



**Report  
to  
The LEGISLATIVE FINANCE COMMITTEE**



**Program Evaluation of Selected School Districts  
Bloomfield School District  
December 8, 2009**

**Report #10-02C**

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*State of New Mexico*  
**LEGISLATIVE FINANCE COMMITTEE**

325 Don Gaspar, Suite 101 • Santa Fe, NM 87501  
Phone: (505) 986-4550 • Fax: (505) 986-4545

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December 8, 2009

Karen Ransom, Board of Education President  
Bloomfield School District  
325 N. Bergin Lane  
Bloomfield, NM 87413

Dear Ms. Ransom,

On behalf of the Legislative Finance Committee (Committee), I am pleased to transmit the *Program Evaluation of Bloomfield School District*.

The evaluation team assessed the district's governance and management best practices, the use of funding and cost-effectiveness of resource allocation decisions and the success of district efforts to improve student academic performance. A global summary report was presented to the Committee on November 19, 2009. Exit conferences were conducted with district staff and PED staff earlier to discuss the contents of the report.

The Committee expects a plan to implement the report's recommendations from the school district within 60 days. The district should also submit a copy of the implementation plan to PED. Staff will continue to monitor your implementation of the recommendations contained herein.

I believe this report addresses issues the Committee asked us to evaluate and hope the school district benefits from our efforts. We very much appreciate the cooperation and assistance we received from the district's staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Manu Patel".

Manu Patel, Deputy Director for Program Evaluation

DC/svb

Cc: Representative Luciano "Lucky" Varela, LFC Chairman  
Senator John Arthur Smith, LFC Vice-Chairman  
Dr. Veronica Garcia, Secretary, Public Education Department

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**BLOOMFIELD SCHOOL DISTRICT**

Bloomfield School District spent about \$48.8 million across all funds in SY09 for about 3050 students, and 80 percent of its revenues come from State funds. At the same time the district’s membership has declined, the State’s Equalization Guarantee (SEG) funding has climbed in each of the last four years. This trend is not likely to continue and the district will have to increase oversight of expenditures. Central administration financial monitoring needs improvement, and the district could benefit from increased school board input in the district’s budget development. Though the district uses student performance data to inform district-level decisions on instruction, such use is sporadic and decentralized at the school level and New Mexico Standards Based Assessment (NMSBA) data does not play a primary role in individualizing instruction. Economically disadvantaged students are not identified in the data the schools use for conversations about instruction, and the graduation rates in Bloomfield need improvement.

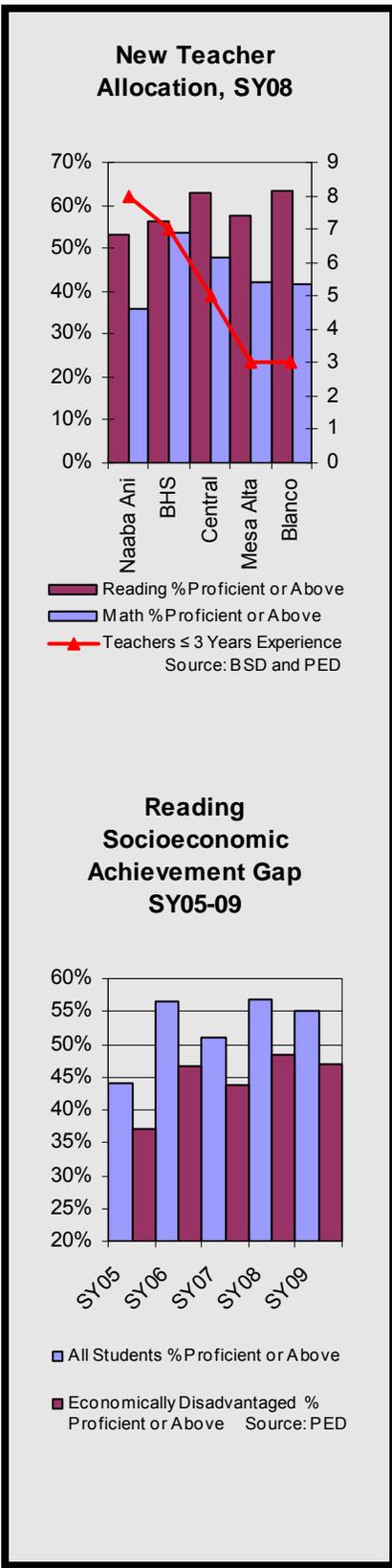
Given that local school districts are responsible for spending almost \$4.7 billion in public funds (federal, state, local and capital sources), the Legislative Finance Committee (LFC) is continuing the practice of evaluating the operations of selected school districts to identify best practices and ensure efficient and effective use of public resources. Evaluation objectives included the following.

- **Governance.** Assess oversight of school districts and their use of governance and management best practices.
- **Spending.** Review the use of funding and cost-effectiveness of resource allocation decisions, including human resources.
- **Student Outcomes.** Review student academic performance and the extent to which policy, spending and personnel changes may have contributed to improved student performance.

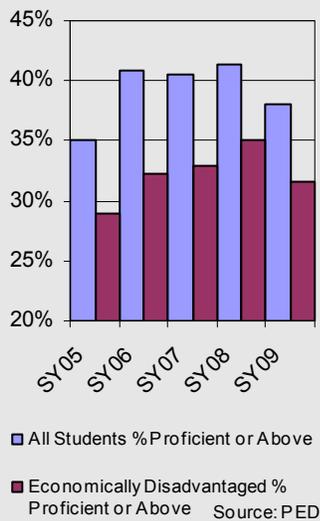
Aztec, Bernalillo, Bloomfield, Las Vegas City and West Las Vegas School Districts were selected for the evaluation. Selection criteria included: medium size membership and operational spending, regionally paired districts, and similar demographics (with an emphasis on low-income and Native American students).

**KEY FINDINGS**

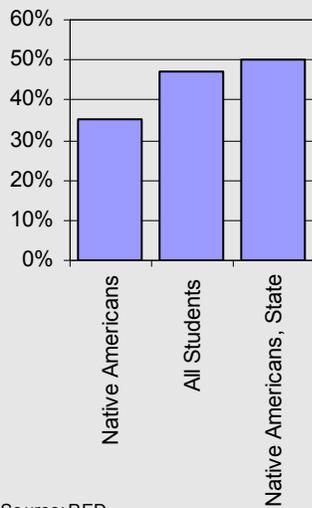
- More training in budget oversight responsibilities and more information presented to the board could improve monitoring of district activities.



**Math Socioeconomic Achievement Gap SY05-09**



**Bloomfield Graduation Rates, SY08**



- The district’s decentralized purchasing process accelerates purchasing at the expense of oversight and cost containment.
- Bloomfield’s legacy accounting system and internal control deficiencies hamper efficient, effective and secure financial management.
- The district spends a large amount, 62 percent, of its funds (excluding capital outlay and debt services) on instruction.
- Operations and maintenance measurements were more efficient than review-district peers and facilities appear well maintained.
- The majority of new teaching staff is assigned to schools with low performance.
- Despite increased investments in education, student proficiency rates exhibit a diminishing rate of return.
- Student proficiency data does not guide interventions aimed at economically disadvantaged students.
- The district has taken steps to address drops in student proficiency scores during the transition from elementary to middle school.
- High school students are less likely to graduate than their review-district peers, including Native Americans.
- The bilingual program has traditionally reported expenditures in excess of generated funds and maintains above average per-student costs.

**KEY RECOMMENDATIONS**

Bloomfield School District should implement the following:

- Provide school board members with a monthly budget balance report, the purchase card statement, quarterly updates from the instruction department, and training from district administration on how to view the financial status of the district.
- Develop and implement longer range financial plans and a system of performance-based budgeting (PBB) for instruction and operations.
- The district should increase monitoring of payroll procedures to eliminate risk. The Public Education Department (PED) should require districts provide justification for food expenditures.
- The district should work with LFC and PED to identify an alternate accounting system for future upgrades.
- The district should determine how schools and teachers shall use student performance data to design instructional interventions and develop curricula for all students.
- PED should provide school districts with guidance on the use of socio-demographic data such as economically disadvantaged student status at the school and classroom level.

