elementary breakfast. Schools also received \$8 million in early reading initiative funds and \$6.3 million in pay-for-performance pilot funding.
- A total of 52 school districts and charter schools did not receive a direct grant, although some may have received services as part of a contract with a regional education cooperative (REC).
- \$37.2 million in spending was for contracts. PED entered into intergovernmental agreements with RECs totaling \$20.2 million and entered into contracts and agreements with other entities totaling \$17 million. It is not clear how much of the \$20.2 million in REC contracts were subcontracted to private entities at the direction of PED. For example, High Plains Regional Education Cooperative #3 employed reading coaches that were selected by and worked at the direction of PED.
- PED spent \$1.3 million on other expenses, such as supplies and equipment. This includes \$28 thousand to the Council of Chief State School Officers for dues and \$936 thousand for REC operations.
- PED spent \$1.1 million to support PED staff, including salaries, benefits, travel, and training.

According to entries in SHARE, it appears PED reclassified expenses initially paid with one initiative’s appropriation to other initiatives. In July 2017, PED reclassified a total of \$635 thousand in expenses from initiatives that the Legislature reauthorized for FY18 to initiatives that would have otherwise reverted to the general fund. In addition, some expenses were reclassified to appropriation for the standards based assessments and to the educator licensure fund. These actions seem to indicate that PED was attempting to minimize expenses for appropriations that did not revert, raising questions about whether the Legislature should consider reauthorizing unspent initiative funding in the future.



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Purpose

The interventions and supports initiative supports the work of the Priority Schools Bureau and funds several department initiatives to turn around struggling schools, including:

- Principals pursuing excellence (PPE), which provides professional development and mentorship opportunities for school leaders;
- The University of Virginia (UVA) turnaround program, which provides professional development designed to turn around struggling schools; and
- The truancy and dropout prevention program, which funds school districts and charter schools to hire coaches to improve student attendance.

Use of Appropriation

The interventions and supports initiative funds a wide range of programs and serves many purposes. Of the \$12.7 million spent in FY17, \$6.3 million (50 percent) was spent on contracts with RECs.

- \$1.1 million went to Northern REC 2 to administer PPE. Northern REC 2 made allocations totaling \$379 thousand to 27 school districts as stipends to participating principals.
- \$1.3 million went to Northern REC 2 to support the administration of teachers pursuing excellence (TPE). This allocation supplemented \$921 thousand from the TPE appropriation.
- \$2 million went to REC 9 to support the NMTEACH teacher evaluation system and fund the recruitment of experts for the development of end-of-course exam items. NMTEACH had a dedicated funding pool of \$5 million for FY17.
- Central REC 5 received \$72 thousand to manage the training of truancy and dropout prevention coaches.
- RECs 2, 5, and 9 received allocations in the hundreds of thousands of dollars for fiscal management support of PED's Priority Schools Bureau.

A contract was drawn with the University of Oklahoma totaling \$917 thousand to administer the UVA turnaround program.

The department contracted \$191 thousand with Teksystems for educator quality applications and system support.

A total of \$3.3 million went directly to 24 school districts and 7 charter schools to fund dropout and truancy prevention coaches.

PED used \$300 thousand from the interventions and supports appropriation (in addition to \$706 thousand from the early reading initiative) to supplement K-3 Plus funds eliminated by FY17 solvency measures. While the FY18 appropriation for K-3 Plus restored the \$1.1 million reduction, K-3 Plus fund balances were too low to fully fund programs that began in June 2017.

Appropriation and Budget

(in thousands)

FY17 Appropriation:
\$10,500.0

FY16 Carryforward:
\$4,657.0



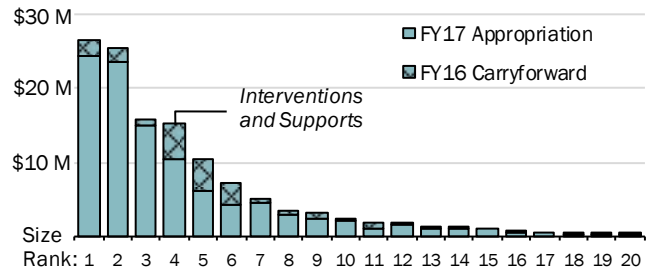
Remaining:
\$2.1

Expenditures:
\$12,688.6

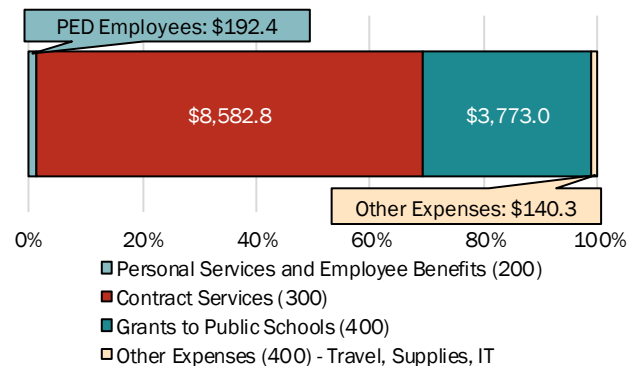
Solvency Cut:
\$2,306.3



Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Principal turnover rates and impact on student achievement.** Do principals participating in PPE have lower principal turnover? Do schools that maintain a single principal over a long period of time demonstrate higher student achievement?
- **School culture and climate surveys.** Though principals have little direct impact on achievement, a well-prepared principal with a strong vision can improve teacher morale and thereby the quality of education.

No Time To Lose: Elements of a World-Class Educational System

Element 1:

Children come to school ready to learn

Element 2:

World-class teachers

Element 3:

Effective, rigorous CTE

Element 4:

Reforms are connected and aligned

The interventions and supports appropriation is designed to address the first and second elements of a world-class educational system.

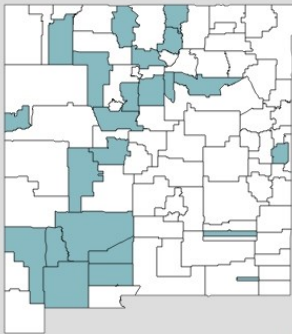
The disjointed nature of the reforms conflicts with the fourth element. The interventions and supports appropriation is used by PED as a means to support several programs and supplement funds in other initiatives. For instance, REC 2 received funds for TPE, Albuquerque Public Schools received funds to replace K-3 Plus funds, and Taos Municipal Schools received an allocation to make up for missing funds from their science, technology, engineering and math (STEM) initiative funds. These initiatives have dedicated appropriations.

Truancy and Dropout Prevention Coaches (TDPC)

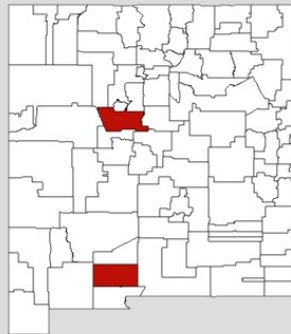
Three percent fewer students in middle schools with TDPC were truant in FY16 versus the previous year, but high school students in TDPC schools experienced a 2 percent increase in truancy.

While the most-improved half of TDPC schools cut their truancy in half, the lower-performing half of TDPC schools rose from 15 to 25 percent. Statewide, six TDPC schools more than doubled in truancy rates. Ten schools cut their truancy rates in half statewide.

Legislative staff has requested statewide truancy rates to compare these results with the statewide change in truancy.



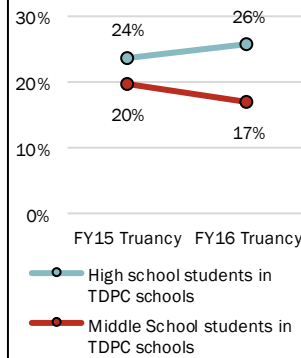
25 of 89 school districts received funding in FY17.



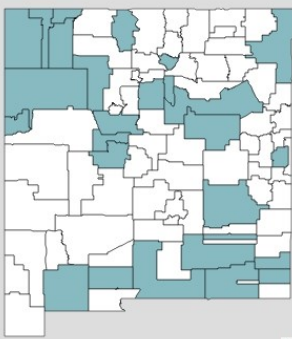
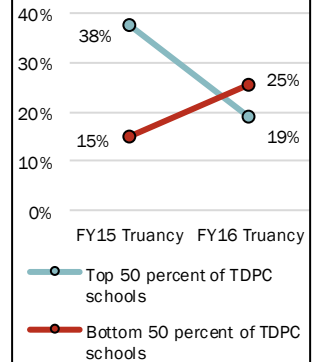
6 of 99 charter schools* received funding in FY17.

*Map highlights districts in which charter schools are geographically located.

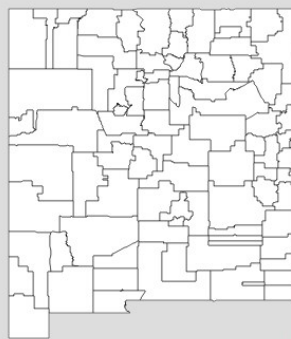
Percent Truant in Schools with TDPC



Percent Truant by Percentile



27 of 89 school districts received funding in FY17.



0 of 99 charter schools received funding in FY17.

Principals Pursuing Excellence (PPE)

PED reports schools participating in PPE experienced more than three times the state average improvement in PARCC ELA proficiency, and 1.7 times the state average improvement in PARCC math proficiency.

School-level data is the best way to understand the effect of PPE. Studies have shown principal turnover can impact school climate. Schools with a higher proportion of economically disadvantaged students tend to have higher principal turnover. Schools with PPE should be compared with the state average, as well as schools within their own districts to understand whether the program impacts principal turnover and student achievement.

Policy Issues

A contract with REC 9 totaling \$2 million is inconsistent with the purpose of the interventions and supports initiative. The contract supplemented both NMTEACH, a teacher and administrator evaluation system with its own \$5 million budget in FY17, and recruitment of experts for the development of end of course exams.

Funds were also distributed to school districts to replace funds from other appropriations. Both the science, technology, engineering, and mathematics (STEM) and K-3 Plus initiatives were supported by funds from interventions and supports.

A contract for \$191 thousand with Teksystems for "educator quality applications and system support" could not be reviewed. It is unclear if this contract supports NMTEACH or some other application. The department spent an additional \$106 thousand of interventions and support initiative funds on supplies, including \$42 thousand on IT equipment and \$36 thousand on a supply inventory IT system.

