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September 12, 2006

MEMORANDUM

TO: Legislative Education Study Committee

FR: Kathleen Forrer

RE: STAFF BRIEF: FY 07 PUBLIC SCHOOL BUDGETS/THE UNIFORM PUBLIC SCHOOL CHART OF ACCOUNTS

Current law requires each local school board to establish the operating budget for the district for the upcoming fiscal year prior to June 20. In turn, the Public Education Department (PED) is required to approve operating budgets for school districts and charter schools on or before July 1 and to provide timely information to the Legislative Education Study Committee (LESC) upon request. The 2006 Interim Workplan of the LESL includes a presentation on school district budgets and related issues, including implementation of the new uniform public school chart of accounts.

Issues:

- For FY 07, the Legislature appropriated approximately \$2.3 billion in public school support and recurring related education appropriations. This amount represents an increase of \$163.6 million, or 7.7 percent, over the FY 06 appropriations (see Attachment 1).
- The FY 07 appropriated program cost of almost \$2.2 billion reflects an increase of \$147.7 million, or 7.3 percent, over the FY 06 program cost; in determining the FY 07 appropriation, approximately \$3.0 million was deducted to adjust for a "prior year workload decline" due to slower than anticipated enrollment growth.

- The State Equalization Guarantee (SEG) appropriation for FY 07 includes slightly more than \$6.8 million to fund the \$45,000 minimum salary for level 3-A teachers to implement the fourth year of the five-year phase-in of the three-tiered licensure system.
- Language in the *General Appropriation Act of 2006* 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 funding for the minimum salary for any teacher who has not been evaluated from the public school district distribution.”
- The *General Appropriation Act of 2006* also contains language mandating an average 5.0 percent salary increase for teachers, an average 9.5 percent salary increase for educational assistants, and an average 5.0 percent salary increase “for other instructional staff and other licensed and nonlicensed staff, effective on the first full pay period after July 1, 2006.” 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.
- 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 07 contains \$13.2 million to pay for the increase in the FY 07 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.)
- The SEG appropriation also includes \$4.8 million to fully fund elementary fine arts programs at a 1.0 student full-time equivalency (FTE).
- In accordance with the *General Appropriation Act of 2006*, on March 21, 2006 the Secretary of Public Education announced that the preliminary unit value for school district and charter school FY 07 operating budgets would be \$3,444.35. Based on a statewide projected total of 631,584.992 units, the FY 07 initial unit value represents an increase of \$246.34 (7.7 percent) over the FY 06 final unit value of \$3,198.01.¹ In testimony to the LESC at its May 2006 meeting, PED explained that, after meeting with a group of stakeholders² the department chose an aggressive approach to establishing the

¹ The 2005 Legislature included \$51.8 million in the SEG appropriation to fund the \$40,000 minimum salary for levels 2 and 3-A teachers to implement the third year of the five-year phase-in of the three-tiered licensure system. Language in the *General Appropriation Act of 2005* directed that the \$51.8 million be excluded from the FY 06 unit value calculation and distributed to districts on the basis of need. However, the \$51.8 million is included in the FY 07 unit value calculation, accounting for \$83.85 of the \$246.34 increase.

² According to PED, the stakeholders’ group was composed of staff from the LESC and the Legislative Finance Committee, including representative legislators from both committees, the Legislative Council Service, the Department of Finance and Administration, and representatives from the New Mexico Coalition of School
Continued.

FY 07 initial unit value; that is, rather than withholding funds until January when the final unit value for the school year is set by the Secretary, the department attempted to distribute as much of the SEG appropriation as possible to school districts “up front.”

