



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

Program
Evaluation
Unit

Program Evaluation: Federal Funding in
New Mexico Public Schools

May 10, 2018

Report #18-03

LEGISLATIVE FINANCE COMMITTEE

Representative Patricia A. Lundstrom, Chairwoman
Senator John Arthur Smith, Vice-Chairman
Representative Paul C. Bandy
Senator William F. Burt
Senator Pete Campos
Senator Carlos. R Cisneros
Representative Randal S. Crowder
Representative George Dodge, Jr.
Representative Jimmie C. Hall
Representative Larry A. Larrañaga
Senator Carroll H. Leavell
Senator Howie C. Morales
Senator George K. Munoz
Senator Steven P. Neville
Representative Nick L. Salazar
Representative Jim R. Trujillo

DIRECTOR

David Abbey

DEPUTY DIRECTOR FOR PROGRAM EVALUATION

Charles Sallee

PROGRAM EVALUATION TEAM

Amir Chapel
Jon R. Courtney, Ph.D.
Sarah M. Dinces, Ph.D.
Nathan Eckberg, Esq.
Jenny Felmley, Ph.D.
Micaela Fischer
Brenda Fresquez, CICA
Maria D. Griego
Brian Hoffmeister
Clayton Lobaugh
Travis McIntyre, Ph.D.
Alison Nichols

Representative Patricia A. Lundstrom
Chairwoman

Representative Paul C. Bandy
Representative Randal S. Crowder
Representative George Dodge, Jr.
Representative Jimmie C. Hall
Representative Larry A. Larrañaga
Representative Nick L. Salazar
Representative Jim R. Trujillo

State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

325 Don Gaspar, Suite 101 • Santa Fe, NM 87501
Phone: (505) 986-4550 • Fax (505) 986-4545

David Abbey
Director



Senator John Arthur Smith
Vice-Chairman

Senator William F. Burt
Senator Pete Campos
Senator Carlos R. Cisneros
Senator Carroll H. Leavell
Senator Howie C. Morales
Senator George K. Munoz
Senator Steven P. Neville

May 10, 2018

Christopher Ruszkowski, Secretary Designate
Public Education Department
Jerry Apodaca Education Building
300 Don Gaspar
Santa Fe, New Mexico 87505

Dear Secretary Designate Ruszkowski:

The Legislative Finance Committee is pleased to transmit the evaluation, *Federal Funding in New Mexico Public Schools*. The evaluation examined the role of federal funding in New Mexico public schools, the administration of federal programs, and the effect of federal funding on student academic performance.

The report will be presented to the Legislative Finance Committee on May 10, 2018. An exit conference discussing the contents of the report was conducted with the Public Education Department on May 4, 2018. The Committees would like a plan to address the recommendations within this report within 30 days from the date of the hearing.

I believe this report addresses issues the Committee asked us to review and hope your department and New Mexico's school districts and virtual schools will benefit from our efforts. We very much appreciate the cooperation and assistance we received from you and your staff.

Sincerely,

A handwritten signature in cursive script that reads "David Abbey".

David Abbey, Director

CC: Representative Patricia A. Lundstrom, Chair, Legislative Finance Committee
Senator John Arthur Smith, Vice-Chair, Legislative Finance Committee
Senator Mimi Stewart, Chair, Legislative Education Study Committee
Representative G. Andrés Romero Vice-Chair, Legislative Education Study Committee
Ms. Duffy Rodriguez, Secretary, Department of Finance and Administration
Mr. Keith Gardner, Chief of Staff, Office of the Governor
Mr. Wayne Johnson, State Auditor
New Mexico School Superintendents' Association
New Mexico School Boards Association

Table of Contents



Executive Summary	1
Key Findings and Recommendations	2
Background	4
New Mexico Receives Millions of Dollars in Federal Funding for Public Education.....	4
Findings and Recommendations	10
Federal Funds Leveraged for Instruction Could be Targeted to State Initiatives	10
New Mexico Takes Partial Credit for Federal Impact Aid Funds.....	17
Millions of Dollars in Federal Grant Funds Remain Unexpended Each Year	20
Federal Funding Alone Does Not Drive Student Performance	23
To Receive Federal Education Funding, States Must Develop Public Education Accountability Systems.....	26
Agency Response	29
Appendices	30
Appendix A: Evaluation Scope and Methodology	30
Appendix B: Federal Funding for Public Schools, FY16.....	31
Appendix C: Categories of IDEA Funding of New Mexico School Districts and Charter Schools.....	32
Appendix D: Elementary and Secondary Education Act of 1965.....	33
Appendix E: ESSA Title I Statutory Funding Allocation Formulas	34
Appendix F: New Mexico Federally Impacted Children, FY16.....	35
Appendix G: FY16 School District and Charter School Expenditures by Fund Category.....	36
Appendix H: Potential “Below-the-Line” Uses for ESSA Title I, Title II and Title IV Funds.....	40





Federal funding plays an essential role in New Mexico's public education system

Roughly \$500 million in federal funding is available each year for statewide education initiatives. New Mexico leverages hundreds of millions of dollars for public schools from over 70 categories of federal funding. Federal funding makes up 13 percent of total public school funding. Most federal school funding comes from Title I of the Every Student Succeeds Act of 2015 (ESSA), the Individuals with Disabilities Education Act (IDEA), food service programs such as the National School Lunch Program, and the Impact Aid program (ESSA Title VII). Federal law also shapes states' public education accountability systems such as standardized testing, district report cards, school improvement plans, and school rating systems. This evaluation reviewed the role of federal funds in New Mexico's public education system, the effects on student performance, and administration.

Federal funds supplement the instructional mission of public schools with additional teachers, support services, and professional development. Federal funding reduces student-to-teacher ratios. ESSA Title I funding provides resources to schools with high proportions of low-income students throughout the state. IDEA provides funding to states to help support the education of children with disabilities. Impact Aid compensates school districts and charter schools for the loss of property tax revenue and is a vital source of funding for federally impacted school districts and charter schools. The majority of federal funds are spent on instruction and support services. Federal funding for public schools is poised to increase, providing additional dollars for statewide initiatives. According to U.S. Department of Education (USDE) May estimates, New Mexico's federal fiscal year (FFY) 18 allocations for ESSA Title I and IDEA are respectively expected to increase by \$9.4 million (8 percent) and \$1.8 million (1.9 percent). According to Public Education Department (PED) May estimates, New Mexico's FFY18 Impact Aid funding is expected to increase by \$19.4 million (24.2 percent) from FFY17.

The evaluation concludes that although federal funding helps school districts and charter schools provide instruction and support services, federal funding by itself does not drive student performance. New Mexico school districts and charter schools with more per-pupil federal funding do not have higher levels of student academic proficiency. Similarly, states with higher per-pupil federal education funding do not have higher student proficiency or growth in proficiency.

Additionally, school districts and charter schools are not spending millions of dollars from state and federal grants each year. However, school districts report grant funds remain unexpended partially due to administrative delays in award letters, carryover certifications, and reimbursements. School districts should work to minimize unexpended grant funds and the PED should improve the timeliness of grant administrative processes.

In FY16, New Mexico school districts and charter schools received \$516 million in federal funding

Eighty-five percent of school federal grant expenditures were spent on student support services and instruction in FY16

KEY FINDINGS AND RECOMMENDATIONS

Federal Funds leveraged for instruction could be targeted to state initiatives

Schools have flexibility in spending federal funds, which primarily supplement instruction with additional teachers, support services, and professional development. According to FY17 operating budget data, school districts and charter schools budgeted 90.2 percent of their federal Title I expenditures on instruction, instructional support services, and student support services. PED reports that roughly 652 schools out of New Mexico's 848 public schools receive Title I funds. In FY16, New Mexico received \$116 million in Title I funding and 93 thousand children were eligible for Title I funding.

PED directs Title I set-aside funding to school districts implementing state initiatives. Most Title I funding flows directly to school districts and charter schools. However, PED must set aside 7 percent of Title I funds specifically for school improvement activities for low-performing schools and can set aside 3 percent for direct student services.

Federal funds, especially ESSA Title I funds, reduce student-to-teacher ratios. Federal funding supported 6.3 percent (1,313.7 FTE teachers) of New Mexico's 20,873.4 FTE public school teachers (not including librarians and instructional assistants) in FY16. ESSA Title I funding alone supported 4 percent (837.1 FTE teachers) of public school teachers.

New Mexico uses ESSA Title II funds to enhance professional training for teachers and principals. Title II, Part A funds provide states resources to train and retain highly qualified teachers and principals.

Additional federal funding can be used for state initiatives currently funded with general fund appropriations. Title I funds can be leveraged by districts and charter schools for prekindergarten, and other extended learning programs. Based on 2017-2018 Title I applications, most Title I schools report using some funding for instructional staff or school supplies and technology. Only 2 percent of Title I schools (16 schools) report using Title I allocations for prekindergarten programs.

Impact Aid compensates school districts and charter schools for the loss of property tax revenue and is a vital source of funding for federally impacted school districts and charter schools. Basic support payments provide both operational Impact Aid, which a school district or charter school can spend at their discretion on operations, and Impact Aid for Indian education.

Millions of dollars in federal grant funds remain unexpended each year

New Mexico takes partial credit for federal impact aid funds

New Mexico can take partial credit for operational Impact Aid funding when calculating state funding formula payments because the USDE annually certifies that New Mexico has equalized funding for public education.

School districts leave millions of dollars received from grants unexpended. PED data indicate school districts are not spending millions of dollars from state and federal grants including \$148 million in unexpended state and federal grant funds from 23 school districts in FY16, which includes \$23.4 million in unused ESSA Title I funds.

Administrative issues partially prevent school districts and charter schools from spending their entire grant funding. PED’s approval process for reimbursement requests includes programmatic and fiscal reviews. In FY17, PED processed 6,357 reimbursement requests from school districts and charter schools related to federal funds, which each took on average 18 days to process.

School districts and charter schools receiving more federal funds per student do not necessarily have higher proportions of low-income students achieving academic proficiency. Based on FY16 financial actuals and test score proficiency data, there is a weak relationship between a school district’s or state charter school’s federal funding per student and percentage of low-income students achieving proficiency on state tests.

Federal requirements shape states’ public education accountability systems such as standardized testing, district report cards, and school rating systems. Schools submitting NM DASH (Data, Accountability, Sustainability, and High Achievement) improvement plans to the PED are mostly focusing their plans on instruction, data use, and school culture.

Federal funding alone does not drive student performance

To receive federal education funding, states must develop public education accountability systems

Key Recommendations

School districts and charter schools should:

- Continue to leverage federal funds for state education initiatives and priorities such as prekindergarten, professional development, interventions, and after school programs.
- Minimize carryover and unexpended grant fund amounts each year.

The Legislature should consider:

- Adding language to the General Appropriation Act (GAA) requiring PED, when allocating “below-the-line” special appropriations, to prioritize school districts and charter schools that can provide a match of federal funds.
- Redefining federal impact aid revenues in state statute (Section 22-8-25 NMSA 1978) as amounts certified during prior fiscal year instead of the current fiscal year.

The Public Education Department should:

- Provide an annual report to the Legislative Finance Committee (LFC), Legislative Education Study Committee (LESC), and Legislative Council Service (LCS) detailing the sources and uses of all federal funds received by the department as per state statute (Section 22-9-10 NMSA 1978).
- Continue to improve the timeliness and efficiency of processing federal reimbursement requests.
- Improve the timeliness of providing award letters and carryover certifications.

The Legislature and Public Education Department should consider:

- Leveraging future school-level financial and performance data to identify the schools cost-effectively achieving high student outcomes.

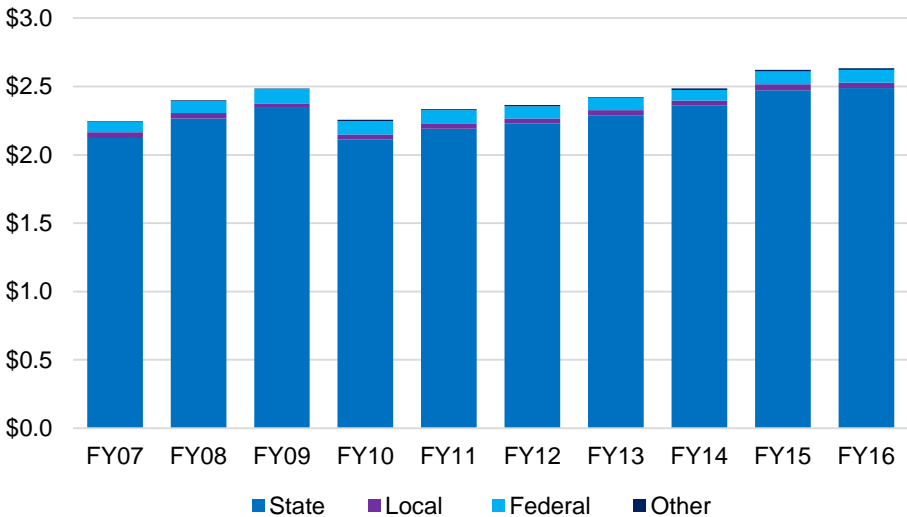


New Mexico Receives Millions of Dollars in Federal Funding for Public Education

New Mexico allocates a significant portion of state revenues, approximately 44 percent of general fund appropriations, to public schools annually. According to the U.S. Census Bureau’s 2015 Annual Survey of School System Finances, New Mexico ranked 35th in the nation for total revenue per pupil and 39th for instruction expenditures per pupil. While New Mexico outspends about a fifth of the states on instruction, it 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.

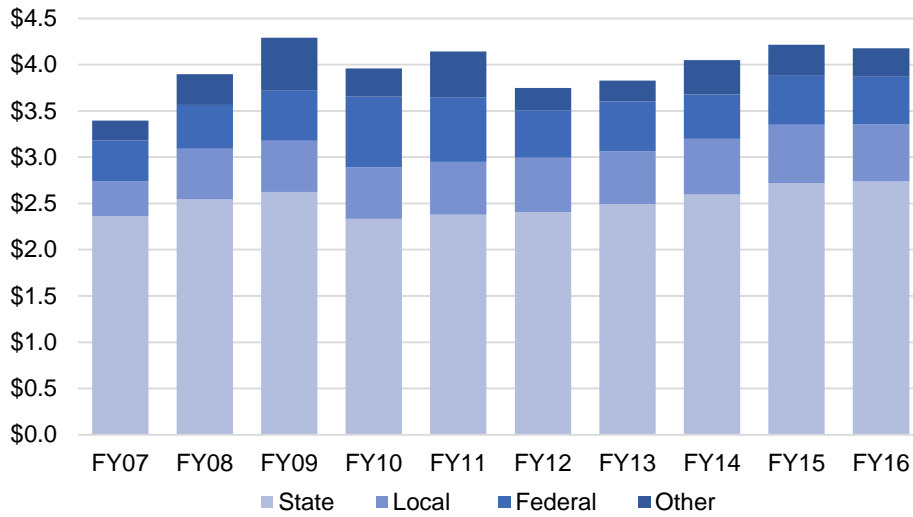
State funding makes up over 90 percent of the revenues school districts and charter schools receive for operational expenses and around 63 percent of total school district and charter school revenues including capital outlay and debt service. In addition to state funding, school districts and charter schools leverage local and federal revenues to cover operational expenditures (See Chart 1). Local funding for public school operations mainly comes from property taxes, severance taxes, and education fees, while federal funding for public school operations primarily consists of payments in lieu of property taxes for federal property, otherwise known as Impact Aid. Separate from operational revenues, school districts and charter schools receive local and federal funds for teacherages (i.e., lodgings for teachers), athletics, food services, and specific grant activities (See Chart 2). Other funding sources include the sale of bonds, property, and equipment. From FY07 through FY16, total state funding for public education grew 16 percent while total public education revenue grew by 23 percent.

