

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

REPRESENTATIVES

Rick Miera, Chair
Roberto "Bobby" J. Gonzales
Jimmie C. Hall
Mimi Stewart
Thomas E. Swisstack
W. C. "Dub" Williams

State Capitol North, 325 Don Gaspar, Suite 200
Santa Fe, New Mexico 87501
PH: (505) 986-4591 FAX: (505) 986-4338
<http://legis.state.nm.us/lcs/lesc/lescdefault.asp>

SENATORS

Cynthia Nava, Vice Chair
Vernon D. Asbill
Mary Jane M. Garcia
Gay G. Kernan

ADVISORY

Ray Begaye
Nathan P. Cote
Nora Espinoza
Mary Helen Garcia
Thomas A. Garcia
Dianne Miller Hamilton
John A. Heaton
Rhonda S. King
Sheryl M. Williams Stapleton
Jim R. Trujillo
Teresa A. Zanetti



ADVISORY

Mark Boitano
Carlos R. Cisneros
Dianna J. Duran
Lynda M. Lovejoy
Mary Kay Papen
John Pinto
William E. Sharer

D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

September 12, 2007

MEMORANDUM

TO: Legislative Education Study Committee
FR: Kathleen Forrer *K.F.*
RE: STAFF REPORT: FY 08 PUBLIC SCHOOL BUDGETS

Current law requires each local school board to establish the operating budget for the district for the upcoming fiscal year at a public hearing held prior to June 20. In turn, the Public Education Department (PED) is required to approve operating budgets for school districts, including district-chartered charter schools, and state-chartered charter schools on or before July 1 and to provide timely information to the Legislative Education Study Committee (LESC) upon request.

State Funding

- For FY 08, the Legislature appropriated approximately \$2.5 billion in public school support and recurring related education appropriations. This amount represents an increase of \$197.8 million, or 8.6 percent, over the FY 07 appropriations (see Attachment 1).
- The State Equalization Guarantee (SEG) appropriation for FY 08 includes almost \$6.8 million to fully fund increases in fixed costs, such as utility charges, based upon actual expenditures for the last five years. In testimony to the LESC over the last few interims, school districts have consistently requested that the Legislature consider fully funding fixed cost increases.
- The SEG appropriation also includes slightly more than \$9.1 million to fund the \$50,000 minimum salary for level 3-A teachers to implement the fifth and final year of the five-year phase-in of the three-tiered licensure system. Language in the *General*

Appropriation Act of 2007 requires the Secretary of Public Education, in collaboration with the Office of Education Accountability (OEA), to ensure that “all level three-A teachers receiving salary increases under the three-tiered minimum salary have been evaluated under the tiered licensure evaluation system and have the professional competencies of level three-A teachers.” The Secretary is further directed to “withhold from the public school distribution funding for the minimum salary of any teacher who has not been evaluated.”

- The *General Appropriation Act of 2007* contains language mandating an average 5.0 percent salary increase for all teachers, other instructional staff, and other licensed and unlicensed staff, effective July 1, 2007. To meet this mandate, the SEG appropriation includes approximately \$90.6 million. In addition, the Secretary of Public Education is required to verify that school districts and charter schools (1) have provided all mandated raises and (2) have implemented the salary increase for teachers prior to implementing the minimum salaries for level 3-A teachers.
- In addition to the mandated average 5.0 percent salary increase for teachers, other instructional staff, and other licensed and unlicensed staff, the SEG appropriation contains funds for two additional salary increases: approximately \$3.2 million to provide a mandated additional 2.0 percent average salary increase “for those instructional support providers who practice licensed professions that require a bachelor’s or higher degree and whose annual salaries on a full-time basis are below sixty thousand dollars (\$60,000)”; and a little more than \$1.7 million to provide a mandated additional 2.0 percent average salary increase “for principals and assistant principals with priority given to the level of responsibility each principal or assistant principal is charged with.”
- During the 2004 interim, the LESC heard testimony from the Educational Retirement Board that the Educational Retirement Fund was insolvent because of a number of factors, including inadequate contribution levels. The 2005 Legislature passed and the Governor signed legislation that, beginning in FY 06, increased the employee’s contribution by 0.075 percent a year for four years and the employer’s contribution by 0.75 percent a year for seven years. The SEG appropriation for FY 08 contains \$14.3 million to pay for the increase in the FY 08 employer’s contribution as part of the effort to restore the solvency of the fund. (Additional funding for transportation employees is included in the transportation appropriation.)
- Elementary physical education for students in kindergarten through the sixth grade is now specifically funded through the Public School Funding Formula, and high poverty schools will be the first to qualify. Eventually, as funding becomes available, all elementary schools will qualify. There is \$8.0 million in the SEG appropriation to fund approved programs in FY 08. As of August 28, PED indicated that 48 schools have had their elementary physical education program plans approved by the department and have been sent “award letters”; projected program cost for all 48 schools (see Attachment 2) totals approximately \$4.2 million, or 52.7 percent of the \$8.0 million included in the SEG. However, the department indicates that a second set of award letters is awaiting the Secretary’s signature and that once the letters have been signed, the names of the additional schools will be released.

- In accordance with the *General Appropriation Act of 2007*, on April 9, 2007 the Secretary of Public Education announced that the preliminary unit value for school district and charter school FY 08 operating budgets would be \$3,645.77. Based on a statewide projected total of 638,790.218 units, the FY 08 initial unit value represents an increase of \$199.33 (5.8 percent) over the FY 07 final unit value of \$3,446.44. According to the Secretary, the FY 08 initial unit value reflects the consensus reached at a meeting of PED staff with a number of stakeholders, including staff from the LESC, the Legislative Finance Committee (LFC), the Department of Finance and Administration (DFA), the OEA, the New Mexico Coalition of School Administrators (NMCSA), and the New Mexico School Boards Association (NMSBA).
- Categorical Public School Support for FY 08 includes \$105.6 million for school transportation; \$37.2 million for the Instructional Material Fund; \$6.0 million for the Educational Technology Fund; \$2.0 million for the School Library Material Fund (an additional \$1.0 million was appropriated in CS/SB 827); \$2.5 million for the Schools in Need of Improvement Fund; and \$2.5 million for the Teacher Professional Development Fund. (Note: Although no appropriation for the Reading Materials Fund was included in the *General Appropriation Act of 2007*, appropriations totaling \$658,900 were included in SB 710 and in CS/SB 827.)
- In addition to the categorical appropriations listed above, the 2007 Legislature also appropriated a total of \$8.3 million in supplemental support for emergencies and school district operations: \$2.0 million in recurring and 6.3 million in nonrecurring General Fund dollars. According to PED, 25 school districts were allowed to budget a total of nearly \$8.4 million for school year 2007-2008. Although at present, the budgeted amount exceeds the total funding available, PED expects to adjust the allocations once final units have been verified and the final unit value has been determined.
- The *General Appropriation Act of 2007* also includes approximately \$12.4 million in special nonrecurring appropriations directed toward public education, including \$1.5 million to PED for “assessment and test development: New 11th Grade Test,” \$1.05 million to PED for Regional Education Cooperatives (RECs) operations (see RECs below), \$1.0 million to offset any reduction in Impact Aid credits affecting the calculation of the SEG, \$1.0 million to the State Support Reserve Fund, and \$50,000 to the LESC for state participation in the American Diploma Project. (See Attachment 1 for the complete list.)
- In addition to the \$2.5 billion in both recurring and nonrecurring revenues designated for public school support and other education-related functions, the 2007 Legislature also appropriated approximately \$9.3 million to PED and a little more than \$4.9 million to other state agencies for various programs through a separate appropriation act, commonly referred to as “HB 2 Junior” (see Attachment 3). Included among the appropriations to PED are \$2.0 million for after-school enrichment programs statewide, another \$1.0 million for specific after-school programs, \$2.0 million for breakfast for elementary school students, and an additional \$2.0 million for the New Mexico PreK program. The Children, Youth and Families Department (CYFD) also received an additional \$2.0 million in HB 2 Junior for New Mexico PreK. (In total, PED and CYFD received \$14.0 million to support approved pre-kindergarten programs in FY 08.)

2007-2008 Salary Survey

On August 29, LESC staff requested all school district superintendents and charter school administrators to complete a web-based survey regarding their implementation of the salary increases mandated in the *General Appropriation Act of 2007*. For those districts and charter schools not providing identical raises for individuals in the specified subgroups, respondents were asked to provide both the range of salary increases provided and the bases used to determine the differentiated increases. In all, a total of 54 useable responses were received: 41 school districts¹ and 13 charter schools². All geographic areas of the state were represented; the size of the school districts responding ranged from the largest in the state to several of the smallest.

Not surprisingly, almost all school districts and charter schools provided at least the mandated raises where applicable (in some instances, no individuals in a particular staffing category designated in the *General Appropriation Act* were employed by the district or charter school). However, one school district indicated that it had provided the mandated average 5.0 percent raise to teachers but declined to respond to other questions regarding mandated average 5.0 percent increases for other instructional staff and for other licensed and unlicensed staff, stating:

We gave more to people with higher degrees attained and slightly more to teachers with more experience in an attempt to better distribute the salary schedule. The flat raises over the past years had resulted in many people of varying experience and training earning the same amount. Further, we did not give Instructional Support Providers [ISB] the same amount of raise as teachers [because] our EA's (in the same bucket) are still working at the poverty level and our ISP's traditionally earn stipends in order to compete with the salaries of neighboring districts.

In addition, one charter school commented: "We are not sure about questions involving the additional 2% raise for principals. Our analyst advised [that] only the 5% was applicable."

Some, but not all, school districts and charter schools chose to give every individual in a designated staffing category the same percentage raise rather than different percentage raises. Of the 54 respondents, 26 gave the same percentage raise to teachers, while 27 did not. Reasons cited for not giving the same percentage raise to all teachers included seniority (4 responses), job performance (2 responses), the need to meet the \$50,000 minimum for Level 3 teachers (22 responses), the need to retain teachers in certain subject areas (1 response), and other

¹ The following school districts responded to the survey (not all responses were useable; some surveys were blank): Albuquerque, Animas, Artesia, Aztec, Bernalillo, Carlsbad, Central Consolidated, Clayton, Clovis, Dexter Consolidated, Española, Estancia, Eunice, Farmington, Fort Sumner, Grady, Grants-Cibola County, Hagerman, Hondo Valley, House, Jemez Valley, Las Cruces, Logan, Lordsburg, Los Alamos, Loving, Moriarty, Mountainair, Pecos, Peñasco, Portales, Quemado, Questa, Raton, Rio Rancho, Roswell, Roy, San Jon, Santa Rosa Consolidated, Silver Consolidated, Springer, Taos, Texico, Truth or Consequences, Tularosa, Vaughn, Wagon Mound, and West Las Vegas.

² The following charter schools responded to the survey (one survey was blank): Academia de Lengua y Cultura, Amy Biehl Charter High School, Creative Education Prep Institute #1, Charter School 37, Horizon Academy West Charter School, The Learning Community Charter School, Monte del Sol Charter School, The Montessori Elementary Charter School, Public Academy for Performing Arts (PAPA), Red River Valley Charter School, SIA Tech (School for Integrated Academics & Technologies), Sidney Gutierrez Middle School, Southwest Secondary Learning Center, and Taos Charter School.

(16 responses). The responses total to more than 27 because respondents could choose more than one reason for their decision.

A greater number of respondents—36—chose to give the same percentage raise to other instructional staff. Of the 13 that provided differentiated salary increases, five based the percentage increase on seniority, two on job performance, and 10 on other criteria. Again, respondents could choose more than one reason.

Thirty-five respondents chose to give the same percentage raise to other licensed and unlicensed staff. Of the 16 that provided differentiated salary increases, four based the percentage increase on seniority, five on job performance, and 12 on other criteria. (Respondents could choose more than one reason.)

Although most respondents provided the mandated additional average 2.0 percent salary increase for instructional support providers only to those support providers who met the criteria in the *General Appropriation Act*, three respondents provided the salary increase to all instructional support providers regardless of educational background or salary level.

In determining the “level of responsibility” on which to base the mandated average 2.0 percent salary increase for principals and assistant principals, most respondents (21) used school level (elementary school, middle/junior high school, or high school) as the guiding factor. Nine respondents based their decision on student enrollment, three on seniority, 10 on other, and 11 on the definition³ in HB 35, *School Principal Salary Calculation Changes*, passed by the 2007 Legislature. HB 35 establishes minimum salaries for principals but does not address any other form of salary increase.

Finally, the survey provided respondents with an opportunity to make additional comments regarding the mandated salary increases for school year 2007-2008 that they wished to share with the committee. All of those comments are included in Attachment 4. Only data identifying the name of the district or charter school or of the person responding has been removed.

Federal Funding

For school year 2007-2008, federal funding to New Mexico for all elementary and secondary level education programs is estimated to increase by approximately \$1.5 million. However, funding for Education for the Disadvantaged (Title I) is estimated to decrease by approximately \$9.0 million, attributable primarily to a decrease in Title I grants to local education agencies (LEAs)⁴. In total, funding for programs classified by the US Department of Education as

³ HB 35 added the following definition to the *School Personnel Act*: “‘responsibility factor’ means a value of 1.20 for an elementary school principal, 1.40 for a middle school or junior high school principal, 1.60 for a high school principal, 1.10 for an assistant elementary school principal, 1.15 for an assistant middle school or assistant junior high school principal and 1.25 for an assistant high school principal.”

⁴ According to USDE regulation, “local educational agency” is defined as:

(a) a public board of education or other public authority legally constituted within a state for either administrative control of or direction of, or to perform service functions for, public elementary or secondary schools in: (1) a city, county, township, school district, or other political subdivision of a state; or (2) such combination of school districts or counties a state recognizes as an administrative agency for its public elementary or secondary schools; or

(b) any other public institution or agency that has administrative control and direction of a public elementary or secondary school.

components of NCLB is estimated to remain basically flat for school year 2007-2008 (see Attachment 5 for a brief description of the 21 NCLB programs listed in Table 1 below).

Table 1 below includes a comparison of federal formula-allocated and selected student aid (Promise Scholarships) funds for New Mexico for federal fiscal years 2006, 2007, and 2008 for elementary and secondary programs. (NOTE: The federal fiscal year runs from October 1 through September 30 of the next calendar year and is named for the year in which it ends. Therefore, federal funding for federal fiscal year 2007 will be allocated to school districts and other LEAs for school year 2007-2008.)