- Presented to the LESC during the 2005 interim, PED’s FY 07 Public School Support Request included \$10.4 million for the Schools in Need of Improvement Fund, which had been funded in past years entirely with federal revenue. Explaining that the federal *No Child Left Behind Act of 2001* is under-funded, the Secretary of Public Education stated that the \$10.4 million would be used to extend the school day and year, provide additional training to school district staff, provide incentives to attract teachers to lower-performing districts, develop short-cycle assessments, and support other activities designed to assist schools designated as in need of improvement. In response to PED’s request, the *General Appropriation Act of 2006* includes two related appropriations totaling \$8.4 million: \$2.4 million in recurring funds appropriated to the Schools in Need of Improvement Fund and \$6.0 million in nonrecurring funds appropriated to PED for the School Improvement Framework. In addition, the amount of federal Title I funds that PED is required to set aside for School Improvement Grants in FY 07 is \$4.27 million. With the state and federal funds combined, PED will have more than \$12.6 million for school improvement efforts in school year 2006-2007.
- The *General Appropriation Act of 2006* also includes almost \$38.3 million in special nonrecurring appropriations directed toward public education. In addition to the \$6.0 million to PED for the School Improvement Framework, other appropriations include \$6.6 million to PED for “assessment and test development and exit exams,” \$3.7 million to PED for school-owned bus replacements, \$3.0 million to the School Library Material Fund, \$1.0 million to PED for summer reading and mathematics institutes for teachers, and \$500,000 to the Legislative Council Service for a study of the Public School Funding Formula. (See Attachment 1 for the complete list.)
- In addition to the approximately \$2.3 billion in both recurring and nonrecurring revenues designated for public school support and other education-related functions, the 2006 Legislature also appropriated approximately \$799,000 to PED and about \$1.5 million to other state agencies for various programs through a separate appropriation act, commonly referred to as “HB 2 Junior” (see Attachment 2). Included among the appropriations are \$250,000 to PED to establish a mathematics and science bureau within the department and \$100,000 to the Reading Materials Fund. However, some of the other appropriations, such as those that fund educational initiatives in a single school or single school district, are directed toward operational functions normally supported by SEG funds generated through the Public School Funding Formula. As such, appropriations of this type may serve to disequalize funding among school districts.
- Since 2004, the Legislature has appropriated more than \$2.5 million to support the conversion to a new public school uniform chart of accounts aligned with National Center for Education Statistics (NCES) guidelines: \$1.8 million in 2004; \$600,000 in 2005; and \$122,500 in 2006. During the 2005 interim, PED testified to the LESC that, in addition to the \$2.5 million specifically appropriated for the purpose, the department had

Administrators, the New Mexico Association of School Business Officials, the American Federation of Teachers-New Mexico, and the National Education Association-New Mexico.

used \$330,000 remaining on a related contract to have Edmin.com design the new chart of accounts and update PED's *Manual of Procedures, Public School Accounting and Budgeting*. PED also testified that, because all of the necessary processes and systems would be in place by June 30, 2006, school districts and charter schools would be able to use the new uniform chart of accounts in developing their budgets for school year 2006-2007.

Background:

Approximately 90 percent of the public schools' operational revenue is derived from the SEG appropriation. A school district's SEG is the amount of money the State of New Mexico "guarantees" each New Mexico public school student in order to provide equal access to programs and services appropriate to his or her educational needs regardless of geographic location or local economic conditions.

The Secretary of Public Education distributes the SEG to school districts through the Public School Funding Formula. Enacted by the 1974 Legislature, the formula is designed to distribute operational funds to school districts objectively, and in a discretionary manner, to provide for local school district autonomy. School districts have the discretion to spend their formula dollars according to their local priorities and needs.

In determining a district's SEG, the state takes credit for 75 percent of three revenue sources: a .5 mill local levy, federal forest reserve funds, and the operational portion of the federal Impact Aid funds, all of which remain in the local districts; the state does not take credit for Impact Aid funds designated for special education or for students living on Indian lands.

Legislation enacted in 2005 removed the requirement that school districts budget for capital outlay 20 percent of their state aid that is equal to the revenue received from those sources for which the state takes credit in calculating the districts' SEG distributions. School districts may now use for operational purposes the entire 25 percent of the local and federal revenues for which the state does not take credit.

That same legislation changed the way in which membership is determined for funding purposes. Since school year 2000-2001, school districts and charter schools have used the prior year average of the membership on the 40th, 80th, and 120th days to calculate program units; however, beginning with school year 2006-2007, school districts and charter schools will be required to use the average of the prior year 80th and 120th day memberships.

Attachment 3, *State Equalization Guarantee Computation*, graphically illustrates how the Public School Funding Formula is used to determine a school district's program units and program cost:

- Program units are the product of the number of students enrolled in a given program times the statutory cost differential for that program.
- Program units are multiplied by the district's Training and Experience (T&E) Index, generating additional units to adjust for the education and experience of the district's instructional staff. Technically, however, the T&E Index functions as a revenue distributor—not a revenue generator. Its purpose is to encourage districts to hire and retain more experienced, highly educated staff by directing a portion of statewide program cost to those districts that do so. As such, no additional funds are included in the SEG appropriation for additional units generated by an increase in the statewide weighted T&E Index.