Purpose

The early reading initiative, or Reads to Lead, is a grant program that provides funding for a statewide reading assessment, reading specialists in school districts, intervention materials, professional development, and other supports intended to improve early literacy skills of kindergarten through third graders.

Accountability Measures

Since FY13, \$77 million has been appropriated to Reads to Lead and \$44.6 million has been distributed to school districts and charter schools for reading specialists. In FY17, \$7.8 million was distributed to 54 districts, serving approximately 24.5 thousand students.

PED's methodology for awarding Reads to Lead funds has been inconsistent in recent years. In FY13, all 89 school districts received awards totaling approximately \$4 million. The size of the allocation increased until FY17, when the department opted to make the program a competitive application. In FY17, fewer school districts and charter schools received awards, and the size of the awards increased substantially.

Reads to Lead Funding and Average School Awards, FY13-FY17

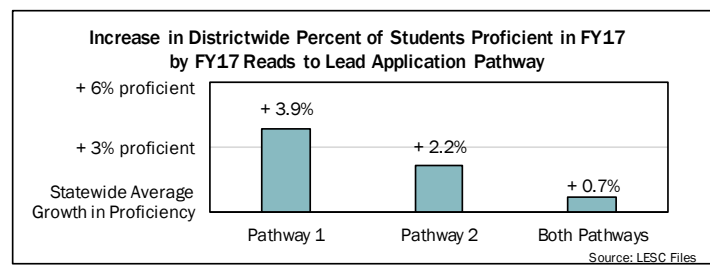
	FY13	FY14	FY15	FY16	FY17
N. Awards	128	108	120	123	63
Districts	89	84	87	88	45
Charters	39	24	33	35	18
Allocation	\$ 3,999.7	\$ 5,780.6	\$ 10,084.5	\$ 10,269.5	\$ 7,793.6
Average Award	\$ 31.2	\$ 53.5	\$ 84.0	\$ 83.5	\$ 123.7

Source: PED

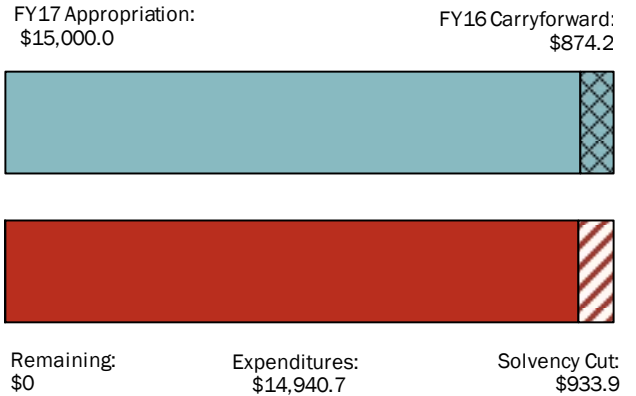
In FY17, school districts and charter schools were eligible for Reads to Lead allocations through two "pathways."

- Pathway 1: the school district or charter school scored in the top quartile in the reading school growth indicator of school grades.
- Pathway 2: the school district or charter school scored in the top quartile of Reads to Lead application scores.

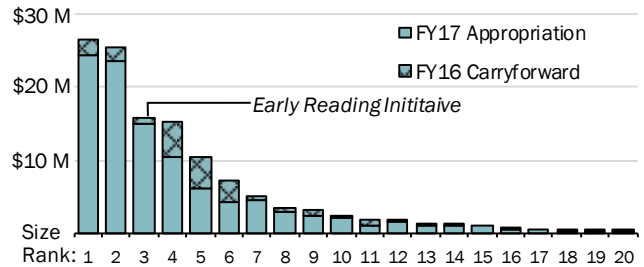
In FY17, pathway 1 school districts and charter schools showed higher growth in ELA proficiency than the statewide average. However, growth in reading proficiency was a prerequisite for the allocation. School districts and charter schools that qualified only through pathway 2 serve showed moderate growth in ELA proficiency versus the statewide average. Schools that qualified through both pathways 1 and 2 displayed minimal growth in proficiency.



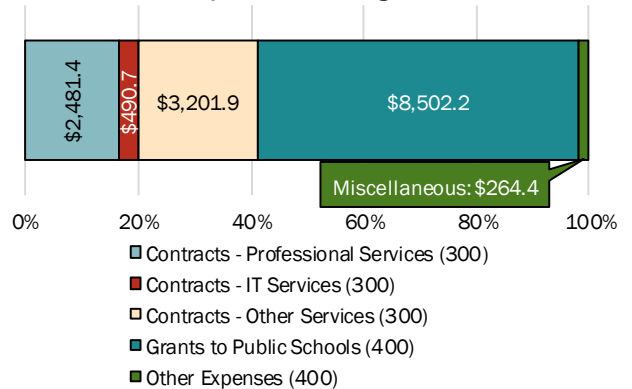
Appropriation and Budget
(in thousands)



Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- Student-level reading growth of students participating in Reads to Lead program versus academic peers. Do students participating in Reads to Lead experience more growth than their academic peers?
- Cross-sectional analysis of Reads to Lead determining effectiveness of distinct funding methodologies. Was the program more effective under competitive or non-competitive grants?

No Time To Lose: Elements of a World-Class Educational System

Element 1:

Children come to school ready to learn, and extra support is given to struggling students

Element 2:

A world-class teaching profession supports a world-class instructional system.

Element 3:

A highly effective, rigorous system of career-technical education.

Element 4:

Individual reforms are connected and aligned as parts of carefully designed system.

While the program is designed to increase literacy and improve student readiness for school, the competitive applications of Reads to Lead conflicts with the first element of a world-class education system. Because funding is allocated to school districts that are already showing high growth, the program does not always prioritize extra support for the schools and students struggling the most.

The early reading initiative conflicts with the fourth element of a world-class education system. Funding is used disjointedly and discretionarily by PED for a wide range of programs, including regional reading specialists administered by RECs and kindergarten through third grade statewide assessments.

Other fragmented elements of the early reading initiative include statewide teacher-leadership initiative, literacy instructional resources, the governor's books for first graders, regional professional development, kindergarten literacy regional academies, Native American assessment development, bilingual bureau literacy initiative, and the early learning bureau.

Use of Appropriation

FY17 contracts under the early reading initiative include:

- \$614 thousand with Imagination Station Inc. for the development of the Istation assessment, a short-cycle assessment that replaced DIBELS. The funds also supported Imagination Station in training teachers and providing technical support;
- \$483 thousand with POD Inc. for the development and deployment of a unified data system. This supplemented \$500 thousand from the "teacher and school leader preparation" appropriation for the same purpose;
- \$115 thousand with PARCC Inc. for access to the Preferred Resource Center, a professional development tool for teachers to learn about the content and expectations of the PARCC exam; and
- \$167 thousand with Arbordale Publishing, LLC and \$16 thousand with LPD Press for the purchase of books. These books were distributed as part of the governor's books for first graders program.

PED used \$706 thousand from the early reading initiative (in addition to \$300 thousand from the interventions and supports appropriation) to supplement K-3 Plus funds eliminated by FY17 solvency measures. While the FY18 appropriation for K-3 Plus restored the \$1.1 million reduction, K-3 Plus fund balances were too low to fully fund programs that began in June 2017

Contracts with RECs totaling \$5 million funded regional reading specialists at High Plains REC 3, REC 9, and Southwest REC 10. In FY17, literacy specialist salaries were budgeted at \$80 thousand per specialist, with bonuses ranging between \$5,000 and \$12 thousand.

Policy Issues

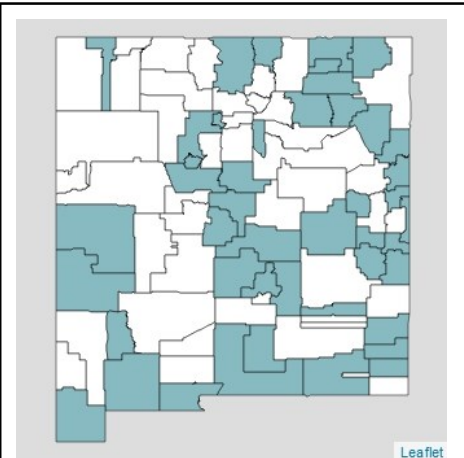
Due to insufficient student growth and a subpar application score, APS was denied Reads to Lead funding in FY18.

Reads to Lead awards to school districts and charter schools in pathway 1 are based on growth scores from two years previous. FY17 awards were based on growth from the FY15 school grades. This means that, if PED does not change the methodology for awards next year, FY19 awards will be based on reading growth from FY17. School districts and charter schools should already have an idea of whether they will qualify for FY19 Reads to Lead based on reading growth from FY17 school grades.

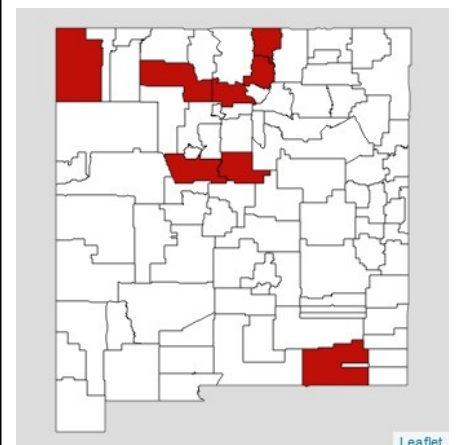
PED used the very same metric that would be used to evaluate the program's efficacy to determine whether the program would be offered. This causes issues in determining whether the program is truly responsible for those results.

The methodology for awarding reads to leads funding has changed in recent years; while the program was initially designed to support struggling readers, funds are now directed to school districts and charter schools that are currently showing high growth in reading proficiency. Inconsistencies in funding and grant criteria make it difficult for school districts and charter schools to plan effectively and run the program.

LFC recommended moving \$10 million from PED's early literacy initiative to the state equalization guarantee in FY18 to ensure distribution through an established funding formula that takes into consideration the specific demographics and needs of each school district and charter school. Ultimately, the Legislature appropriated \$4 million through the funding formula and reduced the early literacy grant program by \$2 million.