Chart 1. Public Education Operational Revenues
(in billions)



Source: LFC analysis of PED data

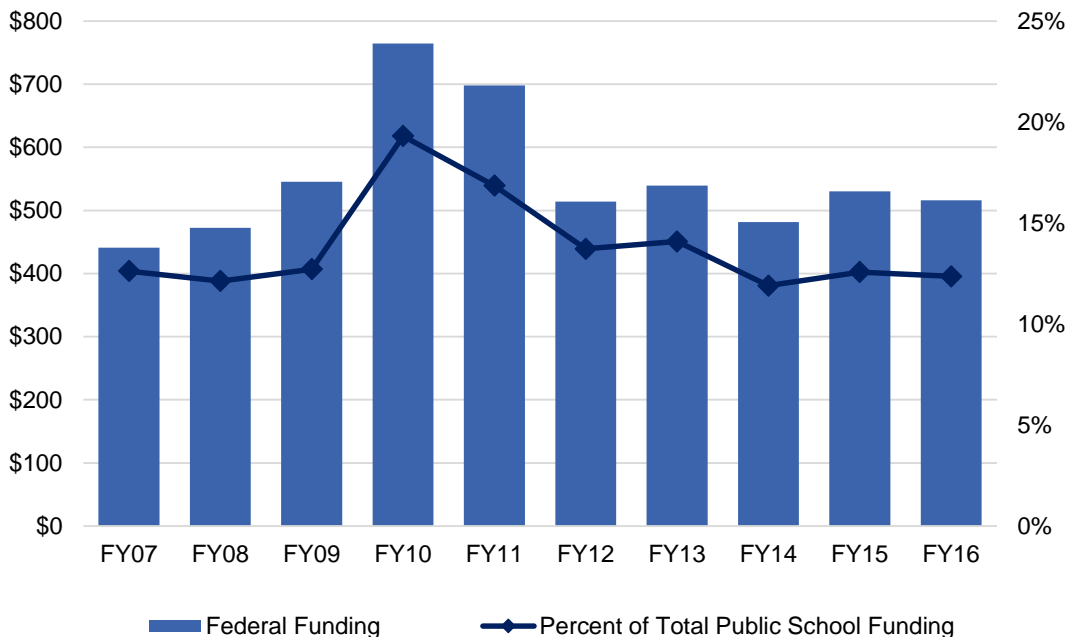
Chart 2. Public Education Total Revenues
(in billions)



Source: LFC analysis of PED data

In addition to significant state revenues, the public education system also benefits from federal funding, an average of \$516 million over the last five years, or roughly 13 percent of total public school funding. Federal funding, as a percentage of total public school funding, has remained stable from FY07 through FY16 with the exceptions of FY10 and FY11. In the aftermath of the economic downturn, New Mexico public schools received \$252 million in Federal American Recovery and Reinvestment Act (ARRA) and stimulus funding in FY10 and \$130.6 million in FY11. Federal funding for New Mexico public schools increased by \$75 million from \$441 million in FY07 to \$516 million in FY16. Even with this \$75 million increase, federal funding remained between 12 percent and 13 percent of total public school funding in both FY07 and FY16.

Chart 3. Federal Funding for New Mexico Public Schools
(in millions)

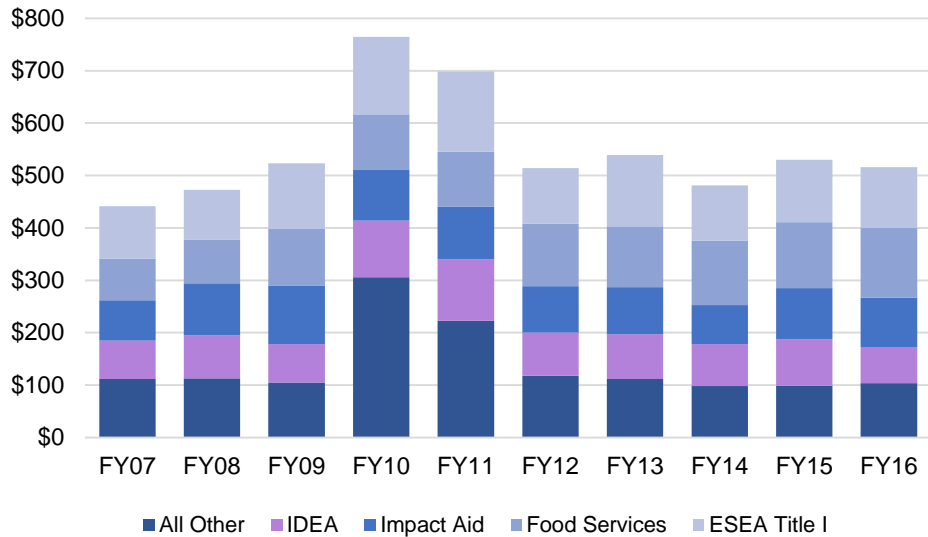


Source: LFC analysis of PED data

School districts and charter schools receive funding from 73 different categories of federal funds

School districts and charter schools received funding from 73 different categories of federal funds in FY16, according to PED financial data (See Appendix B). The majority of federal funding for New Mexico public education comes from four sources: funding from Title I of the federal Elementary and Secondary Education Act (ESEA), food services programs (such as the National School Lunch Program), the Impact Aid program, and the Individuals with Disabilities Education Act (IDEA). These four broad sources of funding made up 80 percent of all federal funding for public education in New Mexico in FY16. Historically, these four sources have constituted over 75 percent of federal public education funding in New Mexico (See Chart 4) with the exception of FY10 and FY11 due to federal stimulus funds from the American Recovery and Reinvestment Act (ARRA).

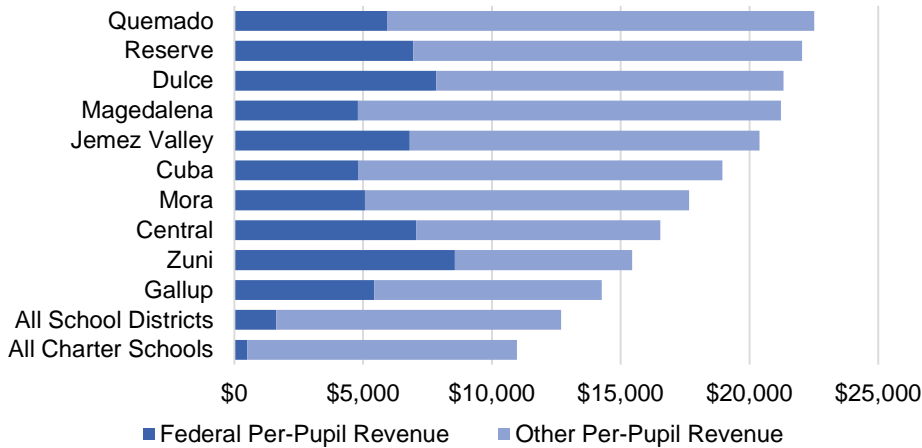
Chart 4. Largest New Mexico Federal Education Programs
(in millions)



Source: LFC analysis of PED data

Federal funding makes up a relatively low proportion of overall education revenue but some school districts receive high proportions of their total revenue from federal sources. On average, federal funds constituted roughly 13 percent of the total per-pupil revenues received by school districts and five percent of the total per-pupil revenues received by charter schools in FY16. Chart 5 shows the federal and non-federal per-pupil revenues of the 10 school districts with the highest percent of per-pupil revenues from federal sources, ranging from 23 percent (Magdalena) to 55 percent (Zuni). Federal Impact Aid payments and Forest Reserve payments, payments in lieu of taxes for federal and forest reserve lands, accounted for 37 percent to 71 percent of the total federal funding for these 10 districts.

Chart 5. School Districts with Highest Percent of Per-Pupil Revenue from Federal Sources, FY16



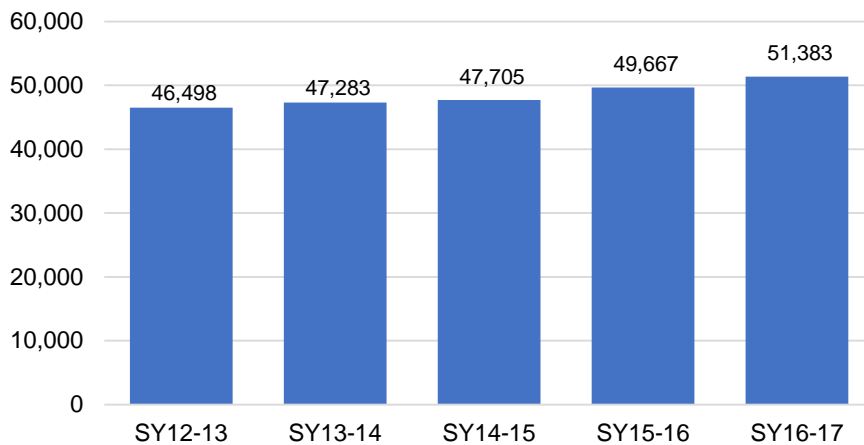
Note: Chart includes operational and all other revenues.

Source: LFC analysis of PED data

Federal Individuals with Disabilities Education Act (IDEA)

IDEA, originally enacted in 1975, is the main federal statute governing special education for children from birth through age 21. It contains detailed requirements for the receipt of IDEA funds to supplement state and local funding to provide special education to public education students, including the core requirement of the provision of a free appropriate public education (FAPE) to special education students. According to data from the U.S. Congressional Research Service and the New Mexico public education funding formula, approximately 13.5 percent of U.S. public school students and 15.2 percent of New Mexico public school students received special education services under IDEA in FY16. PED financial data indicates New Mexico school districts and charter schools received \$69 million in IDEA Part B and C funds in FY16. As shown in Chart 6, over 51 thousand New Mexico students received IDEA-B services in SY16-17, an increase of 11 percent from SY12-13.

Chart 6. New Mexico Students Aged 3-21 Receiving IDEA-B Services



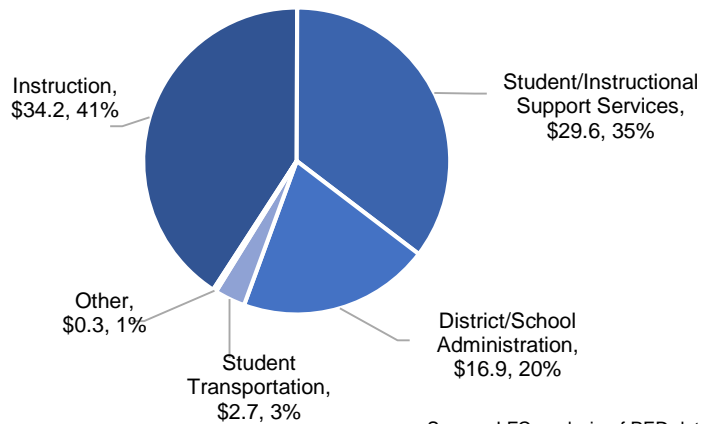
Source: USDE

School districts and charter schools receive and expend IDEA funds across seven categories of use. About 92 percent of federal IDEA funding comes from basic entitlement grants to help states provide special education

students, age three to 21, with access to a free and appropriate education (FAPE). There are six other smaller IDEA funding categories tracked in PED financial reports which provide additional special education resources (See Appendix C). PED is implementing a Results Driven Accountability (RDA) initiative, which allocates funding to improve special education reading proficiency in accordance with a required IDEA State Systemic Improvement Plan (SSIP). Although New Mexico schools have received IDEA discretionary grant funding for professional development in the past, school districts and charter schools did not receive IDEA discretionary grant funding in FY16.

Public schools spend the majority of federal IDEA funds on instruction, instructional support services, and student support services. School districts and charter schools spent 76 percent (\$63.8 million) of total federal IDEA funds (\$83.7 million) on instruction and support services for instruction and students in FY16. Chart 7 includes the expenditures from all IDEA basic entitlement, preschool, early child intervention, private school, risk pool, results driven accountability, and discretionary funds.

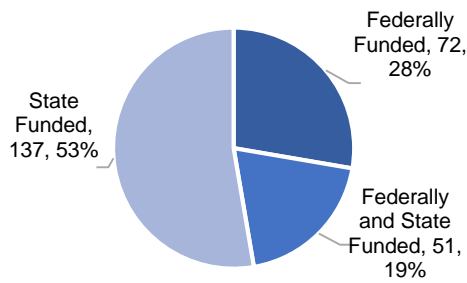
Chart 7. Public School Expenditure of Federal IDEA Funds, FY16
(in millions)



Public Education Department Federal Funds

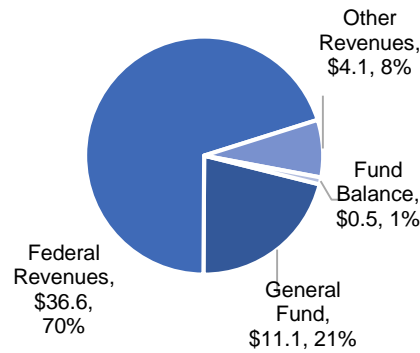
A significant part of PED’s mission is overseeing the use of federal funds in public education. Nearly half of PED full-time employees (FTE) receive federal funds for providing programmatic or administrative support to federal grants. According to data from PED’s FY19 appropriation request, 47 percent of PED FTE are supported through federal funding with 28 percent of staff, 72 FTE, paid entirely with federal funds and 19 percent, 51 FTE, partially funded with federal funds (See Chart 8). By cross-referencing PED’s FY19 appropriation request E-3B forms with a State Personnel Office (SPO) organizational listing report from March 2018, LFC staff estimated where federally funded FTE work in PED. PED staff paid entirely with federal funds are concentrated in the Title I, Special Education, Safe & Healthy Schools, and Student Success & Wellness Bureaus. Most PED staff partially paid with federal funds serve in the Budget, Purchasing, Audit & Accounting, Fiscal Grants Management, and College & Career Readiness Bureaus. Federal funding accounted for 70 percent of PED’s budget revenue sources in FY17; the majority of which was federal flow-through funds.

Chart 8. PED Budgeted FTE by Funding Source, FY19
(N = 260 FTE)



Source: PED FY19 Appropriation Request E-3B Forms

Chart 9. PED Budget Revenue Sources, 2016-17 Actuals
(in millions)



Sources: LFC Files

Recent Congressional Action

Congress increased the national appropriations for ESSA Title I, IDEA basic grants, and Impact Aid increased from federal fiscal year (FFY) 17 to FFY18. According to USDE May estimates, New Mexico's FFY18 allocations for ESSA Title I grants (\$129.1 million) and IDEA grants (\$101.7 million) are expected to respectively increase by 7.9 percent and 1.9 percent from FFY17. According to PED May estimates, New Mexico's FFY18 Impact Aid funding is expected to increase by \$19.4 million (24.2 percent) from FFY17. However, USDE and PED estimates for Impact Aid in FFY19 are conservative due to uncertainty in the federal budget process. School district officials reported to LFC staff that they would use additional Title I funds to fund additional instructional staff, professional development, and collaboration opportunities for teachers.