- Other cost differentials recognize the additional costs associated with small school and small district size, rural isolation, the creation of a new school district, at-risk programs, enrollment growth, and a salary differential for teachers with National Board for Professional Teaching Standards certification.
- A district's program cost is determined by multiplying all of the district's units by the unit value.
- Unit value is determined by dividing the SEG appropriation plus the amount of local and federal funding for which the state takes credit by the total number of units statewide. Language in the *General Appropriation Act* allows the Secretary of Public Education to set unit value twice, once to establish operating budgets (which by law must be approved by PED on or before July 1) and again upon the verification of units, but no later than January 31.

Presenters:

For this presentation, Mr. Don Moya, Deputy Secretary for Finance and Operations, PED, and Mr. Steve Burrell, Director, School Budget and Finance Analysis Bureau, PED, will provide an overview of FY 07 public school budgets and related issues, including the current implementation status of the new uniform public school chart of accounts.

Questions the committee may wish to consider:

1. How has the change in the way funded membership is calculated affected school district and charter school budgets for FY 07?
2. How did PED determine the number of units used to calculate FY 07 initial unit value?
3. How did PED verify that school districts provided the \$45,000 minimum salary for level 3-A teachers?
4. How have PED and OEA verified that all level 3-A teachers receiving salary increases under the minimum salary provision of the three-tiered licensure system have been evaluated and have the required professional competencies?
5. How did PED verify that all school districts and charter schools provided the average salary increases mandated in the *General Appropriation Act of 2006*?
6. Which school districts will require supplemental funding to meet regular (i.e., non-emergency) operational expenditures for FY 07?
7. How were the funding needs of school improvement schools addressed by school districts during the budget development process?
8. How did PED ensure that all school districts and charter schools were prepared and able to use the new uniform public school chart of accounts in developing their FY 07 operating budgets?

TABLE 1

**PUBLIC SCHOOL SUPPORT AND RELATED APPROPRIATIONS FOR FY 07
GENERAL APPROPRIATION ACT OF 2006**

(Dollars in Thousands)

