

MINUTES
Legislative Education Study Committee
State Capitol, Room 322
Santa Fe, New Mexico
December 18 - 19, 2017

December 18, 2017

Senator Mimi Stewart, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 8:34 a.m., on Monday, December 18, 2017, in Room 322 of the State Capitol in Santa Fe, New Mexico.

The following LESC voting and advisory members were present: Voting: Chairwoman Mimi Stewart, Vice Chair G. Andrés Romero, Senators Craig W. Brandt, Candace Gould, William P. Soules, and Representatives Alonzo Baldonado, Dennis J. Roch, James E. Smith, and Christine Trujillo; Advisory: Senators Carlos Cisneros, Daniel A. Ivey-Soto, Linda M. Lopez, Michael Padilla, and Representatives Joanne J. Ferrary, David M. Gallegos, Stephanie Garcia Richard, D. Wonda Johnson, Tim D. Lewis, Rick Little, Patricio Ruiloba, Tomás E. Salazar, Debra M. Sariñana, Elizabeth "Liz" Thomson, and Monica Youngblood.

The following LESC voting and advisory members were not present: Voting: Representative Sheryl M. Williams Stapleton; Advisory: Senators Gay G. Kernan, Howie C. Morales, John Pinto, and Representatives Jimmie C. Hall, Patricia Roybal Caballero, Angelica Rubio, Jim R. Trujillo, and Linda M. Trujillo.

Also present were Representatives Rebecca Dow and Debbie A. Rodella, and Senator Cisco McSorley.

On motion by Senator Brandt and seconded by Representative Smith, the December agenda was approved with no opposition.

On motion by Representative Roch and seconded by Senator Brandt, the LESC October meeting minutes were approved with no opposition.

International Education Comparisons and Student Performance on the Programme for International Student Assessment (PISA). Nathan Driskell, Senior Policy Analyst, Center for International Education Benchmarking, National Center on Education and the Economy (NCEE), reviewed the testimony the committee heard during the interim. Presentations focused on high-performing countries that promote continuous improvement for teachers, integrate early childhood care systems with health care and other family supports, and use career and technical education to improve student motivation and economic outcomes. The last of the four elements of a world class education system – aligned governance and possibilities for states to align governance – will be discussed in January 2018.

Andreas Schleicher, Director, Directorate of Education and Skills, Special Advisor on Education Policy to the Secretary General of the Organisation for Economic Co-operation and Development (OECD), is an expert on large scale education data sets and international assessment, including PISA. PISA assesses 15-year-old students in 76 countries in math, science, and reading every three years. It is different from tests in the United States because it focuses on the extent to which students can creatively apply knowledge. OECD collects data from students, teachers, principals, and parents to better understand the context in which students learn.

Educational development in the United States and much of the industrialized world has improved only marginally since 2006. One striking finding from PISA is there are some

countries where students from disadvantaged backgrounds succeed. The 10 percent of students who are most disadvantaged in Vietnam and Estonia do as well as the average student in the United States, and do better than the 10 percent of students who are most privileged in much of Latin America. For the United States, the vast majority of performance differences among students does not lie between schools; they lie within schools. Policymakers need to design policies to address systemic inequities, not just to address underperforming schools.

Mr. Schleicher pointed to policies high performing countries have implemented that made a demonstrable impact on PISA scores. While money makes a difference for poorer countries, the impact of educational spending becomes less significant in developed countries. In these countries, teacher quality is a better predictor for student success than spending. Countries can work to match talented teachers with challenging classrooms and dedicate more and better resources to the students who need them most. Few countries succeed with this; in most countries, disadvantaged students are more likely to go to schools that face a shortage of material resources or qualified teachers.

In the United States, time spent learning is an important predictor for learning outcomes. The same is not always true in other countries. Mr. Schleicher showed a chart demonstrating that, after a certain point, the more time students spend at school and learning, the worse they perform on international tests. This is because learning outcomes are the product of the quantity and the quality of learning time. In Massachusetts, student learning time is above the OECD average, but the learning outcomes are just as good as in Finland, Germany, Switzerland, Japan, and Estonia, where students do not spend as much time learning.