TABLE 1

Funds for State Formula-Allocated and Selected Student Aid Programs U.S. Department of Education Funding New Mexico					
	2006	2007	2008	Change Fiscal Year 2007 to 2008	
	Actual	Estimate*	Estimate**	Amount	Percent
ESEA Title I Grants to Local Educational Agencies*	112,418,200	103,846,928	107,859,622	4,012,694	3.9%
School Improvement Grants	0	948,431	3,793,723	2,845,292	300.0%
Reading First State Grants*	9,566,021	8,439,134	8,360,867	(78,267)	-0.9%
Even Start*	799,410	578,360	0	(578,360)	-100.0%
State Agency Program--Migrant	858,675	867,476	909,445	41,969	4.8%
State Agency Program--Neglected and Delinquent*	353,127	302,523	302,523	0	0.0%
Promise Scholarships	0	0	1,935,295	1,935,295	---
Subtotal, Education for the Disadvantaged	\$123,995,433	\$114,982,852	\$123,161,475	\$8,178,623	7.1%
Impact Aid Basic Support Payments	77,552,838	85,849,044	85,699,313	(149,731)	-0.2%
Impact Aid Payments for Children with Disabilities	3,010,163	3,456,925	3,456,901	(24)	0.0%
Impact Aid Construction	910,501	1,081,362	0	(1,081,362)	-100.0%
Subtotal, Impact Aid	\$81,473,502	\$90,387,331	\$89,156,214	(\$1,231,117)	-1.4%
Improving Teacher Quality State Grants*	23,006,672	22,498,507	21,745,221	(753,286)	-3.3%
Mathematics and Science Partnerships*	1,654,301	1,456,023	1,455,735	(288)	0.0%
Educational Technology State Grants*	2,296,764	1,998,257	0	(1,998,257)	-100.0%
21 st Century Community Learning Centers*	8,071,240	8,382,367	7,206,905	(1,175,462)	-14.0%
State Grants for Innovative Programs*	635,206	648,237	0	(648,237)	-100.0%
State Assessments*	4,595,624	4,628,375	4,628,375	0	0.0%
Rural and Low-Income Schools Program	1,818,450	2,102,800	2,103,003	203	0.0%
Small, Rural School Achievement Program	408,317	578,226	577,129	(1,097)	-0.2%
Indian Education--Grants to Local Educational Agencies	7,918,284	7,918,284	7,918,279	(5)	0.0%
Safe and Drug-Free Schools and Communities State Grants*	2,629,797	2,629,797	649,506	(1,980,291)	-75.3%
Language Acquisition State Grants*	4,051,960	4,338,421	4,350,312	11,891	0.3%
Subtotal, All of the Above Programs, which constitute the <i>No Child Left Behind Act of 2001</i>	\$262,555,550	\$262,549,477	\$262,952,154	\$402,677	0.2%
Education for Homeless Children and Youth*	544,126	471,828	468,174	(3,654)	-0.8%
Special Education--Grants to States*	84,015,541	85,444,520	83,209,523	(2,234,997)	-2.6%
Special Education--Preschool Grants*	3,186,991	3,186,991	3,186,991	0	0.0%
Grants for Infants and Families*	2,727,201	2,854,734	2,767,515	(87,219)	-3.1%
Subtotal, Special Education	\$89,929,733	\$91,486,245	\$89,164,029	(\$2,322,216)	-2.5%
Career and Technical Education State Grants*	9,263,582	9,300,232	4,685,877	(4,614,355)	-49.6%
Tech-Prep Education State Grants*	834,472	834,472	0	(834,472)	-100.0%
Subtotal, Vocational and Adult Education	\$10,098,054	\$10,134,704	\$4,685,877	(\$5,448,827)	-53.8%
Total, All Elementary/Secondary Level Programs	\$363,127,463	\$364,642,254	\$357,270,234	(\$7,372,020)	-2.0%

NOTE: State allocations for fiscal years 2007 and 2008 are preliminary estimates based on currently available data. Allocations based on new data may result in significant changes from these preliminary estimates.

*The US Department of Education reports on its website that, despite the column heading, these state allocations are final for federal fiscal year 2007.

**Proposed Executive budget

Compiled for posting on the WEB by the Budget Service on August 1, 2007.

SOURCE: USDE website (downloaded 9/6/2007)

LESC: 9/6/2007

As of September 10, 2007, PED has allocated a total of a little more than \$164.7 million, including administrative funds retained by the department in accordance with federal law. Please see the following attachments for federal fund allocations made to date by PED for school year 2007-2008:

- Attachment 6: 2007-2008 Allocations – Title I Basic (ESEA Title I Grants to Local Education Agencies) *Total Award = \$103,846,928*
- Attachment 7: 2007-2008 Allocations – Reading First *Total Award = \$8,439,134*
- Attachment 8: 2007-2008 Allocations – Title I Even Start *Total Award = \$574,139*
- Attachment 9: 2007-2008 Allocations – Title I Migrant *Total Award = \$867,476*
- Attachment 10: 2007-2008 Allocations – Title I Neglected and Delinquent *Total Award = \$302,523*
- Attachment 11: 2007-2008 Allocations – Title II-A Improving Teacher Quality *Total Award = \$22,498,507*
- Attachment 12: 2007-08 Allocations – 21st Century After-School Learning Centers *Total Award = \$8,382,367*
- Attachment 13: 2007-2008 Allocations – Title V-A Innovative Programs *Total Award = \$648,236*
- Attachment 14: 2007-2008 Allocations – Rural and Low-Income Schools Program *Total Award = \$2,102,800*
- Attachment 15: 2007-2008 Allocations – Title IV-A Safe and Drug Free Schools and Communities *Total Award = \$2,103,838 (to PED)*
- Attachment 16: 2007-2008 Allocations – Title III Language Instruction (Language Acquisition) *Total Award = \$4,338,421*
- Attachment 17: 2007-2008 Allocations – Title I Education for Homeless Children and Youth *Total Award = \$471,828*
- Attachment 18: 2007-2008 Allocations – Carl Perkins *Total Award = \$9,300,232*
- Attachment 19: 2007-2008 Allocations – Carl Perkins – Tech-Prep Education *Total Award = \$834,472*

According to PED, allocations have not yet been made for the following federal programs: Title I Migrant; Enhancing Education Through Technology (EETT) Grant; IDEA-B Entitlement; IDEA-B Preschool; IDEA-B Risk Pool (Puente para los Niños Fund); ELL Title III Incentive Award; Title III-Immigrant; and United States Department of Agriculture (USDA) – Fruit & Vegetable. In addition, the department has indicated that it will be distributing School Improvement Grants on a contractual basis.

The 65 Percent Solution?

Every year the committee hears a presentation from PED summarizing public school budgets for the upcoming school year. Included in that presentation is a pie chart indicating the percentages of the operational budget devoted to Instruction, Support Services, Non-instructional Services, and Capital Outlay. Part of the discussion usually centers around just what percentage should be devoted to instruction and exactly what the term instruction includes. In that regard, the phrase “the 65 percent solution” sometimes enters the mix.

First proposed in 2005 by an organization called First Class Education, founded by Patrick Byrne, CEO of Overstock.com., the idea sounds reasonable enough—if school spending can be

reallocated so that 65 cents of every dollar goes directly to the classroom, spending on instruction can be increased with no concomitant increase in taxes. The stated goal of First Class Education is to change the law in each of the fifty states and the District of Columbia by the end of 2008 to require that “at least 65% of what taxpayers spend on K-12 education actually makes its way into the classroom.”

According to information provided to the National Conference of State Legislatures by First Class Education, the organization arrived at the 65 percent figure by examining National Center for Education Statistics (NCES)⁵ data indicating that the five states with the highest standardized test scores (Massachusetts, New Hampshire, Vermont, Minnesota, and Connecticut) spent, on average, 64.1 percent of their operational dollars in the classroom. However, in an executive summary of its proposal, First Class Education calls the concept intuitive—not empirical: “While evidence is decidedly mixed as to whether the amount of money spent per child is a determinant factor in test scores, the rationale for requiring more of the current expenditures to be spent on instruction in the classroom is intuitive. After all, it is the activities in the classroom that bear directly on that individual child’s educational outcome, not the plethora of school district superintendents and other bureaucratic staffing, nor the often inefficient ways schools cut their grass or paint their walls.”

Since the movement began, four states have instituted the 65 percent threshold as public policy: Kansas, Louisiana, Texas, and Georgia. In 2005, Kansas enacted legislation declaring as a state goal the requirement that 65 percent of state educational funding be expended in the classroom or for instruction; the Louisiana legislature passed a resolution requesting the State Board of Education to revise its foundation funding formula to require that “at least sixty-five percent of general fund monies be spent at the classroom level”; and the Governor of Texas issued an executive order requiring that public schools expend 65 percent of their funds for instructional purposes as defined by NCES. Most recently, in 2007, the Governor of Georgia signed legislation making the “65 percent solution” mandatory.

The proposal has also suffered some defeats. For example, in June 2007, the Ohio Supreme Court invalidated an initiative petition that would have placed the 65 percent solution on the ballot on the grounds that the description at the top of the proposal “failed to alert potential signatories to the effect the proposed statute would have on the balance of power between local school boards and the state.” In 2006, voters in Colorado defeated two measures, one that would have amended the Colorado Constitution to include the 65 percent requirement and one that would have placed the requirement in statute. The “solution” never made it on the ballot in the state of Washington because the First Class Education for Washington Initiative was unable to attract sufficient contributions to run a campaign. Perhaps somewhat ironically, the same was true in Arizona, home of one of the movement’s founders.

Opposition to the 65 percent concept comes from a variety of sources from throughout the political spectrum. The National PTA has declared that the 65 percent solution is fatally flawed for three reasons: “(1) the initiative gives the appearance of increasing classroom spending but does not in fact increase funding for public education at all; 2) a one-size fits all model is unworkable in a country that has 51 state education systems including the District of Columbia and over 14,000 school districts that are as unique as snowflakes; 3) independent research shows

⁵ The National Center for Education Statistics, located within the US Department of Education and the Institute of Education Sciences, is the primary federal entity for collecting and analyzing data related to education.

that student performance does not noticeably or consistently increase at 65 percent or any other minimum percentage spent on instruction.” Dr. Ed Hanushek, a senior fellow at the Hoover Institute, agrees that any measure that looks only at inputs, i.e. where the money goes, without tracking outcomes, in this case student achievement, is fatally flawed. In “Fund the Child: Tackling Inequity & Antiquity in School Finance,” the Thomas B. Fordham Institute proposes a weighted student approach. Stating that there is no “silver bullet,” the Institute nevertheless calls weighted student funding “the best hope for achieving equity and accommodating our new diversity of options.”

In fall 2005, Standard & Poor’s (S&P) undertook an analysis of the 65 percent solution, noting that “the 65 Percent Solution is an input-driven initiative, without any measurable outcome, such as a quantified achievement goal or targeted return on resources. This raises the question of whether there is empirical evidence that allocating more money to instruction will necessarily result in higher student achievement.” In an attempt to answer this question, the S&P analysis sought to determine three things: (1) what the data reveal about the relationship between spending allocations and student achievement; (2) what definitional issues must be considered when determining the percentage a district spends on instruction; and (3) what questions policymakers should consider in connection with the 65 percent solution.

S&P analyzed data in nine states that, at the time, were considering implementing the 65 percent solution and found “no significant positive correlation between the percentage of funds that districts spend on instruction and the percentage of students who score proficient or higher on state reading and math tests.” In some instances, some of the highest performing districts spent less than 65 percent on instruction and some of the lowest performing districts spent more. In addition, S&P found “no significant correlation between spending *any* minimum percentage on instruction and student performance.” Overall, there was no consistent pattern.

One of the difficulties in talking about money spent on instruction is the definition of just what constitutes instruction. As noted above, Texas has tied its implementation of the 65 percent solution to the NCES definition. However, NCES has no data category specifically called “classroom instruction.” NCES does have a category called “instruction expenditures,” which are defined as “expenditures for activities related to the interaction between teachers and students,” including salaries for teachers and teacher aides, textbooks, supplies, and purchased services. Instructional expenditures do not include instructional staff training, educational media, and other instructional staff support services. Salaries for librarians, nurses, counselors, and special education ancillary staff are also excluded under the NCES definition. But it is important to note that NCES intends its definitions to be descriptive and not prescriptive. S&P suggests that a better representation of student-related expenditures for purposes of determining the percentage of funding spent on the classroom would include both instruction and instructional support.

Finally, S&P notes that “there are legitimate reasons why districts may not be able to allocate 65% of their operating budgets toward instruction,” citing fixed costs and the challenges faced by small districts in providing transportation and other required services. S&P concludes:

As policymakers search for ways to ensure that districts are minimizing inefficiencies and optimizing the effectiveness of their resources, transparent data reporting is an essential first step. Additionally, examining how the most resource-effective districts (i.e., high achieving, lower spending districts) have allocated their instructional resources will offer

invaluable insights into the particular instructional activities that tend to result in higher student performance.

RECs

Regional education cooperatives (RECs) provide fiscal administration, technical assistance, and direct services to participating member school districts and state-operated schools. To support their activities, the RECs manage the flow-through funds from the federal *Individuals with Disabilities Education Improvement Act of 2004* (IDEA) for their member districts and allocate some of those funds to operate their own offices. In past years, according to PED, \$1.0 million in federal IDEA-Part B funds was set aside annually to be allocated equally among the nine RECs for infrastructure costs.

Prior to July 1, 2005, PED provided the RECs federal fund allotments in 12 monthly installments. However, beginning in FY 06, PED changed to a twice monthly reimbursement system in order to comply with the federal *Cash Management Improvement Act of 1990*.⁶ According to PED, the department no longer adheres to the twice monthly reimbursement schedule but now processes each reimbursement request upon receipt. PED estimates that it takes approximately 12 days for a fully documented reimbursement request to be processed by the department and submitted to DFA for payment, noting that the length of time that DFA takes to issue payment varies. (See Attachment 20 for a detailed explanation of PED's current reimbursement process.)

In response to testimony from REC directors, the 2006 Legislature provided \$750,000 in a special nonrecurring, non-reverting appropriation to PED to provide temporary cash flow assistance for REC operations to address funding shortfalls due, in part, to federal reimbursement cycles. Language in the *General Appropriation Act of 2006* stated that PED could "advance amounts to one or more regional education cooperatives upon a finding that the cooperative has a timely audit⁷, is in compliance with financial reporting requirements, is otherwise financially stable and has adequately justified a need for the advance." Any REC receiving an advance was required to return the funds to PED by June 30, 2007. Once returned, the funds remained available for advances to RECs in FY 08.