	FY 06 APPROPRIATION	CS/HB 2, et al., as amended Laws 2006 Chapter 109 (partial veto)	CS/HB 2, et al., as amended Chapter 109 Sanded by 0.105%
PROGRAM COST	\$1,903,074.6	\$2,027,662.3	\$2,025,533.3
Adjustment for prior year workload decline		(\$3,000.0)	(\$2,996.9)
ENROLLMENT GROWTH	\$14,700.0	\$12,000.0	\$11,987.4
FIXED COSTS	\$2,100.0	\$3,169.6	\$3,166.3
INSURANCE COSTS	\$16,300.0	\$21,250.0	\$21,227.7
COMPENSATION FOR PUBLIC SCHOOL EMPLOYEES:			
Teachers (5 percent)	\$6,252.5	\$55,847.7	\$55,789.1
Instructional Staff (5 percent)	\$2,381.9	\$9,648.5	\$9,638.4
Other Certified and Non-certified (5 percent)	\$5,372.7	\$18,252.1	\$18,232.9
Educational Assistants (9.5 percent)		\$7,916.0	\$7,907.7
Minimum Salaries – Three-tiered Licensure Structure			
Levels 2 & 3 to \$40,000 in FY 06	\$51,800.0 *r		
Level 3 to \$45,000 in FY 07		\$6,848.5	\$6,841.3
Minimum Salaries – Career Ladder for Educational Assistants	\$1,900.0		
Increase in Employer's ERB Contribution (.75 percent)	\$11,780.6	\$13,229.5	\$13,215.6
Full-Day Kindergarten – Replace TANF Funds	\$4,000.0		
Student Assessment CRTs/School District Costs	\$2,000.0		
Elementary Fine Arts	\$6,000.0	\$4,800.0	\$4,795.0
PROGRAM COST	\$2,027,662.3	\$2,177,624.2	\$2,175,337.7
Dollar Increase Over FY 06 Appropriation		\$149,961.9	\$147,675.4
Percentage Increase		7.4%	7.3%
LESS PROJECTED CREDITS	(\$58,600.0)	(\$57,600.0)	(\$57,539.5)
LESS OTHER STATE FUNDS (from driver's license fees)	(\$1,300.0)	(\$850.0)	(\$849.1)
STATE EQUALIZATION GUARANTEE	\$1,967,762.3	\$2,119,174.2	\$2,116,949.1
Dollar Increase Over FY 06 Appropriation		\$151,411.9	\$149,186.8
Percentage Increase		7.7%	7.6%
CATEGORICAL PUBLIC SCHOOL SUPPORT			
TRANSPORTATION			
Operational	\$87,678.7	\$91,481.1	\$91,385.0
School-owned Bus Replacements	\$176.4		
Rental Fees (Contractor-owned Buses)	\$11,296.5	\$10,616.2	\$10,605.1
Compensation (5 percent)	\$501.5	\$2,076.4	\$2,074.2
Increase in Employer's ERB Contribution (.75 percent)	\$300.9	\$325.5	\$325.2
TOTAL TRANSPORTATION	\$99,954.0	\$104,499.2	\$104,389.5
SUPPLEMENTAL DISTRIBUTIONS			
Out-of-state Tuition	\$380.0	\$370.0	\$369.6
Emergency Supplemental	\$2,000.0	\$2,000.0	\$1,997.9
INSTRUCTIONAL MATERIAL FUND	\$30,500.0	\$33,000.0	\$32,965.4
EDUCATIONAL TECHNOLOGY FUND	\$5,000.0	\$5,000.0	\$4,994.8
INCENTIVES FOR SCHOOL IMPROVEMENT FUND	\$1,600.0	\$1,600.0	\$1,598.3
SCHOOLS IN NEED OF IMPROVEMENT FUND	Federal Funds	\$2,400.0	\$2,397.5
TOTAL CATEGORICAL	\$139,434.0	\$148,869.2	\$148,712.9
TOTAL PUBLIC SCHOOL SUPPORT	\$2,107,196.3	\$2,268,043.4	\$2,265,662.0
Dollar Increase Over FY 06 Appropriation		\$160,847.1	\$158,465.7
Percentage Increase		7.6%	7.5%
RELATED APPROPRIATIONS: RECURRING			
Public Education Department (includes \$500.0 for charter school authority)	\$11,761.7	\$11,951.3	\$11,938.8
Accelerated ERB Employer Contribution for FY 08		\$13,555.0	\$13,540.8
Advanced Placement	\$190.0	\$1,200.0	\$1,198.7
Apprenticeship Assistance	\$650.0	\$650.0	\$649.3
Beginning Teacher Mentorship	\$900.0	\$900.0	\$899.1
Breakfast for Elementary Students/Food to Schools	\$475.0		
Core Curriculum Framework	\$381.6	\$382.0	\$381.6
Cyber Academy for Rio Rancho High School		\$85.0	\$84.9
Elementary Physical Education/Anti-obesity Programs	\$1,425.0		
Family and Youth Resource Act	\$1,500.0	\$1,500.0	\$1,498.4
GRADS – Teen Pregnancy Prevention	\$1,000.0	\$1,000.0	\$999.0
Indian Education Act of 2003 (includes status study) ¹	\$2,500.0	\$2,500.0	\$2,497.4
Kindergarten Plus	\$400.0	\$1,000.0	\$999.0
Parental Training and Involvement	\$44.7		
Pre-kindergarten Program		\$4,000.0	\$3,995.8
Summer Reading, Math and Science Institutes		\$700.0	\$699.3
Truancy Prevention/Dropout Prevention ²	\$475.0	\$1,000.0	\$999.0
TOTAL RELATED APPROPRIATIONS: RECURRING (before executive action)	\$21,703.0	\$40,423.3	\$40,380.9
TOTAL RELATED APPROPRIATIONS: RECURRING (after executive action)	\$21,703.0	\$26,868.3	\$26,840.1
GRAND TOTAL (before executive action)	\$2,128,899.3	\$2,308,466.7	\$2,306,042.9
Dollar Increase Over FY 06 Appropriation		\$179,567.4	\$177,143.6
GRAND TOTAL (after executive action)		\$2,294,911.7	\$2,292,502.1
Dollar Increase Over FY 06 Appropriation		\$166,012.4	\$163,602.8
Percentage Increase		7.8%	7.7%

TABLE 1

PUBLIC SCHOOL SUPPORT AND RELATED APPROPRIATIONS FOR FY 07
GENERAL APPROPRIATION ACT OF 2006

(Dollars in Thousands)

