



November 10, 2010

The Honorable Tim Eichenberg
Government Restructuring Task Force
Legislative Council Service
411 State Capitol Building
Santa Fe, NM 87501

Dear Senator Eichenberg:

On behalf of the Albuquerque Public Schools Board of Education, I would like to thank you and your fellow members for the hard work done by the Government Restructuring Task Force (GRTF). The mission of the task force to streamline inefficiencies in state government and recommend comprehensive solutions to the current budget crisis is to be commended.

On October 15, 2010, GRTF members were presented with information regarding the impact, altering the small school and small district size adjustment would have on public schools throughout the State of New Mexico. Included in the analysis was the impact to charter schools in the Albuquerque area, which are both locally-authorized and state-authorized. More specifically, it was reported that locally-authorized charter schools would be cut by \$11.4 million if the proposed changes to the funding formula were to pass the legislature in the upcoming legislative session. A question was asked whether APS would be willing to subsidize these charter schools if they were cut. APS would not be in a position to subsidize these charter schools, which rely on funding directly through the funding formula.

During the current Fiscal Year, APS has cut more than \$46 million from its budget. We have worked diligently to keep these cuts as far from the classroom as possible. Since starting my tenure at APS, I have streamlined administrative functions and eliminated unnecessary bureaucracy at the district level. APS is currently analyzing our budget, through the leadership of our Chief Financial Officer Don Moya to prepare for the upcoming fiscal year. APS is spending 84 percent of the operational budget directly in the schools including instruction, student support, instruction support, and school administration. The district is spending 12 percent on maintenance and operations, with approximately 95 percent of these expenditures occurring in schools. Finally, four percent of the district's budget goes into central administration, central services, other support, and community services. Considering the majority of the dollars are distributed directly to schools, it would be impossible to exempt schools from any future budget cuts that come as a result of reductions in revenue..

More broadly, APS would be hesitant to support immediate changes to the small school and district size adjustment in the funding formula. At first glance, the modification to the funding formula does not seem to greatly impact APS as we do not qualify for the small district size adjustment and only two of our schools qualify for the small school size adjustment for the current fiscal year. Yet, any change in the formula could have unintended and unforeseen consequences on the funding for all public schools.

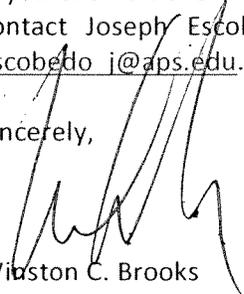
Therefore, we believe GRTF and the entire legislature should review the independent comprehensive study of changes to the funding formula completed by the American Institutes for Research in 2008. This review should include information regarding the following:

- An analysis on the impact of changing specific components of the formula on the unit value;
- School closures and the ability of districts to absorb those students;
- The impact on operational budgets and the ability of school districts to continue to operate small schools;
- The reasons for and impact of excluding alternative schools; and
- Cost-savings of potential consolidation of schools and/or districts.

We would urge the task force to evaluate all possible scenarios and outcomes when considering its recommendations for cost-savings and efficiency. We are committed to working with you to find solutions that are in the best interest of the public education system and all students in the state.

If you should have any questions, concerns or need additional information, please do not hesitate to contact Joseph Escobedo, special assistant to the superintendent, at 362-6847 or by email at escobedo_j@aps.edu. Thank you for all you do for the State of New Mexico.

Sincerely,



Winston C. Brooks
Superintendent

cc: Government Restructuring Task Force
Sen. Cynthia Nava, Chair of the Senate Education Committee/Legislative Education Study Committee
Rep. Rick Miera, Chair of the House Education Committee
Peter Winograd, Education Advisor to Governor Bill Richardson
Secretary Susanna Murphy, Public Education Department
Frances Maestas, Director of the Legislative Education Study Committee
Rachel Gudgel, Legislative Finance Committee
APS Board of Education