Federal Funds Leveraged for Instruction Could be Targeted to State Initiatives

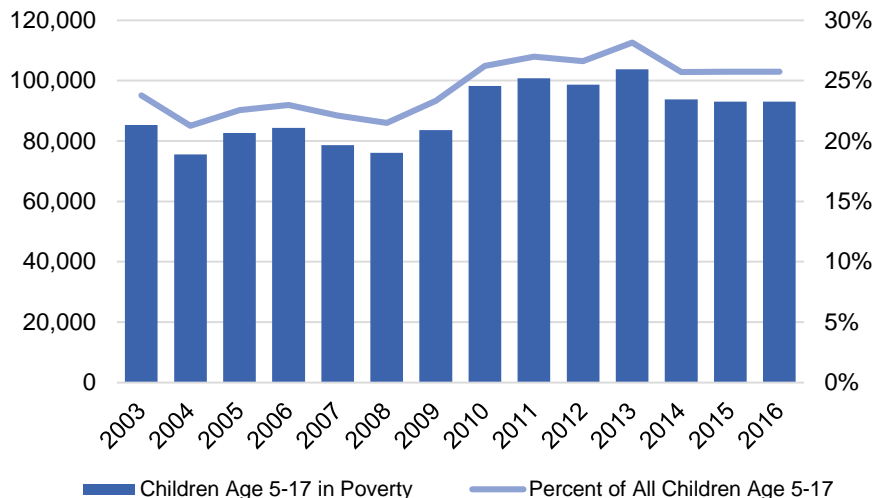
Schools have flexibility in spending federal funds, which primarily supplement instruction with additional teachers, support services, and professional development.

The Elementary and Secondary Education Act (ESEA) of 1965 provides financial assistance to help states close achievement gaps and provide children with access to equitable and high-quality education (See Appendix D). Congress has revised and reauthorized the ESEA eight times since 1965, most recently through the Every Student Succeeds Act (ESSA) of 2015. Title I of ESSA authorizes appropriations to school districts and charter schools serving children of low-income families. According to the U.S. Department of Education (USDE), ESSA Title I funding serves more than 21 million children across more than 56,000 public schools. USDE calculates Title I allocations to states and school districts based on four statutory funding formulas (See Appendix E).

PED reports that 652 schools out of New Mexico’s 848 public schools receive Title I funds. In FY16, New Mexico received \$116 million in Title I funding and 93 thousand children were eligible for Title I funding. The number of Title I eligible children in New Mexico increased after 2008 and has not yet returned to prerecession levels. Title I, Part A funding for states and school districts is partially determined by the number of children age five to 17 with a family income at or below the poverty level as estimated by the U.S. Department of Commerce. According to U.S. Census Bureau data, the total number of New Mexico children age five to 17 in poverty increased 29 percent from 2008 to 2010 and has since remained above 2008 levels as indicated by Chart 10 below.

652 schools out of New Mexico’s 848 public schools receive Title I funds

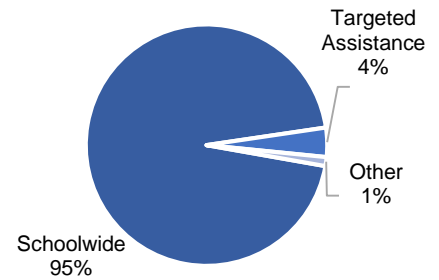
Chart 10. New Mexico Children Age 5-17 in Poverty
(ESSA Title I Eligible)



Source: U.S. Census Bureau

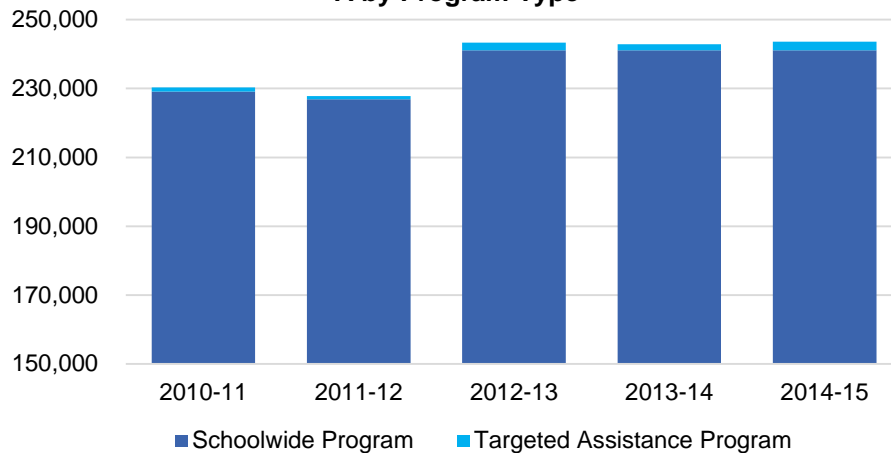
The majority of ESSA Title I, Part A programs in New Mexico are schoolwide programs. Schools can choose to use their ESSA Title I, Part A funding to operate either a targeted assistance program, which provide targeted instructional services to the most at-risk students, or a schoolwide program to improve educational outcomes for all students in the school. Schools operating a schoolwide Title I program have greater flexibility in providing students services, but must develop and annually revise a comprehensive schoolwide plan for their Title I program. As shown in Chart 12, the majority of New Mexico students receive Title I, Part A services from schoolwide programs. According to Title I applications, only five of New Mexico’s 652 Title I schools will operate targeted assistance programs during the 2017-18 school year.

Chart 11. ESSA Title I Participants in U.S. by Program Type, SY15
(N = 25,397,494)



Source: USDE

Chart 12. New Mexico Participants in ESSA Title I, Part A by Program Type



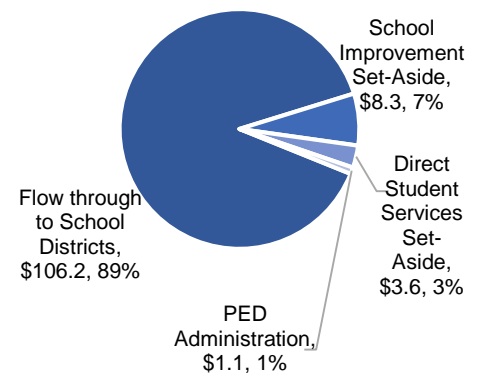
Source: USDE

Almost all ESSA Title I, Part A programs for schools in the country operate as schoolwide programs rather than targeted assistance programs. Schools that choose to structure their Title I programs as schoolwide programs can pool their funds with other eligible funds to pay for activities that improve their entire educational program. Schools operating targeted assistance programs cannot pool their Title I funds with other funds. As a likely result of this flexibility, 95 percent of all ESSA Title I, Part A participants in the country participated in schoolwide Title I programs in SY14-15 while 4 percent participated in targeted assistance programs (See Chart 11). The remaining one percent of Title I, Part A participants were eligible students in private schools or institutions for neglected children. Ninety-nine percent of New Mexico Title I, Part A participants are in schoolwide programs, but the proportion in other states ranged from 61 percent (Maine) to 100 percent (Delaware, Hawaii, and New York).

PED directs Title I set-aside funding to school districts implementing state initiatives.

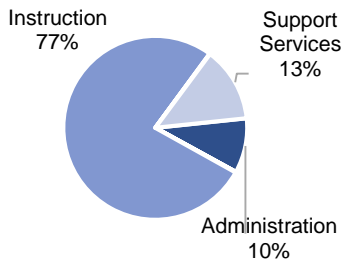
Most Title I funding flows directly to school districts and charter schools. However, PED must set aside 7 percent of Title I funds for school improvement activities for low-performing schools and can set aside 3 percent for direct student services. According to PED’s ESSA plan, PED allocates direct student set-aside funding through competitive grants for strategies such as Principals Pursuing Excellence (PPE), Teachers Pursuing Excellence (TPE), prekindergarten services, Advanced Placement (AP) courses, and extended learning time opportunities.

Chart 13. New Mexico Title I Funding 2017-18
(in millions)



Source: LFC analysis of PED data

Chart 14. New Mexico ESSA Title I FY17 Budgeted Expenditures
(\$115.3 million)



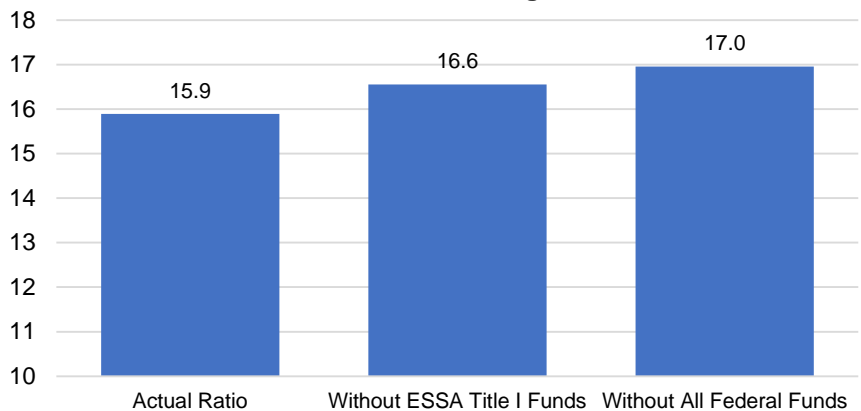
Source: LFC analysis of PED data

Instruction, instructional support, and student support categories account for the majority of New Mexico school district and charter schools ESSA Title I funding spending. According to FY17 operating budget data, school districts and charter schools budgeted 90.2 percent of their federal Title I expenditures on instruction, instructional support services, and student support services (See Chart 14). This mirrors the results of a 2011 report from the U.S. Government Accountability Office (GAO) which found that 12 sampled school districts across Louisiana, Rhode Island, and Washington spent 92 percent of their Title I funds on instruction and instructional support functions.

Federal funds, especially ESSA Title I funds, reduce student-to-teacher ratios. Federal funding supported 6.3 percent (1,313.7 FTE teachers) of New Mexico’s 20,873.4 FTE public school teachers (not including librarians and instructional assistants) in FY16. ESSA Title I funding alone supported 4 percent (837.1 FTE teachers) of public school teachers. New Mexico’s students-to-teacher ratio in FY16 was 15.9 students per teacher. New Mexico’s students-to-teacher ratio would have increased to 16.6 students per teacher without ESSA Title I funds and 17 students per teacher without all federal funds. These data highlight the role federal funding plays in supporting additional teachers in the classroom. While schools adding additional teachers may be beneficial to student performance, there may be more effective ways to spend federal dollars.

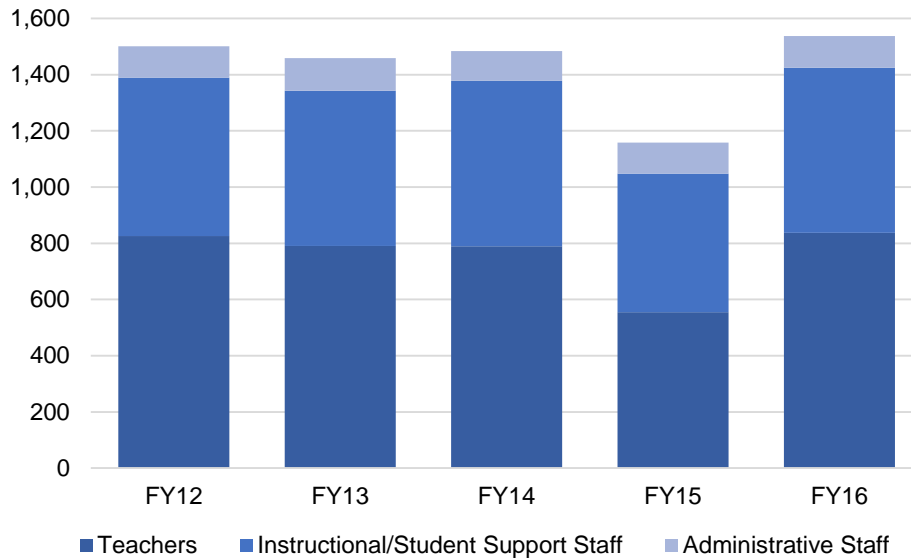
The New Mexico school personnel funded with ESSA Title I funds are predominately teachers and instructional support staff. From FY12 through FY16, Title I funds supported an average of 1,428 New Mexico school personnel each year, including 760 teachers (See Chart 16). ESSA Title I funds directly impacted roughly 3.6 percent of New Mexico’s over 20 thousand teachers on average in FY16. Teachers and instructional support staff consistently comprise over 90 percent of public school personnel supported by Title I funds. The 2011 GAO report on Title I expenditures found 92 percent of the Title I personnel across the 12 sampled school districts were teachers and instructional support staff.

Chart 15. New Mexico Student-to-Teacher Ratios with and without Federal Funding, FY16



Source: LFC analysis of PED data

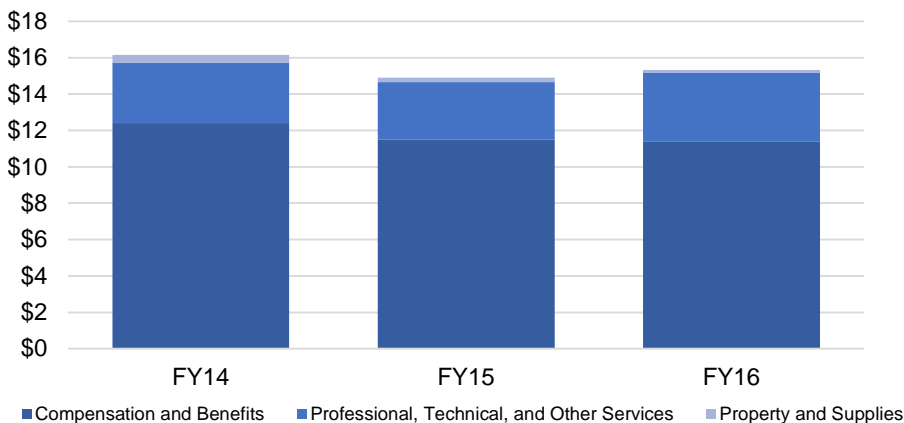
Chart 16. ESSA - Title I Funded FTE Employees in New Mexico Public Schools



Source: LFC analysis of PED data

New Mexico uses ESSA Title II funds to enhance professional training for teachers and principals. Title II, Part A funds provide states resources to train and retain highly qualified teachers and principals. According to the New Mexico State Plan for ESSA, the PED leverages Title II funds to support New Mexico’s three-tiered licensure system, Principals Pursuing Excellence (PPE) program, Teachers Pursuing Excellence (TPE) program, Advanced Placement (AP) teacher training, Educator Preparation Programs (EPPs), professional development sessions, and other initiatives. School district officials from Albuquerque Public Schools reported using ESSA Title II funds for instructional coaches, pedagogical professional development, and new principle trainings. ESSA Title II funding for New Mexico decreased by \$6.8 million (29 percent) from \$22.3 million in FY07 to \$15.5 million in FY16. As shown on Chart 17, over 97 percent of New Mexico’s Title II funds go to compensation or professional, technical, or other services for public schools.

