




B i t e - S i z e

 New Mexico ranked 32nd in teacher salaries in the latest *Rankings and Estimates Report* from the National Education Association. For 2021, New Mexico's average of \$54,923 a year lagged behind the \$60,611 average in Colorado (20th), \$57,641 average in Texas (28th), and \$56,918 average in Utah (30th). However, New Mexico was ahead of Oklahoma and Arizona, with averages of \$54,256 and \$52,157, respectively. The top 10 states, on average, pay more than \$70,000 a year.

 The U.S. Department of Education has revoked an earlier determination that the state could take credit for federal Impact Aid to certain school districts in FY21, noting the Public Education Department missed a deadline. PED staff indicate the department will pay the school districts for the estimated \$54.6 million in credits by using FY21 appropriations that would otherwise revert and drawing on \$38 million from the state support reserve fund, rather than reducing the FY21 unit value.

 Citing the wide variation of delivery models and the high level of burden placed on school health staff to implement Covid-19-specific initiatives throughout this school year, PED and the Department of Health will not collect 2020-2021 *Annual School Health Services Report* data, PED says. Concerns focused on the volume and quality of submissions and the inability to establish trends with data from the previous year.



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Senator William P. Soules, Chair / Representative G. Andrés Romero, Vice Chair / Rachel S. Gudgel, Director / May 2021

From the Chairman

System Transformation

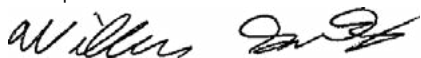
In just the past three years, the Legislature has more than doubled funding for services for at-risk students and increased funds available for extended learning programs by almost \$100 million. We've focused energy and resources on bilingual multicultural education and created an ombudsman office for students with special needs. These efforts address many of the concerns raised in the *Martinez-Yazzie* lawsuit, in which the court found New Mexico was doing a poor job of providing a sufficient education to at-risk students.

However, these efforts, as important as they are, have siphoned attention away from important reforms New Mexico was exploring before the education conversation became dominated by *Martinez-Yazzie*. About two years before the historic court decision, the National Conference of State Legislatures released *No Time to Lose*, the results of a two-year study of successful education systems worldwide.

The needs identified in the *Martinez-Yazzie* decision echo many of the elements of a "world-class" education system identified in *No Time to Lose* – supports for struggling students, access to effective teachers, a career and technical education system. But *No Time to Lose* takes a more systemic approach – supports for students that start before first grade; a well-prepared, well-compensated teaching force working with a well-designed, strong core curriculum and high-quality assessments; multiple paths to career and college that guarantee no student hits a dead end. Most importantly, the report emphasizes the development of an aligned, connected comprehensive system of education, noting one of the greatest failures of the U.S. education system has been the haphazard search for the silver bullet that will kill underperformance.

Over the next few years, the committee will attempt to find solutions for New Mexico's struggling public schools that recognize each element is part of a system, keeping the weaknesses identified by the court and the reforms of the international study both in mind. We hope to bring back to the conversation the role of high school curriculum and graduation requirements and the need, not for enough teachers, but for teachers who are well-prepared and excited to be in the classroom.

The court did a great service to the state by shining a bright light on the failures of New Mexico's public schools, but the court is not the last word on what we need to do to address those failures. New Mexico schools and New Mexicans need us to see the whole picture.



Education Spending Up in Complicated Session

Despite a public health emergency that threatened the economy and complicated logistics, the legislative session ended with a 7.3 percent increase for public schools, LESC staff report in the *2021 Post-Session Review* scheduled to be presented to the committee at 9:20 a.m. on May 27.

The \$233.5 million increase in recurring general fund appropriations was made possible by improvements in state revenues, a result of the impact of federal stimulus funds on the state's economy, the report says.

However, pandemic-related school closures significantly impacted children emotionally and academically, leading to up to a year of lost learning and setting back state efforts to improve student performance.

"While the depth of the problem is still unknown, the unprecedented community health crisis has threatened to undo the progress the state's public education system has made toward improving statewide student outcomes," the report says.

To address lost learning time, the Legislature authorized an additional \$78.8 million recurring appropriation for the K-5 Plus

extended school-year program and Extended Learning Time Program that provides for 10 additional days.

The amount is sufficient for all students to participate in the Extended Learning Time Program and for all students in high-poverty elementary schools to participate in a K-5 Plus program.

In addition, committee staff report the Legislature sustained investments in the educator workforce, early childhood education, at-risk students, culturally responsive programming, and college and career readiness.

Lawmakers also passed two education-related measures that address issues that have been controversial for many years.