A survey of American teachers showed teachers believe their role is to facilitate student inquiry, which seems to show an advanced understanding of pedagogy. However, in the classroom, there is a prevalence of memorization, repetition, and practice. Mr. Schleicher showed a chart that demonstrated how memorization was helpful for simple tasks, but becomes less impactful as tasks become more complex.

Developing teachers as professionals includes making teaching more financially attractive, but also making teaching more intellectually attractive. Teaching as a profession exists in three dimensions: knowledge, autonomy, and networks. High performing countries balance these three dimensions in different ways. The United States offers large teacher networks, but the networks do not always improve instruction. Deeper forms of professional peer-collaboration like classroom observation are rare in the United States.

Representative Christine Trujillo asked how public, private, and charter schools differ in terms of academic outcomes, and Mr. Schleicher said there are few performance differences between public, private, and charter schools after accounting for the social backgrounds of students. The most successful systems give parents a high degree of choice but have a strong regulatory framework for quality assurance. Representative Christine Trujillo requested the study OECD published on this topic.

Representative Thomson asked about the evidence regarding the role that teachers should have in making decisions. Mr. Schleicher said teacher autonomy itself is not a predictor of positive learning outcomes. Most high performing countries give teachers a significant share of professional discretion but they also have strong mechanisms to ensure teachers have a good understanding of what effective teaching looks like.

Representative Sariñana asked how other countries engage parents, and Mr. Schleicher said in successful countries, teachers approach parents, rather than asking parents to come to them. For example, teachers in China have a lot of time for things other than teaching. Typically,

teachers call every parent about twice per week, not about problems, but to get parents involved. The teachers see that they need parent involvement to do their job effectively.

Representative Romero asked about how teachers are rewarded for innovation, and Mr. Schleicher said most teachers in the United States do not consider schools an innovation-friendly environment. The biggest complaint from teachers is that they get little meaningful feedback, public recognition, and appraisal to help them improve practice.

Representative Romero asked about the disconnect between teachers' priorities and what they are doing in the classroom. Mr. Schleicher said teachers in the United States appear to know what desirable pedagogical practices are, but may not know how to or may not be incentivized to implement them. Designing assessments that mirror learning strategies could help reduce the gap between intended and implemented practices.

Senator Stewart asked if state results on PISA can be separated from the national data and asked how New Mexico could have a larger sample of students participate in PISA. Mr. Schleicher said Massachusetts, Connecticut, Florida, and Colorado have larger samples of students participate in PISA. New Mexico would need to request the state sample from the National Center for Education Statistics. Though the deadline for the 2018 PISA has passed, New Mexico could participate in the 2021 PISA, but would be responsible for funding student participation.

Director's Report: Administrative Rulemaking, New Mexico Core Arts Standards. Kevin Force, Senior Research Analyst II, LESC, discussed a rule proposed by the Public Education Department (PED) that would repeal the current New Mexico standards for excellence for arts education, and replace them with the New Mexico Core Arts by incorporating by reference the National Core Arts Standards, as published by the National Coalition for Core Arts Standards. The incorporation explicitly includes future amendments. The standards are mandatory for kindergarten through eighth grade, and required for art electives in ninth through 12th grade.

The standards address the five disciplines of dance, media arts, music, visual arts, and theatre, through four distinct artistic processes: creating art, performing/presenting/producing the artistic work, responding to and understanding the artistic work, and connecting the artistic work with both personal and external meaning and context. Performance standards are specific to each primary and middle school grade level, while high school performance standards have three levels: proficient, accomplished, and advanced. The National Core Arts Standards include model cornerstone assessments for second, fifth, and eighth grades, as well as for the three high school proficiency levels.