## BACKGROUND INFORMATION

Public education is a core State responsibility and accounts for over 43 percent of all State spending. The Legislature has increased spending through the State's funding formula, or State Equalization Guarantee (SEG), nearly \$600 million (33 percent); from about \$1.8 billion in school year 2003-2004 (SY04) to almost \$2.4 billion in SY09. Despite significant revenue shortfalls, the Legislature maintained its commitments to public education and only reduced the SEG by \$44 million or about 1.9 percent after accounting for federal fiscal stabilization funds and reduced employer retirement contributions. Between SY09 and SY10, school districts reported budget increases of \$102 million, or 3.2 percent.

**School District Budgeted Expenditures  
SY09-SY10 All districts/charters  
(In millions)**

	SY09	SY10	Change	%
General Fund	\$2,728	\$2,576	(\$152)	-5.6%
Special Rev. Funds	\$459	\$714	\$254	55.4%
Total	\$3,187	\$3,290	\$102	3.2%

Source: PED. General Fund includes SEG, teacherage, transportation, instructional materials. Special revenue funds include federal, state and local grants and federal SEG.

New Mexico has 89 autonomous local school districts which by statute have considerable "local control" over governance of education administration and programming and resource allocation decisions. Districts also must meet extensive accountability measures for student outcomes. The SEG or 'funding formula' typically accounts for more than 90 percent of school districts' State operational revenue. The SEG is enrollment driven with several adjustment factors including students with special needs, such as special education and English language learners. The autonomous school districts have considerable latitude in determining how these funds are to be spent to address local needs or priorities; however they must comply with PED regulations.

Given that local school districts are responsible for spending almost \$4.7 billion in public funds (federal, state, local and capital sources), the Legislative Finance Committee is continuing the practice of evaluating the operations of selected school districts to identify best practices and ensure efficient and effective use of public resources.

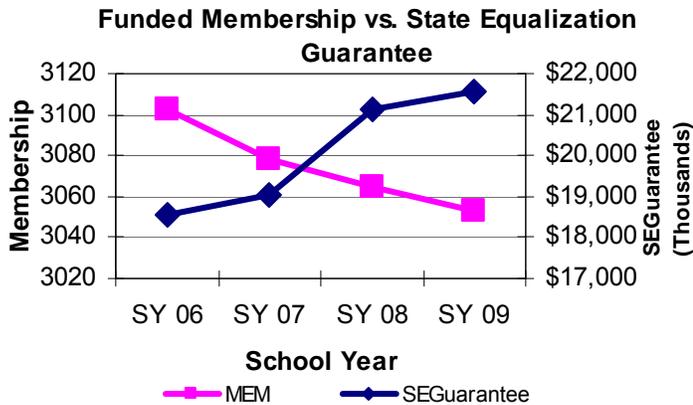
### **Selection of school districts.**

Aztec, Bernalillo, Bloomfield, Las Vegas City, and West Las Vegas school districts were selected for the evaluation, in consultation with the Legislative Education Study Committee and LFC budget staff. Selection criteria included medium size membership (1,500 – 5,000) and operational spending (\$15-\$30 million), districts that we could pair regionally (same city, county within 75 miles) and had similar student demographics with an emphasis on low-income (>50%) and/or Native American (>10%).

**Bloomfield Public Schools**  
Mr. Joe Rasor, Superintendent

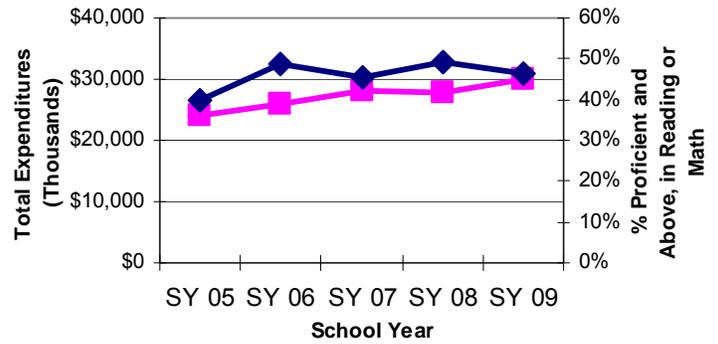
	Bloomfield		Statewide
Female	1465	49%	49%
Male	1544	51%	51%
Caucasian	1014	32%	29%
Hispanic	1092	35%	56%
Native American	1000	32%	10%
Black	19	1%	3%
Economically Disadvantaged	1829	58%	66%
English Language Learners	294	9%	23%
Students with Disabilities	231	7%	13%

Total Enrollment: 3,134



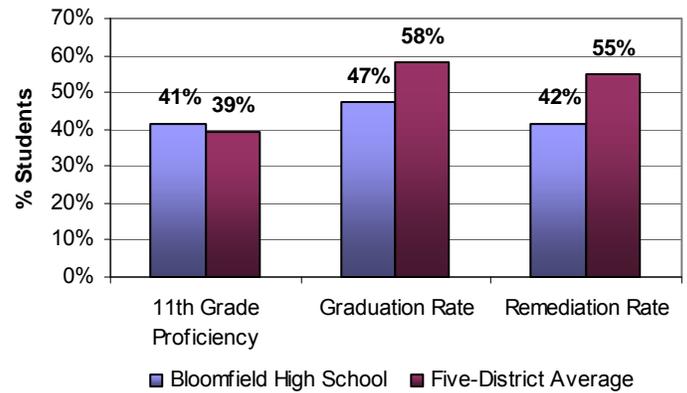
Total SEG Allocation, SY 09: \$21,554,310

**Total Expenditures\* vs. Student Performance**



\*All funds, not including capital or debt service expenditures.

**Bloomfield Class of 2008 Achievement Profile**



SY09 - Operational and Transportation Funds Expenditures (Thousands)			
Fund	Function	Amount	% Total
Operational	Instruction	\$14,445.97	62%
	Student Support	\$1,925.31	8%
	Instruct. Support	\$602.55	3%
	Gen. Admin.	\$700.24	3%
	School Admin.	\$2,305.30	10%
	Central Services	\$524.23	2%
	Opt./Maintenance	\$2,844.61	12%
	<b>Total</b>		\$23,348.22
Transportation	Student Transport	\$1,258.72	100%
	<b>Total</b>	\$1,258.72	100%

District AYP Report		
School site	2007-2008	2008-2009
Blanco	Met (progressing)	Met (progressing)
Bloomfield FLC	Met (progressing)	Met (progressing)
Central	Not Met	Not Met
Naaba Ani	(progressing)	(progressing)
Mesa Alta JHS	Met (CA-Delay)	Not Met (R-1)
CYB Alt.	Not Met (SI-2)	Not Met (CA)
Bloomfield HS	Not Met	Not Met (SI-1)
	(progressing)	Met (CA-Delay)

Bloomfield NMSBA Results SY05-SY09					
	2005	2006	2007	2008	2009
Reading	44%	57%	51%	57%	55%
Mathematics	35%	41%	40%	41%	38%

Source: PED/LFC Analysis

## **Objectives.**

- **Governance.** Assess oversight of school districts and their use of governance and management best practices.
- **Spending.** Review the use of funding and cost-effectiveness of resource allocation decisions, including human resources.
- **Student Outcomes.** Review student academic performance and the extent to which policy, spending and/or personnel changes may have contributed to the intended results of improved student performance.