	FY 06 APPROPRIATION	CS/HB 2, et al., as amended Laws 2006 Chapter 109 (partial veto)	CS/HB 2, et al., as amended Chapter 109 Sanded by 0.105%
71 SECTION 5 – RELATED APPROPRIATIONS: NONRECURRING (PUBLIC EDUCATION DEPARTMENT)			Not Sanded
72 Assessment & Test Development/Exit Exams	\$7,000.0 *I	\$6,600.0 *I	\$6,600.0 *I
73 Breakfast for Elementary Students/Food to Schools		\$2,000.0 *I	\$2,000.0 *I
74 CHARTER SCHOOLS STIMULUS FUND	\$1,000.0		
75 Computer-based Math & On-demand Student/Classroom Info. Access		\$2,500.0 *I	\$2,500.0 *I
76 Computers in the Schools		\$2,000.0	\$2,000.0
77 Domestic Violence Curriculum	\$285.0		
78 Elementary Physical Education/Anti-obesity Programs		\$2,000.0 *I	\$2,000.0 *I
79 Emergency Supplemental	\$5,000.0	\$5,000.0	\$5,000.0
80 Parental Training and Involvement/Domestic Violence Curriculum		\$750.0 *I	\$750.0 *I
81 Pre-kindergarten Pilot Program for 4-year-olds (to DFA)	\$4,000.0		
82 Pre-kindergarten Start-up		\$1,500.0 *I	\$1,500.0 *I
83 Prueba de Español	\$100.0		
84 Public School Funding Formula Study (to LCS)		\$500.0 *I	\$500.0 *I
85 Regional Education Cooperatives Operations		\$750.0	\$750.0
86 Rural Education/Community Revitalization		\$250.0 *I	\$250.0 *I
87 SCHOOL LIBRARY MATERIAL FUND	\$2,000.0	\$3,000.0	\$3,000.0
88 School Improvement Framework		\$6,000.0 *I	\$6,000.0 *I
89 School-owned Bus Replacements		\$3,680.9	\$3,680.9
90 Schools Outreach (to DFA)	\$250.0		
91 Start-up School-based Health Clinics (to DOH)	\$2,000.0		
92 STATE SUPPORT RESERVE FUND		\$2,000.0	\$2,000.0
93 Student ID System Maintenance (moved to PED budget)	\$40.0		
94 Summer Camp Program in Santa Fe		\$300.0	\$300.0
95 Summer Institutes for Reading & Mathematics (professional development)		\$1,000.0 *I	\$1,000.0 *I
96 TEACHER PROFESSIONAL DEVELOPMENT FUND	\$2,400.0	\$2,000.0	\$2,000.0
97 Three-tiered Transition		\$6,300.0 *I	\$6,300.0 *I
98 Three-tiered Licensure Evaluation System: Teachers	\$400.0 *I	\$300.0 *I	\$300.0 *I
99 Uniform Public School Chart of Accounts	\$600.0 *I	\$122.5 *I	\$122.5 *I
100 TOTAL RELATED APPROPRIATIONS: NONRECURRING (before executive action)	\$25,075.0	\$48,553.4	\$48,553.4
101 TOTAL RELATED APPROPRIATIONS: NONRECURRING (after executive action)	\$25,075.0	\$38,253.4	\$38,253.4
102 SECTION 5 – RELATED APPROPRIATIONS: NONRECURRING (HIGHER EDUCATION DEPARTMENT)			Not Sanded
103 COLLEGE AFFORDABILITY ENDOWMENT FUND		\$49,000.0	\$49,000.0
104 SECTION 7 – DATA PROCESSING APPROPRIATIONS			Not Sanded
105 Data Warehouse at PED	\$6,650.0 *I	\$2,000.0 *I	\$2,000.0 *I

¹ Includes \$1.0 million for a rural literacy initiative for K-8 students in schools with a high proportion of Native American students, contingent upon receipt of \$500,000 in matching funds from sources other than the state.

² Includes \$230,000 to the second judicial district court for truancy court.