45 out of 89 school districts received funding in FY17.



18 of 99 charter schools* received funding in FY17.

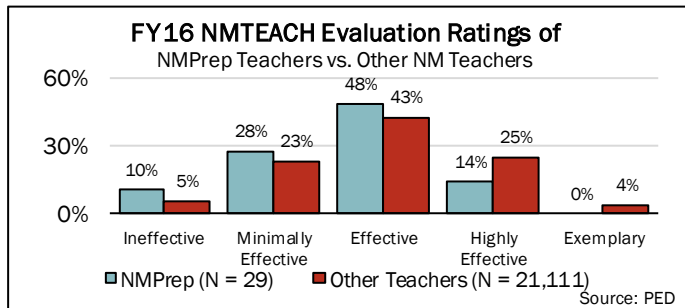
* Map highlights districts in which charter schools are geographically located.

Purpose

The appropriation for next generation teacher and school leader preparation promotes three preparation programs at institutions of higher education:

- **New Mexico Prep (NMPrep):** alternative teacher preparation programs with a focus on targeting specific areas of need in school districts. Programs include special education teachers at New Mexico Highlands University (NMHU) and science, technology, engineering, and mathematics (STEM) teachers at New Mexico State University (NMSU) and the University of New Mexico (UNM);
- **New Mexico Lead (NMLead):** alternative principal preparation programs, including hybrid MBA business and educational leadership courses at NMSU and NMHU. The programs offer a practice-based curriculum and support new principals in their first years at a school; and
- **New Mexico Turnaround:** school turnaround programs at NMSU designed to educate school and school district leaders on proven turnaround efforts. PED notes the program has initiated turnaround efforts with 12 school district leaders.

Accountability Measures



Based on FY16 NMTEACH teacher evaluation results, a larger proportion of NMPrep teachers are rated ineffective, minimally effective, and effective compared with the statewide results. No NMPrep teachers were rated exemplary in FY16. NMPrep teachers in their first year of teaching in FY16 were rated higher on average than NMPrep teachers with more than one year of experience.

PED has not provided detail or school sites for administrators participating in NMLead and New Mexico turnaround programs.

Proposed Accountability Measures

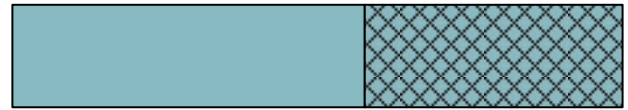
- **Student-level achievement data of teachers completing NMPrep courses.** Do NMPrep teachers show higher student achievement results on standardized tests? Do NMPrep teachers impact the achievement gap, especially those placed in rural school districts?
- **Qualitative pedagogical review of NMPrep and NMLead course curricula.** Are NMPrep and NMLead courses developed based on current research and best practices? Does the quality of courses reflect the teacher preparation courses offered in high-performing countries? Are courses offered by one NM university substantially different than courses at other NM universities?
- **Longitudinal analysis of schools receiving support from New Mexico Turnaround.** Which schools are eligible for participation in the NM Turnaround program? Does the turnaround program increase schools' grades and student achievement results?
- **Turnover rate of NMPrep teachers and NMLead principals.** Do next generation teachers and principals have lower turnover rates than the statewide average?

Appropriation and Budget

(in thousands)

FY17 Appropriation:
\$4,145.5

FY16 Carryforward:
\$3,028.0

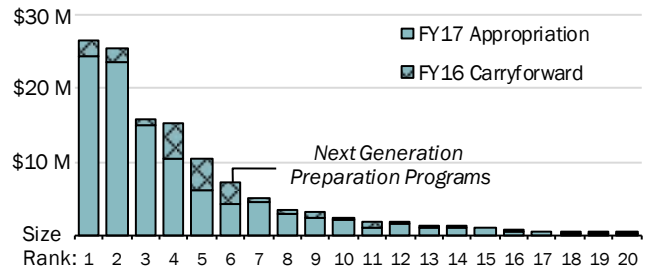


Remaining:
\$137.7

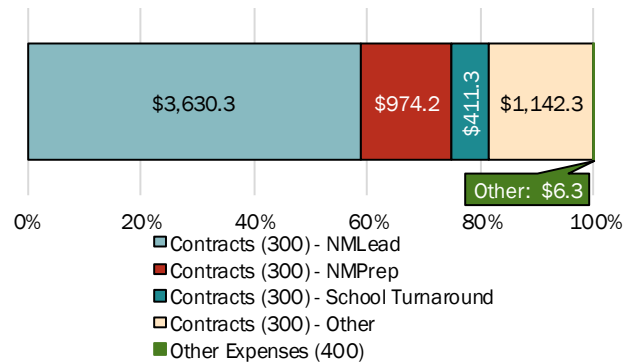
Expenditures:
\$6,164.4

Solvency Cut:
\$491.9

Relative Size and Rank of FY17 Approp.



Expenditure Categories



No Time To Lose: Elements of a World-Class Educational System

Element 1:

Children come to school ready to learn, and extra support is given to struggling students

Element 2:

A world-class teaching profession supports a world-class instructional system.

Element 3:

A highly effective, rigorous system of career-technical education.

Element 4:

Individual reforms are connected and aligned as parts of carefully designed system.

Teacher preparation programs engage element two of world class education systems by improving teachers' readiness for the classroom, reducing turnover, and improving student outcomes. However, *No Time to Lose* notes that teacher preparation in high-performing countries is very selective, and that there are often no pathways to alternative licensure that enable teachers to start teaching before they are ready. NMPrep was created as an alternative preparation program, and the data currently available show NMPrep teachers are less effective than the statewide average.

Research has shown strong principals can indirectly impact student outcomes. Principal preparation improves school climate, fiscal responsibility, and community partnerships. However, little is known about the effectiveness of NMLead after principals are placed.

Individual next generation preparation programs are not connected. Rather, programs at universities target the specific needs of partnered school districts. There does not appear to be a set of standards or curricula from PED or the Higher Education Department (HED) that unites all next generation preparation programs as a unified program.

Use of Appropriation

Intergovernmental agreements with four universities totaling \$5.2 million made up a majority of the \$6.2 million in contracts:

- **NMSU** received \$4.1 million, \$3.4 million of which was used for NMLead, \$411 thousand for New Mexico turnaround, and \$208 thousand for NMPrep;
- **UNM** received \$436 thousand, \$314 thousand for NMPrep, and \$256 thousand for oversight of the professional dossier;
- **NMHU** received \$452 thousand for NMPrep; and
- **ENMU** received \$192 thousand for NMLead.

POD Inc., an IT service vendor, received \$700 thousand for two separate contracts:

- \$500 thousand supplemented funds from the early reading initiative for the construction of a scalable database that can securely manage student data; and
- \$200 thousand supplemented funds from several other appropriations for PED's IT transformation project.

\$186 thousand was transferred to supplement the Indian education fund.

Of the \$6.3 thousand in the other category, \$3.7 thousand was spent on dues to the nonprofit Council of Chief State School Officers. An additional \$2.6 thousand went to ENMU to fulfill a request for the reimbursement of prior year NMLead expenses.

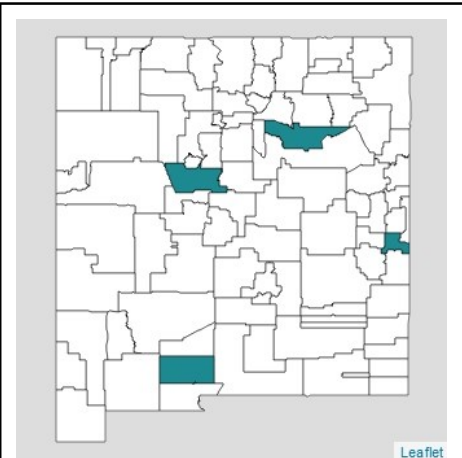
Policy Issues

While the total available funds for next generation preparation programs in FY17 was \$6.7 million after FY17 solvency, PED only budgeted \$6.3 million to be spent. Of the budgeted funds, PED spent \$6.2 million. A balance of \$517 thousand reverted to the general fund.

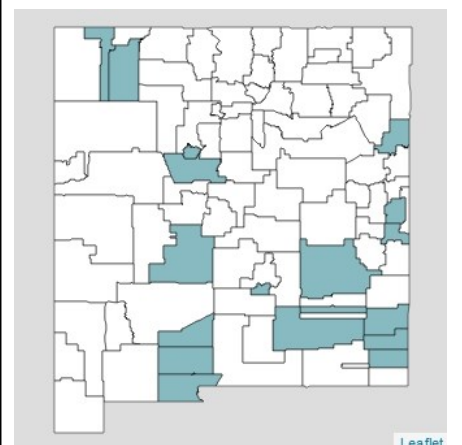
Data currently available to legislative staff suggests NMPrep teachers are generally less effective than teachers prepared in other programs. Questions remain about the content and rigor of the teacher and school leader preparation programs.

Legislative staff has requested data to tie principals trained by NMLead and NM School Turnaround programs to the schools in which they were placed. It is unclear whether schools with NMLead or NM School Turnaround administrators perform better after intervention.

It is unclear why \$186 thousand of next generation preparation funds were transferred to the Indian education fund.



4 higher education institutions received funding in FY17.



18 of 89 school districts placed teachers and leaders trained in NMPrep or NMLead programs.

Source: PED FY18 Public Education Support Request

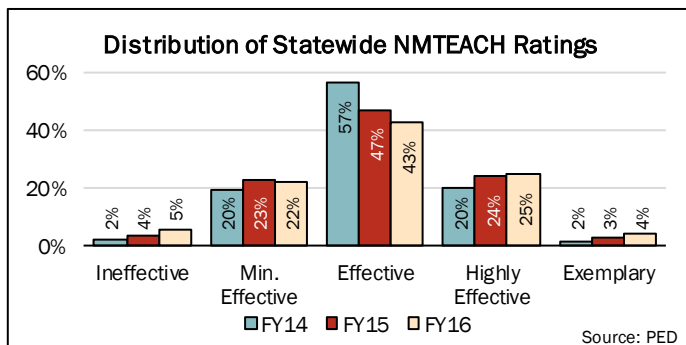
Purpose

The appropriation funds maintenance of the NMTEACH teacher and principal evaluation system, as well as professional development for school districts and charter schools on the interpretation of NMTEACH evaluation results.