In testimony to the LESC during the 2006 interim, the RECs requested an appropriation of \$2.7 million from the General Fund for FY 08 to establish a permanent operational base to sustain the RECs' current infrastructure on a yearly basis. To determine whether there was a need for the requested base funding, the LESC asked the Legislative Finance Committee (LFC) to audit the RECs' financial situation. In presenting preliminary findings to the LESC in January 2007, LFC staff suggested that the Legislature not appropriate recurring General Fund dollars but rather appropriate nonrecurring dollars to a non-reverting fund from which PED could continue to make temporary advances to RECs facing cash flow problems at the beginning of a fiscal year.

⁶ In order to ensure that federal funds are used solely for appropriate program purposes, the *Cash Management Improvement Act of 1990* requires states to pay interest to the federal government on federal funds drawn in advance of need.

⁷ Financial audits for RECs are due to the State Auditor on or before September 30.

In response to the LFC's preliminary findings, the 2007 Legislature appropriated an additional \$1.05 million to PED for use beginning in FY 08, bringing the total amount of funding available for temporary REC cash flow assistance to \$1.8 million. Language in the *General Appropriation Act of 2007* substituted the submission of timely quarterly reports for the original requirement for a timely audit but retained the other criteria for receiving an advance: before flowing the funds, PED must ensure that the intended recipient is in compliance with state and federal financial reporting requirements, is otherwise financially stable, and has adequately justified a need for the cash advance. In addition, the governing board of each REC must prepare a plan to address cash flow issues and submit the plan to PED for approval. Although advances made by the department for use by the RECs in FY 07 may be retained for use in FY 08, all advances must be returned to PED no later than June 30, 2009; once returned, the \$1.8 million will remain available for future advances.

In order to determine the current cash flow status of the RECs, on September 5, LESC staff asked the REC directors to provide information regarding the \$1.8 million available for temporary cash flow assistance and the status of their IDEA-Part B allocations. All nine directors responded to the inquiry. They indicated either that they had already submitted a request to PED for cash flow assistance or planned to do so in the very near future⁸; several indicated that PED had encouraged all of the RECs to apply for whatever amount was needed to reach the full \$200,000 each⁹ (some RECs had received cash flow assistance for FY 07). As of September 5, none of the RECs had received cash flow assistance beyond the amount distributed in FY 07; that is, none of the \$1.05 million FY 08 appropriation has been allocated or distributed.

With regard to federal funds, several REC directors mentioned that they had received a communication from PED in July that the RECs would no longer receive any IDEA-Part B funds for infrastructure costs. In addition, as confirmed by PED, none of the RECs—or other potential recipients—has received any information regarding IDEA allocations for school year 2007-2008.

Presenter

Mr. Steve Burrell, Director, School Budget and Finance Analysis Bureau, PED, will provide an overview of FY 07 public school budgets and related issues.

⁸ REC 2 must complete back audits before it can formally request cash flow assistance but has submitted a notice of intent to apply. In April 2007, REC 3 submitted a request to retain for use in FY 08 the \$150,000 it had been allocated for FY 07. REC 4 received an allocation of \$150,000 for use in FY 07 and will ask to retain those funds plus an additional \$50,000 for use in FY 08. REC 5 received an allocation of \$150,000 for use in FY 07 and has asked to retain those funds plus an additional \$50,000 for use in FY 08. REC 6 applied in May 2007 for \$150,000 for use in FY 08. On August 16, 2007, REC 7 submitted its "justification of need" and its plan to address cash flow along with a request for \$200,000. REC 8 applied for \$50,000 for use in FY 07, but never received an allocation; its coordinating council will determine at its next meeting whether to submit a request for FY 08. REC 9 received an allocation of \$125,000 for use in FY 07 and applied for an additional \$50,000 to \$75,000 in April. REC 10 received an allocation of \$50,000 for use in FY 07 and has submitted a request for an additional \$100,000 for use in FY 08.

⁹ $\$200,000 \times 9 = \$1,800,000$

PUBLIC SCHOOL SUPPORT AND RELATED APPROPRIATIONS FOR FY 08
GENERAL APPROPRIATION ACT OF 2007

(dollars in thousands)

	FY 07 APPROPRIATION	CS/HB 2, et al., as amended Laws 2007 Chapter 28 (partial veto)
1 PROGRAM COST	\$2,025,533.3	\$2,175,399.2
2 Adjustment for prior year workload decline	(\$2,996.9)	
3 ENROLLMENT GROWTH	\$11,987.4	\$9,488.5
4 FIXED COSTS	\$3,166.3	\$6,796.0
5 INSURANCE COSTS	\$21,227.7	\$10,324.8
6 PUBLIC SCHOOL EMPLOYEE COMPENSATION:		
7 Teachers (average 5%)	\$55,789.1	\$58,040.0
8 Instructional Staff (average 5%)	\$9,638.4	\$9,240.6
9 Other Certified and Non-certified, including EAs (average 5%)	\$18,232.9	\$23,315.7
10 Educational Assistants	\$7,907.7	
11 Additional average 2% (professional instructional support staff/salaries less than \$60,000)		\$3,159.3
12 Additional average 2% (principals & assistant principals based on responsibility)		\$1,732.3
13 Minimum Salaries – Three-tiered Licensure Structure		
14 Level 3 to \$45,000 in FY 07	\$6,841.3	
15 Level 3 to \$50,000 in FY 08 (considers salary increase)		\$9,118.6
16 Increase in Employer's ERB Contribution (.75 percent)	\$13,215.6	\$14,268.9
17 Elementary Fine Arts	\$4,795.0	
18 Elementary Physical Education		\$8,000.0
19 Sanding Adjustment	\$61.4	
20 PROGRAM COST	\$2,175,399.2	\$2,328,883.9
21 Dollar Increase Over FY 07 Appropriation		\$153,484.7
22 Percentage Increase		7.1%
23 LESS PROJECTED CREDITS	(\$57,600.0)	(\$55,600.0)
24 LESS OTHER STATE FUNDS (from driver's license fees)	(\$850.0)	(\$750.0)
25 STATE EQUALIZATION GUARANTEE	\$2,116,949.2	\$2,272,533.9
26 Dollar Increase Over FY 07 Appropriation		\$155,584.7
27 Percentage Increase		7.3%
28 CATEGORICAL PUBLIC SCHOOL SUPPORT		
29 TRANSPORTATION		
30 Operational	\$91,385.0	\$91,186.6
31 School-owned Bus Replacements		\$420.4
32 Rental Fees (Contractor-owned Buses)	\$10,605.1	\$11,000.4
33 Kindergarten Plus Transportation		\$336.6
34 Compensation	\$2,074.2	\$2,266.0
35 Increase in Employer's ERB Contribution (.75 percent)	\$325.2	\$356.9
36 TOTAL TRANSPORTATION	\$104,389.5	\$105,566.9
37 SUPPLEMENTAL DISTRIBUTIONS		
38 Out-of-state Tuition	\$369.6	\$370.0
39 Emergency Supplemental	\$1,997.9	\$2,000.0
40 INSTRUCTIONAL MATERIAL FUND (FY 08 – Math, Music, and Art)	\$32,965.4	\$37,224.9
41 EDUCATIONAL TECHNOLOGY FUND	\$4,994.8	\$6,000.0
42 INCENTIVES FOR SCHOOL IMPROVEMENT FUND	\$1,598.3	
43 SCHOOL LIBRARY MATERIAL FUND	See line 98	\$2,000.0
44 SCHOOLS IN NEED OF IMPROVEMENT FUND	\$2,397.5	\$2,500.0
45 TEACHER PROFESSIONAL DEVELOPMENT FUND	See line 107	\$2,500.0
46 TOTAL CATEGORICAL	\$148,713.0	\$158,161.8
47 TOTAL PUBLIC SCHOOL SUPPORT (before and after executive action)	\$2,265,662.2	\$2,430,695.7
48 Dollar Increase Over FY 07 Appropriation		\$165,033.5
49 Percentage Increase		7.3%
50 RELATED APPROPRIATIONS: RECURRING (to PED unless otherwise noted)		
51 Public Education Department	\$12,625.0	\$14,415.7
52 Accelerated ERB Employer Contribution for FY 09 ¹		\$14,506.8
53 Advanced Placement	\$1,198.7	\$2,000.0
54 After-school Enrichment Program (21 st Century Learning Centers) ²		\$1,500.0
55 Apprenticeship Assistance	\$649.3	\$650.0
56 Breakfast for Elementary Students		\$450.0
57 College and High School Redesign Initiative in the Los Lunas Public Schools		\$210.0
58 COLLEGE/WORKPLACE READINESS & HIGH SCHOOL REDESIGN:		
59 Beginning Teacher Mentorship	\$899.1	\$2,000.0
60 Core Curriculum Framework	\$381.6	
61 Family and Youth Resource Act	\$1,498.4	\$1,500.0
62 Fiesta Educativa Parent Conference and Outreach (GISD)	\$7.0	
63 Food to Schools		\$500.0
64 GRADS – Teen Pregnancy Prevention	\$999.0	\$1,000.0
65 Indian Education Act of 2003	\$2,497.4	\$2,500.0
66 Kindergarten Plus	\$999.0	
67 Kindergarten-three Plus (contingent upon HB 198, which passed both Houses)		\$7,163.4
68 NEW MEXICO CYBER ACADEMY/INNOVATIVE DIGITAL EDUCATION AND LEARNING (IDEAL)		
69 Cyber Academy for Rio Rancho High School (contingent upon SB 209, which passed both Houses) ²	\$256.9	\$50.0
70 New Mexico Cyber Academy (contingent upon SB 209, which passed both Houses)		\$500.0
71 REC Distance Learning Networks (for RECs 3, 8, and 9) (contingent upon SB 209, which passed both Houses)		\$120.0
72 Pre-kindergarten Program ²	\$3,995.8	\$5,000.0
73 READING MATERIALS FUND	\$100.0	
74 School Improvement Framework	See line 97	\$3,000.0
75 Summer Reading, Math and Science Institutes	\$699.3	\$2,500.0
76 Truancy Prevention/Dropout Prevention	\$999.0	\$1,000.0
77 TOTAL RELATED APPROPRIATIONS: RECURRING (before and after executive action)	\$27,805.5	\$60,565.9
78 GRAND TOTAL (before and after executive action)	\$2,293,467.7	\$2,491,261.6
79 Dollar Increase Over FY 07 Appropriation		\$197,793.9
80 Percentage Increase		8.6%

PUBLIC SCHOOL SUPPORT AND RELATED APPROPRIATIONS FOR FY 08
GENERAL APPROPRIATION ACT OF 2007
(dollars in thousands)

	FY 07 APPROPRIATION	CS/HB 2, et al., as amended Laws 2007 Chapter 28 (partial veto)		
81	SECTION 5 – RELATED APPROPRIATIONS: NONRECURRING (for FY 07 & FY 08) – (to PED unless otherwise noted)		81	
82	Assessment & Test Development (alternative assessment)	\$6,600.0	\$500.0	82
83	Breakfast for Elementary Students ²	\$2,000.0	\$400.0	83
84	COLLEGE/WORKPLACE READINESS & HIGH SCHOOL REDESIGN:		84	
85	American Diploma Project (to LESC)		\$50.0	85
86	Assessment & Test Development: New 11 th Grade Test		\$1,500.0	86
87	Computer-based Math & On-demand Student/Classroom Info. Access	\$2,500.0		87
88	Elementary Physical Education/Anti-obesity Programs	\$2,000.0	See line 18	88
89	Emergency Supplemental	\$5,000.0	See line 106	89
90	New Mexico Executive Educator Turnaround Specialists (training in New Mexico)		\$150.0	90
91	New Mexico Outdoor Classroom Initiative		\$250.0	91
92	Parental Training and Involvement/Domestic Violence Curriculum	\$750.0		92
93	Pre-kindergarten Start-up	\$1,500.0		93
94	Public School Funding Formula Study (to LCS)	\$500.0		94
95	Regional Education Cooperatives Operations	\$750.0	\$1,050.0	95
96	Rural Education/Community Revitalization	\$250.0		96
97	School Improvement Framework	\$6,000.0	See line 74	97
98	SCHOOL LIBRARY MATERIAL FUND	\$3,000.0	See line 43	98
99	School-owned Bus Replacements	\$3,680.9		99
100	School Security (for a needs assessment & study)		\$150.0	100
101	State High School Basketball Tournament		\$400.0	101
102	STATE EQUALIZATION GUARANTEE (to offset reductions in Impact Aid Credits)		\$1,000.0	102
103	STATE SUPPORT RESERVE FUND		\$1,000.0	103
104	Summer Camp Program in Santa Fe	\$300.0	\$175.0	104
105	Summer Institutes for Reading & Mathematics (professional development)	\$1,000.0	See line 75	105
106	Supplemental Support (to school districts experiencing operational shortfalls)		\$6,300.0	106
107	TEACHER PROFESSIONAL DEVELOPMENT FUND	\$2,000.0	See line 45	107
108	Three-tiered Licensure Evaluation System: Teachers	\$300.0		108
109	Uniform Public School Chart of Accounts	\$122.5		109
110	TOTAL RELATED APPROPRIATIONS: NONRECURRING (before executive action)	\$38,253.4	\$12,625.0	110
111	TOTAL RELATED APPROPRIATIONS: NONRECURRING (after executive action)	\$38,253.4	\$12,375.0	111
112	SECTION 6 – SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS (for FY 07)		112	
113	Specialized legal services (to PED)		\$120.0	113
114	SECTION 7 – DATA PROCESSING APPROPRIATIONS		114	
115	Student and Teacher Accountability Reporting System (STARS) – (to PED)		\$2,500.0	115
116	IDEAL infrastructure (to HED) ³		\$6,400.0	116

¹ The language describing the amount and use of this appropriation was vetoed; however, the actual appropriation in the *General Appropriation Act of 2007* was not.

² The following additional appropriations are included in CS/SB 611, as amended, Laws 2007, Chapter 21 (partial veto): \$2.0 million for after-school enrichment programs; \$105,000 for the Rio Rancho Cyber Academy; \$2.0 million each to PED and CYFD for pre-kindergarten; and \$2.0 million for breakfast for elementary students.

³ The General Fund appropriations to the policy development and institutional financial oversight program of the Higher Education Department in the personal services and employee benefits category include \$77,500 and in the contractual services category \$422,500 for operational costs of IDEAL.