## **Evaluation Activities (Scope and Methodology).**

- Reviewed and analyzed applicable statutes, PED regulations, and district policies and procedures;
- Attended district leadership and school board meetings and interviewed school board members;
- Analyzed funding formula using district budget and enrollment data;
- Interviewed central office administrators, school administrators, teachers and other staff;
- Reviewed program documents and data provided during field visits conducted at selected schools including a minimum of four site visits per district;
- Analyzed related-services ancillary and special education enrollment data;
- Reviewed available fiscal and program data from districts, Public Schools Finance Authority (PSFA) and PED including comparisons to peer districts/schools for SY05-SY10;
- Analyzed teacher qualifications and experience data; and
- Analyzed Annual Yearly Progress (AYP) and student performance results including comparisons to peer districts/schools for SY05-SY09.
- Contracted with CAaNES, Inc. to conduct information technology audits of districts.

**Authority for Evaluation.** The LFC has the statutory authority under Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies and institutions of New Mexico and all of its political subdivisions, the effects of laws on the proper functioning of these governmental units and the policies and costs. The LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, the LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with State law.

## **Evaluation Team.**

Manu Patel, Deputy Director for Program Evaluation

Charles Sallee, Program Evaluation Manager

David Craig, Program Evaluator, Lead Evaluator

Jacob Candelaria, Program Evaluator

Craig Johnson, Program Evaluator

Lawrence Davis, Program Evaluator

**Exit Conferences.** The contents of this report were discussed with Bloomfield School District on November 3, 2009.

**Report Distribution.** This report is intended for the information of the Office of the Governor, the Public Education Department, Bloomfield School District, the Office of the State Auditor, the Department of Finance and Administration, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Manu Patel, CPA  
Deputy Director for Program Evaluation

## FINDINGS AND RECOMMENDATIONS

### THE SCHOOL BOARD COULD BENEFIT FROM INCREASED BUDGET OVERSIGHT, INFORMATION AND TRAINING.

**Increasing the board's role in the budget development process would aid in the oversight of the district's finances.** District administration is responsible for all budget preparation. The board neither gets involved with budget development, nor is solicited for input during the budget development. The board adopts the budget after it is presented.

The board may benefit from additional information in the form of a monthly budget status report and personnel report. Board members said they receive a monthly cash report that shows expenditures but sometimes have to ask to receive this report. One board member said the budget documents they receive are complex. Board members said they receive a personnel report with personnel that were hired, resigned or retired and that this report has not always been forthcoming. The school board could benefit from a monthly budget status report and personnel report in addition to the cash report. The school board may benefit from additional training on budget oversight responsibilities and on review of budget documents.

**The school board should use the forms it has for continuous quality improvement.** The school board does not use the conflict of interest disclosure forms included in the board's policies. Board members said conflicts of interest are not a problem. Board members said they would expect their fellow board members to act ethically and honestly. Some board members were unaware a disclosure form existed. When a potential appearance of a conflict of interest did arise, the board member abstained and let the matter be decided by the other board members. For greater transparency, the school board should use conflict of interest disclosure forms in the event a conflict of interest should arise.

The school board should use the self evaluation process yearly as outlined in the district policy manual. This evaluation tool allows the board to evaluate their performance in areas such as the relationship to the instructional program and financial management of the school districts. This self evaluation can identify challenges and areas in need of improvement and better inform training needs.

**In recent years, the school board has not consistently used a formal method for evaluating the superintendent.** The school board conducted the last review with little or no criteria or performance measures. Board members said they felt frustrated by the data limitations and were unsure how to verify data provided by district personnel were accurate. The district should use a structured evaluation template that includes goals that are measurable and determined by the board.

**District leadership is committed to the use of student data to identify areas in need of improvement.** The district has a strategic planning document that is committed to "equipping and preparing individuals to become positive, productive, and contributing members of society." The strategic plan has specific action steps leadership will take including need-based determinations for professional development, developing a process for improving student motivation and providing secondary students with skills development opportunities related to their environment. The director of instruction reports to the board every month on progress

made toward achieving strategic objectives contained within the educational plans for student success (EPSS). Though some additional work needs to be done on EPSS identification of target subgroups, particularly economically disadvantaged students, administration officials do conduct an EPSS review with principals and selected teachers every three months. District officials encourage the use of short cycle data and this data is being considered for inclusion into the EPSS plans. District administrators said they are finishing a long range planning with Cambridge, and data from the high school competency exam and the ACT has driven curriculum alignment at the high school. However, how data is used at the school and classroom level varies across the district. The district would benefit from further management over how school sites design and implement data-driven student improvement strategies.

**Moving to a performance-based budgeting process, similar to the state's Accountability in Government Act, could provide a better approach to the State's goal of integrating strategic planning, budgeting and accountability.** The State's chart of accounts provides a method to account for various programs, such as special education and bilingual education, for districts to categorize how they budget and spend additional resources generated through the funding formula and grants. The district has implemented local option cost centers within the State's chart of accounts to track other programmatic expenditures, such as athletics and bilingual expenditures. However, even grouping expenditures, performance goals and measures at the function level (instruction, student support, operations and maintenance) and major special revenue funds would be better than the current method. The district does not appear to fully use this information when developing its budget or discussing outcomes for students served in programs.

### **Recommendations.**

The district should implement the following:

Provide school board members with training from district administration on how to view the financial status of the district, the board's budget oversight and development responsibilities, governmental fund types, function code explanations, and an explanation of how year-to-date expenditures tie with budget balances to fit the total district budget.

Provide the board with monthly personnel report that shows a list of all additions and separations. Further, the board should be presented a monthly budget balance report that shows adjusted balances, year-to-date expenditures, and actual and budgeted balances.

The school board should use the annual self evaluation per district policy to identify areas of improvement. In addition, the school board should use the conflict of interest disclosure form per district policy should a conflict of interest arise.

The board should have a framework for reviewing the superintendent's performance that is: objective, data-driven, aligned with the district's strategic goals, and uses performance measurements.

The strategic plan should include goals and performance monitoring for other operations of the district including maintenance, transportation and administration.

Develop and implement longer range financial plans and a system of performance-based budgeting (PBB) for instruction and operations. The PBB system should use the current basic chart of accounts functions, local option cost centers or new cost centers. For example, transportation, operations and maintenance and district central services and administration could be grouped into separate programs with associated goals and performance measures. The district's EPSS plans would form the annual work-steps for instructional goals; however, the district should incorporate other educational goals as appropriate.

Use the budget recommendation by the Legislative Finance Committee as a planning benchmark to begin developing operational budgets in January, rather than waiting for PED to announce the unit value to begin budget development.

## **POOR FINANCIAL MANAGEMENT PRACTICES AND A FLAWED ACCOUNTING SYSTEM UNNECESSARILY EXPOSED THE DISTRICT TO FRAUD, WASTE, AND ABUSE.**

### **Decentralized purchasing and weakened internal controls lead to problematic spending.**

The district's decentralized purchasing process accelerates purchasing at the expense of oversight and cost containment. The district does not maintain a central warehouse for supplies and materials and instead employs just in time purchasing processes for schools and the administration. While eliminating a warehouse can cut potential excessive overhead, the district must replace it with contracts to allow for cost-effective volume discounts. The district does not use enough restraint over the use of blanket and memorandum purchase orders. Though the district appears to adhere to the procurement code, a cursory review of purchase requisitions revealed approvals were not always evident, spending limits were high, and the need for blanket orders appear to put convenience ahead of accountability. The blanket purchase orders are filled out before the purchase has been made which may undercut the ability to monitor for cost containment. For example, the district used a manual purchase order for a \$544 scholarship expense from the food services fund. An Office of the State Auditor's (SAO) report from 2006 shows the district used purchase orders which, when expedited, resulted in 94 forged purchase orders totaling about \$15 thousand of Title I monies to be misspent. The central office should generate requisitions for purchases prior to purchases being made for more effective management control.