Accountability Measures

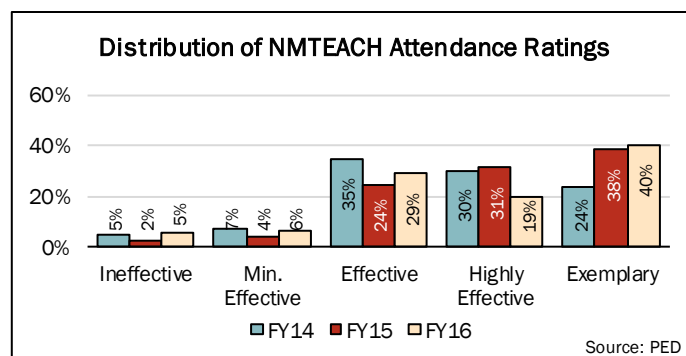
As a system designed to hold teachers accountable, NMTEACH has few independent metrics with which it can be evaluated.

The statewide distribution of teacher effectiveness ratings shifted towards both extremes of the scale in recent years. Fewer teachers were rated as effective in FY16 compared with FY14 and FY15, with a greater share of teachers being rated as both exemplary and ineffective.



Because school districts and charter schools have flexibility with how this information is used, it is difficult to identify how much of the shift is due to the evaluation system itself. A report published by the Stanford Center for Education Policy Analysis suggests teacher evaluations are effective when used as a flashlight to highlight areas for improvement. Evaluations can improve teacher performance when connected with effective professional development.

One shift that is likely due to the evaluation system itself is an increase in teacher attendance ratings. In FY16, more teachers earned exemplary ratings for attendance than in previous years. Teacher attendance may increase when teachers are held accountable for attendance; however, a lawsuit filed in 2017 argues that teachers are entitled to sick days as a



Appropriation and Budget (in thousands)

FY17 Appropriation:
\$4,600.0

FY16 Carryforward:
\$492.0

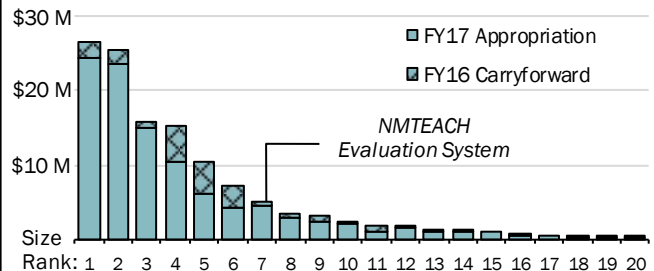


Remaining:
\$0

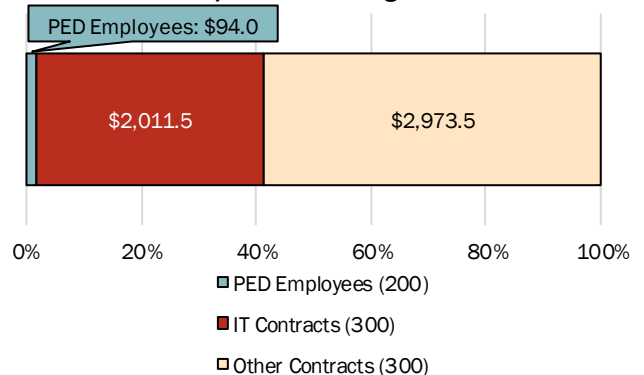
Expenditures:
\$5,079.0

Solvency Cut:
\$13.0

Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Appropriate professional development.** Are NMTEACH results used to guide personalized professional development for each teacher?
- **Teacher-level longitudinal trends.** Do teachers rated ineffective or minimally effective improve over time?
- **Volatility of teacher effectiveness.** Are teacher effectiveness ratings predictable? Are teachers likely to experience large swings in rating from year to year?
- **Alignment of classroom observation and student achievement metrics.** Do high classroom observation scores produce the correlate with high student achievement scores?

No Time To Lose: Elements of a World-Class Educational System

Element 1:

Children come to school ready to learn, and extra support is given to struggling students

Element 2:

A world-class teaching profession supports a world-class instructional system.

Element 3:

A highly effective, rigorous system of career-technical education.

Element 4:

Individual reforms are connected and aligned as parts of carefully designed system.

In most high-performing countries, professional development is approached with a collaborative mindset. The *No Time to Lose* report notes that in high performing countries, “30 percent to 35 percent of a teacher’s time is spent teaching students, while the rest is spent on activities such as working in teams with other teachers to develop and improve lessons, observing and critiquing classes, and working with struggling students.” Teacher evaluation systems in these countries take into consideration teachers’ performance in these teams.

NMTEACH requires annual evaluation, but does not require appropriate professional development to address deficiencies. Instead, the system is disconnected, such that school districts are responsible for choosing to provide professional development. In fact, *No Time to Lose* specifically notes “using test scores in teacher evaluations without ensuring that all teachers are receiving job-embedded, high-quality, ongoing learning” as an example of a disconnected, unaligned system.

Use of Appropriation

PED spent \$94 thousand on department employee compensation and benefits.

A contract with Frontline Technologies Group LLC, formerly Teachscape Inc., cost \$2 million for the continued maintenance of the NMTEACH evaluation system. The contract’s deliverables included providing infrastructure for online professional development, as well as holding training sessions and materials for a cohort of teachers.

The department contracted with REC 9 for \$2.6 million to provide professional development for NMTEACH. REC 9 subcontracted a portion of this contract with Southern Region Educational Board (SREB).

The University of New Mexico received \$398 thousand for oversight and support of the professional dossier.

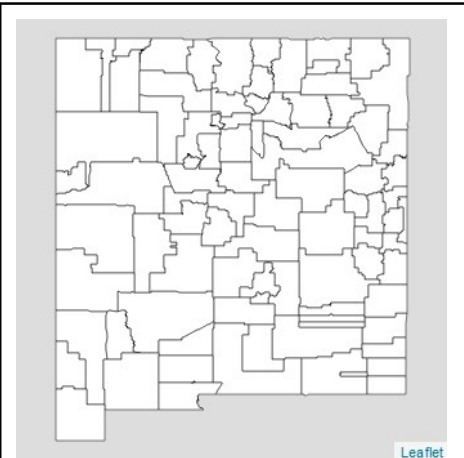
Policy Issues

Appropriations from other initiatives have been used to supplement NMTEACH funding. Between FY13 and FY17, PED allocated \$8.2 million to Frontline Technologies Group LLC.

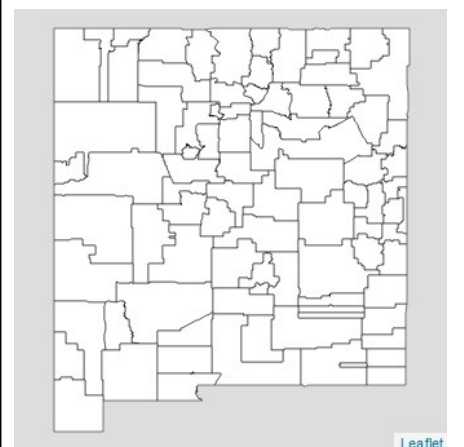
Teachers have raised concerns regarding the transparency of the data made available to them in their evaluation results. NEA and AFT oppose the use of student standardized test results in teacher evaluation systems. Education Week notes student testing has become more frequent to meet the demands of teacher evaluation systems. The federal Every Student Succeeds Act requires that students are tested once in high school. New Mexico is spending money developing end-of-course exams and assessing students in ninth grade, 10th grade, and 11th grade to fulfill the requirements of the student achievement portion of NMTEACH.

Within the NMTEACH evaluation system, teachers are held accountable for student achievement, classroom observations, planning, preparation, and professionalism, student and parent surveys, and attendance. The weights assigned to each category are scaled based on the availability of prior-year student achievement data. When three years of prior student achievement data are available, student achievement is worth 35 percent of the teacher evaluation, classroom observations 40 percent, professionalism and preparation 15 percent, and attendance and surveys 10 percent.

Some teachers have noted concerns with their teacher evaluations being impacted by absences due to illness or emergencies. PED’s 2017 technical guide for NMTEACH states absences that fall under the Family and Medical Leave Act, bereavement, jury duty, military leave, religious leave, professional development, and coaching are excused, and districts should not report these in STARS. Teacher absences have decreased since 2014, with more teachers receiving exemplary attendance ratings in 2015 and 2016.



0 of 89 school districts received funding in FY17.



0 of 99 charter schools received funding in FY17.

Purpose

Funds from the STEM initiative are used for professional development for STEM teachers, including workshops and a summer STEM symposium. The initiative also funds stipends for effective, highly effective, and exemplary STEM teachers.

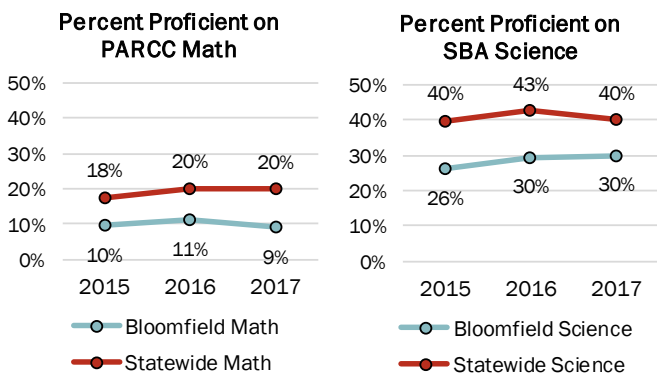
Accountability Measures

PED did not provide a fact sheet to track the outcomes of the STEM initiative professional development (PD) or teacher stipends. Effective PD and stipends may decrease teacher turnover, resulting in higher student achievement. However, PED has not provided legislative staff with information showing which teachers received PD or stipends.

Without classroom-level data, it's difficult to understand the direct impact of stipends. Stipends are designed to increase teacher retention, but based on achievement results at schools receiving STEM stipends, it appears that STEM stipends have had little direct impact on student achievement.