Chart 17. New Mexico School District and Charter School ESSA Title II Expenditures
(in millions)



Source: LFC analysis of PED data

Additional federal funding can be used for state initiatives currently funded with general fund appropriations.

Table 1. Most Commonly Reported Uses for Title I Funds, 2017-2018

Reported Uses	Number of Title I Schools	Percent of Total Title I Schools
School Materials	446	68%
Staff for Reading	315	48%
Technology	286	44%
Teaching Assistants	264	40%
Reading Tutors	239	37%

Note: Schools report multiple categories of uses.

Source: ESEA Consolidated Applications 2017-18

According to PED’s ESSA plan, PED uses its Title I direct student services set-aside funding to provide competitive grants to school districts and charter schools to implement initiatives such as, Principals Pursuing Excellence (PPE), Teachers Pursuing Excellence (TPE), prekindergarten services, Advanced Placement (AP) courses, and extended learning time opportunities. PED also leverages Title II funds to support New Mexico’s PPE, TPE, AP teacher training, professional development sessions, and other initiatives. PED, school districts and charter schools should consider the increased use of federal funds to supplement and expand such statewide priority initiatives in addition to general fund resources.

Title I funds can be leveraged by districts and charter schools for prekindergarten and other extended learning programs. Seventy-five percent of Title I funds were spent on compensation for school staff according to FY17 operating budgets. Based on 2017-18 Title I applications, most Title I schools report using some funding for instructional staff or school supplies and technology. Only 2 percent of Title I schools (16 schools) report using Title I allocations for prekindergarten programs. According to 2017-2018 ESSA Title I applications, 20 New Mexico school districts used federal funds for prekindergarten at 89 sites serving 2,160 students at a total of \$3.84 million dollars. School districts might consider using more of their Title I funds for prekindergarten and other extended learning programs and initiatives.

ESSA Title I school improvement funding helps underperforming schools implement evidence-based interventions. ESSA requires states to identify schools in need of comprehensive support and improvement (CSI) and targeted support and improvement (TSI). CSI schools are schools in the lowest-performing 5 percent of all Title I schools and schools with a graduation rate of 67 percent or less. TSI schools are schools with a subgroup of students performing as poorly as students in a CSI school. PED identified 86 CSI schools and 111 TSI schools for the timeframe of 2017 through 2021. ESSA requires states to reserve 7 percent of total Title I funding for school improvement activities for CSI and TSI schools. PED allocates Title I school improvement funding to school districts and charter schools through a competitive sub-grant process to fund evidence-based strategies supported by at least one well-implemented correlational, quasi-experimental, or experimental study. School districts and charter schools statewide budgeted \$4.3 million in expenditures for Title I school improvement activities in FY17 according to available FY17 operating budget data. PED’s Title I set aside for school improvement activities totals \$8.3 million in 2018.

21st Century Community Learning Center (CCLCs) funding, authorized under ESSA Title IV, provides schools with additional capacity for afterschool academic activities.

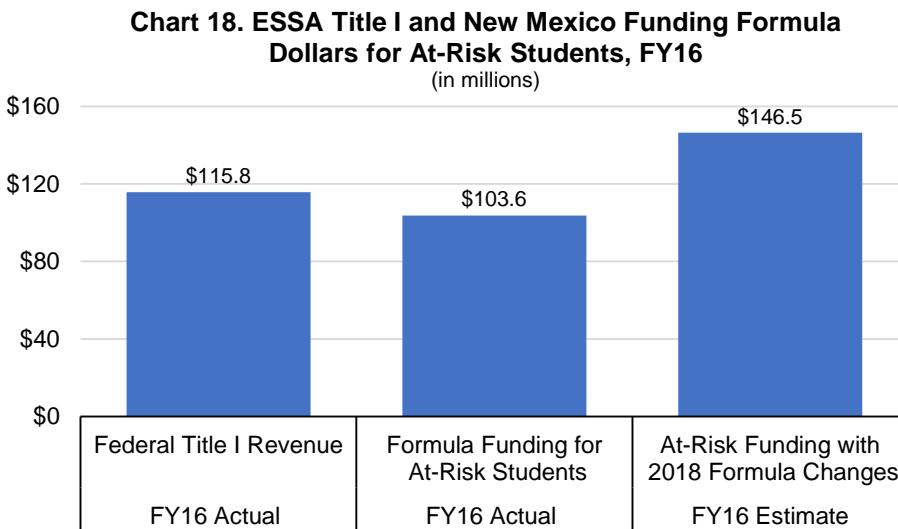
PED is currently in the second year of a four-year funding cycle for the 21st CCLC Program, which funds 13 sub-grantees providing CCLC services to 90 school sites across the state in FY18. Schools are eligible to receive 21st CCLC funding if they operate a schoolwide ESSA Title I program, serve a student population that is at least 35 percent low-income, and have earned a low school grade and PARCC proficiency rate. School districts received \$4.7

million and spent \$3.8 million to fund 83 21st CCLC school sites in FY16. Eighty-three percent of FY16 21st CCLC expenditures were on instruction, support services, and student transportation. According to PED, 62 percent of surveyed teachers (3,637 teachers) reported seeing an increase in students' academic performance due to participation in 21st CCLC programs in FY16. Congressional appropriations for 21st CCLCs grew by \$20 million (2 percent) from FFY17 to FFY18. The President's proposed federal education budget for FFY19, like the proposed budget for FFY18, zeroes out funding for 21st CCLCs. With a relatively low cost per site and the assistance provided to students, districts and charter schools should consider establishing or expanding CCLC sites.

At-risk student funding in the New Mexico public education funding formula is poised to exceed ESSA Title I funding due to recently passed legislation.

The Legislature passed Laws 2018, Chapter 55 (HB188) during the 2018 regular legislative session increasing the allocations for at-risk students from the public education funding formula. The increased allocations for at-risk students will phase-in by FY21, and formula funding for at-risk students will likely exceed federal ESSA Title I resources for at-risk students. If the phased-in formula changes from HB188 (2018) had been in place in FY16, funding formula program cost dollars for at-risk students would have exceeded ESSA Title I revenues for public schools by \$30.7 million (See Chart 18).

By FY21 the at-risk index will increase to 0.150 from current 0.106



Note: FY16 estimated at-risk funding reflects an at-risk multiplier of 0.15. Source: LFC analysis of PED data

PED does not provide the Legislature with all information on federal education funding required by state statute.

PED should provide an annual report on the use of federal education funds in New Mexico in accordance with state statute. Section 22-9-10 NMSA 1978 requires PED to provide an annual report to the Legislative Finance Committee (LFC), Legislative Education Study Committee (LESC), and the Legislative Council Service (LCS) detailing the purposes and uses of all federal funds received by the department. Although PED publishes raw data for federal revenues and expenditure for school districts and charter schools, PED could also publish its federal set-aside expenditures and uses.

Recommendations

The Public Education Department should:

- Provide an annual report to the Legislative Finance Committee (LFC), Legislative Education Study Committee (LESC), and Legislative Council Service (LCS) detailing the sources and uses of all federal funds received by the department as per state statute (Section 22-9-10 NMSA 1978).

Districts and schools should:

- Continue to leverage federal funds for state education initiatives and priorities such as prekindergarten, professional development, interventions, and after school programs.

The Legislature should consider:

- Adding language to the General Appropriation Act (GAA) requiring PED, when allocating “below-the-line” special appropriations, to prioritize school districts and charter schools that can provide a match of federal funds.

New Mexico Takes Partial Credit for Federal Impact Aid Funds

Impact Aid compensates school districts and charter schools for the loss of property tax revenue, and is a vital source of funding for federally impacted school districts and charter schools.

The federal government provides four types of Impact Aid: basic support payments, payments for children with disabilities, construction grants, and payments for federal property. Basic support payments help school districts and charter schools educate federally connected students, who either reside on Native American lands, are the children of a federal civilian employee living and working on federal property, are the children of military personnel, or reside in federal low-rent housing. A school district's or charter school's maximum possible basic support payment is based on the weighted number of federally connected students (see Table 2) multiplied by 50 percent of the national average per-pupil spending.

When federal appropriations do not cover maximum basic support payments, basic support payments are scaled down according to how dependent a school district or charter school is on Impact Aid funding. Basic support payments are scaled down by multiplying the maximum possible payment by the school district's or charter school's Learning Opportunity Threshold (LOT), i.e., percent of federally connected students added to the percent of total expenditures covered by the maximum payment. School districts and charter schools that are more dependent on Impact Aid funding, as measured by a higher LOT percentage, retain a larger proportion of their maximum possible payment. Impact Aid statutory formulae and LOT percentages drive differences in Impact Aid awards for school districts with Native American, military base, or other federally impacted communities.

Basic support payments provide both operational Impact Aid, which a school district or charter school can spend at their discretion on operations, and Impact Aid for Indian education.

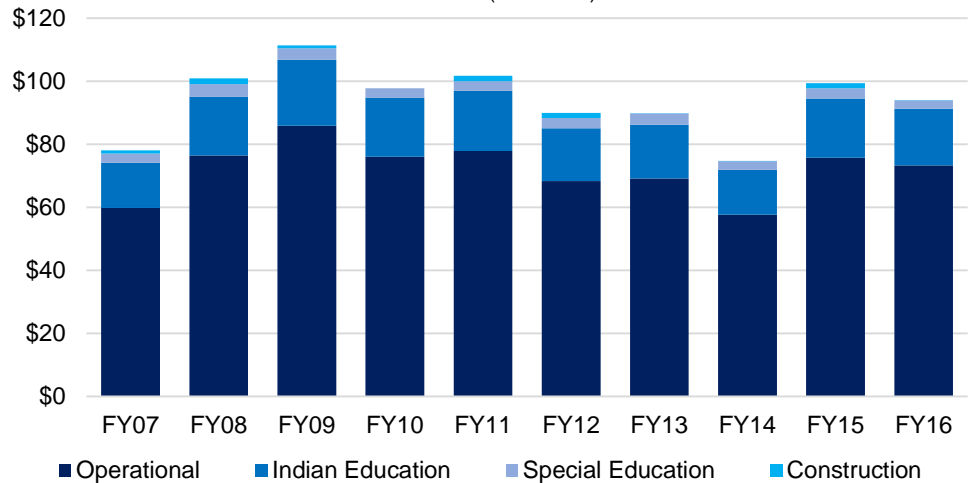
Impact Aid payments for Indian education are based on the number of children living on Native American lands. Basic support payments made up 97 percent of total New Mexico Impact Aid revenues in FY16 as shown in Chart 19. Special education Impact Aid provides additional funding for federally connected students with an individualized education program (IEP) under IDEA. Impact Aid construction grants fund capital outlay projects for federally impacted school districts and charter schools. Impact Aid payments for federal property provides funding for lost property tax revenue for property acquired after 1938 with an assessed valuation of at least 10 percent of all district property at the time of purchase. New Mexico does not currently receive Impact Aid payments for federal property.

Table 2. Weights for Federally Connected Students

Category	Weight
Child living on Indian Land	1.25
Child of military personnel living on-base	1.00
Child of civilian living and working on federal property	1.00
Child of military personnel living off-base	0.20
Child living in federal low-rent housing	0.10
Child of civilian living or working on federal property	0.05

Source: 20 U.S.C. 7703(a)(2)

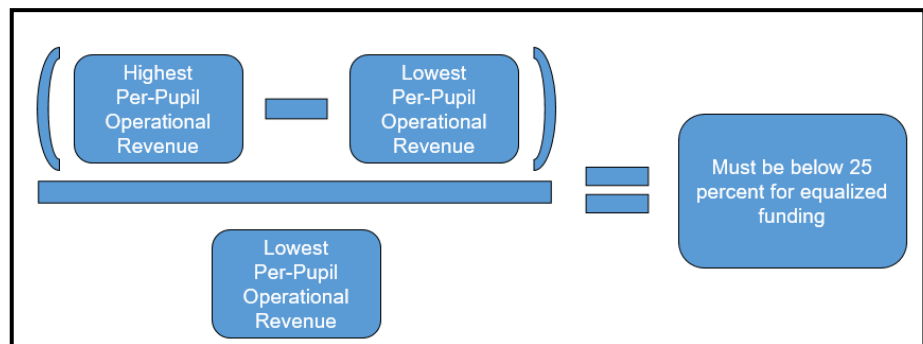
Chart 19. New Mexico Impact Aid Revenue
(in millions)



Note: Includes American Recovery and Reinvestment Act (ARRA) Funds. Source: LFC Analysis of PED data

New Mexico can take partial credit for operational Impact Aid funding when calculating state funding formula payments because the USDE annually certifies that New Mexico has equalized funding for public education. Federal law allows a state to reduce state funding for a school district or charter school receiving operational Impact Aid if the USDE determines the state allocates funding for public education in an equalized manner [20 U.S.C. 7709]. The USDE determines whether a state has equalized education funding through a disparity analysis, which compares the lowest school district or charter school per-pupil revenue with the highest school district or charter school per-pupil revenue. If the highest per-pupil revenue exceeds the lowest per-pupil revenue by less than 25 percent, then the state has an equalized program for funding public education and can take partial credit for operational Impact Aid funding.

Figure 1. Impact Aid Disparity Analysis Calculation

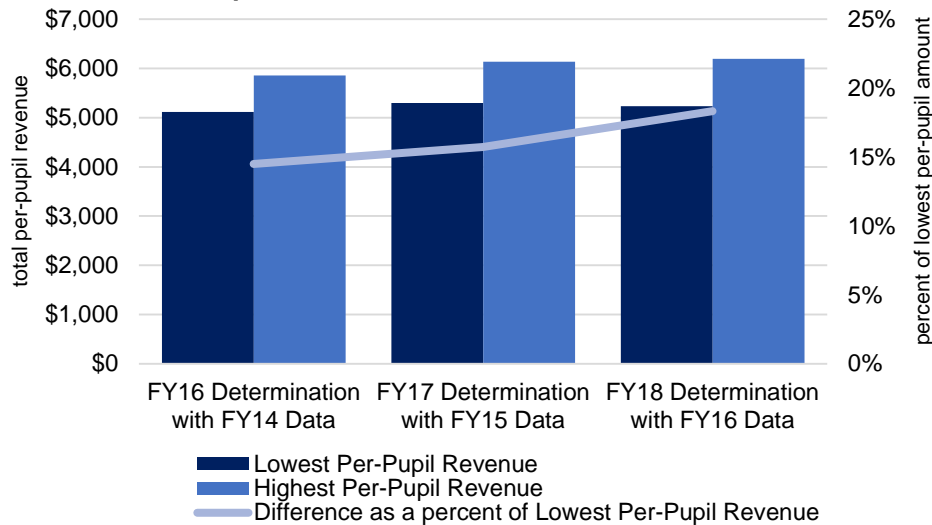


Source: LFC Files

Only Alaska, Kansas, and New Mexico have equalized education funding

School districts and charter schools whose students are in the top 5 percent or bottom 5 percent of all students, in terms of per-pupil funding, are excluded from Impact Aid disparity analyses. Alaska, Kansas, and New Mexico are the only states in the country with equalized education funding. Chart 20 summarizes New Mexico’s Impact Aid disparity analyses from FY16 through FY18. PED will need to resubmit its Impact Aid disparity analysis for FY19 to the USDE to account for changes to the state public education funding formula passed by the Legislature through Laws 2018, Chapter 55.