House Resolution 1 will allow voters to decide if the state constitution should be amended to increase the distributions from the land grant permanent fund to provide additional revenue for elementary, secondary, and early childhood education programs.

In addition to voter approval, Congress must approve adding early childhood education to the beneficiaries of the permanent fund.

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First Set of LESC Primers Explain Funding Formula

Explanations of the components of the public school funding formula, often confusing to policymakers and the public, will be the first of a planned series of one-page “primers” on New Mexico’s public schools being composed by LESC staff.

The committee is scheduled to see the funding formula primers for the first time at a hearing scheduled for 1 p.m. May 27.

The intent of the funding formula, made up of 17 components, is to equitably distribute state funds to public schools.

The allocation of funds to each school district and charter school – the state equalization guarantee distribution – takes into account enrollment, student needs, staffing costs, district and school size, and other factors. Factors generate units and a set amount of money determined by the Public Education Department based on funding provided by the Legislature – the unit value – is awarded for every unit.

“The formula, designed to equalize educational opportunity, allocates the same amount of funding for students in the same circumstances, starting

with grade level and with additional funding for additional need,” *Primer: Public School Funding Formula Overview* says.

The first primer provides an overview of the funding formula with a chart of how the components are incorporated into a calculation of the state equalization guarantee distribution.

The next 10 cover the 17 components of the current formula, which address basic enrollment, staffing costs, special education, bilingual and multicultural services, services for students at risk of failing, elementary fine arts and physical education programs, the K-5 Plus extended school-year program and Extended Learning Time Programs, the higher costs of small school districts and small schools, the unplanned costs of enrollment growth, and services provided to home school and charter school students.

Each of the one-page explanations includes data on the number of units generated by the factors or the number of students served or both and how much money has been spent through the allocation over the last two years.

The primers will be posted on the [LESC website](#).

Difficult Session Still Productive

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If the constitution is amended, an additional 1.25 percent of the five-year average year-end market value of the permanent school fund would be allocated to public schools and early childhood education. The change is expected to generate an additional \$211.5 million in FY23, with \$126.9 million going to early childhood education and \$84.6 million allocated to public schools for services for students at-risk of failure, extended learning, and teacher compensation.

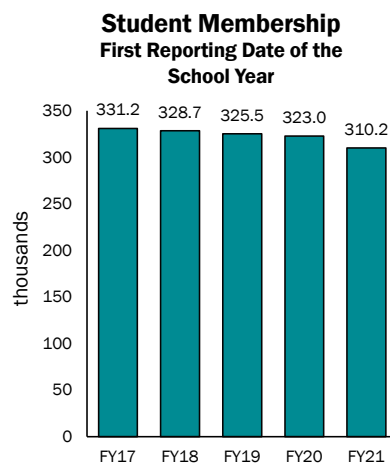
Opponents, however, have argued, successfully until this year, that the higher distributions will eat into the principal and eventually result in smaller distributions than would have occurred had the fund been left alone.

On a second long-standing legislative issue, legislators ended the practice of reducing state funding for school districts by amounts equal to funds the school districts receive from the federal government and local property taxes. The deductions, the largest of which was for federal Impact Aid paid mostly

to school districts with large populations of Native American students, were intended to maintain the equity of the distribution of state funds, but affected school districts argued they needed the funds to address the high needs of their students.

The appropriation to public schools includes \$51.7 million to eliminate the credits without reducing the money available for other school districts and charter schools.

Public School Enrollment Continues Slide



Year	Membership	Change from Prior Year
FY17	331,197	(1,469) -0.4%
FY18	328,699	(2,498) -0.8%
FY19	325,508	(3,191) -1.0%
FY20	323,029	(2,479) -0.8%
FY21	310,205	(12,824) -4.0%

While many school districts and charter schools saw enrollment declines, some schools saw spikes in enrollment in the 2020-2021 school year.

For FY21, the number of enrollment growth program units, allocated to schools with growth of more than 1 percent, was higher than the historical average, driven in part by schools that expanded or created online programs.

Although enrollment dropped between FY17 and FY21, funding grew almost every year, for a five-year average of 3.7 percent a year.

Change in Recurring General Fund Appropriation

Fiscal Year	Change
FY16 to FY17	-1.7%
FY17 to FY18	0.2%
FY18 to FY19	3.9%
FY19 to FY20	16.0%
FY20 to FY21	0.0%

Source: LESC Files

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325 Don Gaspar, Suite 200
Santa Fe, NM 87501
(505) 986-4591 www.nmlegis.gov/lesc

Chelsea Canada, Staff Editor | Helen Gaussoin, Editor