SELECTED HIGHER EDUCATION APPROPRIATIONS

117	RELATED APPROPRIATIONS: RECURRING		117	
118	ENLACE (to UNM)		\$94.9	118
119	SECTION 5 – RELATED APPROPRIATIONS: NONRECURRING		119	
120	COLLEGE AFFORDABILITY ENDOWMENT FUND (to HED)		\$48,000.0	120
121	College preparatory mentoring for 8th graders in Albuquerque Public Schools (to UNM)		\$120.0	121
122	ENLACE (to HED)		\$200.0	122
123	TOTAL RELATED APPROPRIATIONS: NONRECURRING (before executive action)		\$48,320.0	123
124	TOTAL RELATED APPROPRIATIONS: NONRECURRING (after executive action)		\$48,200.0	124

ATTACHMENT 2

2007-2008 ELEMENTARY PHYSICAL EDUCATION PROGRAMS
Programs Approved as of 8/28/2007

District	Elementary School	Program Cost
ALBUQUERQUE	ALAMOSA ELEMENTARY	\$149,404
ALBUQUERQUE	ARMIJO ELEMENTARY	\$97,780
ALBUQUERQUE	DOLORES GONZALES ELE	\$100,405
ALBUQUERQUE	DURANES ELEMENTARY	\$61,030
ALBUQUERQUE	EAST SAN JOSE ELEM	\$138,029
ALBUQUERQUE	EMERSON ELEMENTARY	\$107,186
ALBUQUERQUE	EUGENE FIELD ELEM	\$87,280
ALBUQUERQUE	LA MESA ELEMENTARY	\$150,060
ALBUQUERQUE	LOS PADILLAS ELEM	\$61,030
ALBUQUERQUE	LOWELL ELEMENTARY	\$79,186
ALBUQUERQUE	MOUNTAIN VIEW ELEM	\$75,467
ALBUQUERQUE	NAVAJO ELEMENTARY	\$137,373
ALBUQUERQUE	WHITTIER ELEMENTARY	\$83,561
BELEN	CENTRAL ELEMENTARY	\$60,593
BERNALILLO	SANTO DOMINGO ELEM	\$59,280
CENTRAL CONS.	MESA ELEMENTARY	\$50,968
CENTRAL CONS.	NASCHITI ELEMENTARY	\$26,906
CENTRAL CONS.	NATAANI NEZ ELEM	\$74,592
CENTRAL CONS.	NEWCOMB ELEMENTARY	\$68,468
DEMING	BATAAN ELEMENTARY	\$99,092
DEMING	BELL ELEMENTARY	\$31,281
DEMING	COLUMBUS ELEMENTARY	\$104,561
DEMING	MARTIN ELEMENTARY	\$56,874
DEMING	SMITH ELEMENTARY	\$80,280
ESPANOLA	EUTIMIO TIM SALAZAR	\$98,217
ESPANOLA	HERNANDEZ ELEMENTARY	\$63,218
GADSDEN	ANTHONY ELEMENTARY (k-2,3-6)	\$159,247
GADSDEN	BERINO ELEMENTARY	\$155,310
GADSDEN	CHAPARRAL ELEMENTARY	\$178,716
GADSDEN	DESERT TRAILS ELEM	\$140,873
GADSDEN	DESERT VIEW ELEM	\$110,686
GADSDEN	LOMA LINDA ELEM	\$123,810
GADSDEN	MESQUITE ELEMENTARY	\$107,186
GADSDEN	RIVERSIDE ELEMENTARY	\$143,935
GADSDEN	SAN MIGUEL ELEM	\$78,749
GADSDEN	SUNLAND PARK ELEM	\$97,561
GADSDEN	SUNRISE ELEMENTARY	\$128,404
GADSDEN	VADO ELEMENTARY	\$102,592
HATCH	GARFIELD ELEMENTARY	\$37,187
HATCH	RIO GRANDE ELEM	\$48,343
JEMEZ VALLEY	SAN DIEGO RIVERSIDE	\$24,062
LOVING	LOVING ELEMENTARY	\$58,186
MORA	HOLMAN ELEMENTARY	\$9,187
ROSWELL	NANCY LOPEZ ELEM	\$95,811
SANTA FE	RAMIREZ THOMAS ELEM	\$115,935
SANTA ROSA	RITA A. MARQUEZ ELEM	\$10,719
TRUTH OR CONS.	ARREY ELEMENTARY	\$35,218
ZUNI	A:SHIWI ELEMENTARY	\$52,499
	TOTAL	\$4,216,333

PUBLIC EDUCATION-RELATED APPROPRIATIONS
(for expenditure in FY 08)
CS/SB 611, as amended, Laws 2007, Chapter 21 (partial veto)
(Dollars in thousands)

		CS/SB 611, as amended Laws 2007 Chapter 21 (partial veto)	
1	PUBLIC EDUCATION DEPARTMENT:		1
2	After-school enrichment programs	\$2,000.0	2
3	Breakfast for elementary students	\$2,000.0	3
4	Pre-kindergarten	\$2,000.0	4
5	After- (and before-) school programs that include physical activity and nutrition (anti-obesity)	\$650.0	5
6	After-school enrichment at 21 st century community learning centers in Albuquerque south valley	\$30.0	6
7	After-school learning centers in Mountainair Public Schools	\$97.0	7
8	After-school mathematics and reading tutoring programs in Belen Public Schools	\$75.0	8
9	After-school Power Academy for Learning in Santa Fe Public Schools	\$100.0	9
10	After-school programs for elementary and middle school children in Española Public Schools	\$35.0	10
11	After-school programs for elementary and middle school children in Pojoaque Valley Public Schools	\$60.0	11
12	Alamogordo Public Schools: band uniforms	\$95.3	12
13	Albuquerque Public Schools: Summer literacy camp for Hispanic and Native American third graders at Carlos Rey, Atrisco, and La Promesa schools	\$150.0	13
14	Autism services statewide, including professional development for educators in autism spectrum disorders	\$50.0	14
15	Autism services, including professional development for educators in autism spectrum disorders for school districts in Senate District 7 (Cimarron, Clayton, Des Moines, Grady, House, Logan, Maxwell, Melrose, Mosquero, Raton, Roy, San Jon, Springer, Taos, Texico, and Tucumcari)	\$75.0	15
16	Belen and Los Lunas school districts: alternatives to out-of-school suspensions	\$100.0	16
17	Character Counts leadership training for school principals and local superintendents statewide	\$56.52	17
18	Cloudcroft Municipal Schools: Student support programs	\$34.0	18
19	Elementary and secondary school program that promotes and supports the development of citizens committed to democratic principles and active participation in government	\$15.0	19
20	Española Public Schools youth summer enrichment programs in Truchas, Ojo Sarco, and Cordova	\$30.0	20
21	Gadsden Independent Schools: Fiesta Educativa parent conference and outreach	\$15.0	21
22	Gadsden Independent Schools: Promise for Success program	\$250.0	22
23	Grants-Cibola County Schools: Saturday school programs for at-risk high school students	\$75.0	23
24	Hondo Valley Schools: Student support programs	\$21.0	24
25	Information technology, distance education courses, or professional development to be evenly divided among school districts with enrollments of 1,000 or fewer in Senate District 7 (Cimarron, Clayton, Des Moines, Grady, House, Logan, Maxwell, Melrose, Mosquero, Roy, San Jon, Springer, and Texico)	\$120.0	25
26	International interdisciplinary film-based education curriculum for middle school students statewide	\$13.0	26
27	Las Vegas City Schools: Cada Cabeza Es Un Mundo	\$50.0	27
28	Los Lunas Public Schools: College readiness and high school redesign initiative	\$155.0	28
29	NM national laboratories to recruit, train and equip mathematicians and scientists to offer middle, junior and high school math and science distance learning courses and to market these courses to schools around the country	\$163.0	29
30	Nuestras Acequias DVD to public school libraries	\$25.0	30
31	Pecos Independent Schools: Behavior modification pilot program	\$10.0	31
32	Professional development at Eldorado High School cluster, Albuquerque Public Schools	\$150.0	32
33	Professional development at La Cueva High School cluster, Albuquerque Public Schools	\$50.0	33
34	Professional development statewide: social studies and civics	\$30.0	34
35	Rio Rancho Cyber Academy	\$105.0	35
36	Roswell High School athletics	\$20.0	36
37	Roswell High School program services	\$11.0	37
38	Roswell Independent Schools athletic programs	\$15.0	38
39	Santa Fe Public Schools for teacher training and in-class mentors in science techniques	\$40.0	39
40	Santa Fe Public Schools youth court to deal with school-based offenses	\$50.0	40
41	School Safety Crime Stoppers program statewide	\$230.0	41
42	School transportation safety and equipment training	\$10.0	42
43	Semiprofessional basketball game tickets to students	\$5.0	43
44	Taos High School: Implementation of newly defined mission	\$25.0	44
45	West Las Vegas and Robertson high schools: Violence prevention program	\$17.0	45
46	Total to PED (before executive action)	\$9,307.8	46
47	Total to PED (after executive action)	\$9,257.8	47

PUBLIC EDUCATION-RELATED APPROPRIATIONS
(for expenditure in FY 08)
CS/SB 611, as amended, Laws 2007, Chapter 21 (partial veto)
(Dollars in thousands)

		CS/SB 611, as amended Laws 2007 Chapter 21 (partial veto)	
48	OTHER AGENCIES:		48
49	Children, Youth and Families Department:		49
50	Pre-kindergarten	\$2,000.0	50
51	Roswell Recreation Department for Educational Science Festival for fourth, fifth, and sixth graders and other gifted students in southeastern New Mexico	\$27.0	51
52	Department of Finance and Administration Local Government Division:		52
53	After- (and before-) school programs in Bernalillo County to address juvenile delinquency, domestic violence, and educational inadequacies	\$20.0	53
54	After- (and before-) school programs in Rio Rancho to address juvenile delinquency, domestic violence, and educational inadequacies	\$25.0	54
55	After-school tutoring at John Marshall multi-service center in Albuquerque	\$27.0	55
56	Agricultural education pilot program for youth in the valley of San Miguel del Vado	\$15.0	56
57	Chaves County character development program	\$70.0	57
58	Chaves County youth leadership program aimed at breaking the cycle of violence for high-risk youth	\$50.0	58
59	High-technology mentoring program at Robert F. Kennedy Charter School (Albuquerque Public Schools)	\$50.0	59
60	Junior wrestling athlete and coach leadership training at Santa Fe High School (Santa Fe Public Schools)	\$18.0	60
61	Music and visual and performing arts program for youth in Truchas, Cordova, and Ojo Sarco	\$75.0	61
62	Stipends to student interns participating in a charter school building trades and technology program in Bernalillo County	\$15.0	62
63	Teen court in Luna County	\$25.0	63
64	Teen court in Santa Fe County	\$25.0	64
65	Workforce development program for young adults in Bernalillo County	\$50.0	65
66	Department of Health:		66
67	Dance instruction and fitness program for low-income, at-risk public elementary/middle school students statewide	\$25.0	67
68	Indoor air quality Tools for Schools program to conduct environmental assessments of public schools	\$27.0	68
69	Teen pregnancy programs statewide	\$300.0	69
70	Department of Military Affairs:		70
71	Drug demand reduction program through Civil Air Patrol Cadet Program for at-risk middle and high school students	\$60.0	71
72	Department of Public Safety:		72
73	After- (and before-) school programs in Albuquerque to address juvenile delinquency, domestic violence, and educational inadequacies	\$25.0	73
74	Energy, Minerals and Natural Resources Department:		74
75	Outdoor classroom programs in public schools statewide	\$20.0	75
76	Indian Affairs Department:		76
77	Culturally sensitive educational outreach program for Native American students	\$90.0	77
78	Office of African American Affairs:		78
79	Education and health care disparities pilot project for African-American children	\$200.0	79
80	Office of Workforce Training and Development:		80
81	Dropout prevention program focusing on workforce training	\$20.0	81
82	Fifth Judicial Court:		82
83	Teen court in Hobbs	\$70.0	83
84	Fifth Judicial District Attorney:		84
85	Drug awareness and prevention program for school districts in the 5th judicial district (Artesia, Carlsbad, Dexter, Eunice, Hagerman, Hobbs, Jal, Lake Arthur, Loving, Lovington, Roswell, and Tatum schools)	\$100.0	85
86	Eastern New Mexico University:		86
87	Professional development of teachers through distance education by College of Education and Technology	\$175.0	87
88	K-12 science and mathematics teacher development program	\$95.0	88
89	Luna Community College:		89
90	Youth College Program, including participation fees, transportation, student learning kits, instructional supplies, and post-program evaluations	\$20.0	90
91	New Mexico Institute of Mining and Technology:		91
92	NM MESA program	\$40.0	92
93	Science and Engineering Fair and the Science Olympiad	\$50.0	93
94	Supercomputing training for middle and high school students	\$60.0	94
95	Tuition scholarships for New Mexico high school students to attend summer science program	\$72.0	95
96	New Mexico State University:		96
97	4-H operations and outreach programs in Chaves and Eddy counties	\$40.0	97
98	4-H program activities	\$145.0	98
99	4-H youth development programs in Las Vegas City Public Schools	\$75.0	99
100	Economics education program expansion, including teacher outreach and training, curriculum development, and programs for high school students and their families (to Center for Economics and Personal Finance Education)	\$50.0	100
101	English teacher collaboration program (professional development for secondary and postsecondary teachers)	\$20.0	101
102	Fresh fruits and vegetables to Valley High School cluster (Albuquerque Public Schools)	\$85.0	102
103	Future Farmers of America outreach programs	\$20.0	103
104	Northern New Mexico College:		104
105	Train teachers at Carlos Vigil Middle School (Española Public Schools) in science, math, and technology	\$100.0	105
106	University of New Mexico:		106
107	College preparatory mentoring program for children in the eighth through twelfth grades in the Albuquerque Public Schools	\$75.0	107
108	Bridge achievement gap for high school students and first-year university students to prepare for university coursework in the field of African-American studies	\$30.0	108
109	Local school and community partnership for manpower development in Taos branch	\$200.0	109
110	Pre-college mathematics and science summer camp for minority students	\$145.0	110
111	Total to Other State Agencies (before and after executive action)	\$4,926.0	111

**2007-2008 SALARY SURVEY
COMMENTS FOR THE COMMITTEE**

SCHOOL DISTRICTS

These mandated increases are really a problem for small schools in remote areas. We have not had to apply for supplemental funding as of yet; but just like not making AYP it is only a matter of time unless something is done to fully fund mandated programs and changes.

We were able to make budget with the higher salaries this year... However we are very aware that we will have to start cutting programs to meet budget in the future because of additional cost of raises. The good news is that teachers are finally making a pretty decent living... The bad news that goes with it is that we will not be able to keep but about 3/4 of them!

We are trying to pay teachers on a 3 tiered schedule that has very little to do with how we are reimbursed (T&E) for salaries. Some of us aren't getting nearly what it costs to pay our teachers the mandated raises, and some of us are getting a lot more, all because we are reimbursed through an antiquated process. PLEASE address this in the new funding formula.