Bloomfield School District received \$423 thousand (78 percent) of the \$541 thousand in awards to school districts for STEM teacher stipends. Bloomfield's science and math proficiency rates are historically lower than the statewide average. The district's proficiency rates increased moderately from FY15 to FY16, in line with the statewide average. In FY17, Bloomfield made progress toward and the statewide average in science by maintaining its 30 percent proficiency. However, the district's math proficiency fell from 11 to 9 percent.

**Impact of STEM Stipends on District Proficiency Rate
Bloomfield School District vs. Statewide Average**



Source: LESC Files

Three other school districts received STEM stipend funding: Pecos, Los Lunas, and Taos. These school districts saw similar results, showing little change in proficiency at a district level. Data at the school- or the teacher-level is necessary to parse out the effect of stipends and professional development. This data would also help reveal differences in the quality of different professional development seminars offered by different RECs or subcontractors.

Appropriation and Budget

(in thousands)

FY17 Appropriation:
\$2,400.0

FY16 Carryforward:
\$603.2

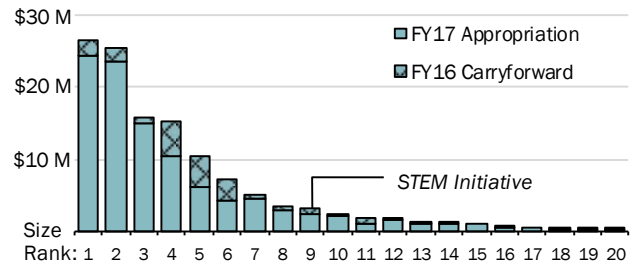


Remaining:
\$0.8

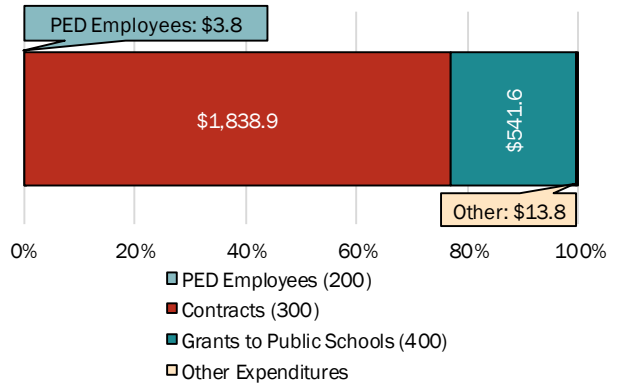
Expenditures:
\$2,398.2

Solvency Cut:
\$604.2

Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Stipends and highly qualified teacher retention.** Do stipends decrease the turnover rate of effective and highly qualified STEM teachers in schools? What is the optimal teacher quality to cost ratio that best impacts student achievement?
- **Effect of PD on teacher effectiveness.** Are STEM teachers who receive PD more effective than other STEM teachers? Do teachers attending STEM PD improve student achievement scores on math and science assessments? Do PD seminars offered in one region of the state have a greater impact than other seminars?

No Time To Lose: Elements of a World-Class Educational System

Element 1:

Children come to school ready to learn, and extra support is given to struggling students

Element 2:

A world-class teaching profession supports a world-class instructional system.

Continued professional development and encouraged collaboration are important elements of teaching in high-performing countries. By supporting STEM teachers, the STEM initiative is directed at improving both the teaching profession and the quality of the instructional system. With the upcoming transition to the newly-adopted NM STEM-Ready science standards, professional development will play a pivotal role in helping teachers adjust to the new standards. Questions remain about the efficacy of professional development, and whether it presents opportunities for teacher collaboration.

Element 3:

A highly effective, rigorous system of career-technical education.

Element 4:

Individual reforms are connected and aligned as parts of carefully designed system.

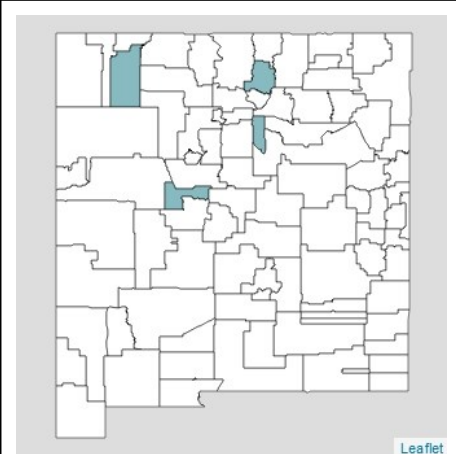
STEM teacher professional development is not completely connected or aligned. Funds are dispersed to several Regional Education Cooperatives (RECs), which coordinate separate disjointed professional development seminars, or subcontract with other organizations for these seminars. Teachers participating in certain seminars may be more effective than others, but legislative staff does not have the data to test the depth of this impact.

Use of Appropriation

PED spent \$1.8 million of the FY17 appropriation on contracts. Of those funds, \$1.7 million was designated for contracts for professional development:

- REC 9 received \$600 thousand to subcontract with a PED-approved vendor for K-8 math professional development;
- REC 9 also received \$610 thousand to hold “Making Sense of Science” workshops;
- Southwest REC 10 received \$267 thousand to conduct a STEM symposium, and \$83 thousand to support the work of the Math and Science Advisory Council; and
- High Plains REC 3 received \$229 thousand for a math pilot training.

The remaining \$541 thousand of the appropriation went directly to school districts to fund stipends for STEM teachers in hard-to-staff schools. Bloomfield School District received \$423 thousand (78 percent). Bloomfield spent \$332 thousand on employee salaries and benefits and \$90 thousand on STEM supplies. Pecos Independent Schools received \$84 thousand and Taos Municipal Schools received \$18 thousand.



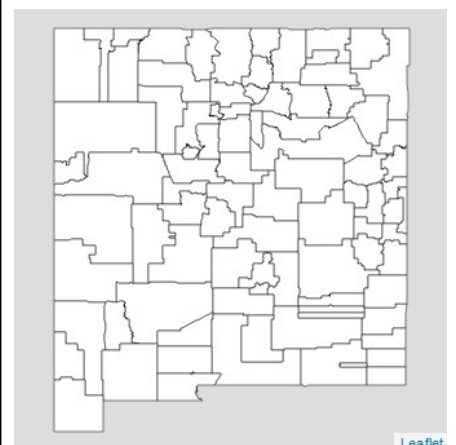
4 of 89 school districts received funding in FY17.

Policy Issues

PED did not provide the Legislature data on the effectiveness of this appropriation. The Legislature may wish to ask PED to consider how the professional development provided by this program impacts student performance in math and science.

With the adoption of the NM STEM-Ready science standards, professional development will be required to help teachers adjust to the new standards. After the adoption of the common core state standards, the Legislature supported the transition by appropriating \$1 million for use in FY12 and FY13 and \$1.5 million for use in FY13 and FY14. Other costs associated with the adoption of the new standards include costs for instructional materials and for the development of a statewide assessment aligned with the new standards. Approximately \$800 thousand of FY17 STEM initiative contracts were dispersed among a few RECs and used for science professional development.

It is unclear whether stipends were used to retain highly-qualified STEM teachers. Bloomfield, as the main recipient of stipend funding, showed mixed results in FY17 science and math proficiencies, improving compared to the statewide average in science, but dropping 2 percentage points in math.



0 of 99 charter schools received funding in FY17.

Purpose

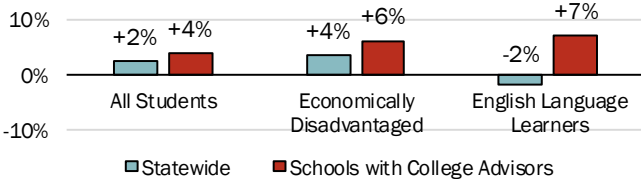
The college preparation, career readiness, and dropout prevention initiative includes several programs aimed at improving post-secondary opportunities for high school students, including early college high schools, workforce readiness programs, an early warning system to identify students at-risk of failing, and career technical student organizations (CTSOs) like DECA and the Business Professionals of America.

PED also provides direct allocations to school districts to fund full-time college advisors, who are responsible for increasing the number of students taking college admissions exams and assist students in the scholarship application process.

Accountability Measures

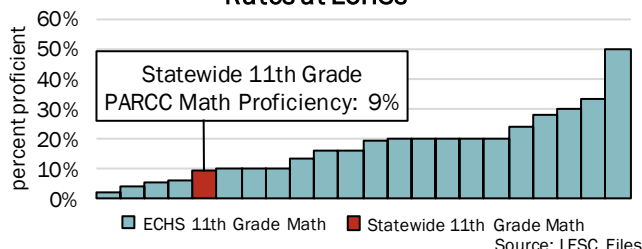
There is some evidence that college advisors have an impact on student outcomes. In their first year of receiving funds, schools with college advisors saw an increase in graduation rates at a level higher than the statewide average. Notably, economically disadvantaged students graduated at a higher rate than the statewide average, and English learners (ELs) graduated at a much higher rate, while the statewide EL graduation rate decreased. FY17 graduation data is not yet available on PED's website.