**Bloomfield's legacy accounting system and internal control deficiencies hamper efficient, effective and secure financial management.** Staff appears competent and comfortable with the district's accounting system which dates back to the 1980's. However, the following challenges exist:

- The system can not produce common management reports such as total salary expenses for a year, which is tracked manually. Discrepancies were noted between the spreadsheets created manually and amounts reported by PED.
- The district's accounting information system needs replacement. LFC contracted with the Computational Analysis and Network Enterprise Solutions, LLC (CAaNES), 50 percent owned by the New Mexico Tech University Research Park Corporation to conduct a limited information technology review of the accounting systems used by the five school districts. This limited review was conducted to determine the effect of information technology on internal control (American Institute of Certified Public Accountants' (AICPA) auditing standards, AU section 314) and to determine risks of: processing data inaccurately, unauthorized access to data that may result in destruction of data or improper changes to data in master files, unauthorized changes to systems or programs, inappropriate manual intervention, and potential loss of data or inability to access data as required. The district took immediate steps to correct deficiencies based upon this audit's recommendations. However, the system's poor functionality and programming issues, when combined with the current financial management environment, creates a high risk for inaccurate data and fraud.
- Payroll internal controls could be improved. The legacy accounting information system has a payroll function to which director of finance does not have access. The director of finance has limited access to payroll content resulting from a custom-built, add-on application and cannot easily monitor changes to the payroll in the payroll system. The

ability for management to access their organizational and subordinate workforce data is a payroll systems management best practice. This is done to facilitate “monitoring of human resources costs, leave authorization, and personnel actions by human resources/payroll staff members and by operational supervisors or managers [GAO/AIMD-00-21.2.3].” The current system appears designed to limit access to minimize tampering by the chief financial officer.

**Purchases show questionable expenditures.** A small sample of purchases from SY08 revealed the following:

- \$591 for candles, \$635 for poinsettias, \$544 for scholarship fees, \$660 for movie tickets, and \$715 for t-shirts for a memorial walk-a-thon charged to the food services operations items.
- Over \$11 thousand to purchase iPod Touches and iPod accessories. These iPods were charged to special services administration in a State appropriated grant. A school site administrator told LFC staff the school purchased iPod Touches for Native American students to increase instructional time on long bus rides.
- The district pays actual costs for State travel. Preapproval and adherence to spending limits was lacking during the sample review. Not paying the State’s per diem rates increases district travel costs.

*The district made over \$371 thousand in credit card purchases, including numerous questionable expenditures due to inadequate oversight and controls.* As part of the district’s decentralized purchasing, 50 employees (administrators and site personnel) have been issued a Bank of America card. School sites have cards available for use by all staff at the site and use of these is supposed to be tracked via a check-out log. Purchase cards have advantages but, without proper oversight and controls, can lead to misuse.

**Table 1. Selected Credit Card Expenditures for SY08-09**

Position	Vendor Name	Probable Locations	Purchase Date	Post Date	Amount
Superintendent	BAR D CHUCKWAGON SUPPERS	Durango	8/7/2008	8/11/2008	\$414.00
Superintendent	LADY FALCONBURGH'S	Durango	8/7/2008	8/11/2008	\$335.52
Site Administrator	BLAKE'S LOTABURGER #48		8/7/2008	8/11/2008	\$282.69
Superintendent	KEN & SUE'S	Durango	8/8/2008	8/11/2008	\$418.03
Transportation	ETENNISBALLS.COM		8/14/2008	8/18/2008	\$126.00
Superintendent	EL PASO BAR-B-QUE 560	Farmington	10/14/2008	10/16/2008	\$269.70
Superintendent	THE PALACE RESTAURANT	Durango	11/21/2008	11/24/2008	\$273.69
Site Administrator	OUTBACK #5112		12/13/2008	12/16/2008	\$401.54
Superintendent	ELDORADO HOTEL-FRONT D	Santa Fe	1/8/2009	1/12/2009	\$136.77
Superintendent	ELDORADO HOTEL-FRONT D	Santa Fe	1/8/2009	1/12/2009	\$136.77
Superintendent	ELDORADO HOTEL-FRONT D	Santa Fe	1/8/2009	1/12/2009	\$136.77
Superintendent	ELDORADO HOTEL-FRONT D	Santa Fe	1/8/2009	1/12/2009	\$136.77
Superintendent	ELDORADO HOTEL-FRONT D	Santa Fe	1/8/2009	1/12/2009	\$136.77
Superintendent	ELDORADO HOTEL-FRONT D	Santa Fe	1/8/2009	1/12/2009	\$136.77
Superintendent	JCPENNEY STORE 2080		4/11/2009	4/13/2009	\$134.98
Superintendent	JCPENNEY STORE 2080		4/11/2009	4/13/2009	\$134.98
Superintendent	JCPENNEY STORE 2080		4/11/2009	4/13/2009	\$134.98
Superintendent	JCPENNEY STORE 2080		4/11/2009	4/13/2009	\$134.98
Site Administrator	RED LOBSTER US00006007		5/20/2009	5/22/2009	\$226.22

Source: Bloomfield Schools

The district is using a Bank of America purchasing card but has not adapted the policy and procedure framework used by the State. In addition to lacking a formal policy governing the credit cards, the district has inadequate monitoring and does not provide the board with credit card expense information. Not receiving a statement of purchase card expenditures at board meetings limits the board's oversight of district spending. District staff does not maintain a log of credit card expenditures that includes a description, justification, check number and accounting string. As a result, tracking of credit card expenditures is difficult.

*District employees, including the former superintendent, appear to have used credit cards for numerous in-town food charges, split purchases or purchases on the behalf of others.* LFC analysis of the former superintendent's purchases for SY09 show spending totaling approximately \$16.2 thousand, much of which were on large ticket items for purchases at in-district restaurants and multiple purchases on the same date at hotels. The district does not require justification for food purchases and does not monitor required supporting documentation to prevent misuse. Administrator food charges were large in the list of the yearly purchase card expenditures for SY09. Eliminating food expenditures associated with travel or student athletic travel, LFC staff identified food purchases made by administrators for staff-related items, at local eateries, or for other administration functions. Staff identified approximately \$17.2 thousand in administrator credit card purchases at restaurants, representing 4.6% of the district's total yearly credit card expenditures. LFC staff identified 150 purchases that exceed the actual meal expenses maximum expenditure rate of \$30.

**Table 2. Administrator Sample Food Purchases SY09**

Vendor Name	Purchase Date	Post Date	Amount
ROWMAN & LITTLEFIELD PUB	7/17/2008	7/18/2008	\$35.31
APPLEBEES 984501310077	7/24/2008	7/28/2008	\$21.56
COYOTE CANTINA	10/29/2008	10/31/2008	\$43.00
PAPPADEAUX SEAFOOD KTCHN	11/14/2008	11/17/2008	\$24.79
PRIME RIB GRILL	12/23/2008	12/26/2008	\$17.84
THE OLIVE GARD00016022	1/8/2009	1/12/2009	\$31.74
OLIVERS RESTAURANT	2/20/2009	2/23/2009	\$48.19
SAN DIEGO BURGER COMPA	3/1/2009	3/2/2009	\$11.26
SONYA'S COOKIN USA	4/28/2009	4/30/2009	\$32.79
CHILI'S GRI93400009340	5/7/2009	5/11/2009	\$23.45
PANDA GARDEN	5/28/2009	5/29/2009	\$36.25
ELEPHANT BAR #244	6/4/2009	6/5/2009	\$26.00
PAPPADEAUX SEAFOOD KTCHN	6/4/2009	6/8/2009	\$40.00
TEXAS ROADHOUSE #2216	6/9/2009	6/11/2009	\$41.61

Source: Bloomfield School District

School districts represent a significant portion of State expenditures and should be subject to the same justification requirements for food and gift expenditures as executive branch agencies; particularly with regard to necessity and specificity of authorization under state and federal laws. Also districts appeared to use the cards for administrators to purchase in-town dining, which may be considered a fringe benefit. According to a Department of Finance and Administration (DFA) "white paper" on employee meals, a district that adds a fringe benefit may violate State law. Under certain circumstances a fringe benefit may increase an employee's maximum compensation and violate Section 30-23-2, NMSA 1978, which states, "Whoever commits paying

or receiving public money for services not rendered is guilty of a fourth degree felony.” The DFA financial control division requires State agencies to provide justification for all meal and gift expenditures that satisfies the criteria for an appropriate expenditure. Purchase card purchases should be reduced and limited to purchases tied to the goals of the district.