Chart 20. Disparity between Highest and Lowest Per-Pupil Revenues of NM School Districts and Charters



Note: Disparity analyses only include operational revenues. Source: PED Impact Aid Disparity Analyses

The Legislature should consider amending statute to prevent potential cash flow issues for school districts and charter schools that may arise due to a recent Supreme Court decision related to Impact Aid funding. The New Mexico Supreme Court recently decided in *Zuni v. Garcia* that PED may not take credit for federal impact aid revenue and reduce State Equalization Guarantee (SEG) payments before obtaining certification to do so from the USDE secretary each fiscal year. Consequently, PED will be required to allocate monthly SEG payments to school districts and charter schools that do not reflect credit for Impact Aid until after obtaining certification. The court ruled that credit could be taken retroactively for impact aid payments already received by school districts and charter schools once PED obtains certification. Notably, the court recognized that “if certification is issued late in the fiscal year... Impact Aid districts may have to refund potentially large sums of money to the state general fund, rather than to [PED] for use in other districts.” In order to prevent such reversions or potential cash flow issues, the Legislature should consider redefining federal impact aid revenues in the Public Education Finance Act (Section 22-8-25 NMSA 1978) as amounts certified during the prior fiscal year instead of the current fiscal year.

Recommendation

The Legislature should consider:

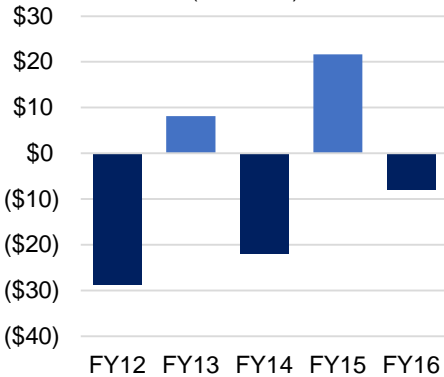
- Redefining federal Impact Aid revenues in state statute (Section 22-8-25 NMSA 1978) as amounts certified during prior fiscal year instead of the current fiscal year.

Millions of Dollars in Federal Grant Funds Remain Unexpended Each Year

School districts leave millions of dollars received from grants unexpended.

PED data indicate school districts are not spending millions of dollars from state and federal grants. Table 3 details \$148 million in unexpended state and federal grant funds from 23 school districts in FY16, which includes \$23.4 million in unused ESSA Title I funds. PED defense attorneys submitted the data in Table 3 to the New Mexico First Judicial Court for the consolidated public education sufficiency lawsuits of *Martinez v. New Mexico* and *Yazzie v. New Mexico* in 2017. PED also reportedly had to request a waiver from the USDE to avoid returning almost a year's allocation of ESSA Title II professional development funds because school districts statewide had not used these funds.

Chart 21. Federal Grant Revenues Over/(Under) Expenditures
(in millions)



Source: LFC analysis of PED data

Table 3. Unspent Grant Funds of Select School Districts, SY15-16

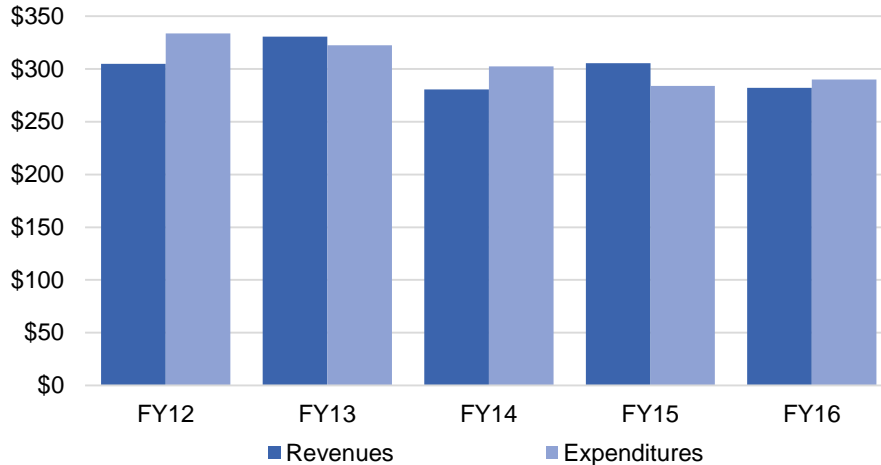
School District	Unspent Grant Money	Percent of Grant Money Unspent
Alamogordo	\$3,956,314.56	71.14%
Albuquerque	\$56,612,008.65	66.24%
Bernalillo	\$4,069,143.91	69.55%
Cuba	\$868,149.92	57.23%
Espanola	\$4,515,240.98	71.86%
Gadsden	\$11,579,070.16	54.80%
Gallup-McKinley	\$16,245,152.56	75.55%
Grants-Cibola	\$2,926,345.14	53.96%
Hatch	\$982,234.62	38.61%
Jemez Valley	\$692,393.27	80.30%
Lake Arthur	\$201,970.41	62.02%
Las Cruces	\$12,896,562.77	52.71%
Los Lunas	\$5,392,434.17	61.79%
Magdalena	\$685,459.46	65.67%
Moriarty-Edgewood	\$1,040,021.05	42.29%
Penasco	\$703,433.29	75.09%
Pojoaque	\$1,032,538.36	53.29%
Rio Rancho	\$5,878,081.58	65.16%
Santa Fe	\$11,541,321.59	60.72%
Silver City	\$976,602.80	42.55%
Taos	\$2,064,372.95	55.95%
Tucumcari	\$808,907.44	66.25%
Zuni	\$2,621,663.69	71.34%
Total	\$148,289,423.33	63.12%

*Note: Includes unexpended funds from both state and federal grants.

Source: PED

Although school district and charter school operating budgets balance federal grant revenues and expenditures each year, the difference between actual federal grant revenues and expenditures ranged from \$7.9 million to \$28.7 million from FY12 through FY16. Revenue actuals above (or below) expenditure actuals indicate school districts and charter schools are either accumulating (or leveraging) unexpended federal grant balances each year (See Chart 21). Chart 22 shows the actual federal grant revenues and expenditures for public schools from FY12 through FY16. The difference between total ESSA Title I revenues and expenditures ranged from \$2.5 million to \$25.7 million over the same timeframe. Schools districts and charter schools are obligated to spend at least 85 percent of Title I funding within one year, but must spend Title I carryover funds within 27 months. School districts and charter schools should aim to minimize the amount of unexpended state and federal grant funds each year.

Chart 22. Public School Revenues and Expenditures from Federal Grants
(in millions)

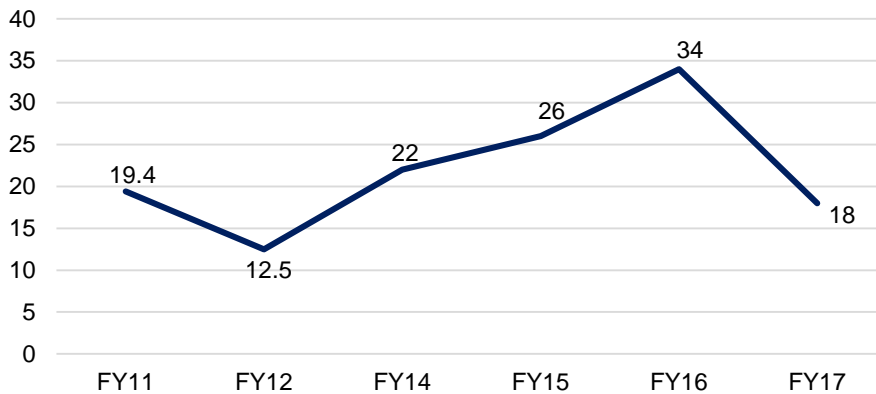


Source: LFC analysis of PED data

Administrative issues partially prevent school districts and charter schools from spending their entire grant funding. School district officials from multiple districts report federal and state administrative delays in providing final award letters, carryover certification, and reimbursements contribute to unspent grant fund balances. PED distributes federal grant funding to school districts and charter schools primarily on a reimbursement basis. PED used to distribute federal funds on a quarterly cash-advance basis, but transitioned to a reimbursement process in FY06 on the advice of outside counsel and the Department of Finance and Administration. PED’s approval process for reimbursement requests includes programmatic and fiscal reviews. In FY17, PED processed 6,357 reimbursement requests from school districts and charter schools related to federal funds, which took on average 18 days each to process. Although PED recently improved its average processing time for reimbursement requests from FY16 to FY17, PED should continue to improve the timeliness of processing reimbursement requests (See Chart 23).

In FY17, PED processed 6,357 reimbursement requests from school districts and charter schools related to federal funds

Chart 23. Average Number of Days for PED to Process Federal Reimbursement Requests



Source: LFC AGA Report Cards

Recommendations

School districts and charter schools should:

- Minimize carryover and unexpended grant fund amounts each year.

PED should:

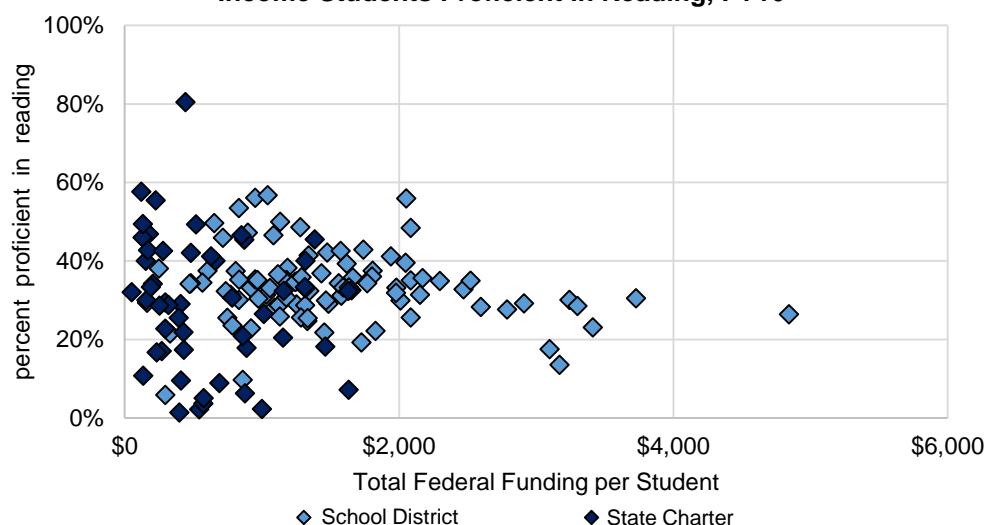
- Continue to improve the timeliness and efficiency of processing federal reimbursement requests.
- Improve the timeliness of providing award letters and carryover certifications.
- Publish carryover and balance amounts for local, state, and federal grants in the department's annual finance statistics books.

Federal Funding Alone Does Not Drive Student Performance

School districts and charter schools receiving more federal funds per student do not necessarily have higher proportions of low-income students achieving academic proficiency.

Based on FY16 financial actuals and test score proficiency data, there is a weak relationship between a school district's or state charter school's federal funding per student and percentage of low-income students achieving proficiency on state tests (See Chart 24). There was a weak relationship between per student federal funding and low-income student proficiency in English (-0.04 correlation) and math (-0.09 correlation), which indicates that more federal funds go to school districts and charter schools where fewer low-income students achieve academic proficiency. These results would be expected since federal funding is generally directed toward low-income and at-risk students. The data for locally chartered charter schools were aggregated into the schools' authorizing school district in Chart 24. The Albuquerque Institute of Math and Sciences, a state-chartered charter school, was omitted from Chart 24 because the school did not report proficiency percentages for low-income students. Walatowa high school, a state-chartered charter school, was omitted from Chart 24 as an outlier in federal funding per student due to a small student population and high level of federal funding.

Chart 24. Federal Funding per Student and Percent of Low Income Students Proficient in Reading, FY16



Note: Local charter schools were aggregated into their authorizing school districts.
Operational federal revenues were omitted from this analysis.

Source: LFC analysis of PED data

States with lower student outcomes tend to receive more per-pupil federal education funds. This is likely due to higher numbers of at-risk students. LFC staff examined the association between federal education funding and student outcomes across different states. Chart 25 shows states' federal per-pupil education revenues and percent of eighth grade students proficient on the National Assessment of Educational Progress (NAEP) reading test in FY15. NAEP assessments are subject matter tests, sponsored by the USDE, which have periodically tested nationally representative samples of students since the late 1960s and state sample

A more coordinated use of federal funds could help improve student outcomes. The 2016 National Conference of State Legislatures education report, *No Time to Lose*, found that top performing countries used aligned reforms to build their world-class education systems. Rather than adopting only one or two “silver bullet” policies, these countries reimagined and re-engineered their entire systems. School districts have to consider the tradeoffs between using federal funds for additional instructional staff or supporting evidence-based programs such as mentorship programs and expanded learning opportunities.

Recommendations

School districts and charter schools should:

- Internally assess the effectiveness of federal funding at school sites and develop strategies to spend federal and state funding to drive student performance.

To Receive Federal Education Funding, States Must Develop Public Education Accountability Systems

Federal requirements shape states’ public education accountability systems such as statewide testing, district report cards, and school rating systems.

ESSA requires states to measure student achievement annually through general statewide assessments in English language arts, math, and science. States must align these assessments to state academic standards (ESSA section 1111(b)). New Mexico administers a series of statewide assessments, including the Partnership for Assessment of Readiness for College and Careers (PARCC) assessments, to gauge the percent of students who are academically proficient in school districts and schools (See Table 5). Federal law also requires states to develop and disseminate annual school district report cards, which summarize student proficiency, teacher credentials, college matriculation, and high school graduation rates (ESSA section 1111(h)). PED’s Assessment & Accountability Bureau annually publishes school district report cards in compliance with these requirements.

Table 5. New Mexico Public Education Academic Assessments

Assessment	Subject(s)	Grades
Partnership for Assessment for College and Careers (PARCC)	English language arts and math	Grades 3-11
State Standards-Based Assessment (SBA) for Science	Science	Grades 4,8, and 11
State SBA for Spanish Language Arts	Spanish language arts	Grades 3-11
New Mexico Alternative Performance Assessment	General education curriculum for students with severe cognitive disabilities	Grades 3-12
Istation	Foundational literacy skills in English and Spanish	Grades K-3

Source: PED

Under ESSA, each state is also required to develop a public school accountability system that meaningfully differentiates schools from each other according to multiple performance indicators. The performance indicators must include the following measures (ESSA section 1111(c)):

- Student proficiency on state assessments;
- Growth in student proficiency;
- Progress in English learner proficiency;
- High school graduation rates; and
- At least one measure of school quality or student success.

New Mexico’s state A-F school grading system, established through Laws 2011, Chapter 10, mostly fulfills the requirements for a public school accountability system mandated under ESSA. However, PED reports the relative weight of different measures in the state A-F school grading system will change in SY2018-19 due to an ESSA requirement that assessment indicators should have more weight than school quality and student success indicators. According to a 2017 report from the Education Commission of the States, 45 states and the District of Columbia have submitted plans to the USDE for public school accountability systems to differentiate public schools. New Mexico and 12 other states plan to use A-F school rating systems.