During the 2017 legislative session, LESC endorsed Senate Bill 241, which directed PED to adopt standards "based on nationally recognized standards for dance, media arts, music, theatre, and visual arts." The bill passed the Legislature, but was vetoed by the governor. This proposed rulemaking adopting the National Core Arts Standards would implement the same changes SB241 would have mandated.

Senator McSorley, who cosponsored SB241 with Chair Stewart, addressed his continuing efforts to integrate arts education into the main school curriculum, indicating arts education. He noted that engaging the full brain through different disciplines yields better student academic outcomes.

Representative Salazar noted a constituent's concern that some administrative agencies are failing both to post notices of rulemaking on the New Mexico Sunshine Portal, and failing to open and maintain permanent rulemaking records on the Sunshine Portal, inconsistent with Laws 2017, Chapter 137 (House Bill 58). Chair Stewart and Mr. Force noted some agencies had

been encountering difficulties posting materials to the Sunshine Portal. Rachel Gudgel, Director, LESC, noted LESC staff would convey these concerns to PED staff.

Committee Sponsored Legislation. LESC staff presented a number of bills for the committee's endorsement for the 2017 legislative session that are the result of the committee's interim work. The committee endorsed the following five bills:

- A bill, endorsed by the Military and Veterans' Affairs Committee, to expedite reciprocal licensing of teachers who are military personnel, their spouses, or veterans who hold a valid current or expired teaching license in another jurisdiction. The bill was endorsed 8:0.
- A bill, endorsed by the Public School Capital Outlay Task Force (PSCOOTF), which requires nonprofit entities organized specifically to purchase facilities for a charter school to enter into a legally binding agreement with the charter school to transfer the facility's title to the charter school immediately upon the nonprofit entity's final acquisition of the title. The bill was endorsed 8:0.
- A bill to extend the school bus replacement cycle for school-district-owned buses from 12 to 15 years or 300 thousand miles, whichever comes first. The bill was endorsed 6:3, with Senator Brandt and Representatives Romero and Christine Trujillo opposing.
- A bill to amend the definitions of "school-age person" and "qualified student" in the Public School Code to prevent schools from claiming funding for students over 21 years of age. The bill was endorsed 7:2, with Representatives Roch and Christine Trujillo opposing.
- A bill, endorsed by PSCOOTF, to implement a replacement formula for the current state and local match formula in the Public School Capital Outlay Act over five years. The replacement formula adjusts the state and local match formula to more accurately reflect each school district's ability to pay for their capital outlay projects. The bill was endorsed 7:1, with Senator Brandt in opposition.

The committee postponed voting on two additional bills until the committee had more time to discuss them at the January 2018 meeting:

- A bill to amend the Public School Finance Act to replace current instructional staff training and experience index with a teacher cost index, and gradually increase the at-risk index multiplier over five years.
- A bill to establish performance-based, expedited charter school renewal and closure provisions, based on student academic growth, which also limits the ability of the secretary of public education to overturn school closure decisions.

FY18 and FY19 General Fund Outlook. Robert McGrail, Economist, Department of Finance and Administration (DFA), said preliminary FY17 recurring general fund revenue exceeded expectations by \$145 million and that new money for FY19 is projected at \$199 million. The forecast anticipates moderate macroeconomic growth at the national and state levels, with increases to oil prices and projected oil and gas volume.

Clinton Turner, Chief Economist, DFA, noted there are risks to the forecast, including from tax protests, uncertainty at the federal level involving the proposed tax bill, healthcare policies, and trade issues. He said due to the volatility of revenues, the state should target 10 percent of appropriations for cash reserves. He noted the importance of the oil and gas school tax

stabilization reserve, and said if the reserve had been in place in 2014, the state would have had an additional \$130 million in reserves, reducing FY17 solvency cuts.

James Kaminski, Senior Economist, Taxation and Revenue Department (TRD), discussed the \$445 million in tax protests and said TRD is waiting to find out if these tax protests will be resolved in court. Mr. Kaminski also noted TRD has been analyzing the proposed federal tax bill, though the final impact on New Mexico is still uncertain.