### **Recommendations.**

The district should continue to implement the findings of the IT audit contracted by LFC. Further, the district should work with LFC and PED to identify an alternate accounting system for future upgrades.

The district should increase the monitoring of payroll procedures to eliminate the possibility of fraud or abuse regarding payroll funds. The district should develop a management report reconciling salaries expenses to budget balances and canceled checks.

The district should formally adopt the procurement code into its policies and procedures. We recommend site administrator and business office staff approve expenditure requisitions by signature.

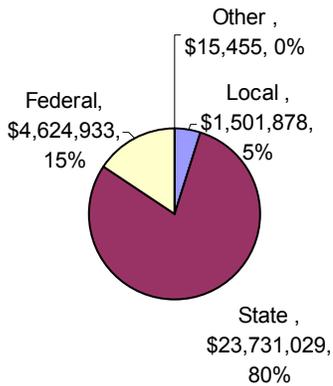
The business office staff should verify expenditures are allowable under the chart of accounts, that they are coded properly, and that expenses are consistently monitored to reduce costs. Further, the district should reimburse employees for travel expenditures using *per diem* reimbursement rate instead of actual expenditures.

The district should consider restricting the use of pre-approved blanket purchase orders and retiring the use of manual purchase orders to maintain centralized control over purchases.

The district should create policies and procedures regarding food and rewards program expenditures. PED should require districts provide justification for food and school rewards programs expenditures.

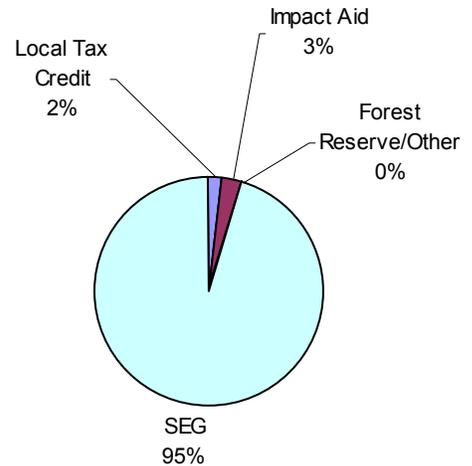
**THE DISTRICT SPENT ABOUT \$48.8 MILLION IN SY09 TO OPERATE THE DISTRICT, FUND CAPITAL PROJECTS AND SERVICE DEBT FOR ABOUT 3,050 STUDENTS.**

**Chart 1. Bloomfield 2008-09 Revenues by Fund Source**



Source: PED

**Chart 2. Bloomfield Operational Fund SY08-09**



Source: PED

**Despite being in an area with significant property wealth, State funds represent 80 percent of the district's SY09 revenues.** The bulk of the district's revenues come from State funds as illustrated in chart 1. Much of the local revenues are dependent on oil and gas revenues, as oil and gas represent approximately 62 percent of the mille levies collected by the district. The predominant funding source for the funding formula is the State Equalization Guarantee (SEG), as illustrated in chart 2. Total revenues for general and special revenue funds (excluding capital outlay and debt services) have increased while MEM have decreased as illustrated in Table 3 below.

**Table 3. Bloomfield General and Special Revenue Funds SY06 to SY10 (Excludes Capital Outlay and Debt Service) and Membership**

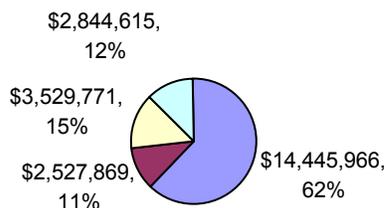
	SY06	SY07	SY08	SY09	SY10*	% Change SY06-SY10
Revenues	\$26,291,060	\$26,653,187	\$30,832,744	\$29,873,294	\$31,701,986	20.6%
MEM	3,102.83	3,078.00	3,064.50	3,053.00		-1.61%

\* Estimated Amount.

Source: PED

**Excluding capital outlay and debt services, SY09 expenditures show the district spends 62 percent of its funds on instruction.** Most of the district's expenditures for both operational and all funds occur in instruction. The remaining expenditures occur in administration, operations and maintenance, and support services respectively by size for the operational fund. When all funds are added, instruction is still the largest expenditure and is followed by administration, support services, operations and maintenance and other district expenditures (which include transportation). Charts 3 and 4 illustrate these expenditure levels.

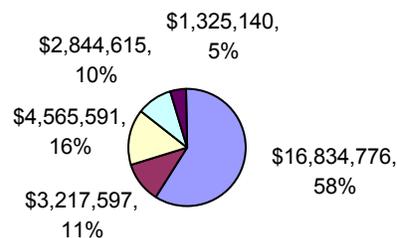
**Chart 3. Bloomfield Expenditures Operational Fund SY08-09**



■ Instruction  
 ■ Administration  
 ■ Support Services  
 ■ Operations and Maintenance

Source: PED

**Chart 4. Bloomfield Expenditures All Funds SY08-09**



■ Instruction  
 ■ Administration  
 ■ Support Services  
 ■ Operations and Maintenance  
 ■ Other

Source: PED

**American Recovery and Reinvestment Act (ARRA) federal stimulus expenditures are budgeted for personnel and professional development.** The district is projecting to spend about \$1.49 million in stimulus funds in FY10. The district is funding 20.6 teachers’ salaries from the SEG stimulus fund for FY10. These salaries expenses represent about 65 percent of the total projected SEG stimulus expenditures and employee benefits represent the remaining 35 percent. The district is also receiving Title I ARRA funds totaling \$186.2 thousand and salaries and benefits represent about 20 percent of these budgeted expenditures. Administration officials said the remaining \$147.3 thousand will go to consultants and professional development including: hiring sign language consultants and getting certifications for staff, particularly at the high school, in sign language and contracting CARE, Inc. to teach staff how to write an effective individualized education plan (IEP) and effectively implement an IEP in the classroom.

**District spending for SB9 funds have increased steadily resulting in a slow decrease in excess cash.** Analysis shows the current SB9 cash balance is below the average yearly SB9, two mill levies revenue. Actual SB9 revenues and expenditures for the past three school years as well as current cash balances for both the SB9 and bond funds are provided in tables 4 and 5 below.

**Table 4. Current Cash balances, September 2009**

SB9	\$1,698,956.91
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Source: Bloomfield School District

**Table 5. SB9 Revenues and Expenditures**

	2006-07	2007-08	2008-09	Average
Actual Revenues	\$1,987,505.80	\$2,178,969.56	\$2,152,530.09	\$2,106,335.15
Actual Expenditures	\$3,928,332.49	\$1,887,919.75	\$1,468,218.73	\$2,428,156.99

Source: PED

**Operations and maintenance custodians’ workload was the most efficient among the districts evaluated and facilities appear well maintained.** The district has the largest amount of square feet per custodial full time equivalent of all of the five districts the LFC evaluated, despite having the largest floor space and ranking in the middle of the districts with regard to student density. While touring Bloomfield schools during site visits, LFC staff noticed the facilities appear clean. The district uses the Facility Information Management System (FIMS)

for work order processing and monitoring preventative maintenance. The district scores very high in the proficiency determinations set by the Public School Facilities Authority (PSFA) for preventative maintenance direct. Although district staff said they contract out for about a quarter of their maintenance costs (primarily for heating, cooling, electrical, painting and plumbing); this does not include traditional site-level custodian services and the other districts' maintenance staff contract out for these needs. Bloomfield School District maintenance administrators attribute this to a rigorous hiring practice, intense training and large retention of staff. Table 6 illustrates this staffing level, associated costs and work load. Bloomfield maintenance should continue to monitor custodian workload and efficiency to maintain high levels of productivity.