After giving our principals their mandatory raises our directors in the district were not equalized. We needed to match the daily rate of our school administrators. This meant we gave raises of \$19,000 to equal the principal's daily rate. This happened to about three directors. This is now done and will not have to be adjusted at a later time.

The ... District encourages the committee to continue to use the word "average" if mandating salary increases. This allows the local board to keep the integrity of the district's salary schedules and to enforce policies that reward staff that continue their education and obtain the hours necessary to move across the schedules.

While I appreciate the efforts to address salary issues, there remains a serious gap in the funding for operational expenses. The salary mandates of the last few years have used every penny of additional funding, leaving nothing for utility increases, classroom supply cost increases, or even fuel costs that continue to soar out of sight. The additional funding has not covered the salary mandates for either of the last two years, further increasing our district reliance on emergency supplemental funding.

While salary increases are always appreciated, it is time to return percentage of increases for different positions, experience and levels of education back to local control. The greatest impact the state mandated salaries had for smaller schools is to allow a level playing field to recruit teachers and principals that would otherwise not be interested in working in rural NM.

Our district receives emergency supplemental funding because of an operational shortfall due to the problems with the funding formula for small districts. Although we were required by PED budget to provide the mandated 5% increase, we were forced to cut our budget by \$60,000 in other areas in order to pay for the increase. By funding the average 5% increase and the corresponding benefit increases through the SEG, we lost approximately \$90,000 from what the increases actually cost the district. Other districts received a far greater amount than what they

actually were required to pay. Any time categorical required funding increases are distributed through the SEG, the smaller districts lose money and are then forced to cut other areas in their budget.

[Small school district] dropped 1 FTE to help meet mandated salary increases.

Please fully fund all mandates to the fullest extent. Please be aware that as a result of the mandates raises we were forced to request a great deal of supplemental funding (much of which we were denied) to cover all of our other extremely important funding needs. For example instructional supplies, utilities, student travel, and professional development. Also, we needed additional training and travel for our newly elected Board members.

This process would be easier if no mandate average was given. It is creating and making it impossible to create salary schedules which are required to be given to PED.

Our district is very appreciative for dollars provided by the Legislature to improve staff salaries. We are also elated that the legislature mandated salary increases for the principals which was also needed. The support staff and "other administrators" are also in need of future consideration from the Legislature. They are also important contributors to a school district, however, because of other salary mandates school districts have been unable to address their salary needs. I am sure that everyone is aware that the funding formula (the way it is at the present time) does not provide adequate funding to implement those required salary increases. If you are a small to medium sized district, there is not enough \$ to provide these salary increases without digging into the operational budget. On top of this, if you are a district with declining enrollment, the challenge is even greater. The "average" language provides school districts with more flexibility to do the very best we can without hurting our instructional program (i.e. making cuts to provide mandated salary increases).

We appreciate the increase for our teaching staff. We would like to see other positions, maintenance, custodial, cooks, etc...raised above poverty status. We would also like to see the PED. staff get paid on a level at least equivalent to district pay across the state. How do you expect to recruit and retain quality personnel when their pay scale is so low.

I have no additional comments other than the fact that we were fair to all of our employees.

Superintendents in small school districts are required to perform principal duties as well as Superintendent duties. Why are they not compensated for that work. Additionally schools that are on emergency money are not suppose to give raises yet some schools are allowed to give their superintendents raises above the mandates. In some schools the principals are making as much as the Superintendent. When is the LESC going to address Superintendent salaries.

One size solutions do not necessarily fit all. I find that sometimes the people least deserving get the most. I'm still upset about having to give counselors, social workers the additional 2% if they get less than 60,000. Where is the incentive to have them earn the additional pay? Our district will fix this problem at the first opportunity we get!!!

Please continue to support these mandated raises by providing the additional funding to the districts to pay for these mandates.

Most of this information was on Worksheet 4 and 5 from PED. Good Questionnaire—but I think PED or OEA should ask these questions.

The 5% average salary concept was a good one. It allowed district flexibility in bringing some of the lowest salaries higher, thus, giving those employees more of an incentive to increase their performance level a notch or two. I still felt that a 5% here in NM compared to other schools out of state is not helping us to retain quality teachers.

CHARTER SCHOOLS

The impact of under-funded mandates, and increasing insurance costs is disproportionate on small schools. Please, continue to factor this in the SEG and other funding. Thanks for your efforts on behalf of the students of NM.

The mandated salary increases cut into our Charter School operating budget so that services to children had to be cut. Although the PED claims the increases are covered by the SEG, we had also had teachers with increased salaries based on moving up to Level II licensure. In addition, the actual amount based on experience to be paid to our principal was not possible so her salary is below what it would be if she were employed by a school in a school district. We continue to struggle every year with meeting salary mandates that affect direct services to children. Given the great work our charter school is doing in meeting the needs of every individual child enrolled, mandates only seem to make it harder for us to provide a quality education for our children. Although we are for increased salaries for highly qualified teachers, more funding should be made available to sustain the quality of education for our students.

We are not sure about questions involving the additional 2% raise for principals. Our analyst advised only the 5% was applicable.

This mandated compensation has provided incentives for teachers, particularly, the more seasoned and experienced teacher. The message the state sent was that experience, education, and background, does matter. This goes a long way in addressing the shortage of "highly" qualified educators. My "kudos" to PED and our Legislature for finally addressing this.

**PROGRAMS IDENTIFIED BY THE US DEPARTMENT OF EDUCATION AS
CONSTITUTING THE *NO CHILD LEFT BEHIND ACT OF 2001***

The following federal programs have been identified by the US Department of Education (USDE) as constituting the *No Child Left Behind Act of 2001* (NCLB). Some are federal flowthrough programs, meaning that they are allocated to state educational agencies (SEAs), such as the New Mexico Public Education Department, for distribution to local education agencies (LEAs), i.e., school districts, or to other entities. Other programs are grants that go directly from the federal government to the end recipient, e.g., a school district. The programs below are listed in the order in which they appear on Table 1 in the report.

ESEA Title I Grants to Local Educational Agencies (Title I, Part A) – Title I “provides financial assistance through [SEAs] to [LEAs] and public schools with high numbers or percentages of poor children to help ensure that all children meet challenging State academic content and student academic achievement standards.”

Programs may be either targeted or schoolwide. “LEAs target the Title I funds they receive to public schools with the highest percentages of children from low-income families. Unless a participating school is operating a schoolwide program, the school must focus Title I services on children who are failing, or most at risk of failing, to meet State academic standards. Schools enrolling at least 40 percent of students from poor families are eligible to use Title I funds for schoolwide programs that serve all children in the school.”

Title I, Part A of the act also requires a participating LEA to “provide eligible children attending private elementary and secondary schools, their teachers, and their families with Title I services or other benefits that are equitable to those provided to eligible public school children, their teachers, and their families. These services must be developed in consultation with officials of the private schools.”

School Improvement Grants (Title I) – NCLB authorizes the awarding of grants to states to enable the states to provide subgrants to LEAs for the purpose of providing assistance for school improvement. Prior to federal fiscal year 2007, no funds were appropriated for this purpose.

In order to be awarded a School Improvement Grant, states must submit applications to USDE describing how they would allocate funds to help ensure compliance with the school improvement, corrective action, and restructuring requirements for schools participating in Part A of Title I. The law also (1) requires States to give priority for subgrants to school districts with low-achieving schools that demonstrate the greatest need for the funds and the strongest commitment to meeting their school improvement goals and (2) specifies that grants to LEAs must be large enough to provide between \$50,000 and \$500,000 for “each participating school.” LEAs may receive up to three years of assistance, and states may retain up to 5.0 percent of their allocations to pay for administration, evaluation, and technical assistance activities.

Reading First State Grants (Title I, Part B, Subpart 1) – “The overall purpose of the Early Reading First Program is to prepare young children to enter kindergarten with the necessary

language, cognitive, and early reading skills to prevent reading difficulties and ensure school success.... Federal funds are awarded competitively to local programs that show they will enhance young children's language and cognitive development by providing high-quality instruction and ongoing professional development based on scientifically based research.”

Even Start (Title I, Part B, Subpart 3) – “Even Start is an education program for the Nation's low-income families that is designed to improve the academic achievement of young children and their parents, especially in the area of reading.” The program combines four core components: early childhood education, adult literacy, parenting education, and interactive literacy activities between parents and their children.

State Agency Program–Migrant (Title I, Part C) – The statutory purposes of the migrant program are to: (1) support educational programs for migrant children that help reduce the educational disruption and other problems that result from repeated moves; (2) ensure that migrant children are not penalized by disparities among the states in curriculum, graduation requirements, and academic content and student academic achievement standards; (3) ensure that migrant children are provided with appropriate educational services that address their needs in a coordinated and efficient manner; (4) ensure that migrant children receive “full and appropriate opportunities to meet the same challenging State academic content and student academic achievement standards that all children are expected to meet”; (5) design programs to help migrant children overcome factors, such as educational disruption, that inhibit their ability to do well in school, and to prepare them to make a successful transition to postsecondary education or employment; and (6) ensure that migrant children “benefit from State and local systemic reforms.”

The USDE “allocates Title I, Part C Migrant Education Program funds to States through a statutory formula based primarily on the State’s migrant student count, the number of migrant children who receive summer or intersession services, and the cost of education in each State.”

State Agency Program–Neglected and Delinquent (Title I, Part D) – The Neglected and Delinquent Program consists of two subparts: subpart 1, the State Agency Neglected and Delinquent formula grant program, and subpart 2, the Local Educational Agency program, which is funded with money reserved by the SEA under Title I, Part A.

The State Agency Neglected and Delinquent program “provides formula grants to SEAs for supplementary education services to help provide education continuity for children and youth in State-run institutions for juveniles and in adult correctional institutions, so that these youth can make successful transitions to school or employment once they are released from State institutions.”

The Local Educational Agency program “requires each SEA to reserve, from its Title I allocation, funds generated by the number of children in locally operated institutions for delinquent youth. Funds are awarded to LEAs with high proportions of youth in local correctional facilities for drop-out prevention programs for at-risk youth.”

Promise Scholarships – As proposed in the President’s education budget for federal fiscal year 2008, public schools that go into restructuring status would be required to offer private school choice, intensive tutoring, or inter-district public school choice through Promise

Scholarships to low-income students in grades 3-12. Federal funds would follow the child to his or her new school, to be supplemented by a federal scholarship of \$2,500.

Impact Aid (Title VIII) – Direct Grants to Local Education Agencies

Impact Aid Basic Support Payments – “Basic Support Payments help local school districts that educate federally connected children. These may be the children of members of the uniformed services, children who reside on Indian lands, children who reside on Federal property or in federally subsidized low-rent housing, and children whose parents work on Federal Property. In general, to be eligible for assistance a local school district must educate at least 400 such children in average daily attendance, or the federally connected children must make up at least 3 percent of the school district’s total average daily attendance. Heavily Impacted Districts that enroll certain percentages of federally connected children and meet other specific statutory criteria, receive increased formula payments under Section 8003(b)(2).”

Impact Aid Payments for Children with Disabilities – “Payments for Children with Disabilities provide additional assistance to school districts that educate federally connected children who are eligible for services under the Individuals with Disabilities Act (IDEA). These payments are in addition to Basic Support Payments and IDEA funds provided on behalf of these children. A school district that receives these funds **MUST** use them for the increased costs of educating federally connected children with disabilities.”

Impact Aid Construction – “Construction Grants go to local school districts that educate high percentages of certain federally connected children — both children living on Indian lands and children of members of the uniformed services. These grants help pay for the construction and repair of school buildings. Section 8007(a) provides formula grants to the local school districts based on the number of eligible federally connected children they educate. Section 8007(b) provides competitive grants for emergency repairs and modernization.”

Improving Teacher Quality State Grants (Title II, Part A) – “The purpose of Title II, Part A is to help increase the academic achievement of all students by helping schools and school districts ensure that all teachers are highly qualified to teach. Through the program, [SEAs] and [LEAs] receive funds on a formula basis, as does the State agency for higher education (SAHE). The SAHE provides competitive grants to partnerships comprised, at a minimum, of schools of education and arts and sciences along with one or more high-need LEAs.”

Agencies are given the flexibility to use these funds “to address challenges to teacher quality, whether they concern teacher preparation and qualifications of new teachers, recruitment and hiring, induction, professional development, teacher retention, or the need for more capable principals and assistant principals to serve as effective school leaders.”

Mathematics and Science Partnerships (Title II, Part B) – “The Mathematics and Science Partnership (MSP) program is intended to increase the academic achievement of students in mathematics and science by enhancing the content knowledge and teaching skills of classroom teachers. Partnerships between high-need school districts and the science, technology, engineering, and mathematics (STEM) faculty in institutions of higher education

are at the core of these improvement efforts. Other partners may include state education agencies, public charter schools or other public schools, businesses, and nonprofit or for-profit organizations concerned with mathematics and science education.”

The program is a formula grant program to the states. Individual state awards are based on student population and poverty rates; however, no state receives less than 0.5 percent of the total appropriation.

Educational Technology State Grants (Title II, Part D) – The purpose of the Educational Technology program is “to improve student academic achievement through the use of technology in schools..., to [ensure] that every student is technologically literate by the end of eighth grade, and to encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.”

SEAs are awarded grants on the basis of their proportionate share of funding under Title I, Part A. “States may retain up to 5 percent of their allocations for State-level activities, and must distribute one-half of the remainder by formula to eligible [LEAs] and the other one-half competitively to eligible local entities.”

21st Century Community Learning Centers (Title IV, Part B) – The focus of the 21st Century Community Learning Centers (CCLC) program is “to provide expanded academic enrichment opportunities for children attending low performing schools. Tutorial services and academic enrichment activities are designed to help students meet local and state academic standards in subjects such as reading and math. In addition 21st CCLC programs provide youth development activities, drug and violence prevention programs, technology education programs, art, music and recreation programs, counseling and character education to enhance the academic component of the program.”

State Grants for Innovative Programs (Title V, Part A) – The purpose of Innovative Programs is (1) “to support local education reform efforts that are consistent with and support statewide education reform efforts”; (2) “to provide funding to enable [SEAs] and [LEAs] to implement promising educational reform programs and school improvement programs based on scientifically based research”; (3) “to provide a continuing source of innovation and educational improvement, including support programs to provide library services and instructional and media materials”; (4) “to meet the educational needs of all students, including at-risk youth”; and (5) “to develop and implement education programs to improve school, student and teacher performance, including professional development activities and class size reduction programs.”