2015 to 2016 Graduation Growth in Schools with College Advisors vs. Statewide



A report by California research firms Metiri and NS4ed studied New Mexico early college high schools (ECHS). The report found 92 percent of ECHSs studied offer career cluster programs in science, technology, engineering, and math (STEM), and 92 percent in health sciences. While 11th grade students in ECHS score both higher and lower than the statewide average on PARCC English language arts, most score higher on math. Fifty percent of 11th grade students at College and Career Academy in Albuquerque were proficient in 2017

2017 PARCC 11th Grade Math Proficiency Rates at ECHSs



Appropriation and Budget (in thousands)

FY17 Appropriation:
\$2,901.0

FY16 Carryforward:
\$480.9

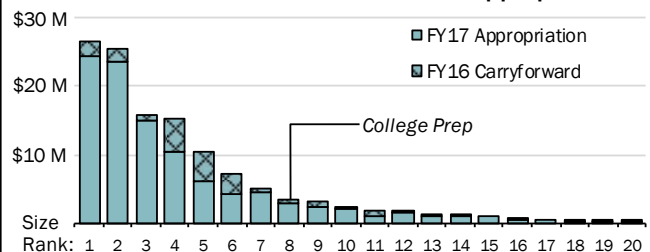


Remaining:
\$32.5

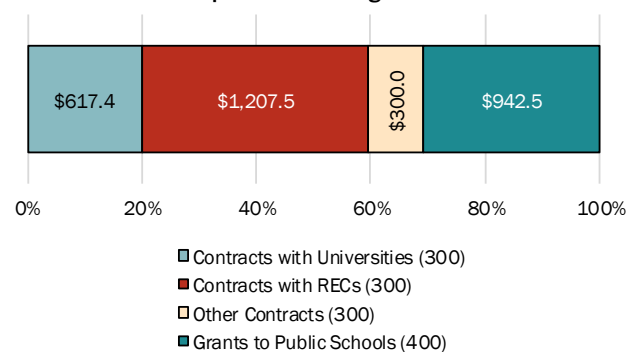
Expenditures:
\$3,067.5

Solvency Cut:
\$184.7

Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Student-level college outcome data for students of early college high schools.** Do students who graduate from ECHS in the state demonstrate better readiness for college expectations?
- **CTSO student outcomes and post-high school career placement.** What opportunities do CTOSs allow students to pursue in education and the workforce?
- **Early warning system (EWS) response to intervention.** How is the EWS used to identify at-risk students and what steps are taken after at-risk students are identified? Are students identified by the EWS less likely to drop out?

No Time To Lose: Elements of a World-Class Educational System

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ECHSs attempt to support struggling students, given 93 percent of ECHS administrators surveyed stated one of their top three priority goals for ECHS programs is to support students who are from groups traditionally unrepresented in post-secondary institutions.

A large focus of CTSOs is promoting workforce readiness, but because CTSOs are extracurricular, the initiative is not fully aligned with element 3. The initiative funding is for college preparation, which does not necessarily always equate to workforce readiness. While many skills carry over from ECHS and CTSOs to the workforce, businesses leaders place a higher priority on evidence-based reasoning and critical thinking skills than ECHS administrators and teachers.

Individual college and career preparation programs are not connected systemically. The report by Metiri and NS4ed notes trends in ECHS course offerings and New Mexico university course offerings are not aligned. Fewer universities offer STEM career clusters and workforce experiences than ECHS. The report suggests that ECHS review state trends in high-demand careers to better prepare students for college, and suggests colleges increase workforce training experiences for STEM and health science students.

Use of Appropriation

A \$1.2 million contract with High Plains REC was budgeted as follows:

- \$370 for an early college high school summit;
- \$449 thousand for workforce readiness projects, including a summit, townhall meetings, and a study of federal workforce readiness funding;
- \$370 thousand to subcontract with Power School Student Information System to develop an EWS and provide professional development regarding the system; and
- \$95 thousand in administrative overhead costs.

Southwest REC received \$3,500 to act as a fiscal agent for New Mexico Cyber Academy (IDEAL-NM) programs, and \$47 thousand for Advanced Placement (AP) course enrollment fees for 225 students.

NMHU received \$150 thousand to supplement \$151 thousand in federal funds and \$92 thousand in AP initiative funds for AP test fee waivers, subsidizing 7,861 AP exams.

PED budgeted contracts with Eastern New Mexico University for \$317 thousand to support CTSOs, but the contract was reduced to \$240 thousand.

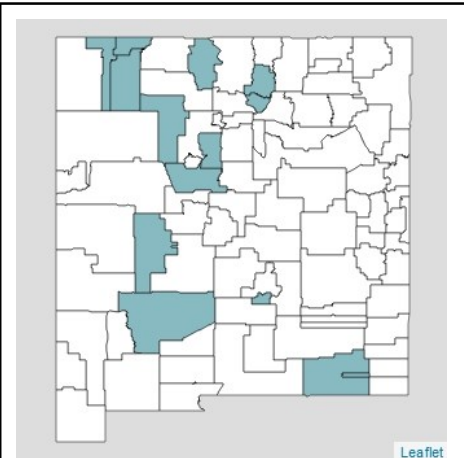
PED awarded \$943 thousand to 14 school districts, four charter schools, and one REC to fund college advisors in 19 high schools statewide.

Policy Issues

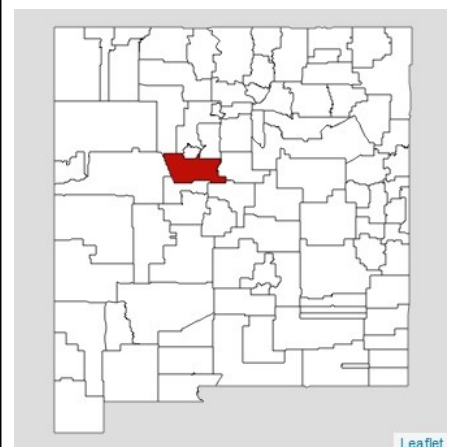
In recent years, PED has used this appropriation to provide start-up funding for ECHSs. In FY17, PED did not support any new ECHSs. The 24 ECHSs statewide are spread across 20 school districts. Eighteen are traditional public schools, six are charter schools, and four are Supplemental Accountability Model (SAM) schools, which have a higher proportion of returning adult students or students with disabilities.

Business leaders surveyed indicate ECHS priorities should be ensuring students are workforce-ready, enabling students to receive workforce credentials, and increasing community economic viability.

While 92 percent of ECHS offer STEM career clusters, only 67 percent of colleges and universities in New Mexico offer STEM workforce credential programs, and only 33 percent of colleges offer workforce-based experience in STEM.



14 of 89 school districts received awards for college advisors in FY17.



4 of 99 charter schools* received awards for college advisors in FY17.

* Map highlights district in which charter schools are geographically located.

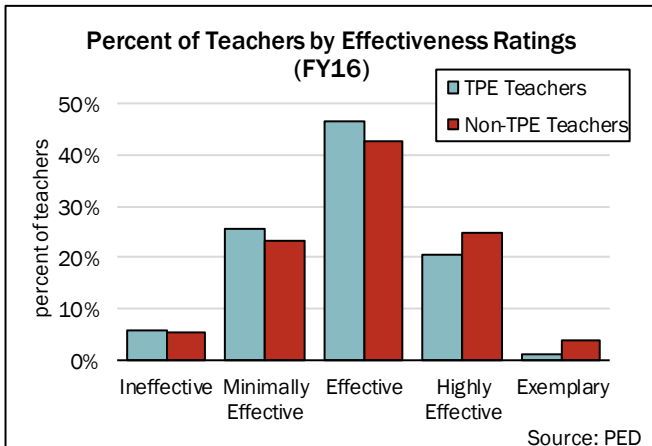
Purpose

The Teachers Pursuing Excellence (TPE) initiative provides professional development and mentorship initiatives to improve the performance of ineffective and minimally effective teachers. A total of \$921 thousand flowed through Northern REC 2. PED indicated six school districts received awards in FY17.

Accountability Measures

Sixteen schools in six school districts received targeted TPE funds in FY17. There are 338 teachers total at these schools, although it is unclear whether every teacher at these schools participated in TPE. Half of these schools began TPE in FY16, with the other half beginning in FY17.

FY16 NMTEACH teacher evaluation results show that funding was allocated to schools with a relatively high proportion of ineffective, minimally effective, and effective teachers in Alamogordo, Belen, Farmington, Hatch Valley, Las Cruces, and Peñasco. Four of the teachers in the FY16 cohort of schools received a rating of exemplary at the end of the 2015-2016 school year.



While funding is being directed to schools with relatively low performing teachers, little data is available to test whether these teachers became effective and whether these benefits persist over time.

According to PED, the number of highly effective and exemplary teachers jumped from 22 to 41 in the first year of the two-year program. Students of TPE teachers grew 4.5 times faster than the statewide average in PARCC ELA proficiency, and 2.7 times faster in PARCC Math. Without student-level data, legislative staff cannot verify PED's claims. Legislative staff has requested FY17 NMTEACH teacher effectiveness data from PED, but has not yet received this

Appropriation and Budget

(in thousands)

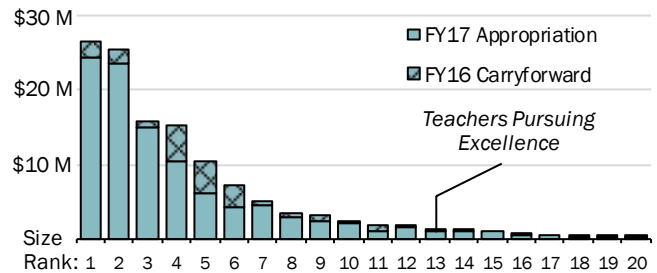
FY17 Appropriation: \$1,000.0 FY16 Carryforward: \$532.1



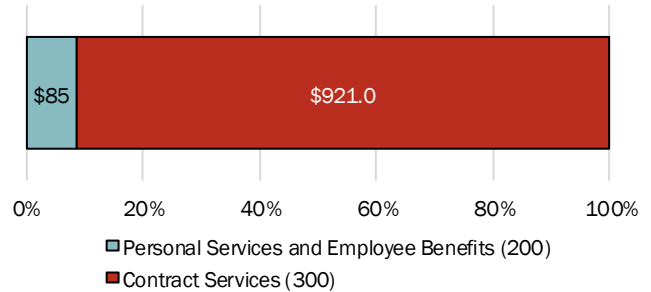
Remaining: \$0.0 Expenditures: \$1,006.0 Solvency Cut: \$526.1



Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Teacher effectiveness ratings in TPE schools.** Is TPE increasing teachers' effectiveness ratings in the NMTEACH teacher evaluation system?
- **Longitudinal evaluation of mentor and mentee teachers in each school.** Do teachers trained in the TPE program maintain benefits from the program over time?
- **Turnover of TPE teachers.** Are teachers trained in TPE less likely to leave the profession?

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Teachers Pursuing Excellence aims to uphold the second element of a world-class educational system by attempting to prepare struggling teachers for world-class instruction. However, PED has not provided data to test whether these teachers leave the program with lasting benefits.