**Table 6. School District Size, Student Density, Workload and Costs**

	Total SY08	MEM	Funded MEM SY09	Permanent Floor Space (sq ft)	Density Sq Ft/MEM SY09	Sq Ft per Custodian FTE	Operations and Maintenance per Sq Ft
Bloomfield Schools	3064		3064.5	633510	206.73	32487.69	\$2.76
Aztec Municipal Schools *	3190		3046.5	585176	192.08	24382.33	\$3.19
West Las Vegas Public Schools	1773		1786.5	374534	209.65	15605.58	\$5.11
Las Vegas City Public Schools	1980		2040	475519	233.10	22643.76	\$3.74
Bernalillo Public Schools	3154		3155	613962	194.60	18327.22	\$4.08

Source: PED and Local School Districts

***The district should use performance data to track performance and identify areas in need of improvement.*** District staff told the evaluation team that the district is developing a five-year master plan and it is awaiting approval from PSFA. Conversations with PSFA confirm that the district is developing the plan. The district has large expenditures with regard to contracted construction services. The district may be eligible for public school capital outlay council grants if it develops its five-year facilities plan and should do so to help offset contracted construction services costs. The district does not use data provided by the maintenance management system to measure and track performance, efficiency or maintenance cost. The district also does not have clear policies or procedures with regard to how a new item is inventoried and assigned a preventative maintenance schedule in the maintenance management system. The district should generate performance data to track its maintenance division's performance and identify areas in need of improvement. The district may benefit from updating the inventory policies and procedures to ensure new items are entered into the maintenance management system.

### **Recommendations.**

The district should finish developing its five-year facilities master plan to become eligible for Public School Capital Outlay Council (PSCOC) grants and help develop a strategic plan for allocation of capital outlay funds.

The district should use the performance data generated by FIMS to create and track performance measures for maintenance division activities and identify areas in need of improvement.

The district should update its policies and procedures to ensure all new purchases or assets are entered into the maintenance management system and are assigned a preventative maintenance schedule.

**MORE TEACHERS HAVE BEEN HIRED OVER THE LAST THREE YEARS, BUT HAVE BEEN INCREASINGLY ASSIGNED TO EARLY CHILDHOOD AND SCHOOLS WITH BELOW AVERAGE PERFORMANCE.**

**The district has hired more teachers in early childhood education while traditional teaching positions decline.** In SY09, the district had 47.4 percent of its total full time equivalents (FTE) as teachers with class assignment which is below the statewide average of 49.7 percent. The school has added 2.95 FTE in administration since the SY07 outpacing the growth in State Equalization Guarantee funds by about ten percent. In addition, in SY09 the district had 5.06 teacher FTEs more than it did in SY07. Much of this growth in staff can be attributed to early childhood education and other instruction; often at the same time as staffing of traditional instruction decreases. The change in early childhood teachers may be because the MEM of early childhood has increased by 35.5 over this time. Table 7 below illustrates these changes.

**Table 7. Bloomfield School District Full Time Equivalents by Teacher Expenditure 2007 to 2009**

	2006-07	2007-08	2008-09	Net Change	Avg. Change
Grades 1-12	127.76	127.68	123.68	(4.08)	(2.04)
Special Education	42.32	42.48	42.21	(0.11)	(0.05)
Other Instruction	22.22	26.73	25.17	2.95	1.48
Vocational and Technical	6.68	6.55	6.26	(0.42)	(0.21)
Early Childhood Ed	8.00	10.00	14.72	6.72	3.36
District Teacher FTE	206.98	213.44	212.04	5.06	2.53

Source: PED

**Average salary spending is less for special education teachers.** The district lacks a formal system to track turnover and the reasons for teacher exit and separation; something that would be particularly valuable for hard-to-staff positions. For example, average salary expenditures for special education show lower levels than regular education. Since all teachers are on the same salary schedule, a lower salary expense indicates a higher concentration of Level I teachers or lower levels of experience. District officials confirmed that special education and other difficult teaching assignments can be hard to staff. Regular monitoring of turnover, compiling data from exit interviews to determine reasons for separation and comparisons with regional districts could help identify ways to recruit and retain teachers. While incentive or retention pay may be one consideration, a survey of working conditions to gain a better understanding of the problem is required. Table 8 below shows the average salary calculated as the final year to date expenditures divided by the number of FTE's. It also shows the percentage change over the three school years.

**Table 8. Bloomfield School District Average Teacher Salaries SY07 to SY09**

	2006-07	2007-08	2008-09	Net Change	% Change
Grades 1-12	\$44,861.48	\$46,103.43	\$47,512.55	\$2,651.07	5.91%
Special Education	\$41,653.06	\$45,150.92	\$45,786.08	\$4,133.02	9.92%
Other Instruction	\$43,974.03	\$46,197.91	\$46,572.27	\$2,598.23	5.91%
Early Childhood Ed	\$44,058.63	\$44,694.77	\$41,926.76	(\$2,131.87)	-4.84%
Vocational and Technical	\$45,353.33	\$46,122.04	\$51,017.25	\$5,663.92	12.49%
District Average Teacher Salary	\$44,095.05	\$45,860.26	\$46,772.95	\$2,677.90	6.07%

Source: PED

**Low student-teacher ratios show some teachers provide narrowly targeted services.** Table 9 below shows the student teacher ratios as provided by PED and the actual classroom size at each elementary school. District administration generated the information used for this class size calculation for the needs of the evaluation and does not regularly generate reports for site administrators. These reports are available to administrators through the Pearson’s PowerSchool information management system.

**Table 9. Elementary School Student-Teacher Ratios and Class Size**

	S-T Ratio 08-09	Class Size 09-10
BLANCO ELEMENTARY	12.00	20.95
CENTRAL PRIMARY	15.54	21.31
NAABA ANI ELEMENTARY	13.72	22.21

Source: PED and Bloomfield School District

Maximum class loads for individual elementary schools are in statute, and although the law gives the local school board the authority to further reduce the maximum class size in the district rules, the district defers to the maximum class load size established in statute. Table 10 below shows the requirements as established by statute. As illustrated in the two charts, the average class size for all elementary schools does not exceed the maximum established by law for grades 4, 5, and 6. The difference in PED generated student-teacher ratios and district-reported class size means some teachers are delivering specialized services.

**Table 10. 22-10A-20 NMSA 1978 Individual Elementary School Class Load Requirements**

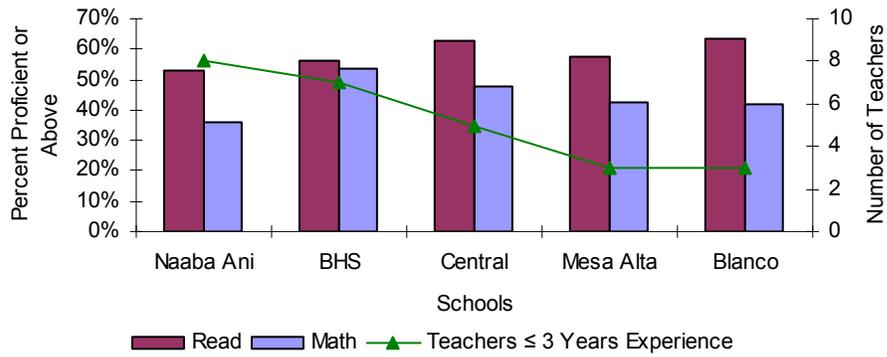
	Class Load
Kindergarten	≤ 20
Average of Grades 1,2, and 3*	≤ 22
Average of Grades 4,5, and 6	≤ 24

\* >21 entitles teacher to full time educational assistant.