States and school districts will be required to publish school-level financial data starting by the end of FY20 due to reporting requirements passed in the ESSA.

Language passed in ESSA requires states publish “per-pupil expenditures of Federal, State, and local funds... for each local education agency *and each school* in the State for the preceding fiscal year.” (ESSA section 1111(h)(1)(C)(x) emphasis added). The U.S. Department of Education’s (USDE) initial deadline for states to begin publishing prior year school-level financial data was June 30, 2019. However, the USDE authorized delayed reporting of school-level financial data until June 30, 2020. Although states and school districts are required to report school-level outcomes data, most information is reported at the school district level. School-level expenditure data, assessed alongside school-level performance data, will allow stakeholders to evaluate how school districts are allocating resources to schools and identify the schools most effectively using their resources. The USDE proposed and ultimately rescinded regulations on the financial reporting requirements, but issued non-regulatory guidance on the requirements in January 2017. Apart from statutory language and USDE guidance, states have flexibility in developing school-level expenditure reports. PED is providing technical assistance to school districts and charter schools regarding these requirements.

ESSA requires states to publish per-pupil expenditures of Federal, State, and local funds by 2020

As New Mexico transitions to school-level financial reporting in compliance with ESSA, PED should ensure that school district central office expenditures are disaggregated and assigned to schools. According to 2017 USDE non-regulatory guidance, states can choose to either report school district central office expenditures at the district-level or disaggregate these expenditures by school. In transitioning to the new ESSA reporting requirements, PED should disaggregate all school district central office expenditures, and expenditures for services provided to multiple schools in a school district, by school. This financial reporting approach would provide education stakeholders with a full accounting of how school districts allocate funds to schools. PED’s financial uniform chart of accounts already contains location codes for each school, which would allow PED to assign proportions of central expenditures to different schools within a district.

Schools identified by the state as CSI or TSI schools are required to submit school improvement plans to the state education agency (ESSA 1111(d)).

PED requires all school districts and schools write an annual plan and two 90-day plans for improving student performance each year (NMAC 6.29.8.1). The annual plans identify goals and performance challenges, while biannual 90-day plans determine specific goals and actions to implement over 90 days. School districts and schools develop these plans for PED through an online portal, New Mexico Data, Accountability, Sustainability, and High Achievement (NM DASH) tool.

According to PED, a cohort of 40 principles participating in the principles pursuing excellence (PPE) program initiated the planning for NM DASH in 2013. Fifty-four of 89 school districts piloted NM DASH in SY16-17. Title I schools can choose to write their NM DASH annual and 90-day plans in a manner which fulfill Title I schoolwide-planning requirements or submit a separate Title I schoolwide program plan. NM DASH is one of the approved options for implementing a school-specific comprehensive intervention plan. PED also uses the NM DASH tool for enhanced monitoring of low-performing schools identified as CSI schools. Table 6 shows the steps school districts and schools will be required to take each year to develop their annual and 90-day plans.

Table 6. District/School Annual and 90-Day Planning Process

Annual Plan (Spring)	Step 1 - Build Core Team	Assemble a core team of district/school members to write the annual plan and 90-day plans.
	Step 2 - Analyze Data & Set Student Achievement Goals	Analyze district/school data and set goals for student achievement in English and math.
	Step 3 - Identify Focus Areas	Identify performance challenges in two or three of the following areas: Instruction, Data-driven Instruction, Interventions, Feedback, Collaboration, Professional Development, Student Assistance Teams, School Leadership, and School Culture.
	Step 4 - Conduct Root Cause Analysis	Ascertain the underlying cause(s) of school performance challenges in focus areas that, if resolved, would improve performance.
90-Day Plans (Winter and Summer)	Step 5 - Create Desired Outcomes and Define Critical Actions	Based on the root cause analysis, identify desired outcomes and changes in adult behavior to achieve those outcomes.
	Step 6 - Monitor Implementation	Select and review progress indicators to measure progress toward the desired outcomes.

Source: PED

Schools submitting NM DASH plans to the PED are mostly focusing their plans on improving instruction, data use, and school culture. LFC staff compiled available NM DASH plan information for SY2017-18 submitted by 151 schools from New Mexico’s five largest school districts (Albuquerque, Las Cruces, Rio Rancho, Gadsden, and Santa Fe). Schools submitting NM DASH plans are required to identify two-to-three focus areas from a list of 10 possible focus areas. Of the 151 sampled schools, schools most commonly identified instruction (118 schools), data-driven instruction (72 schools), and school culture (39 schools) as strategic focus areas. School district officials have stated that the NM DASH plan format is an improvement over the previously required improvement plan format, called WebEPSS (Education Plans for Student Success), because the NM DASH allows for frequent updates and monitoring of plan progress. Although New Mexico school districts and schools are exempt from performance-based budgeting requirements under the state’s Accountability in Government Act (Section 6-3A-1 NMSA 1978), the NM DASH tool is an attempt to link school-level operations to specific student achievement goals.

One hundred and fifty sampled schools identified instruction, data-driven instruction, and school culture as strategic focus areas

Recommendations

PED should:

- Disaggregate school district central office expenditures by school when transitioning to the ESSA’s new school-level financial reporting requirements.
- Use NM DASH information to identify school practices that correspond with improved student performance.

The Legislature and PED should:

- Leverage future school-level financial and performance data to evaluate how school districts allocate resources to schools by expenditure category.
- Leverage future school-level financial and performance data to identify the schools cost-effectively achieving high student outcomes.



Insert Here

Appendix A: Evaluation Scope and Methodology

Evaluation Objectives.

- Examine the role of federal funding in New Mexico’s public education system and how the Public Education Department (PED) and public schools are using federal funds.
- Study the effects of federal funding and services on student academic performance.
- Assess PED’s and school districts’ administration of select federal programs; including policies, oversight efforts, cost-monitoring, and best practices.

Scope and Methodology.

- Reviewed state and federal laws, regulations, and policies.
- Interviewed school district leadership and staff.
- Analyzed state and national public education fiscal data.
- Analyzed state and national student proficiency and performance data.

Evaluation Team.

Nathan Eckberg, Lead Program Evaluator

Clayton Lobaugh, Program Evaluator

Authority for Evaluation. LFC is authorized under the provisions of Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies, and institutions of New Mexico and all of its political subdivisions; the effects of laws on the proper functioning of these governmental units; and the policies and costs. LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state laws.

Exit Conferences. The contents of this report were discussed with Public Education Department staff on May 4, 2018.

Report Distribution. This report is intended for the information of the Office of the Governor, the Public Education Department, the Office of the State Auditor, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Charles Sallee

Deputy Director for Program Evaluation

Appendix B: Federal Funding for Public Schools, FY16

Federal Funding for School Districts and Charter Schools, FY16

Fund Category	Federal Funding	Amount
Food Services	Food Services	\$133,638,172
Federal Flow -Through Grants	Title I - IASA	\$112,633,510
Operational	Impact Aid Basic Payment	\$73,262,896
Federal Flow -Through Grants	Entitlement IDEA-B	\$63,733,898
Federal Direct Grants	Title XIX Medicaid 3/21 Years	\$20,586,668
Federal Direct Grants	Impact Aid Indian Education Set Aside	\$18,009,217
Federal Flow -Through Grants	Title II - Teacher/Principal Training & Recruiting	\$15,482,005
Operational	DOE Los Alamos/DOD	\$8,090,884
Operational	Indirect Costs (Federal Flow -through Grants)	\$6,733,421
Federal Direct Grants	Indian Education Formula Grant	\$6,348,040
Federal Direct Grants	Headstart	\$6,001,203
Operational	Forest Reserve	\$4,929,750
Federal Flow -Through Grants	Title IV - 21st Century Community Learning Centers 2008-2014	\$4,700,450
Special Capital Outlay	Federal Special Capital Outlay	\$4,544,452
Federal Flow -Through Grants	Carl D. Perkins Secondary - Current	\$3,058,228
Federal Flow -Through Grants	Title III - English Language Acquisition	\$2,786,938
Federal Direct Grants	Impact Aid Special Education Set-Aside	\$2,619,003
Federal Direct Grants	GEAR UP NM State Initiatives	\$2,615,459
Federal Flow -Through Grants	Fresh Fruit and Vegetables	\$1,972,220
Federal Flow -Through Grants	IDEA-B Results Plan	\$1,891,693
Federal Flow -Through Grants	Title I - School Improvement	\$1,794,242
Debt Service	IRS Interest Reimbursement	\$1,777,813
Federal Flow -Through Grants	Preschool IDEA-B	\$1,723,724
Federal Direct Grants	Johnson O'Malley	\$1,716,076
Federal Flow -Through Grants	Title I - 1003G Grant	\$1,334,771
Operational	Indirect Costs (Federal Direct Grants)	\$1,223,519
Federal Flow -Through Grants	IDEA-B "Risk Pool"	\$996,978
Federal Direct Grants	DOD Education Activity	\$992,950
Federal Flow -Through Grants	Title V - Rural & Low -Income Schools	\$934,016
Federal Flow -Through Grants	IDEA - Early Intervention Services	\$802,915
Federal Flow -Through Grants	USHHS Pregnancy Prevention	\$757,566
Federal Flow -Through Grants	Migrant Children Education	\$622,992
Federal Direct Grants	Title XX Health & Social Services	\$579,519
Federal Direct Grants	Elementary School Counseling	\$545,604
Federal Direct Grants	Rural Education Achievement Program	\$518,732
Federal Flow -Through Grants	Carl D. Perkins HSTW - Current	\$518,490
Federal Flow -Through Grants	Carl D. Perkins Secondary - Redistribution	\$511,155
Federal Direct Grants	Navajo Nations	\$406,898
Federal Direct Grants	School Leadership Programs	\$401,021
Federal Direct Grants	Substance Abuse & Mental Health Services	\$370,195
Federal Direct Grants	Title XIX Medicaid 0/2 Years	\$350,387
Federal Direct Grants	Child & Adult Food Program	\$343,711
Federal Flow -Through Grants	Education of Homeless	\$343,638
Federal Flow -Through Grants	USDE 2010 Equipment Assistance Program	\$302,349
Federal Flow -Through Grants	IDEA - Private Schools Share	\$301,846
Federal Direct Grants	ROTC	\$293,177
Federal Flow -Through Grants	Title VII - Indian Ed	\$276,133
Federal Flow -Through Grants	Carl D. Perkins Special Projects - Current	\$237,507
Federal Direct Grants	Food Stamps Nutrition	\$216,636
Federal Direct Grants	Land of Enchantment Teacher Quality Partnership	\$195,012
Federal Direct Grants	Special Projects Demonstration USDE	\$174,386
Federal Direct Grants	Child Care Block Grant CYFD	\$147,843
Federal Direct Grants	Santa Fe Underage Drinking Alliance	\$145,011
Federal Flow -Through Grants	New Mexico Autism Project	\$138,402
Federal Flow -Through Grants	Migrant Regional Recruiting	\$108,237
Federal Flow -Through Grants	Title III - Immigrant Funding	\$98,591
Federal Flow -Through Grants	Carl D. Perkins HSTW - Redistribution	\$89,624
Federal Flow -Through Grants	Leadership - Vocational Education	\$43,624
Federal Direct Grants	Child Care and Development Fund	\$40,937
Federal Flow -Through Grants	USHHS/CDC School Health	\$37,055
Federal Flow -Through Grants	Carl D Perkins Secondary - PY Unliquidated Obligations	\$24,522
Federal Direct Grants	Farm to School Planning Grant	\$22,693
Federal Direct Grants	Safe Routes to School NMDOT	\$21,835
Federal Direct Grants	Collaborative Research & Development	\$13,280
Federal Direct Grants	Natural Resources Conservation Services	\$9,000
Operational	Department of Interior	\$6,085
Federal Direct Grants	US Deptment of Interior - Fish & Wildlife Service	\$3,400
Federal Flow -Through Grants	Carl D. Perkins Special Projects - Redistribution	\$3,343
Federal Direct Grants	Supplemental DOD Impact Aid	\$3,194
Federal Direct Grants	Enforcing Underage Drinking Law s	\$2,896
Federal Direct Grants	GEAR UP USDE	\$2,685
Federal Flow -Through Grants	Carl D. Perkins HSTW - PY Unliquidated Obligations	\$305
Federal Flow -Through Grants	IDEA-B Results Plan (Non-Title I Schools)	\$53
Total		\$516,164,680

Source: PED FY16 Financial Statistics Book

Appendix C: Categories of IDEA Funding of New Mexico School Districts and Charter Schools

Categories of IDEA Funding of New Mexico School Districts and Charter Schools			
IDEA Funding Category	Authorized Under	Purpose	FY16 Revenue
Basic Entitlement	IDEA - Part B, Section 611	Assists states in providing special education to children with disabilities age 3 to 21.	\$63.7 million
Risk Pool (High Cost Students)	IDEA - Part B, Section 611	Helps address the needs of high needs students with disabilities.	\$997.0 thousand
Private Schools Share	IDEA - Part B, Section 612	Funds equitable services for parentally placed private school children with disabilities.	\$301.8 thousand
Results Driven Accountability	IDEA - Part B, Section 616	Provides resources to elementary schools to improve special education reading proficiency as part of the State's required Systemic Improvement Plan.	\$1.9 million
Preschool Grants	IDEA - Part B, Sections 619	Provides special education and related services to children with disabilities age three to five.	\$1.7 million
Early Intervention Services	IDEA - Part C, Section 633	Funds early intervention services for infants and toddlers under age three with disabilities and their families.	\$803.0 thousand
Discretionary	IDEA - Part B, Section 611	Provides administrators and program directors with professional development to support special education.	\$0

Source: USDE and PED

Appendix D: Elementary and Secondary Education Act of 1965

U.S. Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act of 2015 (ESSA)

Title	Part	Purpose
Title I - Improving the Academic Achievement of the Disadvantaged	Part A	Improving Basic Programs operated by Local Education Agencies
	Part B	State Assessment Grants
	Part C	Education of Migratory Children
	Part D	Prevention and Intervention Programs for Neglected or Delinquent Youth
	Part E	Flexibility for Equitable Per-Pupil Funding
	Part F	General Provisions
Title II - Preparing, Training, and Recruiting High-Quality Teachers, Principals, or Other School Leaders	Part A	Supporting Effective Instruction
	Part B	National Activities
	Part C	General Provisions
Title III - English Language Acquisition and Language Enhancement	Part A	Grants and Subgrants for English Language Acquisition and Language Enhancement
	Part B	General Provisions
Title IV - 21st Century Schools	Part A	Student Support and Academic Enrichment Grants
	Part B	21st Century Community Learning Centers
	Part C	Expanding Opportunity through Quality Charter Schools
	Part D	Magnet Schools Assistance
	Part E	Family Engagement in Education Programs
	Part F	National Activities
Title V - Flexibility and Accountability	Part A	Funding Transferability
	Part B	Rural Education Initiative
	Part C	General Provisions
Title VI - Indian, Native Hawaiian, and Alaska Native Education	Part A	Indian Education
	Part B	Native Hawaiian Education
	Part C	Alaska Native Education
Title VII - Impact Aid	Part A	Impact Aid
Title VIII - General Provisions	Part A	Definitions
	Part B	Flexibility in the Use of Administrative and Other Funds
	Part C	Coordination of Programs; Consolidated State and Local Plans and Applications
	Part D	Waivers
	Part E	Approval and Disapproval of State Plans and Applications
	Part F	Uniform Provisions
	Part G	Evaluations

Source: ESEA

Appendix E: ESSA Title I Statutory Funding Allocation Formulas

Overview of ESSA Title I Statutory Funding Allocation Formulas

ESSA Title I Allocation Formula	Eligibility Criteria	Allocation Methodology
Basic Grant	District has more than 10 children in poverty, which also equals at least 5 percent of districts' Census Bureau's estimate of the district's children age 5 to 17.	Funding allocated to eligible districts in proportion to district's share of eligible students.
Concentration Grant	District's number of children in poverty exceeds 6,500 or 15 percent of the district's Census Bureau's estimate of the district's children age 5 to 17.	Funding allocated to eligible districts in proportion to district's share of eligible students.
Targeted Grant	District's number of children in poverty equals or exceeds 5 percent of the Census Bureau's estimate of the district's children age 5 to 17.	Funding allocated to eligible districts with a weighted formula allocating larger amounts per pupil to districts or percentages of eligible students.
Education Finance Incentive Grant		Funding allocated to eligible districts according to a district's number of eligible students and a state's fiscal effort and equity.