RECURRING AND NONRECURRING REFORM INITIATIVES			
*r Public School Reform Initiatives (recurring)			
Base Recurring Reform	\$46,995.2	\$98,795.2	\$98,795.2
New Recurring Reform	\$51,800.0	\$0.0	\$0.0
Subtotal Recurring Reform	\$98,795.2	\$98,795.2	\$98,795.2
*I Public School Reform Initiatives – Lockbox	\$14,650.0	\$25,522.5	\$25,522.5
TOTAL REFORM	\$113,445.2	\$124,317.7	\$124,317.7

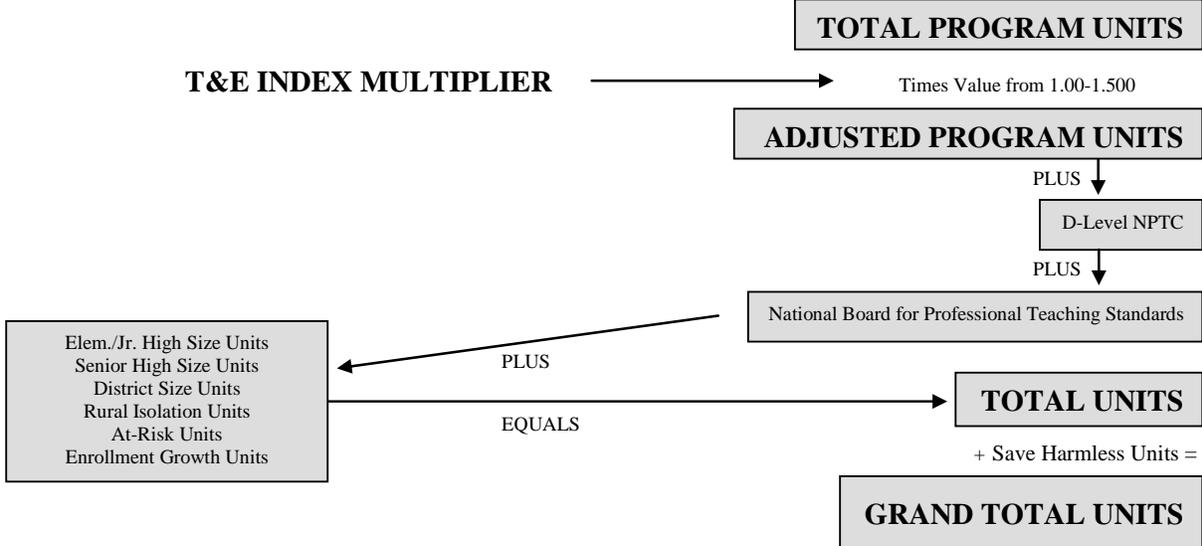
NOTE: Amounts marked with an asterisk are reform initiatives. An "r" designates a recurring initiative, and an "I" designates funding from the appropriation contingency fund (Lockbox).

TABLE 2
PUBLIC EDUCATION-RELATED APPROPRIATIONS
(for expenditure in FY 07)
CS/SB 415, as amended, Laws 2006, Chapter 110 (partial veto)
(Dollars in thousands)