Source: OneSource

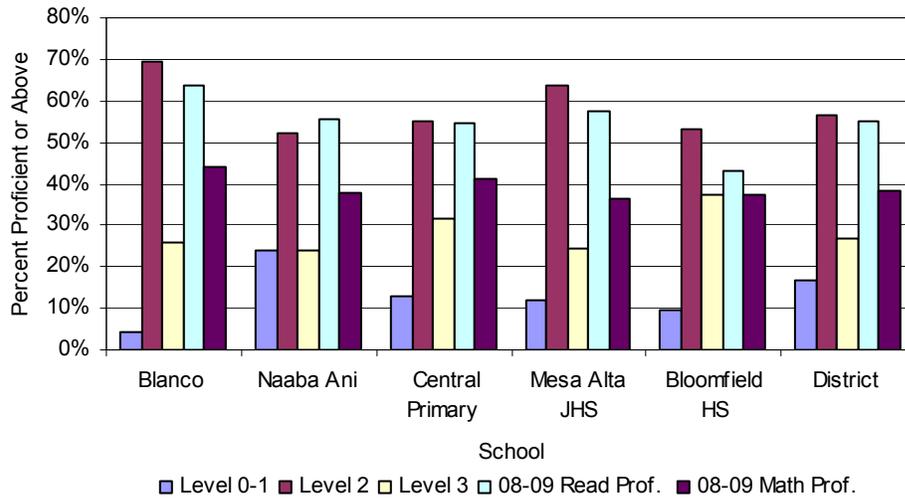
**The majority of new teaching staff is assigned to schools with low performance.** The district lacks a formal process for human resources allocation across the district that takes into account the placement of new teachers. Research in teacher effects shows most negative impacts to student performance occurs in the first three years of a teacher’s career. In addition, teachers are most likely to exit the system during these first three years of their career. Experienced teachers are also more likely to be teaching in higher performing schools. District personnel said the district does not have a formal system for distribution of human resources across the district, including teachers. Chart 5 shows the new teacher allocation trend for the SY08. In addition, this trend of newer teachers allocated to struggling schools extends into the SY09 school year as illustrated in the licensure level distribution in Chart 6.

**Chart 5. Bloomfield Schools New Teachers and Student Performance 2007-08**



Source: PED and Bloomfield School District

**Chart 6. Bloomfield School District Teacher Licensure Level and Percent Proficient or Above by School**



Source: PED

**Recommendations.**

The district should develop a tool to track turnover rates among teachers, including special education teachers. In addition, the district should collect data on reasons for voluntary separation and consider collecting information on current and former employees from a neutral third party to identify ways to recruit and retain teachers.

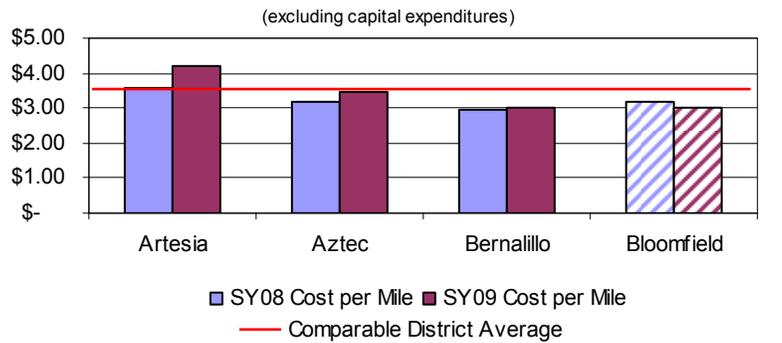
The district should develop a formal process for allocation of human resources across the district, including teachers. In addition, the district should reevaluate its allocation of new teachers to limit their exposure to the most challenging environments.

**DISTRICT TRANSPORTATION COSTS SHOW LOW COSTS PER MILE BUT ELEVATED SPENDING IN GASOLINE AND ADDITIONAL COMPENSATION.**

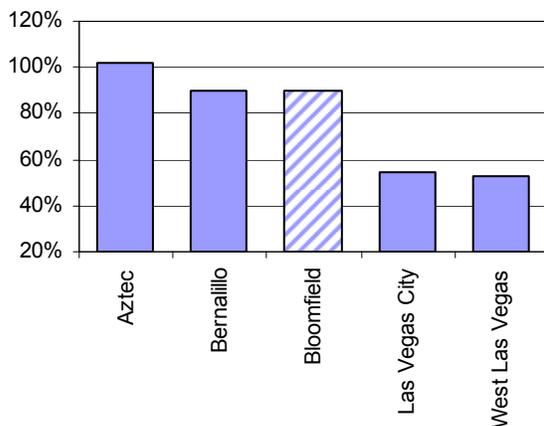
**The district has not required supplemental funding to support transportation services but incurs high gasoline costs for the operation of four sport utility vehicles (SUVs).** Bloomfield spends approximately \$1.3 million to transport about 2,715 students. School buses are operated by the district at an average cost per mile of \$3.09 for SY08 and SY09. Bloomfield’s average cost per mile is \$0.24 cents less than similar districts. To ensure the district is receiving competitive fuel prices, the district is member of the San Juan Country cooperative fuel price agreement.

However, the district also operates four sport utility vehicles that provide transportation services for students and district staff members. These vehicles are often used to transport students to special events, by transportation staff when performing bus routing functions and for the attendance of in-state conferences. However, such activities may be improperly charged to the transportation division’s budget. Student transportation services are activities concerned with conveying students to and from school only and costs such as the attendance of in-state conferences should not be charged to the transportation fund. Although Bloomfield may have incurred additional expenses within the transportation budget, the district has not required supplemental funding to subsidized transportation services. The graph above illustrates the district’s cost per mile compared to districts that share similar demographics.

**Chart 7. Non-Capital - Cost per Mile SY08 and SY09**



**Chart 8. Percent of Ridership by District for SY09**



Source: LFC analysis/PED data

**The district uses routing software to ensure the efficient use of bus routes but incurs elevated additional compensation costs.**

The district uses routing software, cost and student ridership when considering route consolidations or expansions. However, the district does not provide its school board with cost performance data, such as cost per rider or cost per mile that would enable the board as well as the district to monitor student transportation performance and costs. The district also has experienced elevated additional compensation costs that have averaged \$41.2 thousand for SY08 and SY09. The district provided no supporting documentation but stated that costs included within this line item are generally non-contracted bus services that are in

addition to standard compensation, such as on demand midday routes. However the district also incurred costs for secretarial, special education assistants and maintenance positions. It is unclear why well compensated administrative staff may earn additional compensation, such as the transportation administrative assistant with a base salary of \$64.6 thousand.

**Recommendations.**

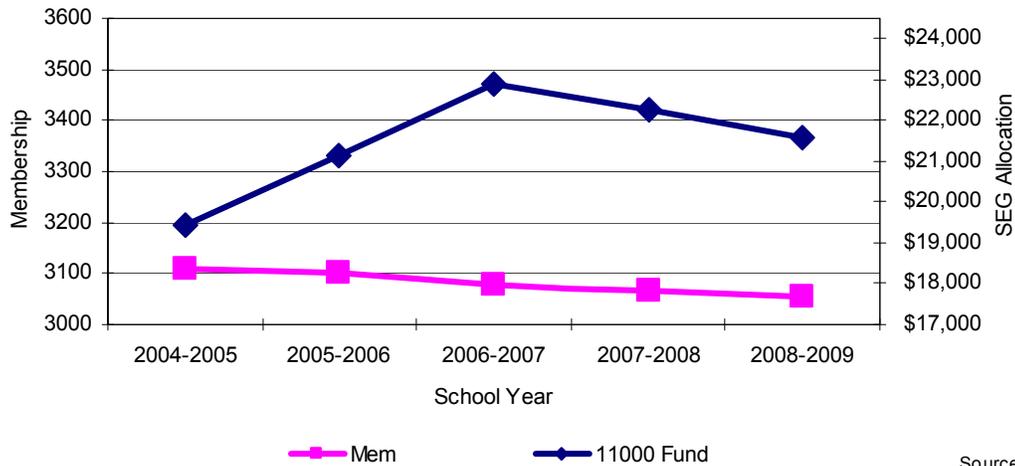
The district should create and implement a district policy for additional compensation. At a minimum, the policy should require documentation of the details of duties performed and justifications for the additional compensation.