Jon Clark, Chief Economist, Legislative Finance Committee, said these protests represent more than the growth in general fund revenue between FY12 and FY18 and have the potential to nearly wipe out reserves. Mr. Clark noted the potential impact of federal tax legislation on Medicare and federal mineral leasing payments. He said if changes create a budget deficit, under current federal law, Medicare and federal mineral leasing payments would be sequestered within 15 days. While the prevailing thought is that Congress will prevent these sequestration cuts from going into effect, this remains a risk. Mr. Clark discussed the risks of transferring management of Los Alamos National Laboratory to a nonprofit, reduced revenue from insurance premium taxes if the federal government removes the individual health insurance mandate, and potential additional revenue from negotiations with Pojoaque over \$10.5 million in revenue sharing payments that were placed in escrow while the tribe was not under a gaming compact. Mr. Clark said Moody's Analytics recently issued a report recommending New Mexico have 10 percent in cash reserves to handle a moderate recession or 17 percent to handle a severe recession.

Representative Salazar asked if the current forecast accounts for any changes in federal taxes from the proposed tax legislation, and Mr. Turner said the consensus revenue forecast did not contemplate any federal tax legislation. Mr. Kaminski said the two national forecasting agencies will estimate the federal legislation's impact on the economy, which will feed into the consensus estimates. Representative Christine Trujillo asked if New Mexicans are likely to see a state tax increase because of changes in federal taxes, and Mr. Kaminski said he has been attempting to model the tax reform bill and does not see an immediate effects at the state level.

Senator Padilla asked how often fee schedules, royalties, and leases for state land are updated, and Mr. Clark said the state land office's lease sales have seen a significant increase because of the move to online auctioning. Long lease deals are necessary to generate interest, for example, with lease deals to bring in renewable energy there may need to be a guarantee for the next 25 to 30 years.

The Chair asked if tax protest and refund claims are bigger in the current year than in prior years, and Mr. Clark said LFC has requested that information but TRD has not yet compiled the data for prior years, which must be done manually. Mr. Kaminski noted the \$455 million is a risk if TRD loses every single protest, but based on the progress of the cases, the department believes they will prevail. The Chair said she is concerned TRD does not have enough staff to manage the issue, and Mr. Kaminski said TRD could benefit from additional budget and staffing. Representative Little asked what percentage of tax protests are related to the high wage jobs credit and Mr. Kaminski said between \$30 and \$35 million.

FY19 Public School Support and Public Education Department Budget Request. Christopher Ruskowski, Secretary-Designate, Public Education Department (PED), said the PED FY19 budget proposal was submitted on November 30 and is based on the August 2017 revenue estimate. He noted the PED request shows the department's priorities even though it does not include new money. Mr. Ruskowski said PED requested a \$4 million increase for prekindergarten because PED analysis indicates a number of school districts and charter schools are ready to implement new prekindergarten programs. He said prekindergarten could grow by \$9 million to \$10 million in FY19; at that growth rate, statewide prekindergarten could be fully funded in five years. He

said PED's request would allow K-3 Plus to serve 18 thousand to 19 thousand kids. Mr. Ruskowski said PED was proposing reduction to Reads to Lead and other "below-the-line" initiatives to prioritize funding for categorical appropriations. He noted there was wide variation in how school districts and charter schools were implementing initiatives.

Mr. Ruskowski said PED requested flat funding for the interventions and supports initiative and noted the programs funded by that initiative include Principals Pursuing Excellence, Teachers Pursuing Excellence, and truancy and dropout prevention coaches. He said PED was also using intervention funds for "blended learning" programs that provide access to online courses; the Legislature discontinued a separate appropriation for IDEAL-New Mexico in FY18. New Mexico adopted the Next Generation Science Standards (NGSS) and PED requested additional money for the science, technology, engineering, and math (STEM) initiative because PED anticipates the need for professional development and teacher-created instructional materials.