State Assessments (Title VI, Part A, Subpart 1) – The US Secretary of Education is authorized to make grants to states to enable them to pay the costs of the development of the additional state assessments and standards required by NCLB. Allowable costs may include the costs of working in voluntary partnerships with other states.

If a state already has developed the required assessments and standards, the grant may be used to administer the assessments or for activities such as the following: (1) “developing challenging State academic content and student academic achievement standards and aligned assessments in academic subjects for which standards and assessments are not required [by NCLB]”; developing or improving required English language proficiency assessments;

“ensuring the continued validity and reliability of State assessments”; “refining State assessments to ensure their continued alignment with the State’s academic content standards and to improve the alignment of curricula and instructional materials”; “developing multiple measures to increase the reliability and validity of State assessment systems”; “strengthening the capacity of [LEAs] and schools to provide all students the opportunity to increase educational achievement, including carrying out professional development activities aligned with State student academic achievement standards and assessments”; “expanding the range of accommodations available to students with limited English proficiency and students with disabilities to improve the rates of inclusion of such students...”; and “improving the dissemination of information on student achievement and school performance to parents and the community....”

Rural and Low-Income Schools Program (Title VI, Part B, Subpart 2) – “The Rural and Low-Income School Programs is designed to address the needs of rural, low-income schools. The Secretary awards formula grants to [SEAs], which in turn award subgrants to eligible LEAs either competitively or on a formula basis. The funds are to be used to carry out activities specified by the statute.”

The SEA may retain up to 5.0 percent of the total grant award for technical assistance to eligible LEAs. LEAs may use their funds for the following purposes: “teacher recruitment and retention, including the use of signing bonuses and other financial incentives”; teacher professional development; educational technology; parental involvement activities; activities authorized under the Safe and Drug-Free Schools program; activities authorized under Title I, Part A; and activities authorized under Title III.

Small, Rural School Achievement Program (Title VI, Part B, Subpart 1) – “The Small, Rural School Grant Program authorizes the Secretary to award formula grants directly to eligible LEAs...to carry out activities authorized under other specified Federal programs.” An LEA is eligible for an award if:

- the total number of students in average daily attendance at all of the schools it serves is fewer than 600; or each county in which a school served by the LEA is located has a total population density of fewer than 10 persons per square mile; and
- all of the schools served by the LEA are designated with a school locale code of 7 or 8 by the National Center for Education Statistics; or the Secretary has determined that the LEA is located in an area defined as rural by a governmental agency of the state.

Indian Education—Grants to Local Educational Agencies (Title VII, Part A) – The purpose of the Indian Education Formula Grant Program is to provide grants to support LEAs, Indian tribes and organizations, postsecondary institutions, and other entities to meet the unique educational and culturally related academic needs of American Indian and Alaska Native students. “The programs funded are to be based on challenging State academic content and student academic achievement standards used for all students, and be designed to assist Indian students to meet those standards.”

Safe and Drug-Free Schools and Communities State Grants (Title IV, Part A) – The purpose of the *Safe and Drug-Free Schools and Communities Act* (SDFSCA) is to support programs that: “(1) prevent violence in and around schools; (2) prevent the illegal use of

alcohol, tobacco, and drugs; (3) involve parents and communities; and (4) are coordinated with related Federal, State, school, and community efforts and resources to foster a safe and drug-free learning environment that promotes student academic achievement.”

States receive funding for “grants to LEAs (and consortia of LEAs) to establish, operate, and improve local programs of school drug and violence prevention and early intervention; grants to, or contracts with, community-based organizations and public and private entities for programs of drug and violence prevention and early intervention, including community-wide drug and violence prevention planning and organizing activities; and development, training, technical assistance, and coordination activities.”

Language Acquisition State Grants (Title III, Part A) – The English Language Acquisition Program is designed to improve the education of limited English proficient (LEP) children and youths by helping them learn English and meet challenging state academic content and student academic achievement standards.

In order to receive a grant under this program, an SEA must have a plan approved by the USDE. The amount of the grant is determined by the number of LEP and immigrant children and youth in the state. In turn, the SEA uses its allotment to award subgrants to LEAs that have plans approved by the State. The number of LEP and immigrant children and youth in the LEA determines the funding level of each subgrant.

Five percent of the total grant may be used for state-level activities, including “professional development to assist educational personnel in meeting State and local certification requirements for teaching LEP students; planning, evaluation, administration, and interagency coordination related to subgrants; technical assistance to subgrantees; [and] recognition of exemplary subgrantees.”

An LEA may use its subgrant for “developing and implementing elementary school and secondary school language instruction educational programs for LEP and immigrant students...; upgrading program objectives and effective instructional strategies; identifying, acquiring, and upgrading curricula, instructional materials, educational software and technology, and assessment procedures; participating in electronic networks for materials, training, and communication; supporting supplemental educational personnel who have been trained, or are being trained, to provide educational services to LEP and immigrant students; providing tutorials and academic and career counseling; [and] providing family literacy services, parent outreach, and parent training activities.”

ATTACHMENT 6

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title I Basic (ESEA Title I Grants to Local Education Agencies)

<u>District/LEA</u>	<u>2007-2008 FINAL Allocation</u>
ALAMOGORDO PUBLIC SCHOOLS	\$2,161,593
ALBUQUERQUE PUBLIC SCHOOLS	\$25,458,573
ANIMAS PUBLIC SCHOOLS	\$74,655
ARTESIA PUBLIC SCHOOLS	\$879,833
AZTEC MUNICIPAL SCHOOLS	\$459,425
BELEN CONSOLIDATED SCHOOLS	\$1,262,870
BERNALILLO PUBLIC SCHOOLS	\$1,590,080
BLOOMFIELD MUNICIPAL SCHOOLS	\$715,593
CAPITAN MUNICIPAL SCHOOLS	\$92,559
CARLSBAD MUNICIPAL SCHOOLS	\$1,453,745
CARRIZOZO MUNICIPAL SCHOOLS	\$91,451
CENTRAL CONSOLIDATED SCHOOLS	\$3,475,563
CHAMA VALLEY INDEPENDENT SCHOOLS	\$147,733
CIMARRON PUBLIC SCHOOLS	\$80,126
CLAYTON PUBLIC SCHOOLS*	\$161,079
CLOUDCROFT MUNICIPAL SCHOOLS	\$52,866
CLOVIS MUNICIPAL SCHOOLS	\$2,601,769
COBRE CONSOLIDATED SCHOOLS	\$684,606
CORONA MUNICIPAL SCHOOLS	\$26,161
CUBA INDEPENDENT SCHOOLS	\$1,040,532
DEMING PUBLIC SCHOOLS	\$2,934,710
DES MOINES MUNICIPAL SCHOOLS	\$26,404
DEXTER CONSOLIDATED SCHOOLS	\$265,595
DORA CONSOLIDATED SCHOOLS	\$78,341
DULCE INDEPENDENT SCHOOLS	\$330,055
ELIDA MUNICIPAL SCHOOLS	\$23,272
ESPANOLA MUNICIPAL SCHOOLS	\$1,721,317
ESTANCIA MUNICIPAL SCHOOLS	\$265,146
EUNICE MUNICIPAL SCHOOLS	\$109,039
FARMINGTON MUNICIPAL SCHOOLS	\$2,417,962
FLOYD MUNICIPAL SCHOOLS	\$102,692
FORT SUMNER MUNICIPAL SCHOOLS	\$99,893
GADSDEN INDEPENDENT SCHOOLS	\$6,729,099
GALLUP-MCKINLEY COUNTY SCHOOLS	\$8,006,248
GRADY MUNICIPAL SCHOOLS	\$22,654
GRANTS-CIBOLA COUNTY SCHOOLS	\$1,634,271
HAGERMAN MUNICIPAL SCHOOLS	\$254,904
HATCH VALLEY MUNICIPAL SCHOOLS	\$938,426
HOBBS MUNICIPAL SCHOOLS	\$1,844,158
HONDO VALLEY PUBLIC SCHOOLS	\$92,494
HOUSE MUNICIPAL SCHOOLS	\$12,835
JAL PUBLIC SCHOOLS	\$113,995
JEMEZ MOUNTAIN PUBLIC SCHOOLS**	\$141,369
JEMEZ VALLEY PUBLIC SCHOOLS	\$239,108
LAKE ARTHUR MUNICIPAL SCHOOLS	\$62,741
LAS CRUCES PUBLIC SCHOOLS	\$7,185,733
LAS VEGAS CITY PUBLIC SCHOOLS	\$726,949
LOGAN MUNICIPAL SCHOOLS	\$36,593
LORDSBURG MUNICIPAL SCHOOLS	\$398,668
LOS ALAMOS PUBLIC SCHOOLS	\$56,388
LOS LUNAS PUBLIC SCHOOLS	\$2,115,791
LOVING MUNICIPAL SCHOOLS	\$111,732
LOVINGTON PUBLIC SCHOOLS	\$650,020

District/LEA	2007-2008 FINAL Allocation
MAGDALENA MUNICIPAL SCHOOLS	\$489,674
MAXWELL MUNICIPAL SCHOOLS	\$22,762
MELROSE PUBLIC SCHOOLS	\$57,285
MESA VISTA CONSOLIDATED SCHOOLS	\$118,376
MORA INDEPENDENT SCHOOLS	\$255,234
MORIARTY MUNICIPAL SCHOOLS	\$753,600
MOSQUERO MUNICIPAL SCHOOLS	\$1,145
MOUNTAINAIR PUBLIC SCHOOLS	\$235,308
PECOS INDEPENDENT SCHOOLS	\$178,104
PENASCO INDEPENDENT SCHOOLS	\$183,617
POJOAQUE VALLEY PUBLIC SCHOOLS	\$226,964
PORTALES MUNICIPAL SCHOOLS	\$1,013,439
QUEMADO INDEPENDENT SCHOOLS	\$107,006
QUESTA INDEPENDENT SCHOOLS	\$156,332
RATON PUBLIC SCHOOLS	\$333,505
RESERVE INDEPENDENT SCHOOLS	\$101,444
RIO RANCHO PUBLIC SCHOOLS	\$535,173
ROSWELL INDEPENDENT SCHOOLS	\$3,296,095
ROY MUNICIPAL SCHOOLS	\$13,123
RUIDOSO MUNICIPAL SCHOOLS	\$529,949
SAN JON MUNICIPAL SCHOOLS	\$54,580
SANTA FE PUBLIC SCHOOLS	\$3,151,651
SANTA ROSA CONSOLIDATED SCHOOLS	\$220,577
SILVER CITY CONSOLIDATED SCHOOLS	\$944,147
SOCORRO CONSOLIDATED SCHOOLS	\$798,199
SPRINGER MUNICIPAL SCHOOLS	\$88,180
TAOS MUNICIPAL SCHOOLS	\$1,117,316
TATUM MUNICIPAL SCHOOLS	\$77,739
TEXICO MUNICIPAL SCHOOLS	\$83,705
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS	\$755,086
TUCUMCARI PUBLIC SCHOOLS	\$529,855
TULAROSA MUNICIPAL SCHOOLS	\$669,051
VAUGHN MUNICIPAL SCHOOLS	\$42,020
WAGON MOUND PUBLIC SCHOOLS	\$148,968
WEST LAS VEGAS PUBLIC SCHOOLS	\$838,458
ZUNI PUBLIC SCHOOLS	\$1,304,674
Total Flowthrough	101,691,755.00
School Improvement Approx. (1%)	1,113,332.00
State Administration (1%)	1,038,466.00
<u>Flowthrough</u>	<u>101,695,130.00</u>
Total Award	103,846,928.00
Balance Unallocated	3,375.00
NOTE: MOE adjustment to be reallocated	3,375.00
School Improvement Admin (5% of set aside)	55,666.60
<u>School Improvement (95% of set aside)</u>	<u>1,057,665.40</u>
Total	1,113,332.00

ATTACHMENT 7

Public Education Department
Fiscal Flowthrough Unit
2007-2008 Allocations – Reading First

<u>District</u>	<u>Amount</u>
Belen	485,549
Central	1,012,456
Espanola	1,259,608
Floyd	142,857
Grants	295,925
Hobbs	122,874
Las Cruces	877,995
Loving	228,233
Ruidoso	448,913
Vaughn	125,987
	<u>5,000,397</u>

Total Award	8,439,134
State Administration	168,783
Professional Development	1,097,087
Technical Assistance	421,957
Flowthrough	<u>6,751,307</u>
Balance Unallocated	1,750,910

ATTACHMENT 8

Public Education Department
Fiscal Flowthrough Unit
2007-2008 Allocations – Title I Even Start

District/LEA	2007-2008 FINAL Allocation
BERNALILLO PUBLIC SCHOOLS	125,000
GALLUP-MCKINLEY COUNTY SCHOOLS	125,000
LAS CRUCES PUBLIC SCHOOLS	135,000
ROSWELL INDEPENDENT SCHOOLS	153,353
Total Flowthrough	538,353
Total Award	574,139
State Administration (6%)	34,448
Flowthrough	539,691
Balance Unallocated	1,338

ATTACHMENT 9

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title I Migrant

District/LEA	2007-2008 FINAL Allocation
ANIMAS PUBLIC SCHOOLS	15,000
CLOVIS MUNICIPAL SCHOOLS	40,000
CHAMA VALLEY INDEPENDENT SCHOOLS	10,000
CORONA MUNICIPAL SCHOOLS	6,000
DEMING PUBLIC SCHOOLS	172,801
DEXTER CONSOLIDATED SCHOOLS	40,000
GADSDEN INDEPENDENT SCHOOLS	120,000
HAGERMAN MUNICIPAL SCHOOLS	24,000
HATCH VALLEY MUNICIPAL SCHOOLS	20,000
LAKE ARTHUR MUNICIPAL SCHOOLS	16,000
LAS CRUCES PUBLIC SCHOOLS	110,000
LOVING MUNICIPAL SCHOOLS	10,000
LOVINGTON PUBLIC SCHOOLS	35,000
PORTALES MUNICIPAL SCHOOLS	70,000
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS	20,000
REC # 8	150,000
Total Flowthrough	858,801
Total Award	867,476
State Administration (1%)	8,675
Flowthrough	858,801
Balance	-

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title I Neglected and Delinquent

District/LEA	2007-2008 FINAL Allocation
NM Department of Corrections	69,226
Children, Youth and Family Department	171,702
NM Department of Health	23,984
UNM/Mimbres	37,611
Total Flowthrough	302,523
Total Award	302,523

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title II-A Improving Teacher Quality