Sources: National Center for Education Statistics (2016) *Allocating Grants for Title I* ; American Institutes for Research (2015) *Title I at 50: A Retrospective*.

Appendix F: New Mexico Federally Impacted Children, FY16

New Mexico Federally Impacted Children, FY16

School District	Average Daily Attendance (ADA)	Federal ADA	ADA Children of Civilian Employees of Federal Government	ADA Children of Uniformed Military Personnel	ADA Children Living on Indian Lands	ADA Children Living in Federally Owned Low-Rent Housing	Learning Opportunity Threshold (LOT)
Alamogordo	5,322.6	973.8	0.0	924.3	0.0	49.5	24.84%
Albuquerque	77,935.5	3,223.8	1,865.7	612.0	77.4	668.7	4.57%
Bernalillo	2,623.5	1,119.6	0.0	0.0	1,060.2	59.4	64.50%
Bloomfield	2,692.8	432.0	0.0	0.0	432.0	0.0	27.76%
Central	6,093.4	4,302.6	0.0	0.0	4,302.6	0.0	100.00%
Clovis	7,623.0	699.3	0.0	577.8	0.0	121.5	10.49%
Cuba	490.5	244.8	0.0	0.0	236.7	8.1	70.53%
Dulce	624.6	601.2	0.0	0.0	601.2	0.0	100.00%
East Mountain Charter	341.1	76.5	66.6	9.9	0.0	0.0	40.00%
Espanola	2,025.0	451.8	282.6	0.0	169.2	0.0	25.56%
Gallup-McKinley	10,518.3	6,118.2	0.0	6.3	5,898.6	213.3	94.63%
Grants-Cibola	3,318.3	805.5	0.0	0.0	805.5	0.0	40.88%
Jemez Mountain	221.4	90.9	0.0	0.0	90.9	0.0	54.92%
Jemez Valley	371.7	246.6	0.0	0.0	246.6	0.0	89.76%
Las Cruces	22,239.0	201.6	4.5	155.7	0.0	41.4	1.21%
Los Alamos	3,170.7	1,592.1	1,584.0	8.1	0.0	0.0	51.42%
Los Lunas	7,632.9	360.9	0.0	0.0	360.9	0.0	8.49%
Magdalena	330.3	178.2	51.3	0.0	126.9	0.0	68.74%
Maxwell	98.1	8.1	0.0	0.0	0.0	8.1	8.50%
McCurdy	475.2	117.9	92.7	0.0	25.2	0.0	40.00%
New Mexico International School	185.4	0.0	0.0	0.0	0.0	0.0	0.00%
Penasco	295.2	64.8	35.1	0.0	25.2	4.5	25.08%
Pojoaque	1,738.8	664.2	325.8	0.0	338.4	0.0	51.08%
Portales	2,507.4	140.4	0.0	133.2	0.0	7.2	6.20%
Raton	911.7	81.0	0.0	0.0	0.0	81.0	9.28%
Ruidoso	1,817.1	288.0	0.0	0.0	288.0	0.0	26.65%
Southwest Aeronautics, Mathematics & Science	251.1	36.9	33.3	3.6	0.0	0.0	40.00%
Southwest Intermediate Learning Center	100.8	17.1	15.3	1.8	0.0	0.0	40.00%
Southwest Primary Learning Center	94.5	1.8	0.0	1.8	0.0	0.0	2.11%
Southwest Secondary Learning Center	242.1	38.7	37.8	0.9	0.0	0.0	40.00%
Taos	2,603.7	126.0	0.0	0.0	82.8	43.2	7.08%
Tularosa	857.7	265.5	99.0	9.9	156.6	0.0	43.58%
Walatowa Charter High School	49.5	49.5	5.4	0.0	44.1	0.0	100.00%
Zuni	1,204.2	1,202.4	0.0	0.0	1,202.4	0.0	100.00%
TOTAL	167,007.1	24,821.7	4,499.1	2,445.3	16,571.4	1,305.9	-

Note: LOT is a measure of dependence on Impact Aid, which equals the district's percent of federally connected students added to the district's percent of total expenditures covered by the maximum Impact Aid basic payment.

Source: National Association of Federally Impacted Schools

Appendix G: FY16 School District and Charter School Expenditures by Fund Category

FY16 School District and Charter School Expenditures by Fund Category

SCHOOL DISTRICT OR CHARTER SCHOOL	GENERAL FUNDS	SPECIAL REVENUE FUNDS			CAPITAL PROJECT AND DEBT SERVICE FUNDS	TOTAL
		FEDERAL GRANTS	STATE/LOCAL GRANTS	OTHER		
Academy of Trades and Technology	\$1,417,774	\$123,176	\$145,727	\$37,514	\$172,798	\$1,896,988
ACE	\$2,967,992	\$179,786	\$51,691	\$72,358	\$252,902	\$3,524,728
AIMS @ UNM	\$2,814,424	\$0	\$8,736	\$0	\$276,220	\$3,099,379
Alamogordo	\$43,711,336	\$5,065,371	\$623,267	\$2,440,091	\$11,659,977	\$63,500,041
Albuquerque	\$664,805,096	\$62,547,561	\$10,951,016	\$37,554,282	\$261,239,545	\$1,037,097,499
Albuquerque School of Excellence	\$2,316,230	\$165,968	\$4,490	\$96,264	\$221,979	\$2,804,932
Albuquerque Sign Language Academy	\$1,973,579	\$431,266	\$101,848	\$40,983	\$59,103	\$2,606,779
Aldo Leopold Charter School	\$1,547,319	\$49,939	\$171,449	\$0	\$87,704	\$1,856,411
Alma D' Arte Charter High School	\$1,866,699	\$77,554	\$550	\$67,888	\$154,527	\$2,167,219
Amy Biehl Charter High School	\$3,133,230	\$234,112	\$3,313	\$46,749	\$341,777	\$3,759,181
Animas	\$2,648,567	\$217,087	\$53,378	\$74,331	\$109,557	\$3,102,920
Anthony Charter School	\$941,450	\$52,447	\$2,404	\$36,214	\$83,428	\$1,115,943
Artesia	\$29,854,935	\$1,994,623	\$693,808	\$3,878,091	\$10,255,063	\$46,676,520
ASK Academy	\$3,148,337	\$50,229	\$68,713	\$29,415	\$549,719	\$3,846,413
Aztec	\$22,497,052	\$1,534,449	\$917,629	\$1,338,701	\$11,701,631	\$37,989,462
Belen	\$33,565,637	\$3,145,768	\$1,509,364	\$2,536,479	\$9,150,511	\$49,907,759
Bernalillo	\$28,881,052	\$4,574,816	\$1,494,479	\$2,670,616	\$17,316,688	\$54,937,651
Bloomfield	\$23,011,610	\$2,858,261	\$942,361	\$1,949,335	\$8,582,547	\$37,344,113
Capitan	\$4,681,180	\$366,795	\$147,554	\$322,842	\$4,691,667	\$10,210,037
Carlsbad	\$56,319,693	\$3,602,073	\$856,976	\$4,636,219	\$50,433,630	\$115,848,592
Carrizozo	\$2,098,496	\$148,033	\$109,225	\$83,110	\$1,076,644	\$3,515,509
Central	\$57,049,552	\$14,606,684	\$3,265,191	\$3,850,245	\$14,023,097	\$92,794,771
Cesar Chavez Community School	\$1,972,187	\$145,062	\$16,657	\$58,139	\$234,489	\$2,426,533
Chama Valley	\$5,416,034	\$248,642	\$299,831	\$239,248	\$4,882,833	\$11,086,587
Cien Aguas International School	\$2,807,416	\$140,862	\$80,375	\$77,968	\$404,050	\$3,510,671
Cimarron	\$4,735,634	\$259,694	\$143,133	\$259,746	\$4,634,096	\$10,032,303
Clayton	\$5,804,423	\$273,313	\$141,195	\$231,951	\$769,645	\$7,220,527
Cloudcroft	\$4,116,689	\$202,885	\$75,913	\$135,398	\$3,006,985	\$7,537,870
Clovis	\$60,699,208	\$5,144,404	\$627,113	\$4,172,082	\$8,134,912	\$78,777,719
Cobre	\$12,787,325	\$1,223,933	\$938,243	\$981,339	\$1,771,217	\$17,702,058
Coral Community Charter	\$1,415,006	\$64,868	\$164,949	\$35,824	\$147,461	\$1,828,108
Corona	\$2,021,124	\$70,131	\$70,808	\$45,661	\$265,537	\$2,473,262
Cottonwood Classical Preparatory School	\$4,649,645	\$163,364	\$0	\$45,395	\$753,227	\$5,611,631
Creative Education Preparatory Institute #1	\$2,160,287	\$1,286	\$1,779	\$1,108	\$77,948	\$2,242,409
Cuba	\$6,770,942	\$1,478,719	\$395,437	\$477,467	\$2,300,943	\$11,423,508
DEAP	\$236,762	\$6,193	\$10,857	\$6,772	\$28,540	\$289,125
Deming	\$40,722,329	\$6,428,449	\$2,611,533	\$3,681,745	\$5,820,688	\$59,264,744
Des Moines	\$1,821,338	\$131,992	\$133,748	\$89,929	\$179,121	\$2,356,127
Dexter	\$9,215,736	\$642,929	\$384,941	\$988,455	\$1,596,013	\$12,828,073
Dora	\$2,994,903	\$212,504	\$422,031	\$146,501	\$657,467	\$4,433,406
Dream Dine'	\$316,123	\$0	\$34,190	\$8,459	\$11,044	\$369,816
Dulce	\$7,360,117	\$1,557,542	\$294,820	\$408,218	\$3,882,629	\$13,503,326
Elida	\$1,872,279	\$63,179	\$287,498	\$123,580	\$77,150	\$2,423,687
Espanola	\$31,461,690	\$3,990,794	\$1,603,591	\$1,609,862	\$6,217,239	\$44,883,176

Estancia	\$7,159,114	\$532,377	\$512,149	\$347,257	\$1,062,253	\$9,613,149
Estancia Valley Classical Academy	\$2,483,332	\$143,105	\$50,548	\$18,793	\$317,886	\$3,013,665
Eunice	\$6,462,566	\$307,182	\$213,940	\$418,473	\$7,103,066	\$14,505,227
Explore Academy	\$2,429,732	\$67,277	\$3,402	\$0	\$98,658	\$2,599,069
Farmington	\$81,700,993	\$8,087,492	\$1,699,550	\$5,157,106	\$32,769,894	\$129,415,035
Floyd	\$2,604,971	\$174,478	\$112,089	\$223,779	\$102,300	\$3,217,616
Fort Sumner	\$4,032,366	\$277,163	\$63,710	\$175,008	\$606,144	\$5,154,391
Gadsden	\$106,368,697	\$14,937,302	\$4,037,401	\$8,297,255	\$29,614,108	\$163,254,764
Gallup	\$91,465,119	\$23,656,651	\$3,341,723	\$8,339,590	\$24,056,755	\$150,859,839
Gilbert L. Sena Charter School	\$1,771,772	\$118,475	\$4,935	\$24,752	\$195,778	\$2,115,712
Grady	\$2,093,876	\$69,307	\$113,154	\$88,857	\$216,436	\$2,581,630
Grants/Cibola	\$30,460,035	\$5,294,447	\$1,320,363	\$2,143,530	\$8,231,273	\$47,449,648
Hagerman	\$4,638,815	\$426,366	\$263,461	\$344,056	\$595,715	\$6,268,413
Hatch	\$10,400,511	\$1,673,339	\$830,697	\$1,078,109	\$1,847,432	\$15,830,087
Health Leadership High School	\$1,899,486	\$71,431	\$86,077	\$49,396	\$206,489	\$2,312,880
Hobbs	\$69,138,474	\$4,761,447	\$1,456,639	\$5,332,110	\$22,468,924	\$103,157,593
Hondo Valley	\$2,193,676	\$110,558	\$142,984	\$148,913	\$490,255	\$3,086,386
Horizon Academy West	\$2,853,004	\$336,223	\$228,543	\$252,085	\$348,114	\$4,017,968
House	\$1,739,182	\$33,130	\$104,060	\$23,147	\$126,535	\$2,026,053
International School @ Mesa Del Sol	\$2,170,337	\$74,639	\$69,530	\$57,464	\$220,215	\$2,592,184
J. Paul Taylor	\$1,360,465	\$27,630	\$202	\$57,111	\$147,463	\$1,592,871
Jal	\$4,481,677	\$293,473	\$56,969	\$158,840	\$4,826,283	\$9,817,243
Jemez Mountain	\$3,604,948	\$564,527	\$125,272	\$226,631	\$445,431	\$4,966,810
Jemez Valley	\$4,393,460	\$844,447	\$399,998	\$240,283	\$3,423,305	\$9,301,494
La Academia Dolores Huerta	\$1,582,723	\$128,665	\$4,000	\$110,546	\$229,274	\$2,055,209
La Jicarita Community School	\$334,616	\$33,696	\$35,789	\$9,305	\$49,820	\$463,225
La Promesa Early Learning Center	\$3,080,253	\$321,422	\$852,962	\$376,718	\$624,656	\$5,256,011
La Resolana Leadership Academy	\$830,224	\$64,635	\$42,142	\$43,688	\$59,636	\$1,040,325
La Tierra Montessori School of the Arts & Sciences	\$1,071,800	\$64,391	\$43,568	\$0	\$87,582	\$1,267,340
Lake Arthur	\$1,906,173	\$104,884	\$52,566	\$343,664	\$684,367	\$3,091,654
Las Cruces	\$183,720,053	\$21,398,530	\$3,373,518	\$13,098,362	\$45,873,929	\$267,464,392
Las Montañas Charter School	\$1,999,894	\$96,608	\$4,532	\$54,024	\$244,700	\$2,399,758
Las Vegas City	\$14,278,352	\$2,006,844	\$424,907	\$698,954	\$3,359,436	\$20,768,493
Logan	\$3,416,824	\$143,641	\$62,894	\$133,567	\$732,635	\$4,489,560
Lordsburg	\$5,635,503	\$591,185	\$357,186	\$554,423	\$2,369,525	\$9,507,822
Los Alamos	\$37,941,552	\$1,064,077	\$270,921	\$936,185	\$8,333,522	\$48,546,256
Los Lunas	\$58,826,232	\$6,278,228	\$1,915,865	\$5,480,945	\$15,037,095	\$87,538,366
Loving	\$5,678,773	\$462,236	\$346,298	\$396,122	\$2,125,939	\$9,009,368
Lovington	\$31,822,329	\$1,683,214	\$281,490	\$1,476,907	\$21,201,661	\$56,465,601
Magdalena	\$4,470,074	\$1,151,261	\$263,876	\$974,058	\$663,486	\$7,522,755
MASTERS Program	\$2,100,666	\$26,179	\$15,426	\$0	\$120,234	\$2,262,505
Maxwell	\$2,014,314	\$136,017	\$99,235	\$112,277	\$295,804	\$2,657,648
McCurdy Charter School	\$3,107,082	\$280,050	\$119,166	\$232,186	\$472,241	\$4,210,724
Media Arts Collaborative Charter School	\$2,216,897	\$241,265	\$67,114	\$56,936	\$260,382	\$2,842,594
Melrose	\$2,846,525	\$160,743	\$60,805	\$259,471	\$398,155	\$3,725,699
Mesa Vista	\$4,234,700	\$565,536	\$189,619	\$288,227	\$1,293,160	\$6,571,241
Mission Achievement and Success	\$5,398,101	\$259,978	\$293,979	\$506,929	\$268,363	\$6,727,351
Monte Del Sol Charter School	\$3,443,750	\$130,027	\$4,744	\$72,410	\$571,286	\$4,222,217
Montessori Elementary School	\$2,525,218	\$115,448	\$0	\$199,115	\$507,679	\$3,347,460
Mora	\$4,812,091	\$1,948,573	\$134,385	\$362,160	\$420,081	\$7,677,290
Moriarty	\$20,203,162	\$2,107,412	\$371,200	\$1,345,239	\$12,072,822	\$36,099,835
Mosquero	\$1,456,509	\$24,247	\$48,892	\$23,405	\$1,234,663	\$2,787,717