Chris Narkun, Director of Operations, PED, noted there is a slight increase to the state equalization guarantee distribution (SEG) request due to the estimate of funding formula credits for federal Impact Aid and forest reserve payments. For categorical distributions, transportation funding is kept flat year-over-year, but there is a slight increase for instructional materials. Mr. Narkun said PED requested \$4.5 million in nonrecurring special appropriations and PED's operating budget request was flat in terms of general fund dollars. Mr. Ruskowski said the budget request was submitted before conversations on additional revenue but that their priorities of prekindergarten, instructional materials, teacher compensation, and transportation were reflected.

The Chair noted PED funded 4,000 to 5,000 fewer students to participate in summer 2017 K-3 Plus programs and asked why some K-3 Plus programs were allowed to operate for 20 days when statute requires 25 days. Mr. Ruskowski said PED has noticed some school districts and charter schools have been implementing K-3 Plus for multiple years in a manner not in accordance with statute. He noted the Legislature and the executive would need to decide collectively if they are comfortable cutting off school districts and charter schools that are not implementing the program according to statute. He acknowledged the summer 2017 decisions were the result of errors in past years and that the program had been growing such that demand exceeded available dollars. The Chair said PED should follow the K-3 Plus statute and not approve programs with fewer than 25 days, and said school districts should be encouraged to implement the program with fidelity by keeping students with the same teacher.

Representative Garcia Richard said she does not know a single superintendent who would agree with a flat recommendation for the SEG distribution and she asked if superintendents were asking for any new money to be directed to department initiatives. Mr. Ruskowski answered superintendents did not communicate that preference, but said if there are additional revenues, dollars could be directed to instructional materials, transportation, teacher compensation, or insurance costs. He said he did not feel that initiative programs that have shown demonstrable student outcomes should be reduced.

Representative Garcia Richard noted PED has budgeted \$1.6 million in initiative appropriations for department staff and asked why the department had not requested additional funds in the operating budget to administer these programs. Mr. Ruskowski said PED requires staff to implement programs like K-3 Plus, prekindergarten, and Reads to Lead. Mr. Narkun noted the amount of below-the-line appropriations are often not known until the end of the legislative session and it is not feasible to predict how many staff will be needed in the agency budget. Rachel Gudgel, Director, LESC, noted the number of department staff has been fairly consistent, and is independent of the amount that has been budgeted from those below-the-line appropriations.

Representative Garcia Richard asked if the request for STEM funding will be allocated to existing initiatives or used to implement the new science standards, and Mr. Ruskowski said PED intends to continuing existing programs if they are working and to begin new programs for implementing the new science standards. He said this includes a program for teachers to review, create, and develop instructional materials. He noted Gallup-McKinley County Schools has already created science instructional materials. Mr. Ruskowski said PED anticipates the bulk of the additional funds will go to the implementation of the new science standards. Representative Garcia Richard asked about the increase in regional education cooperative (REC) revenue and the significant amount of below-the-line initiatives that are subcontracted through RECs, and Mr. Ruskowski said RECs are essential partners in offering services and offered to speak to this initiative by initiative.

Senator Soules asked why PED was requesting less for the elementary breakfast program, and Mr. Narkun said the reimbursements have historically been around \$1 million. Senator Soules asked about the budgeted expenditures for the 2 percent set aside for state-chartered charter schools, and Mr. Ruskowski said PED can follow up with more information.

Representative Romero asked PED to provide the numbers used to justify the decrease, and Mr. Narkun said they would provide that information.

Senator Brandt noted the Legislature keeps putting money into K-3 Plus without requiring programs to be implemented with fidelity. He said PED needs to make sure the program is being implemented with fidelity. He said once a pilot program has been completed, funding should move to the SEG. He does not feel that K-3 Plus works long term and if the money were redirected to the SEG school districts could implement the programs they choose. Senator Brandt said the funding provided for transportation is inadequate for some school districts, and has never received an explanation for how that transportation formula works. Mr. Ruskowski said he would like to follow up on that but said transportation is a priority. Senator Brandt said instructional materials have not been adequately funded, and Mr. Ruskowski said Senator Brandt has highlighted two of the high priority areas for PED.

