



Rio Rancho Public Schools

Public School Capital Outlay Oversight Task Force, September 20, 2022

FACTS:

- Procedures for prioritization, local match and offset are set out in statute (NMSA 1978, Section 22-24-5).
- Local match requirements for a public school can range from zero to 94%.
- Rio Rancho Public Schools' (RRPS) current local match is set at 78%.
- In addition to the 78% local match requirement, RRPS' offset is approximately \$2,679,777 (which reduces the state contribution to a project even further).
- The RRPS Facilities Five Year Master Plan via PSCOC identified just under \$380,000,000 of capital maintenance needs over the next five years.
- Without raising taxes, RRPS can ask for \$70,000,000 during our next bond.
- If we pass our next SB9 election, we could receive an estimated \$5,180,966 (FY- 2022/23 amount) each year for the next six years.
- In FY 2022/23, RRPS will receive \$2,306,906 in SB 212 (one time funding) and \$993,629 in state match funds.
- Total bond money (without a tax increase), SB9 and state match money per year would be approximately \$23,500,000.
- In order to address our five-year maintenance needs, we would need approximately \$76,000,000 each year. This does not include new facility needs to address programmatic needs such as Early Childhood Education or Career Technical Education. This leaves a deficit for building maintenance of approximately \$52,500,000.

- Rio Rancho Public Schools receives less money per pupil than most districts in New Mexico.

RECOMMENDATION:

Complete a 5-year study of the offset and match. During that time put a temporary moratorium on the offset with a 10% match for all school districts.

Section 22-24-4(Q) already exempts PreK projects from prioritization in the Public School's Capital Outlay Act. Amend the Act to permanently exempt PreK projects from match and offset requirements as well.

EXAMPLE:

Early Childhood Education/PreK:

- As of this month, Rio Rancho Public Schools has 583 students enrolled in our PreK/Shining Stars Preschool program.
- We have a waiting list of 504 students.
- According to the NMPED PreK Division, we are only meeting 30% of the PreK population needs in Rio Rancho.
- According to the Learning Policy Institute, "well-implemented preschool programs support substantial early learning gains and can have lasting impacts throughout school" and "preschool is an effective intervention."
https://tpcref.org/wp-content/uploads/Untangling_Evidence_Preschool_Effectiveness_BRIEF_2019.pdf
 - Better performance on reading and math assessments
 - Fewer retentions
 - Higher rates of postsecondary degree completion
 - Lower rates of drug use or teen pregnancy
 - More likely to be employed
 - Less likely to be arrested

The Need:

- In the short term a solution could be to add on to the current Shining Stars building to expand the program. However, an addition to our current Shining Stars Preschool would only accommodate 150 additional students. We really need an additional school to meet the needs of the PreK students in Rio Rancho.

The Math (numbers per the PSCOC Request for Capital Funding Application and based on current market estimates):

Addition to current school:

Current Legislative Appropriations Offset	\$2,679,777
PSCOC Award	\$10,000,000
District Match 78%	\$7,800,000
State Match 22%	\$2,200,000
District Match Plus Offset	\$10,479,777
Net PSCOC Award	-\$479,777

New PreK School:

Current Legislative Appropriations Offset	\$2,679,777
PSCOC Award	\$40,000,000
District Match 78%	\$31,879,777
State Match 22%	\$8,800,000
District Match Plus Offset	\$33,879,777
Net PSCOC Award	\$6,120,223

Fact Sheet: Return on Investment of CTE

Revenue/Economic Impact

The return on investment over the lifetime of a secondary CTE completer in the state of Washington is 43.97%. (A CTE completer is a student who has completed 360 hours of sequenced vocational classes, approximately 2.4 credits.)¹

In Washington, for every dollar invested in secondary CTE programs, taxpayers receive \$9 in revenues and benefits.²

At the secondary level, Tennessee CTE program completers account for more than \$13 million in annual tax revenues.³