Mountainair	\$3,322,763	\$305,361	\$132,208	\$154,397	\$522,887	\$4,437,616
New America School	\$2,411,306	\$202,586	\$67,758	\$75,408	\$384,727	\$3,141,785
New America School - Las Cruces	\$2,365,072	\$73,487	\$88,042	\$43,473	\$179,277	\$2,749,350
New Mexico Connections Academy	\$6,416,593	\$368,484	\$0	\$0	\$0	\$6,785,077
New Mexico International School	\$1,330,899	\$36,850	\$66,035	\$58,460	\$178,310	\$1,670,553
New Mexico School for the Arts	\$1,977,120	\$90,569	\$117,113	\$20,146	\$257,794	\$2,462,742
North Valley Academy	\$2,956,568	\$271,986	\$252,199	\$202,654	\$369,339	\$4,052,746
Pecos	\$6,275,207	\$776,923	\$495,335	\$450,517	\$646,808	\$8,644,790
Penasco	\$4,507,343	\$674,259	\$275,635	\$262,421	\$972,864	\$6,692,521
Pojoaque Valley	\$16,111,191	\$1,271,028	\$535,783	\$1,187,446	\$3,798,175	\$22,903,623
Portales	\$22,636,778	\$2,293,475	\$435,465	\$2,101,718	\$3,841,896	\$31,309,333
Quemado	\$2,789,481	\$175,151	\$47,013	\$80,964	\$264,003	\$3,356,611
Questa	\$4,814,639	\$557,174	\$496,013	\$286,791	\$1,508,642	\$7,663,259
Raton	\$8,933,274	\$995,100	\$446,869	\$495,434	\$1,288,947	\$12,159,624
Red River Valley Charter School	\$797,103	\$75,990	\$91,214	\$35,578	\$72,339	\$1,072,225
Reserve	\$2,652,768	\$210,013	\$196,699	\$54,333	\$1,697,085	\$4,810,897
Rio Rancho	\$125,196,811	\$6,154,811	\$2,429,059	\$8,803,624	\$28,928,069	\$171,512,373
Roswell	\$73,557,621	\$8,143,350	\$2,877,980	\$6,173,895	\$13,195,692	\$103,948,538
Roy	\$1,371,991	\$54,877	\$80,059	\$76,560	\$115,675	\$1,699,162
Ruidoso	\$15,308,142	\$1,497,302	\$403,731	\$1,030,684	\$6,458,330	\$24,698,188
Sage Montessori Charter School	\$1,401,715	\$64,422	\$47,658	\$11,143	\$161,975	\$1,686,912
San Jon	\$2,044,102	\$125,659	\$140,883	\$80,572	\$128,051	\$2,519,266
Sandoval Academy (SABE)	\$528,084	\$3,116	\$0	\$20	\$81,766	\$612,986
Santa Fe	\$106,831,111	\$10,997,425	\$6,397,398	\$6,078,116	\$77,686,091	\$207,990,141
Santa Rosa	\$6,343,461	\$518,709	\$278,438	\$587,512	\$1,019,236	\$8,747,355
School of Dreams Academy	\$2,976,588	\$156,873	\$128,398	\$25,156	\$310,131	\$3,597,146
Silver City	\$24,709,297	\$2,144,752	\$180,314	\$1,291,829	\$3,239,271	\$31,565,462
Socorro	\$13,206,544	\$2,720,211	\$715,632	\$1,335,663	\$2,543,436	\$20,521,486
South Valley Preparatory School	\$1,197,356	\$98,894	\$46,551	\$143,023	\$134,665	\$1,620,489
Southwest Intermediate Learning Center	\$922,127	\$22,658	\$0	\$373	\$122,662	\$1,067,819
Southwest Primary Learning Center	\$952,826	\$25,392	\$984	\$1,524	\$129,889	\$1,110,614
Southwest Secondary Learning Center	\$2,179,351	\$78,014	\$7,150	\$18,204	\$519,034	\$2,801,753
Springer	\$2,490,890	\$231,104	\$167,459	\$115,053	\$477,414	\$3,481,919
SW Aeronautics, Mathematics and Science Academy	\$2,468,020	\$74,487	\$2,774	\$16,528	\$315,955	\$2,877,763
Taos	\$19,573,161	\$2,337,212	\$805,952	\$1,557,329	\$8,316,702	\$32,590,356
Taos Academy	\$2,124,596	\$100,915	\$150,153	\$13,153	\$245,835	\$2,634,651
Taos Integrated School of the Arts	\$1,290,602	\$62,817	\$52,089	\$9,750	\$571,012	\$1,986,269
Taos International School	\$1,120,721	\$40,821	\$25,162	\$38,637	\$46,016	\$1,271,356
Tatum	\$4,323,067	\$188,454	\$4,933	\$140,269	\$668,531	\$5,325,253
Technology Leadership	\$714,388	\$27,553	\$25,908	\$22,939	\$131,413	\$922,200
Texico	\$5,461,901	\$345,158	\$82,897	\$478,471	\$576,491	\$6,944,918
The Great Academy	\$1,935,589	\$59,730	\$3,667	\$0	\$147,986	\$2,146,972
Tierra Adentro	\$2,506,868	\$129,478	\$51,322	\$113,269	\$311,839	\$3,112,776
Tierra Encantada Charter School	\$2,688,991	\$62,566	\$4,152	\$108,909	\$325,056	\$3,189,675
Truth or Consequences	\$12,091,425	\$1,395,223	\$767,150	\$743,841	\$3,860,915	\$18,858,553
Tucumcari	\$9,441,325	\$960,159	\$212,527	\$541,956	\$2,142,814	\$13,298,780
Tularosa	\$8,672,669	\$1,444,768	\$39,457	\$561,151	\$1,509,136	\$12,227,181
Turquoise Trail Elementary	\$3,441,746	\$199,264	\$391,630	\$273,309	\$1,089,005	\$5,394,953
Uplift Community School	\$1,262,715	\$51,906	\$27,612	\$8,913	\$111,000	\$1,462,147
Vaughn	\$1,879,807	\$65,073	\$179,218	\$62,713	\$1,091,113	\$3,277,924

Wagon Mound	\$1,949,785	\$143,605	\$106,790	\$58,908	\$115,131	\$2,374,220
Walatowa Charter High School	\$731,776	\$252,567	\$26,286	\$44,264	\$46,722	\$1,101,614
West Las Vegas	\$14,098,816	\$2,952,381	\$655,806	\$1,335,767	\$3,649,057	\$22,691,828
William W. & Josephine Dorn Charter Comm School	\$536,178	\$44,567	\$65,661	\$31,579	\$35,340	\$713,325
Zuni	\$13,093,714	\$3,969,935	\$839,742	\$928,910	\$1,409,469	\$20,241,769
ABQ Charter Academy	\$2,696,954	\$177,648	\$18,306	\$0	\$373,192	\$3,266,100
Albuquerque Talent Development	\$1,831,402	\$118,871	\$3,626	\$20	\$151,148	\$2,105,068
Alice King Community School	\$2,164,779	\$212,144	\$50,354	\$54,677	\$293,687	\$2,775,641
Bataan Military Academy Charter	\$961,167	\$18,811	\$3,144	\$0	\$44,482	\$1,027,604
Christine Duncan's Heritage Academy	\$2,047,712	\$269,976	\$213,302	\$143,070	\$172,387	\$2,846,447
Corrales International School	\$2,396,678	\$92,755	\$67,379	\$47,607	\$188,119	\$2,792,538
Digital Arts and Technology Academy	\$2,646,182	\$124,719	\$43,687	\$0	\$555,535	\$3,370,123
East Mountain High School	\$2,891,633	\$79,906	\$94,006	\$41,153	\$513,080	\$3,619,778
El Camino Real Academy	\$2,759,533	\$298,135	\$190,692	\$256,578	\$570,961	\$4,075,898
Gordon Bernell Charter School	\$2,596,598	\$37,197	\$1,665	\$0	\$221,470	\$2,856,930
La Academia de Esperanza	\$3,546,361	\$321,792	\$12,840	\$219,601	\$309,878	\$4,410,471
Los Puentes Charter School	\$1,910,870	\$175,602	\$676	\$8,472	\$249,282	\$2,344,902
Montessori of the Rio Grande	\$1,786,279	\$39,821	\$54,384	\$0	\$311,462	\$2,191,947
Mountain Mahogany Community School	\$1,553,650	\$118,999	\$3,782	\$32,346	\$233,605	\$1,942,382
Native American Community Academy	\$2,906,935	\$542,445	\$1,265,358	\$309,104	\$706,667	\$5,730,508
Nuestros Valores Charter School	\$1,335,715	\$87,839	\$70,104	\$62,882	\$168,203	\$1,724,743
Public Academy for Performing Arts	\$2,856,323	\$157,650	\$5,376	\$179,056	\$496,109	\$3,694,513
Robert F. Kennedy Charter School	\$3,094,270	\$260,742	\$163,270	\$0	\$589,984	\$4,108,266
South Valley Academy	\$4,494,374	\$314,318	\$240,211	\$299,022	\$645,355	\$5,993,280
Twenty-First Century Charter	\$1,703,722	\$82,364	\$3,649	\$52,128	\$320,218	\$2,162,080
Mosaic Academy Charter	\$1,368,264	\$56,230	\$56,861	\$0	\$138,139	\$1,619,495
Jefferson Montessori Academy	\$1,755,256	\$54,165	\$50,000	\$63,544	\$134,196	\$2,057,161
Moreno Valley High School	\$801,390	\$58,535	\$15,255	\$0	\$104,716	\$979,896
Deming Cesar Chavez Charter High School	\$1,749,099	\$77,046	\$0	\$0	\$93,291	\$1,919,436
Carinos De Los Ninos	\$1,348,295	\$111,122	\$45,756	\$5,077	\$91,611	\$1,601,861
New Mexico Virtual Academy	\$3,300,966	\$70,631	\$0	\$711	\$0	\$3,372,309
Middle College High School	\$966,740	\$0	\$3,198	\$0	\$12,351	\$982,288
Lindrith Area Heritage Charter School	\$288,465	\$7,008	\$21,682	\$10,750	\$1,132	\$329,037
San Diego Riverside Charter School	\$888,835	\$124,176	\$80,845	\$101,055	\$56,639	\$1,251,550
Roots and Wings Community School	\$501,446	\$15,771	\$25,080	\$8,497	\$30,511	\$581,305
Sidney Gutierrez Middle School	\$613,085	\$0	\$19,521	\$0	\$47,130	\$679,736
Academy for Technology and the Classics	\$5,156,243	\$109,174	\$56,390	\$91,078	\$1,723,927	\$7,136,813
Cottonwood Valley Charter School	\$1,318,360	\$66,107	\$50,000	\$6,276	\$923,292	\$2,364,035
Anansi Charter School	\$1,597,901	\$31,282	\$56,467	\$57,049	\$308,522	\$2,051,221
Taos Municipal Charter School	\$1,682,084	\$62,565	\$51,155	\$34,501	\$217,436	\$2,047,741
Vista Grande High School	\$1,148,429	\$62,323	\$58,956	\$38,218	\$109,628	\$1,417,554
Rio Gallinas School	\$846,378	\$102,469	\$22,314	\$54,424	\$96,793	\$1,122,378
TOTAL	\$2,717,905,782	\$289,813,185	\$81,121,537	\$177,485,088	\$896,561,945	\$4,162,887,537

Note: Not all federal funds are reflected in the federal grants category

Source: PED data

Appendix H: Potential “Below-the-Line” Uses for ESSA Title I, Title II and Title IV Funds

Potential Below-the-Line Program Uses for Every Student Succeeds Act (ESSA) Title I, Title II, and Title IV Funding
(in thousands)

Below-the-Line Program	FY18 General Fund Appropriation	Federal ESSA Title I - Grants for Economically Disadvantaged Students	Federal ESSA Title II - Supporting Effective Instruction	Federal ESSA Title IV - 21st Century Learning Centers
		\$129,090.2	\$16,338.3	\$8,958.2
Regional Education Cooperatives	\$935.0			
K-3 Plus	\$23,700.0	✓		
Pre-Kindergarten	\$21,000.0	✓		
Early Reading Initiative	\$12,500.0	✓	✓	✓
Breakfast for Elementary Students	\$1,600.0			
After School Summer and Enrichment Programs	\$325.0	✓		✓
NMTEACH Evaluation System	\$4,000.0		✓	
STEM Initiative	\$1,900.0	✓		
Next Generation School Teacher and School Leader Preparation Programs	\$2,100.0	✓	✓	
College Preparation, Career Readiness, and Dropout Prevention	\$2,200.0	✓		✓
Advanced Placement	\$825.0	✓	✓	
Interventions and Support for Students and Schools	\$15,000.0	✓		✓
GRADS - Teen Pregnancy Prevention	\$200.0			
Teachers Pursuing Excellence	\$900.0		✓	
Stipends for Teachers in Hard to Staff Areas	\$1,000.0		✓	

Source: LFC Files