Representative Gallegos asked which initiatives are showing the best return on investment and Mr. Ruskowski said Teachers Pursuing Excellence, Principals Pursuing Excellence, and Advanced Placement have shown good returns. He said he did not think the state could not expect the same degree of fidelity and quality of implementation when funds are provided through the SEG. He said part of the challenge is that not all school districts and charter schools have chosen to take advantage of these programs.

Representative Roch noted the Public Schools Insurance Authority has requested a \$17.5 million increase to the SEG for insurance and asked if the department would consider additional funding for insurance and Mr. Ruskowski said yes. Representative Roch asked if PED would consider additional funding to cover the employee's portion of the insurance increase to ensure teachers do not see a reduction in take-home pay, and Mr. Ruskowski said PED would like to confer about what might be most appropriate. Representative Roch asked if the state is experiencing growth in units and if PED had considered the need for additional SEG funding for growth, and Mr. Ruskowski said he would follow up because PED had just certified first reporting day data on Friday, December 15.

Representative Roch asked if the General Appropriation Act language could improve fidelity of programs moved to the SEG, and Mr. Ruskowski said when money moves to the SEG it becomes much more difficult to monitor. Representative Roch noted the burden on small school districts. Mr. Ruskowski said below-the-line initiatives are designed to allow for local control in deciding which programs to pursue. Representative Roch noted that putting those funds into the SEG allows local school districts to choose what most fits their needs.

The Chair asked how many total program units are projected in 2018 and if the state will meet special education maintenance of effort requirements in FY18, and Mr. Ruszkowski said PED would report to the Legislature once those numbers had been finalized.

There being no further business, the Chair recessed the meeting at 5:41 p.m.

December 19, 2017

Senator Mimi Stewart, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 8:37 a.m., on Tuesday, December 19, 2017, in Room 322 of the State Capitol in Santa Fe, New Mexico.

The following LESC voting and advisory members were present: Voting: Chairwoman Mimi Stewart, Senators Craig W. Brandt, Candace Gould, William P. Soules, and Representatives Alonzo Baldonado, James E. Smith, and Christine Trujillo; Advisory: Senators Carlos Cisneros, Linda M. Lopez, and Howie C. Morales, and Representatives Joanne J. Ferrary, David M. Gallegos, Stephanie Garcia Richard, Tim D. Lewis, Rick Little, Patricio Ruiloba, Tomás E. Salazar, Debra M. Saniñana, and Elizabeth "Liz" Thomson.

The following LESC voting and advisory members were not present: Voting: Vice Chair G. Andrés Romero, and Representatives Dennis J. Roch and Sheryl M. Williams Stapleton; Advisory: Senators Daniel A. Ivey-Soto, Gay G. Kernan, Michael Padilla, John Pinto, and Representatives Jimmie C. Hall, D. Wonda Johnson, Patricia Roybal Caballero, Angelica Rubio, Jim R. Trujillo, Linda M. Trujillo, and Monica Youngblood.

Also present was Representative Debbie A. Rodella.

Joint LESC and LFC Program Evaluation: Financial Responsibility, Governance, and Student Outcomes of Virtual Charter Schools. Mitchell Herz, Program Evaluator, LESC, stated the report focuses on New Mexico Virtual Academy (NMVA), New Mexico Connections Academy (NMCA), and Pecos Connections Academy (PCA). Mr. Herz reviewed findings dealing with student academic outcomes, stating virtual charter schools generally produce lower academic outcomes and academic growth than brick-and-mortar schools despite serving fewer at-risk students. Nathan Eckberg, Program Evaluator, Legislative Finance Committee, reviewed findings of the report dealing with financial responsibility and governance. The funding formula treats virtual charter schools identically to brick-and-mortar schools despite them having lower operating expenses. One virtual charter school, signed a contract with the school's for-profit curriculum provider that delegates to the company authority to support the lead school administrator in all responsibilities associated with oversight, discipline, and dismissal of school staff.