	CS/SB 415, as amended Laws 2006 Chapter 110 (partial veto)
1 PUBLIC EDUCATION DEPARTMENT:	
2 Establish PED math and science bureau	\$250.0
3 Assist school districts to develop phase 1 wellness policies	\$150.0
4 Model multicultural arts and education program for public schools	\$40.0
5 Statewide social studies and civics professional development	\$30.0
6 To the Reading Materials Fund	\$100.0
7 Extracurricular activities in Dexter, Hagerman, and Lake Arthur school districts	\$57.0
8 Restorative Justice Program at Amy Biehl Charter High School	\$50.0
9 Support for the Española Military Academy Charter School	\$57.0
10 Summer youth enrichment programs – Truchas, Ojo Sarco, Chimayo and Cordova in Española Public Schools	\$40.0
11 Alternative learning center in Estancia Municipal Schools	\$175.0
12 Fiesta Educativa Parent Conference and Outreach in Gadsden Independent Schools	\$7.0
13 Saturday school programs for at-risk high school students in Grants-Cibola County Schools	\$75.0
14 In-school classroom cultural activities in West Las Vegas Public Schools	\$85.0
15 Dropout prevention programs in Los Lunas Public Schools	\$100.0
16 Comprehensive secondary school reform initiative in Los Lunas Public Schools	\$80.0
17 Substance abuse and child abuse prevention and intervention strategies in Pojoaque Valley Public Schools	\$50.0
18 Cyber Academy in Rio Rancho Public Schools	\$172.0
19 Athletic programs in Roswell Independent Schools	\$80.0
20 Character Counts in Roswell Independent Schools	\$30.0
21 Contract with nonprofit to improve science education in Santa Fe Public Schools	\$25.0
22 Automated IEPs for special education students in Santa Fe Public Schools	\$40.0
23 Summerbridge Academy in Taos Municipal Schools	\$19.5
24 Total to PED (before executive action)	\$1,712.5
25 Total to PED (after executive action)	\$799.0
26 OTHER AGENCIES:	
27 Children, Youth and Families Department:	
28 Out-of-School Network after school programs	\$30.0
29 After-school programming/computer-based education services for S. Broadway area adolescents	\$35.0
30 Substance abuse/child abuse prevention in Las Vegas City, Wagon Mound, and Mora school districts	\$23.0
31 Department of Finance and Administration Local Government Division:	
32 Sports activities in West Las Vegas and Las Vegas City school districts	\$70.0
33 Department of Health:	
34 Expand school-based health centers	\$500.0
35 Department of Military Affairs:	
36 CAP cadet program – drug demand reduction for at-risk middle and high school students	\$30.0
37 Eastern New Mexico University:	
38 Hospitality and tourism education initiative in public schools statewide	\$50.0
39 Distance education college course for Dexter, Roswell, Hagerman, Lake Arthur, Loving, Hondo Valley, and Capitan school districts and the Mescalero Apache schools (Roswell branch)	\$75.0
40 Expand distance education for public schools (Ruidoso branch)	\$50.0
41 Economic Development Department:	
42 Statewide organization for workplace mentor relationships between middle/jr. high school students & business	\$100.0
43 Fifth Judicial District Attorney:	
44 Drug abuse prevention education for elementary/middle schools in Loving, Carlsbad, and Artesia school districts	\$200.0
45 Higher Education Department:	
46 Develop vocational high school curriculum for Curry County (to Clovis Community College)	\$50.0
47 New Mexico Highlands University:	
48 Bilingual education materials statewide for K-12, monthly periodical, digitalization of materials, and weekly radio show	\$60.0
49 New Mexico Institute of Mining and Technology:	
50 MESA program for Native American students in western San Juan County	\$180.0
51 New Mexico School for the Deaf:	
52 Outreach efforts in Albuquerque Public Schools	\$58.0
53 New Mexico State University:	
54 Agricultural science education project at Memorial Middle School in Las Vegas City Public Schools	\$110.0
55 Alliance for Underrepresented Students (K-12 outreach)	\$20.0
56 Northern New Mexico State School:	
57 Science, math, and technology professional development for middle school teachers	\$250.0
58 Twelfth Judicial District Attorney:	
59 Drug abuse prevention education for elementary/middle schools in Alamogordo Public Schools	\$100.0
60 Drug abuse prevention education for elementary/middle schools in Clouderoff Municipal Schools	\$50.0
61 Drug abuse prevention education for elementary/middle schools in Tularosa Municipal Schools	\$77.0
62 University of New Mexico:	
63 Bridge achievement gap – high school students and university freshman (African-American studies)	\$26.5
64 Saturday science & math academy mentorship program – minority children in grades K-12	\$70.0
65 College prep mentoring programs at the law school – children in grades 8-12 in APS	\$125.0
66 Western New Mexico University:	
67 Continuation and expansion of web-based teacher preparation program	\$175.0
68 Total to Other State Agencies (before executive action)	\$2,515.0
69 Total to Other State Agencies (after executive action)	\$1,545.0

STATE EQUALIZATION GUARANTEE COMPUTATION

<u>MEMBERSHIP/PROGRAM</u>		<u>TIMES</u>	<u>DIFFERENTIAL = UNITS</u>	S U M O F U N I T S
Kindergarten & 3- & 4-Year-Old DD	FTE	×	1.440	
Grade 1	MEM	×	1.200	
Grades 2-3	MEM	×	1.180	
Grades 4-6	MEM	×	1.045	
Grades 7-12	MEM	×	1.250	
<u>SPECIAL EDUCATION</u>				
Ancillary	FTE	×	25.000	
A/B Level	MEM	×	0.700	
C Level	MEM	×	1.000	
D Level	MEM	×	2.000	
3- & 4-Year-Old DD	MEM	×	2.000	
<u>BILINGUAL</u>	FTE	×	0.500	
<u>FINE ARTS EDUCATION</u>	FTE	×	0.05	



Grand Total Units × Unit Value = Program Cost

Program Cost
 – 75% Noncategorical Revenue Credits
 – Excess Cash Balance
 – Utility Conservation Program Contract Payments
 – 90% of the Certified Amount (*Energy Efficiency and Renewable Energy Bonding Act*)
 = **State Equalization Guarantee**