District	Amount
ALAMOGORDO PUBLIC SCHOOLS	418,038
ALBUQUERQUE PUBLIC SCHOOLS	5,053,802
ANIMAS PUBLIC SCHOOLS	14,337
ARTESIA PUBLIC SCHOOLS	226,300
AZTEC MUNICIPAL SCHOOLS	141,059
BELEN CONSOLIDATED SCHOOLS	383,295
BERNALILLO PUBLIC SCHOOLS	312,002
BLOOMFIELD MUNICIPAL SCHOOLS	205,288
CAPITAN MUNICIPAL SCHOOLS	28,092
CARLSBAD MUNICIPAL SCHOOLS	389,479
CARRIZOZO MUNICIPAL SCHOOLS	16,401
CENTRAL CONSOLIDATED SCHOOLS	680,822
CHAMA VALLEY INDEPENDENT SCHOOLS	43,500
CIMARRON PUBLIC SCHOOLS	22,564
CLAYTON PUBLIC SCHOOLS*	41,089
CLOUDCROFT MUNICIPAL SCHOOLS	22,425
CLOVIS MUNICIPAL SCHOOLS	546,468
COBRE CONSOLIDATED SCHOOLS	148,560
CORONA MUNICIPAL SCHOOLS	6,867
CUBA INDEPENDENT SCHOOLS	176,982
DEMING PUBLIC SCHOOLS	419,548
DES MOINES MUNICIPAL SCHOOLS	4,638
DEXTER CONSOLIDATED SCHOOLS	61,443
DORA CONSOLIDATED SCHOOLS	12,355
DULCE INDEPENDENT SCHOOLS	55,121
ELIDA MUNICIPAL SCHOOLS	5,812
ESPANOLA MUNICIPAL SCHOOLS	449,518
ESTANCIA MUNICIPAL SCHOOLS	66,870
EUNICE MUNICIPAL SCHOOLS	43,154
FARMINGTON MUNICIPAL SCHOOLS	521,059
FLOYD MUNICIPAL SCHOOLS	10,108
FORT SUMNER MUNICIPAL SCHOOLS	24,029
GADSDEN INDEPENDENT SCHOOLS	1,165,682
GALLUP-MCKINLEY COUNTY SCHOOLS	1,278,001
GRADY MUNICIPAL SCHOOLS	5,160
GRANTS-CIBOLA COUNTY SCHOOLS	406,579
HAGERMAN MUNICIPAL SCHOOLS	37,330
HATCH VALLEY MUNICIPAL SCHOOLS	140,163
HOBBS MUNICIPAL SCHOOLS	512,605
HONDO VALLEY PUBLIC SCHOOLS	14,778
HOUSE MUNICIPAL SCHOOLS	4,979
JAL PUBLIC SCHOOLS	34,607
JEMEZ MOUNTAIN PUBLIC SCHOOLS**	28,484
JEMEZ VALLEY PUBLIC SCHOOLS	73,094
LAKE ARTHUR MUNICIPAL SCHOOLS	18,573
LAS CRUCES PUBLIC SCHOOLS	1,475,180
LAS VEGAS CITY PUBLIC SCHOOLS	158,215
LOGAN MUNICIPAL SCHOOLS	11,846
LORDSBURG MUNICIPAL SCHOOLS	71,535
LOS ALAMOS PUBLIC SCHOOLS	68,864
LOS LUNAS PUBLIC SCHOOLS	418,314
LOVING MUNICIPAL SCHOOLS	27,617
LOVINGTON PUBLIC SCHOOLS	184,604

District	Amount
MAGDALENA MUNICIPAL SCHOOLS	71,341
MAXWELL MUNICIPAL SCHOOLS	4,651
MELROSE PUBLIC SCHOOLS	14,219
MESA VISTA CONSOLIDATED SCHOOLS	39,745
MORA INDEPENDENT SCHOOLS	58,890
MORIARTY MUNICIPAL SCHOOLS	189,952
MOSQUERO MUNICIPAL SCHOOLS	3,417
MOUNTAINAIR PUBLIC SCHOOLS	42,409
PECOS INDEPENDENT SCHOOLS	58,528
PENASCO INDEPENDENT SCHOOLS	59,024
POJOAQUE VALLEY PUBLIC SCHOOLS	72,142
PORTALES MUNICIPAL SCHOOLS	228,017
QUEMADO INDEPENDENT SCHOOLS	14,321
QUESTA INDEPENDENT SCHOOLS	37,048
RATON PUBLIC SCHOOLS	94,523
RESERVE INDEPENDENT SCHOOLS	21,035
RIO RANCHO PUBLIC SCHOOLS	231,419
ROSWELL INDEPENDENT SCHOOLS	763,308
ROY MUNICIPAL SCHOOLS	4,247
RUIDOSO MUNICIPAL SCHOOLS	119,136
SAN JON MUNICIPAL SCHOOLS	11,465
SANTA FE PUBLIC SCHOOLS	717,636
SANTA ROSA CONSOLIDATED SCHOOLS	63,776
SILVER CITY CONSOLIDATED SCHOOLS	224,189
SOCORRO CONSOLIDATED SCHOOLS	175,331
SPRINGER MUNICIPAL SCHOOLS	23,591
TAOS MUNICIPAL SCHOOLS	259,776
TATUM MUNICIPAL SCHOOLS	21,893
TEXICO MUNICIPAL SCHOOLS	30,171
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS	108,223
TUCUMCARI PUBLIC SCHOOLS	118,781
TULAROSA MUNICIPAL SCHOOLS	164,298
VAUGHN MUNICIPAL SCHOOLS	12,347
WAGON MOUND PUBLIC SCHOOLS	13,284
WEST LAS VEGAS PUBLIC SCHOOLS	205,149
ZUNI PUBLIC SCHOOLS	192,238
CYFD	2,373
Total Flowthrough	21,159,128
Total Award	22,498,507
State Administration	1,124,925
Flowthrough	21,373,582
Balance Unallocated	214,454

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – 21st Century After-School Learning Centers

District	Amount
ALAMOGORDO	284,800
APS/UNM 401	376,576
CHAMA VALLEY	175,360
CLOVIS	395,181
DEXTER	193,280
FARMINGTON	199,040
LAS CRUCES	180,480
LOGAN	138,880
MAXWELL	240,000
MESA VISTA	160,000
APS/UNM #678	314,857
APS/ RGEC	258,000
BERNALILLO	120,000
COBRE	150,000
CORNSTALK	150,000
CUBA	134,736
DULCE	139,080
ESPANOLA	129,150
EUNICE	120,000
GALLUP MCKINLEY	195,522
MORA	129,150
MOUNTAINAIR	120,000
REHOBOTH	120,000
ROSWELL	236,700
SAN JUAN COUNTY	120,000
SANTA FE	276,480
TAOS	180,000
WEST LAS VEGAS	223,680
YDI	337,500
Total Flowthrough	5,798,452
Total Award	8,382,367
State Administration	419,118
Flowthrough	7,963,249
Balance Unallocated	2,164,797

NOTE: Unallocated Balance reserved for new competition to be held later in FY 08.

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title V-A Innovative Programs

District	Amount
ALAMOGORDO PUBLIC SCHOOLS	8,549
ALBUQUERQUE PUBLIC SCHOOLS	131,363
ANIMAS PUBLIC SCHOOLS	2,174
ARTESIA PUBLIC SCHOOLS	4,592
AZTEC MUNICIPAL SCHOOLS	4,334
BELÉN CONSOLIDATED SCHOOLS	6,526
BERNALILLO PUBLIC SCHOOLS	4,316
BLOOMFIELD MUNICIPAL SCHOOLS	4,070
CAPITAN MUNICIPAL SCHOOLS	4,393
CARLSBAD MUNICIPAL SCHOOLS	7,987
CARRIZO MUNICIPAL SCHOOLS	1,462
CENTRAL CONSOLIDATED SCHOOLS	8,954
CHAMA VALLEY INDEPENDENT SCHOOLS	3,513
CIMARRON PUBLIC SCHOOLS	4,267
CLAYTON PUBLIC SCHOOLS*	4,006
CLOUDCROFT MUNICIPAL SCHOOLS	3,607
CLOVIS MUNICIPAL SCHOOLS	10,616
COBRE CONSOLIDATED SCHOOLS	1,876
CORONA MUNICIPAL SCHOOLS	737
CUBA INDEPENDENT SCHOOLS	4,886
DEMING PUBLIC SCHOOLS	7,233
DES MOINES MUNICIPAL SCHOOLS	1,076
DEXTER CONSOLIDATED SCHOOLS	1,495
DORA CONSOLIDATED SCHOOLS	1,657
DULCE INDEPENDENT SCHOOLS	5,224
ELIDA MUNICIPAL SCHOOLS	1,042
ESPANOLA MUNICIPAL SCHOOLS	6,980
ESTANCIA MUNICIPAL SCHOOLS	6,989
EUNICE MUNICIPAL SCHOOLS	4,424
FARMINGTON MUNICIPAL SCHOOLS	13,630
FLOYD MUNICIPAL SCHOOLS	1,886
FORT SUMNER MUNICIPAL SCHOOLS	2,456
GADSDEN INDEPENDENT SCHOOLS	18,525
GALLUP-MCKINLEY COUNTY SCHOOLS	18,476
GRADY MUNICIPAL SCHOOLS	1,052
GRANTS-CIBOLA COUNTY SCHOOLS	4,753
HAGERMAN MUNICIPAL SCHOOLS	3,519
HATCH VALLEY MUNICIPAL SCHOOLS	1,984
HOBBS MUNICIPAL SCHOOLS	10,135
HONDO VALLEY PUBLIC SCHOOLS	973
HOUSE MUNICIPAL SCHOOLS	1,057
JAL PUBLIC SCHOOLS	3,246
JEMEZ MOUNTAIN PUBLIC SCHOOLS**	2,821
JEMEZ VALLEY PUBLIC SCHOOLS	3,689
LAKE ARTHUR MUNICIPAL SCHOOLS	1,153
LAS CRUCES PUBLIC SCHOOLS	31,738
LAS VEGAS CITY PUBLIC SCHOOLS	2,772
LOGAN MUNICIPAL SCHOOLS	1,695
LORDSBURG MUNICIPAL SCHOOLS	5,210
LOS ALAMOS PUBLIC SCHOOLS	4,743
LOS LUNAS PUBLIC SCHOOLS	11,315
LOVING MUNICIPAL SCHOOLS	4,317
LOVINGTON PUBLIC SCHOOLS	3,801

<u>District</u>	<u>Amount</u>
MAGDALENA MUNICIPAL SCHOOLS	3,242
MAXWELL MUNICIPAL SCHOOLS	706
MELROSE PUBLIC SCHOOLS	1,786
MESA VISTA CONSOLIDATED SCHOOLS	3,496
MORA INDEPENDENT SCHOOLS	4,657
MORIARTY MUNICIPAL SCHOOLS	5,300
MOSQUERO MUNICIPAL SCHOOLS	370
MOUNTAINAIR PUBLIC SCHOOLS	2,893
PECOS INDEPENDENT SCHOOLS	5,594
PENASCO INDEPENDENT SCHOOLS	4,626
POJOAQUE VALLEY PUBLIC SCHOOLS	2,620
PORTALES MUNICIPAL SCHOOLS	3,731
QUEMADO INDEPENDENT SCHOOLS	1,550
QUESTA INDEPENDENT SCHOOLS	4,136
RATON PUBLIC SCHOOLS	1,811
RESERVE INDEPENDENT SCHOOLS	1,433
RIO RANCHO PUBLIC SCHOOLS	18,541
ROSWELL INDEPENDENT SCHOOLS	12,070
ROY MUNICIPAL SCHOOLS	538
RUIDOSO MUNICIPAL SCHOOLS	3,027
SAN JON MUNICIPAL SCHOOLS	1,233
SANTA FE PUBLIC SCHOOLS	18,577
SANTA ROSA CONSOLIDATED SCHOOLS	5,050
SILVER CITY CONSOLIDATED SCHOOLS	4,544
SOCORRO CONSOLIDATED SCHOOLS	2,603
SPRINGER MUNICIPAL SCHOOLS	1,607
TAOS MUNICIPAL SCHOOLS	4,142
TATUM MUNICIPAL SCHOOLS	1,947
TEXICO MUNICIPAL SCHOOLS	3,905
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS	2,012
TUCUMCARI PUBLIC SCHOOLS	1,423
TULAROSA MUNICIPAL SCHOOLS	1,368
VAUGHN MUNICIPAL SCHOOLS	706
WAGON MOUND PUBLIC SCHOOLS	1,286
WEST LAS VEGAS PUBLIC SCHOOLS	2,570
ZUNI PUBLIC SCHOOLS	2,314
<u>CYFD</u>	<u>223</u>
Total Flowthrough	550,931
Total Award	648,236
State Administration	97,235
Flowthrough	551,001
Balance Unallocated	70

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Rural and Low-Income Schools Program

<u>District</u>	<u>Amount</u>
Artesia	113,138
Cobre	46,427
Cuba	21,845
Deming	176,189
Espanola	150,078
Gallup	404,506
Grants	119,572
Hatch	45,154
Las Vegas City	66,170
Lordsburg	22,163
Lovington	98,109
Penasco	19,775
Portales	63,273
Raton	46,969
Ruidoso	74,291
Santa Rosa	21,144
Silver City	108,649
Socorro	62,668
Taos	102,281
Truth or Consequences	48,434
Tucumcari	35,442
Tularosa	32,990
West Las Vegas	59,738
Zuni	58,655
	<hr/> 1,997,660
Total Award	2,102,800
State Administration	105,140
Flowthrough	1,997,660
Balance Unallocated	<hr/> -

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title IV-A Safe and Drug Free Schools and Communities