An estimated 1.3 million students across all fifty states and the District of Columbia dropped out from the Class of 2010 at great cost to themselves and to their communities. Cutting in half the number of each state's dropouts for this single high school class could result in tremendous economic benefits. Below are the contributions that these 650,000 "new graduates" would likely make to the economy:

- \$7.6 Billion in Increased Earnings;
- \$5.6 Billion in Increased Spending;
- 54,000 New Jobs;
- \$9.6 Billion in Economic Growth; and
- \$713 Million in Increased Tax Revenue.⁴

¹ Conducting Return on Investment Analyses for Secondary and Postsecondary CTE: A Framework. Hollenbeck, K. M., 2011. <http://www.nrccte.org/resources/publications/conducting-return-investment-analyses-secondary-and-postsecondary-cte>

² Investing in Career & Technical Education Yields Big Returns. Association for Career and Technical Education, 2015. <http://www.acteonline.org/>

³ The Economic Impact of Secondary and Postsecondary Career and Technical Education in Tennessee. Sparks Bureau of Business and Economic Research and the University of Memphis, 2006. (Quoted in CTE Today Fact Sheet. Association for Career and Technical Education, 2015.) <http://www.acteonline.org/>

⁴ Education and the Economy: Boosting the Nation's Economy by Improving High School Graduation Rates. Alliance for Excellent Education, 2011. http://all4ed.org/wp-content/uploads/2013/09/NationalStates_seb.pdf

Graduation Rates

The average high school graduation rate in 2012 for CTE concentrators was 93%, compared to the national adjusted cohort graduation rate of 80%.⁵

The 2013-2014 four-year cohort graduation rate for CTE concentrators in Oregon was 85.7%; for all students (including CTE concentrators) it was 76.4%. (An Oregon CTE concentrator is a student who has earned one or more credits in a technical skill course(s) within an Oregon state-approved CTE Program of Study.)

Costs of Oregon Dropouts:

- Approximately \$173 million in tax revenues is lost each year due to the decreased earnings of high school dropouts.
- Oregon's dropouts are twice as likely as graduates to depend on Medicaid.
- Higher Medicaid use by dropouts costs Oregon nearly \$219 million per year.
- Over their collective lifetimes, Oregon's population of dropouts will cost the state \$2.1 billion in lost taxable revenues.
- Oregon can save up to \$37 million each year in incarceration costs by increasing graduation rates (thereby lowering incarceration rates).⁶

Employment, Earnings and College/Career-Readiness

The most recent employment figures for Washington show that between two and three years after leaving the program, employment for secondary CTE completers was 8.4% higher than for non-CTE students.

The total net benefit to secondary CTE completers over their lifetime (to age 65) was \$79,833. The net benefit to the public was \$7,659 per secondary CTE completer.

The Return on Public Investment over the lifetime of a secondary CTE completer is \$87 to 1.⁷

High school students who complete a CTE sequence earn \$840 more annually, and have 6.7% higher employment rates than those who did not.⁸

Eighty percent of students taking a college preparatory academic curriculum with rigorous CTE met college and career readiness goals, compared to only 63 percent of students taking the same academic core who did not experience rigorous CTE.⁹

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⁵ Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. Office of Career, Technical and Adult Education, 2014. <http://gradnation.org/resource/building-gradnation-progress-and-challenge-ending-high-school-dropout-epidemic-2014>

⁶ Oregon's High School Dropouts: Examining the Economic and Social Costs. The Foundation for Education Choice and Cascade Policy Institute, 2012. http://cascadepolicy.org/pdf/edref/2010_03_ORdropout.pdf

⁷ 2015 Workforce Training Results for Washington Secondary CTE <http://www.wtb.wa.gov/CTE2015Dashboard.asp>

⁸ CTE: An Investment in Success. Washington Workforce Training and Education Coordinating Board. <http://www.wtb.wa.gov/>

⁹ High Schools That Work 2012 Assessment. Southern Regional Education Board. http://www.sreb.org/page/1078/high_schools_that_work.html