Katie Poulos, Director, Options for Parents and Families, Public Education Department (PED), stated the recommendations in the report could apply to both virtual charter schools and virtual education programs. Ms. Poulos acknowledged local school districts face challenges when authorizing charter schools and stated PED will be using grant funding to support authorizer best practices. She noted the Procurement Code does not give PED the authority to enforce violations. She added virtual charter schools follow the same specific standards and processes as all charter schools to apply for the special education caseload waiver.

Senator Soules asked Ms. Poulos if for-profit companies are running the virtual charter schools and asked who is responsible for ensuring the Procurement Code is followed. Ms. Poulos stated she could only speak to schools authorized by the Public Education Commission (PEC), and said NMCA's contract meets the letter of the law. School districts have the authority to oversee locally chartered charter school contracts. The state purchasing office and the attorney general are responsible for ensuring the Procurement Code is followed.

Representative Thomson asked about attendance, student work verification, and funding. Mr. Eckberg said attendance is tracked by the school and reported to PED. Ms. Poulos said learning coaches report absences or incomplete work periodically. Virtual charter schools must follow the Compulsory School Attendance Law if students are not logging in for the required number of hours. To check if students are doing the work, Mr. Herz said the virtual charter schools indicated they follow the quality of the work and look for trends over time. With respect to funding, Mr. Herz said, in FY17, 50 percent of the virtual charter school's program costs went to Connections, Inc. or K12, Inc.

Representative Garcia Richard asked about what an online session looks like. Denise Terrazas, Program Evaluator, LESC, said it is similar to a chat room, in which there are various ways for teachers and students to engage and communicate. Learning coaches are responsible for ensuring students stay on track. Ms. Terrazas said she saw adults in some of the students' homes when their webcams were on.

Representative Garcia Richard asked if a person can start a for-profit company and contract with a licensed administrator to manage and run a charter school. Ms. Poulos said she does not think a licensed administrator can contract with a for-profit company because it would create a conflict of interest. She clarified K12 contracts with the charter school's governing board.

Representative Ferrary asked about transportation funding, PEC's position on authorizing virtual charter schools, and teacher evaluations. Mr. Eckberg said no virtual charter school has applied for transportation funding. Patricia Gipson, Chair, PEC, said some PEC members think it is more appropriate for school districts to manage virtual charter schools because there is potential to have face-to-face encounters with students. Ms. Poulos said virtual charter school teachers are evaluated the same as regular teachers, though some evaluation standards are adapted.

Representative Baldonado asked if any students enrolled in virtual charter schools are nontraditional students, and Mr. Herz said he would follow up with data available on credit recovery.

Representative Thomson asked how physical education (PE) courses and certain skills, like holding a pencil, are addressed virtually. Mr. Herz said learning coaches provide some of the things that are provided in a brick-and-mortar classroom. Ms. Terrazas said students follow PE course modules that tell them what exercise to do for the day.

Representative Sariñana asked how virtual students are assessed annually, and Ms. Poulos said the virtual charter schools establish test sites around the state where students are required to take the assessment in person.

The Chair asked Ms. Gipson to give more insight on NMCA and the PEC's decision to deny the school's charter renewal, and Ms. Gipson said NMCA had not achieved the 95 percent test participation rate; NMCA has expressed difficulties finding testing sites statewide that are within 50 miles from their students. Other concerns were related to attendance, the school's ability to provide special education services, and the reliance on learning coaches.

In response to the Chair's question about student turnover, Ms. Poulos said PED monitors STARS data to monitor student turnover at the virtual charter schools, including turnover from year to year and turnover within a school year.

The Chair asked Ms. Poulos to give more detail about which of the report's recommendations she agrees with. Ms. Poulos said defining virtual school and placing enrollment caps on virtual charter schools is important. Defining an expedited performance-based closure process for virtual schools is a little narrow. With respect to providing budget details, any school could be

required to do that. Enforcing state law to prohibit charter school management by for-profit companies is essential and is up to the authorizers.