District	Amount
ALAMOGORDO PUBLIC SCHOOLS	45,130
ALBUQUERQUE PUBLIC SCHOOLS	523,304
ANIMAS PUBLIC SCHOOLS	1,558
ARTESIA PUBLIC SCHOOLS	17,884
AZTEC MUNICIPAL SCHOOLS	13,382
BELEN CONSOLIDATED SCHOOLS	26,220
BERNALILLO PUBLIC SCHOOLS	25,058
BLOOMFIELD MUNICIPAL SCHOOLS	15,723
CAPITAN MUNICIPAL SCHOOLS	2,450
CARLSBAD MUNICIPAL SCHOOLS	31,878
CARRIZO MUNICIPAL SCHOOLS	1,552
CENTRAL CONSOLIDATED SCHOOLS	57,775
CHAMA VALLEY INDEPENDENT SCHOOLS	2,706
CIMARRON PUBLIC SCHOOLS	2,304
CLAYTON PUBLIC SCHOOLS*	3,158
CLOUDCROFT MUNICIPAL SCHOOLS	1,780
CLOVIS MUNICIPAL SCHOOLS	48,883
COBRE CONSOLIDATED SCHOOLS	10,818
CORONA MUNICIPAL SCHOOLS	539
CUBA INDEPENDENT SCHOOLS	13,134
DEMING PUBLIC SCHOOLS	46,406
DES MOINES MUNICIPAL SCHOOLS	642
DEXTER CONSOLIDATED SCHOOLS	5,592
DORA CONSOLIDATED SCHOOLS	1,391
DULCE INDEPENDENT SCHOOLS	5,326
ELIDA MUNICIPAL SCHOOLS	574
ESPANOLA MUNICIPAL SCHOOLS	31,590
ESTANCIA MUNICIPAL SCHOOLS	5,213
EUNICE MUNICIPAL SCHOOLS	2,674
FARMINGTON MUNICIPAL SCHOOLS	53,259
FLOYD MUNICIPAL SCHOOLS	1,750
FORT SUMNER MUNICIPAL SCHOOLS	1,950
GADSDEN INDEPENDENT SCHOOLS	106,500
GALLUP-MCKINLEY COUNTY SCHOOLS	123,792
GRADY MUNICIPAL SCHOOLS	564
GRANTS-CIBOLA COUNTY SCHOOLS	28,413
HAGERMAN MUNICIPAL SCHOOLS	3,901
HATCH VALLEY MUNICIPAL SCHOOLS	13,822
HOBBS MUNICIPAL SCHOOLS	39,527
HONDO VALLEY PUBLIC SCHOOLS	1,360
HOUSE MUNICIPAL SCHOOLS	458
JAL PUBLIC SCHOOLS	2,312
JEMEZ MOUNTAIN PUBLIC SCHOOLS**	2,441
JEMEZ VALLEY PUBLIC SCHOOLS	3,971
LAKE ARTHUR MUNICIPAL SCHOOLS	1,109
LAS CRUCES PUBLIC SCHOOLS	136,975
LAS VEGAS CITY PUBLIC SCHOOLS	13,340
LOGAN MUNICIPAL SCHOOLS	919
LORDSBURG MUNICIPAL SCHOOLS	6,422
LOS ALAMOS PUBLIC SCHOOLS	8,851
LOS LUNAS PUBLIC SCHOOLS	43,435
LOVING MUNICIPAL SCHOOLS	2,557
LOVINGTON PUBLIC SCHOOLS	14,372

District	Amount
MAGDALENA MUNICIPAL SCHOOLS	6,637
MAXWELL MUNICIPAL SCHOOLS	488
MELROSE PUBLIC SCHOOLS	1,181
MESA VISTA CONSOLIDATED SCHOOLS	2,472
MORA INDEPENDENT SCHOOLS	4,503
MORIARTY MUNICIPAL SCHOOLS	18,142
MOSQUERO MUNICIPAL SCHOOLS	124
MOUNTAINAIR PUBLIC SCHOOLS	3,601
PECOS INDEPENDENT SCHOOLS	3,838
PENASCO INDEPENDENT SCHOOLS	3,618
POJOAQUE VALLEY PUBLIC SCHOOLS	7,150
PORTALES MUNICIPAL SCHOOLS	18,397
QUEMADO INDEPENDENT SCHOOLS	1,736
QUESTA INDEPENDENT SCHOOLS	3,139
RATON PUBLIC SCHOOLS	7,182
RESERVE INDEPENDENT SCHOOLS	1,666
RIO RANCHO PUBLIC SCHOOLS	37,754
ROSWELL INDEPENDENT SCHOOLS	60,197
ROY MUNICIPAL SCHOOLS	309
RUIDOSO MUNICIPAL SCHOOLS	11,689
SAN JON MUNICIPAL SCHOOLS	998
SANTA FE PUBLIC SCHOOLS	73,574
SANTA ROSA CONSOLIDATED SCHOOLS	4,196
SILVER CITY CONSOLIDATED SCHOOLS	18,614
SOCORRO CONSOLIDATED SCHOOLS	14,221
SPRINGER MUNICIPAL SCHOOLS	1,555
TAOS MUNICIPAL SCHOOLS	21,276
TATUM MUNICIPAL SCHOOLS	1,518
TEXICO MUNICIPAL SCHOOLS	2,182
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS	12,196
TUCUMCARI PUBLIC SCHOOLS	8,589
TULAROSA MUNICIPAL SCHOOLS	10,507
VAUGHN MUNICIPAL SCHOOLS	723
WAGON MOUND PUBLIC SCHOOLS	2,036
WEST LAS VEGAS PUBLIC SCHOOLS	14,532
ZUNI PUBLIC SCHOOLS	18,942
CYFD	383
Total Flowthrough	1,956,509
Total Award	2,103,838
State Administration	147,329
Flowthrough	1,956,509
Balance Unallocated	-

NOTE: The total award to the state is \$2,629,797; however, 20 percent, or \$525,959, goes through the Governor's Office to the Department of Health.

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title III Language Instruction (Language Acquisition)

District	Amount
ALBUQUERQUE	888,032
ARTESIA	12,393
BELEN	19,301
BERNALILLO	101,232
BLOOMFIELD	31,088
CARLSBAD	14,786
CENTRAL CONS.	161,469
CHAMA	14,090
CLOUDCROFT	545
CLOVIS	51,540
COBRE CONS.	26,664
CORONA	939
CUBA	25,179
DEMING	116,746
DEXTER	12,878
ESPANOLA	100,838
EUNICE	4,787
FARMINGTON	78,386
GADSDEN	446,198
GALLUP	270,003
GRANTS	29,664
HATCH	43,390
HOBBS	102,656
HONDO	859
JAL	6,757
JEMEZ MTN.	12,109
LAS CRUCES	173,558
LAS VEGAS CITY	60,358
LOS LUNAS	64,781
LOVING	11,453
LOVINGTON	29,876
MESA VISTA	12,302
MORA	5,636
MORIARTY	12,696
PECOS	32,209
PENASCO	13,090
POJOAQUE	42,329
PORTALES	11,514
QUESTA	17,392
RATON	16,241
RIO RANCHO	43,481
ROSWELL	57,479
RUIDOSO	15,271
SANTA FE	264,397
SANTA ROSA	12,696
TAOS	20,271
TATUM	2,060
TRUTH OR CONS.	12,150
TULAROSA	1,818
WAGON MOUND	3,303
WEST LAS VEGAS	54,601
ZUNI	65,175
TOTAL	3,628,667
Total Award	4,338,421
State Administration	216,921
Flowthrough	4,121,500
Balance	492,833

NOTE: Balance of \$492,833 Reserved for Title III - Immigrant

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Title I Education for Homeless Children and Youth

District	Amount
ALAMOGORDO	10,000
ALBUQUERQUE	70,000
BELEN	7,000
DEMING	40,000
FARMINGTON	15,000
FORT SUMNER	5,000
GADSDEN	30,000
GALLUP MCKINLEY	10,000
HATCH VALLEY	7,000
LAS CRUCES	44,000
LORDSBURG	14,000
LOS LUNAS	9,000
MORIARTY	7,000
RIO RANCHO	10,000
SANTA FE	45,000
TOTAL	323,000
Total Award	471,828
State Administration	117,957
Flowthrough	353,871
Balance Unallocated	30,871

Public Education Department
 Fiscal Flowthrough Unit
 2007-2008 Allocations – Carl Perkins

CARL PERKINS - Secondary

District	Amount
Alamo Navajo	24,739
ALAMOGORDO	82,446
ALBUQUERQUE	985,785
BELEN	56,844
BERNALILLO	63,636
CAPITAN	5,213
CARLSBAD	63,911
CARRIZOZO (REC IX)	3,098
CENTRAL	115,660
CLOUDCROFT (REC IX)	3,749
CLOVIS	102,297
COBRE	21,981
CORONA	1,068
DEMING	79,822
DEXTER	10,317
DULCE	10,907
ESPANOLA	77,061
FARMINGTON	106,969
GADSDEN	229,872
GALLUP-MCKINLEY	231,384
GRANTS-CIBOLA	67,604
HAGERMAN	7,621
HOBBS	81,120
JEMEZ MOUNTAIN	4,916
LAKE ARTHUR	1,665
LAS CRUCES	268,433
LAS VEGAS CITY	28,703
LORDSBURG	10,710
LOS LUNAS	92,758
LOVING	4,641
LOVINGTON	28,953
MESA VISTA	4,790
Mescalero Apache School (REC IX)	15,641
MORA	8,231
Navajo Preparatory	28,921
PECOS	8,581
PENASCO	6,347
PORTALES	36,892
QUESTA	6,610
RIO RANCHO	61,179
ROSWELL	125,973
RUIDOSO (REC IX)	23,089
SANTA FE	150,181
SANTA ROSA	7,138
SILVER CITY	37,413
SOCORRO	27,148
TAOS	41,968
TRUTH OR CONSEQUENCES	24,964
TUCUMCARI	15,848
TULAROSA	24,881
WAGON MOUND	1,359
WEST LAS VEGAS	26,302

Secondary Subtotal 3,557,339

CARL PERKINS - Post-Secondary

District	Amount
WESTERN NM UNIVERSITY	67,712
NMSU- ALAMOGORDO	86,178
NMSU- CARLSBAD	65,130
NMSU- DONA ANA	594,909
NMSU- GRANTS	17,871
UNM- GALLUP	164,215
UNM- TAOS	80,618
UNM- VALENCIA	148,727
CENTRAL NM CC	1,305,582
CLOVIS CC	182,285
LUNA CC	65,527
MESALANDS TECH C	15,488
NM JUNIOR C	77,044
NORTHERN NM C	146,543
SAN JUAN COLLEGE	315,723
SANTA FE CC	131,253
SIPI	92,533

Post Secondary Subtotal 3,557,338

CARL PERKINS - High Schools that Work (HSTW)

District	Amount
ALBUQUERQUE	20,000
BERNALILLO	43,835
CENTRAL	20,000
DEXTER	20,000
FARMINGTON	54,301
GRANTS- CIBOLA	20,000
LAKE ARTHUR	20,000
LOVING	39,068
LOVINGTON	20,000
PECOS	20,000
LAS VEGAS CITY	20,000
RIO RANCHO (JAG)	247,403
REC # 9	31,625
Unallocated	214,288

HSTW Subtotal 790,520

GRAND TOTAL 7,905,197

Total Award	9,300,232
State Administration	465,012
Flowthrough	7,905,197
State Leadership Portion	930,023
Balance Unallocated	-

Public Education Department
Fiscal Flowthrough Unit
2007-2008 Allocations – Carl Perkins – Tech-Prep Education

<u>District</u>	<u>Amount</u>
ENMU- ROSWELL	201,758
LAS CRUCES PUBLIC	483,972
PECOS VALLEY REC #8	106,991
TOTAL	792,721

Total Award	834,472
State Administration	41,724
Flowthrough	792,748
Unallocated Balance	27

**PUBLIC EDUCATION DEPARTMENT
Administrative Services Division
FEDERAL FUNDS REIMBURSEMENT PROCESS**

September 5, 2007

BACKGROUND

State Education Agency (SEA) requirements:

- Ensure federal funds are spent appropriately;
- Liable (100%) to Education Department (ED) if a Local Education Agency (LEA) misspends funds;
- Must implement “fiscal controls and fund accounting procedures that will ensure proper disbursement of, and accounting for, federal funds”;
- Has broad discretion to establish processes;
- Ultimately responsible for every dollar that is spent and must have procedures in place, that, to extent reasonably possible, minimizes risk that federal money will be misexpended; and,
- Ensure internal controls to achieve reasonable assurance of:
 - Effectiveness and efficiency of operations;
 - Reliability of financial reporting; and,
 - Compliance with applicable laws and regulations.

Federal guidance supporting pre-payment review:

- In 2005, ED monitored the state of Illinois, the findings included:
 - Illinois had not “established effective controls over payment process to ensure proper application of Title I funds”;
 - Illinois has an affirmative obligation to monitor use of funds and ensure money is being used for allowable purposes;
 - “As a matter of internal control, the ED team strongly advises the ISBE to require Title I Directors in all LEAs to be involved in payment approval process.”
- Recent audit report by OIG and monitoring reports by ED program offices (in coordination with OCFO), ED has advised SEAs and LEAs to determine if a vendor has performed, in accordance with the terms and conditions of a contract *before* paying an invoice.
- ED officials have noted that spending funds on unallowable costs continues to be a big problem. OIG has advised this is an area it intends to audit in 2007.

PED REIMBURSEMENT BASIS

Implemented for all federal grants with the exception of Federal Charter on July 1, 2005.

- Federal Charter transitioned in January 2007 to a modified reimbursement basis.
- Reimbursement basis designed to meet Cash Management Improvement Act (CMIA) and to ensure appropriate expenditure of federal funds.

Originally, requests were submitted on a two week cycle; currently processing payment as submitted and work assignments (e.g., SEFA preparation) allow.

- Standards for Review:
 - Receive Request for Reimbursement (RFR) from Districts by ASD for tracking - 24 hour turnaround;
 - Reviewed by Program and returned to ASD with completed checklist – 5 days;
 - ASD Tracking Entry - 24 hour turnaround;
 - Reviewed by ASD and forwarded to DFA for payment – 5 days;
 - DFA payment – varies.

- Districts/Charters Subject to Sampling Technique
 - Developed by Academic Growth and Analysis Bureau with ASD
 - Provides for random selection.
 - Allows previous selections to be returned to pool.
 - Yields 8 districts per reimbursement period for review.
 - ASD contacts selected districts and program prior to submission due date.

- Summary Expenditure Reports
 - If not selected randomly, districts provide RFR and Summary Expenditure Report by function and line item.
 - Information includes data reflected on RFR form:
 - Function
 - Line Item
 - Original Budget
 - Budget Adjustments
 - Adjusted Budget
 - Expended to Date
 - Outstanding Encumbrances
 - Budget Balance

- Detailed Transaction Activity Report
 - If selected randomly, ASD contacts Districts to provide Detailed Transaction Activity Report with RFR and Summary Expenditure Report.
 - Information included:
 - Fund
 - Function
 - Line Item
 - Vendor name (includes employees)
 - Purchase Order amount
 - Check Number
 - Amount Paid
 - Accounts Payable Posting related to Purchase Order
 - Reflects reimbursement period only.
 - Districts are to submit for charters also.
 - Should review result in questioned or unallowable costs, Detailed Transaction Activity Reports are requested until discrepancies are resolved.

- If a request is changed or delayed, program and flowthrough are to call the district.

Future Developments:

- Request for Reimbursement tracking through OBMS.
- Requests for Reimbursement through OBMS.