Teachers Pursuing Excellence may conflict with the fourth element, as it is a disjointed and fragmented approach to teacher preparation. Other below-the-line initiatives like Next Generation School Leader Preparation and Teacher and School Leader Programs both appropriate funds for similar purposes.

Following the programs with strong outcomes and unifying the program with other teacher support and preparation programs may serve to align the program under a carefully designed system.

Use of Appropriation

Northern REC 2 received \$921 thousand from the TPE appropriation, which was supplemented by an additional \$1.3 million from the interventions and supports appropriation. Of the \$2.2 million total funds designated for TPE:

- \$1.4 million used to fund stipends for participating TPE teachers;
- \$121 thousand budgeted for contractual services with PED-approved vendors for training, support, technical assistance, monitoring and reporting;
- \$500 thousand for purchased services with vendors for training, technical assistance, and monitoring connected to TPE; and
- \$71 thousand designated for supplies.

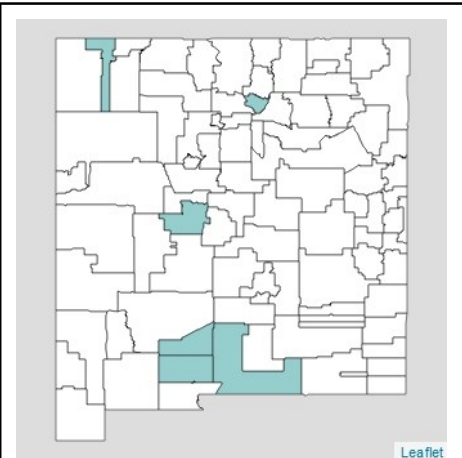
PED also spent \$85 thousand on department employee salary and benefits.

Policy Issues

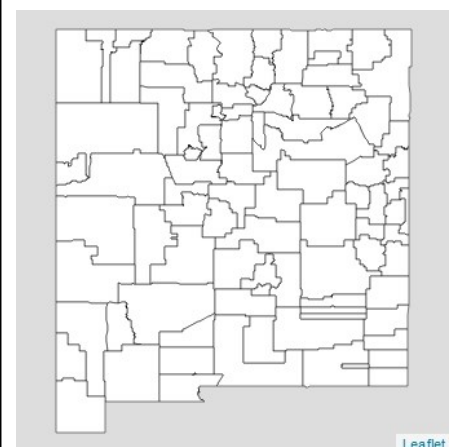
While PED notes strong performance of TPE teachers, Legislative staff have not yet received information to confirm that teacher effectiveness has increased, and that these benefits are maintained over time.

While \$1.4 million was used as stipends for participating TPE teachers, the FY16 NMTEACH teacher effectiveness ratings suggest teachers are not being rated as more effective in general than non-participating teachers. Data currently available to legislative staff suggest at most 338 teachers participated in TPE in FY17, meaning the average per-teacher stipend was approximately \$4,100.

PED used \$85 thousand to facilitate the administration of the Teachers Pursuing Excellence program, but the majority of the administration was conducted by Northern REC 2. The REC also budgeted \$54 thousand from the TPE appropriation and \$65 thousand from the interventions and supports allocation as administrative fees associated with the contract.



6 out of 89 school districts received funding in FY17.



0 of 99 charter schools received funding in FY17.

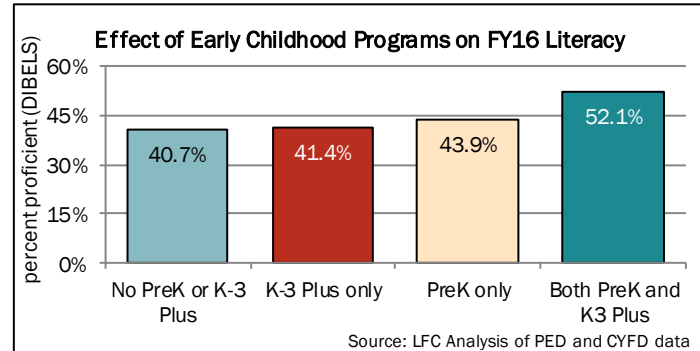
Purpose

K-3 Plus is a program designed to extend the school year for kindergarten through third grade students in high-poverty or low-performing elementary schools by 25 instructional days during the summer. Funding for a single summer is allocated in two different fiscal years. For instance, summer 2017 programs were funded by the FY17 and FY18 appropriations.

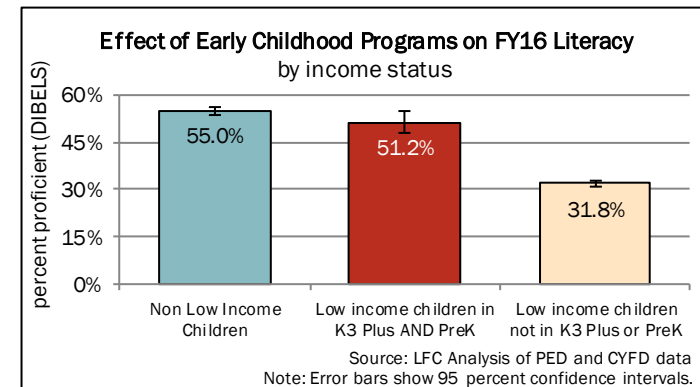
Accountability Measures

An independent study of K-3 Plus by Utah State University found that students enrolled in K-3 Plus prior to entering kindergarten were more ready for school and outperformed their peers. Students who maintain the same teacher for both K-3 Plus and the regular school year saw the greatest gains. Additionally, K-3 Plus students continued to have higher levels of achievement four years later, although by a smaller margin.

An LFC analysis of PED and Children, Youth and Families Department (CYFD) data shows that K-3 Plus alone has a marginal effect on student proficiency. Prekindergarten has a slightly larger effect. However, 52 percent of students enrolled in both prekindergarten and K-3 plus were proficient on DIBELS at the beginning of the school year.



Low income children in both K-3 Plus and prekindergarten show proficiency rates nearly 20 percent higher than low income students in no early childhood programs. LFC found that K-3 Plus and prekindergarten combined nearly eliminate the achievement gap by increasing the achievement of low-income students.



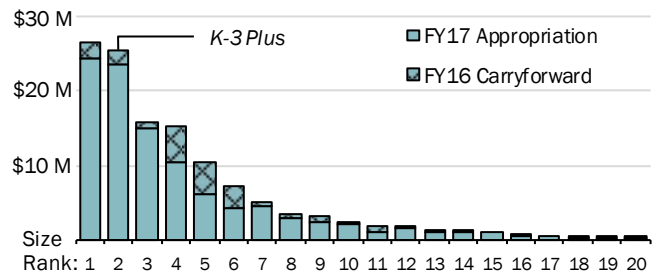
Appropriation and Budget
(in thousands)

FY17 Appropriation: \$23,700.0 FY16 Carryforward: \$1,885.0

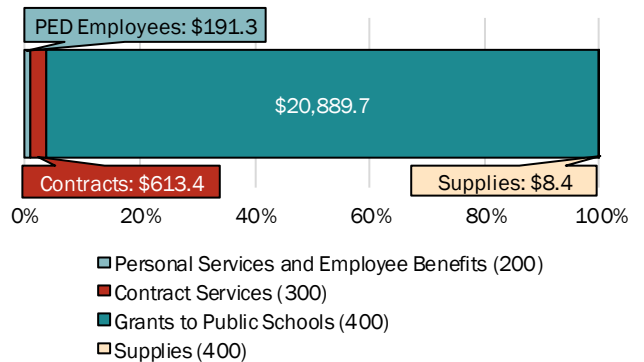


Remaining: \$2,442.7 Expenditures: \$22,076.2 Solvency Cut: \$1,066.1

Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Student-level data and longitudinal analysis.** Do K-3 Plus students perform better than their peers through third grade and beyond?
- **Impact of high-fidelity "same teacher" programs.** Do K-3 Plus students who maintain the same teacher in both the summer and the school year see increased gains?
- **Differences in student performance in 20-day versus 25-day programs.** Are student outcomes substantially different in programs that last longer?

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Individual reforms are connected and aligned as parts of carefully designed system.

K-3 Plus is well-aligned with the first element of a world-class education system. An independent study has shown that K-3 Plus increases student readiness for kindergarten.

The program is specifically designated for students at schools that receive a school grade of D or F, or schools where more than 85 percent of students qualify for free or reduced-fee lunch. The program increases available learning time for these students, although high performing students may also attend K-3 Plus.

Although there is evidence that K-3 Plus is effective when implemented with fidelity, it is not aligned with other early literacy programs like prekindergarten or reads to lead. Additionally, K-3 Plus is not always administered with fidelity. Programs that effectively extend the school year by allowing students to maintain their normal teacher through K-3 Plus have been shown to have a stronger effect on student achievement.

Use of Appropriation

Of the \$24.5 million available for K-3 Plus, \$20.9 million went in grants directly to school districts and charter schools. Schools are reimbursed for each student at no less than thirty percent of the unit value set by PED.

The department contracted \$612 thousand with REC 9 to:

- Support the K-3 Plus Advisory Committee (\$21 thousand);
- Hold K-3 Plus regional planning meetings statewide (\$185 thousand);
- Develop promotional materials (\$10 thousand); and
- hold a five-day professional development session for 180 kindergarten through third grade teachers (\$395 thousand).

The K-3 Plus fund ended FY17 with a \$2.4 million balance. Appropriations to the K-3 Plus fund do not revert and are retained for use in subsequent years.

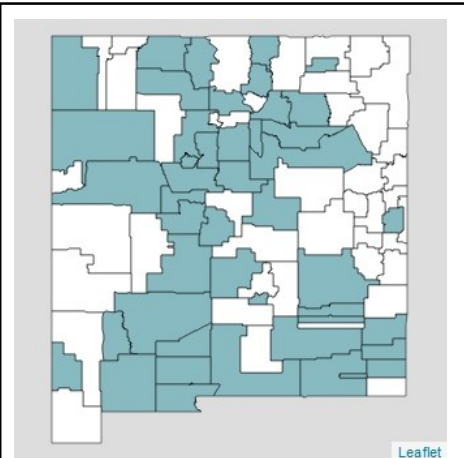
Policy Issues

K-3 Plus increases time-on-task for students by extending the school year. This increases the time students spend learning and contributes to improved student outcomes, especially for low-income students.