2018 Legislative Agendas: Education Stakeholders. Joe Guillen, Executive Director, New Mexico School Boards Association (NMSBA), stated NMSBA supports legislation guided by the following principles: opposition to unfunded mandates; promotion of local control and decision-making; and support for adequate funding. Ramon Montaña, President, NMSBA, said the association initiates a process each year to enable local school boards to express their opinions on current educational issues, which are collected through a resolutions process. Mr. Guillen stated all resolutions passed unanimously and included the following requests: to be held harmless from any further reductions to operating budgets and cash balance reserves; to prioritize funding to the state equalization guarantee by increasing the unit value; to increase funding to school districts to provide cost-of-living adjustments; to phase in salary increases to offset increased insurance premiums and retirement contributions; and to increase and fully fund minimum teacher and principal salary levels. Additionally, legislative priorities included requesting necessary funding for student transportation, setting up a fund to reimburse school districts for costs associated with teachers who obtain national board certification, providing funding and support for regional education cooperatives in all areas of the state, and supporting expansion of the 2017 tax study to include strategies to identify increased revenue sources for public schools.

Stan Rounds, Executive Director, New Mexico Coalition of Education Leaders (NMCEL) and New Mexico School Superintendents' Association (NMSSA), stated the legislative priorities of both organizations include promoting more local control and sufficiently funding schools, including adequate funding for transportation and instructional materials. Maria Jaramillo, President, NMCEL, agreed local control is essential because local superintendents, educators, and school boards know their students and needs the best. Additionally, she emphasized the importance of equitable access to teachers and resources for all students while holding school districts accountable.

Charles Bowyer, Executive Director, National Education Association New Mexico (NEA-NM), said NEA-NM's legislative priorities include adequate education funding for public schools and early childhood education, less student testing, more professional development for teachers, higher quality healthcare for students, improved teacher induction and mentorship programs for beginning teachers, and creating a living wage for all school employees.

Renata Witte, Vice President for Legislation and Advocacy, New Mexico Parent Teacher Association (NMPTA), said the National Conference of State Legislatures' report, *No Time to Lose*, emphasized NMPTA's legislative priorities, including creating a common vision for New Mexico and setting education priorities that go beyond political affiliation, age, race, and ethnicity; closing the achievement gap; and promoting early childhood education opportunities for English learners and low-income and minority students.

Matt Pahl, Executive Director, New Mexico Coalition for Charter Schools (NMCCS), stated NMCCS has three legislative priorities, including maintaining funding equity in the funding formula, providing greater accessibility to permanent charter school facilities, and enhancing charter school flexibility for teacher licensure and endorsements.

Senator Morales asked what the state is doing to keep teachers in the classroom, and Mr. Rounds said it is essential to keep teachers in the profession, and solutions to keeping teachers in the classroom include higher compensation, improving the teacher evaluation system, and being advocates that support and value teachers. Mr. Bowyer agreed with the notion to create a more respectful environment for teachers to work in. Anecdotally, more teachers leave because they no longer feel respected or experience joy in the work.

The Chair said lower compensation might be the reason why fewer candidates are going into the teaching profession and why retired teachers are not coming back to the classroom, and Mr. Montaña said salary is one key factor why teachers leave the profession; however, teachers also indicated there are several other impediments to teaching, including too many mandates from the Public Education Department (PED) that do not allow teachers to be creative or to teach in a way that is conducive to the teacher's teaching style.

Senator Brandt asked Mr. Guillen if there was a list of unfunded educational mandates, and Mr. Guillen said several organizations, including NMSSA and PED, have created a listing of unfunded mandates; however, Mr. Guillen has not seen the PED listing. Mr. Guillen stated he would provide the NMSSA listing to the Senator.

There being no further business, the Chair adjourned the meeting at 12:08 p.m.