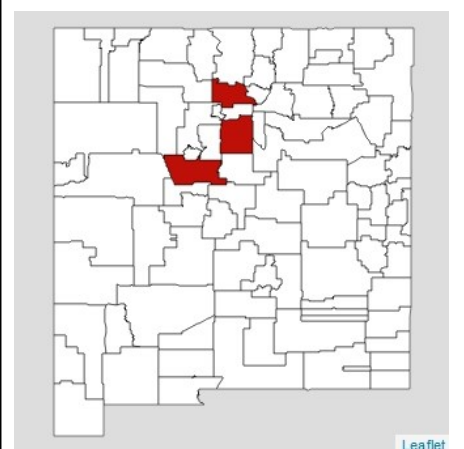
Enrollment in K-3 Plus has been increasing since its inception. Since the summer 2008 program, funding has increased 331 percent and enrollment has increased 288 percent. Approximately 70 thousand students are enrolled in schools that are eligible for K-3 Plus funding. Because of PED's poor management of K-3 Plus in previous years, PED budgeted 15 thousand students for summer 2017, an enrollment projection nearly 5,000 less than the previous summer's program.

The timing of K-3 Plus contributes to funding issues. Because the appropriation is in Section 4 of the GAA, the appropriation must be used in a single fiscal year. The FY17 appropriation was used to fund program participation in July and August of summer 2016 and for June participation in summer 2017.

PED staff withheld about \$10 million of the FY18 appropriation for programs that begin in June 2018. Based on the summer 2017 per-student reimbursement rate, \$10 million would have funded an additional 8,376 students. PED requested school districts and charter schools to consider using other funding sources, like Title I funds, to ensure summer 2017 K-3 Plus participation was not reduced.



47 out of 89 school districts received funding in FY17.**



6 of 99 charter schools* received funding in FY17.**

* Map highlights districts in which charter schools are geographically located.
 ** Based on allocations in SHARE. Legislative staff have not yet received final FY17 award amounts from PED.

Purpose

The Public Education Department’s (PED) prekindergarten program is a voluntary program that provides developmentally appropriate activities for 4-year-old children through half-day or extended-day services.

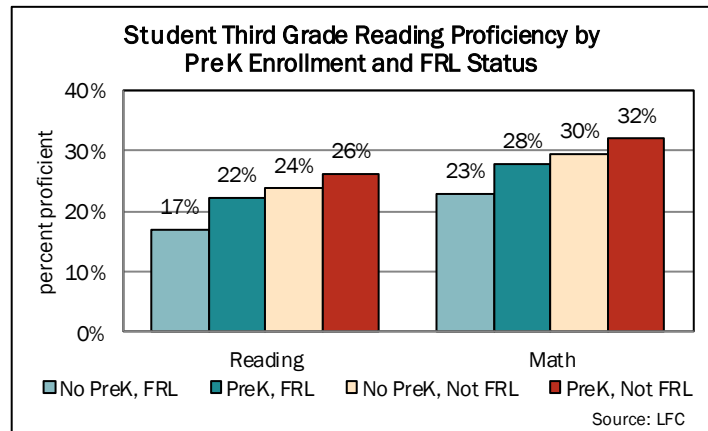
Appropriations to the prekindergarten fund do not revert. Fund balances at the end of FY17 are estimated to be \$6 million.

Accountability Measures

In FY17, PED allocations directly served 5,324 children, with 3,639 children in half-day and 1,685 children in extended day programs. Over \$21.8 million, not including PED employee salaries and benefits, was distributed to public schools at an average cost of \$4,103 per child.

The Children, Youth and Families Department (CYFD) runs a prekindergarten program using a separate pool of funding. Funding for both PED and CYFD programs totaled \$52.3 million in FY17 to serve 9,569 3- and 4-year-old students. LFC estimates an additional \$34 million would cover all children eligible for prekindergarten.

According to the National Institute of Early Education Research (NIEER), New Mexico ranked 16th in the nation for 4-year-olds enrolled in prekindergarten programs in 2016 and ranked 20th for state spending in PED and CYFD programs.



LFC’s 2017 Early Childhood Accountability Report shows prekindergarten programs deliver a positive return on investment by improving student literacy. Third grade PARCC math and ELA scores are higher for students that attend prekindergarten than their peers. Students who are eligible for free and reduced-fee lunch (FRL) realize strong benefits from prekindergarten, enough to significantly narrow the achievement gap. LFC also shows these benefits persist through fifth grade.

Appropriation and Budget

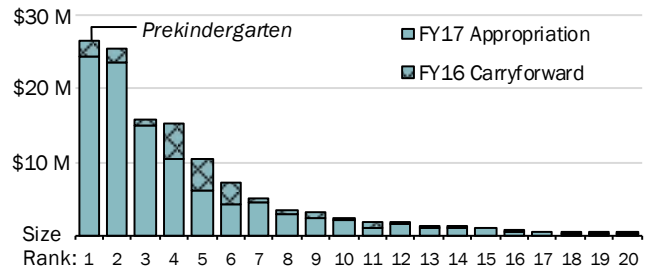
(in thousands)

FY17 Appropriation: \$24,500.0 FY16 Carryforward: \$2,000.0

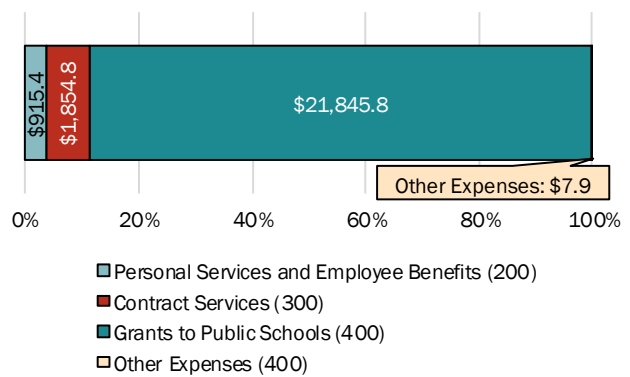


Remaining: \$541.2 Expenditures: \$25,958.8 Solvency Cut: \$0

Relative Size and Rank of FY17 Approp.



Expenditure Categories



Proposed Accountability Measures

- **Longitudinal trends of student-level outcomes.** Do prekindergarten students perform better than their peers through third grade and beyond?
- **Impact of half-day versus extended-day programs.** Should resources be allocated to focus on improving access (more half day participants) or quality (more extended day participants) of prekindergarten?

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Prekindergarten aims to address the first element of a world-class education system by improving student readiness for school. A major goal of prekindergarten programs is to reduce third grade retention rates by improving student literacy.

Programs are generally designed to serve schools with high poverty, providing extra support for students who are likely to struggle.

Prekindergarten programs at PED and CYFD are aligned through FOCUS, a quality rating and improvement system developed by the University of New Mexico (UNM) Center for Development and Disability. UNM CDD provides on-site coaching for prekindergarten administrators and teachers, and observes prekindergarten classrooms using a rubric that rates the classroom environment, early learning best practices, the demeanor of the teacher, and the integration of literacy, math, and science concepts.

Use of FY17 Appropriation

A total of \$21.8 million was allocated directly to school districts and charter schools, with some being allocated to REC #6 and REC #7. RECs distributed funds to school districts within their region.

PED used \$183 thousand to fund employee salaries and benefits within the department.

Of the \$1.9 million designated for contracts, \$1.5 million was used in contracts with UNM as follows:

- \$880 thousand for development and delivery of New Mexico prekindergarten training for teachers, support staff, and administrators;
- \$500 thousand to support on-site coaching in districts from the UNM CDD in early literacy and social-emotional development; and
- \$220 thousand for the collection of data and maintenance of the New Mexico prekindergarten website.

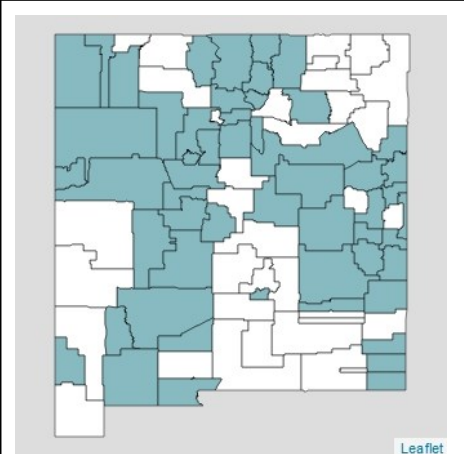
Policy Issues

LFC analysis has found prekindergarten significantly improves the math and reading proficiency of participating students, reduces the need for remediation and retention, and provides a positive return on investment.

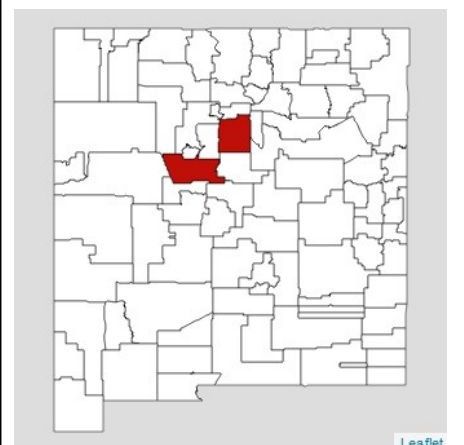
Prekindergarten almost entirely mitigates the effect of poverty when examining third grade reading and math proficiency, making substantial progress in closing the achievement gap. More FRL-eligible prekindergarten students are proficient than their peers who did not participate in prekindergarten.

Currently, only CYFD offers prekindergarten to 3-year-old children. CYFD reports serving 997 3-year-olds in prekindergarten in FY17.

PED has shown an intent to focus on expanding extended-day programs. This has raised concerns about schools' capacity to increase the number of children funded in half-day programs, or to offer the program to younger ages. The Legislature may wish to consider whether resources should be prioritized to improve prekindergarten access (more half-day students) or quality (more full-day students).



55 out of 89 school districts received funding in FY17.**



5 of 99 charter schools* received funding in FY17.**

* Map highlights districts in which charter schools are geographically located.

** Based on initial FY17 allocations. Legislative staff have not yet received final FY17 award amounts from PED.