The district should establish performance measures and targets such as: cost per mile and cost per rider, timely arrival, and school administration and parent satisfaction and report results to the school board on a quarterly basis.

**DESPITE INCREASED INVESTMENTS IN EDUCATION, THE DISTRICT HAS SEEN LIMITED GAINS IN STUDENT ACADEMIC PROFICIENCY.**

**The district has seen a net increase in State operational funds and has increased its investments in instruction during recent years.** Due to legislative increases in the State’s per student unit value, the district saw a net increase in its SEG allocation of approximately \$2 million between SY05 and SY09 despite declining enrollment.

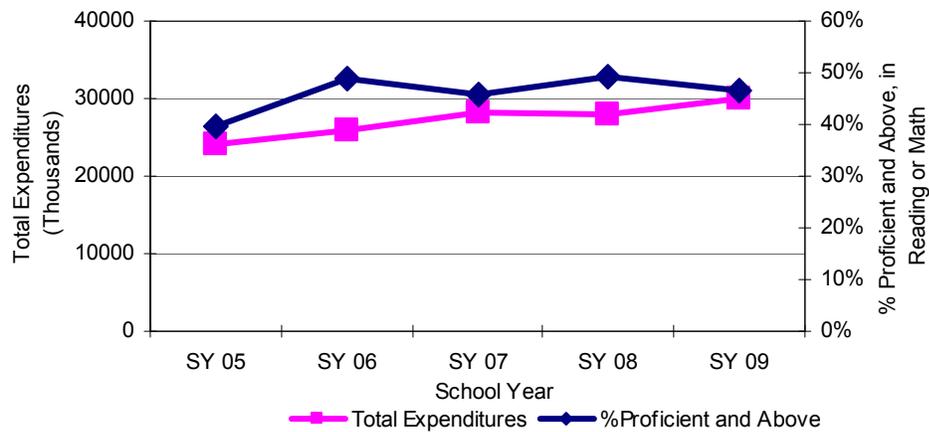
**Chart 9. Membership vs. SEG Allocation**



Source: PED

On average, Bloomfield has spent a greater proportion of district funds on instruction than its review-district peers. As shown in chart 10, between SY07 and SY09, Bloomfield spent on average 58 percent of all funds on instruction. This figure outpaces the review-district average of 57 percent. District investments in instruction increased by 2 percent; from 56 percent of total expenditures in SY07, to 58 percent in SY09.

**Chart 10. Total Expenditures\* vs. Student Performance**



\*All funds, not including capital or debt service expenditures.

Source: PED

**Despite increased investments in education, student proficiency rates exhibit a diminishing rate of return.** Between SY05 and SY09, district expenditures per student (all funds, excluding capital costs) grew at an annualized rate of 6 percent. Student proficiency rates, however, increased at a slower annualized rate of 1.4 percent.

As shown in chart 10, student proficiency rates grew by 7 percentage points between SY05 and SY06. Following this increase, however, proficiency growth rates have begun to decrease at an annual rate of -1 percentage point from SY06 to SY09. This pattern is consistent with a diminishing rate of return relationship between increased funding for education and student outcomes.

***The district has developed targeted services for traditionally underperforming students.*** District administrators have recognized that economically disadvantaged (ED), Hispanic, Native American, English language learner (ELL) and Special Education (SPED) students at all grade levels continue to underperform in reading and mathematics relative to district student proficiency averages. In response, the district has required school sites to provide these students with differentiated instructional services. In practice, this means that school administrators and teachers have designed specialized instruction programs for at-risk student groups.

The district continues to support targeted instruction programming through the development and implementation of specialized instructional techniques, as well as professional development for teachers serving at risk students.

***The district recognizes the importance of using student performance data to guide instruction, but practices vary between school sites.*** School level administrators primarily rely upon student performance data taken from short cycle assessment (SCAs) as well as the New Mexico Standards Based Assessment (NMSBA), to evaluate student proficiency, academic progress and to identify areas of student academic need.

Some administrators have taken steps to develop individual student data files that provide teachers, parents and administrators with the ability to easily view trends in a student's academic development. Efforts at using data to guide instruction, however, have been developed within individual schools and vary between school sites. The district would benefit from developing a comprehensive, district-wide approach to using data as an instructional guide in order to develop best instructional practices for all district students, and ensure consistency between personnel changes in school level administration.

While the district provides schools with annual NMSBA data reports, schools do not have regular access to NMSBA benchmark data—which would provide them with a tool for building a more detailed picture of student academic need within the content areas of reading and mathematics.

Further, while NMSBA data is available at the district level, administrators have found that generating school and classroom level reports is both cumbersome and time consuming.

**Student proficiency data does not guide interventions aimed at economically disadvantaged students.** The district has recognized economically disadvantaged (ED) students continue to underperform in reading and math, and have targeted them for additional instruction.

While the district has recognized that ED students require additional services, it does not break down student performance data based upon ED/Non-ED status. Nor does the district provide teachers with information regarding the ED/Non-ED status of their students. District staff expressed concern about release of free and reduced lunch program information to teachers because it would violate student's privacy rights. This raises questions of how schools can

adequately target services to ED students if teachers are not provided data to identify which students require additional services.

The absence of student performance data for the ED population denies teachers the information they need to identify best-practices for meeting the needs of ED students, and compromises the ability of administrators to evaluate ED student academic progress and performance.

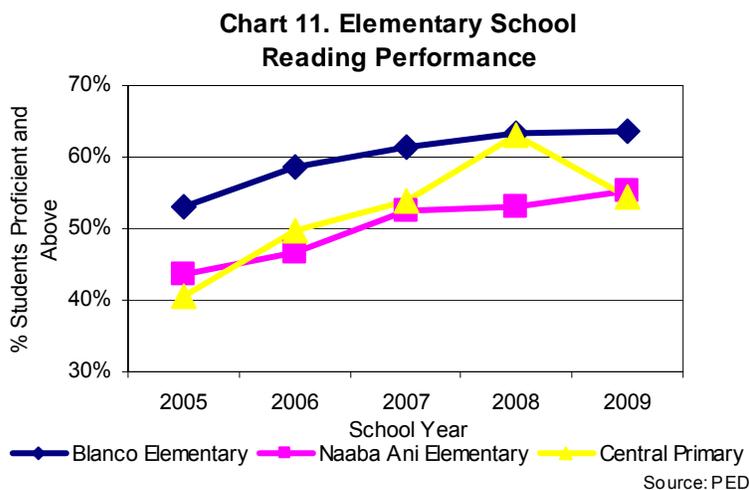
***Schools have begun to evaluate teachers and make teacher-student assignments based upon student performance.*** School level administrators have begun to use student performance data as a tool for evaluating teachers' strengths and weaknesses. This practice helps administrators to more effectively match teachers and students based upon student academic need and teacher talent. Some administrators have also begun to use student proficiency data to guide teacher professional development.

***Students at Blanco elementary continue to outperform their peers in reading, but have lost ground in mathematics.*** LFC staff conducted site visits of four Bloomfield schools: Naaba Ani and Blanco Elementary Schools, Mesa Alta Junior High School, and Bloomfield High School.

Elementary schools were selected for site visits based upon their LFC performance index scores: Blanco Elementary school was selected as a high performing school, while Naaba Ani was identified as a school that continues to face challenges in increasing student performance.

Site visits were designed to identify best practices in school governance, resource allocation, and the application of student performance data to inform instruction, professional development, and the distribution of human, as well as financial resources.

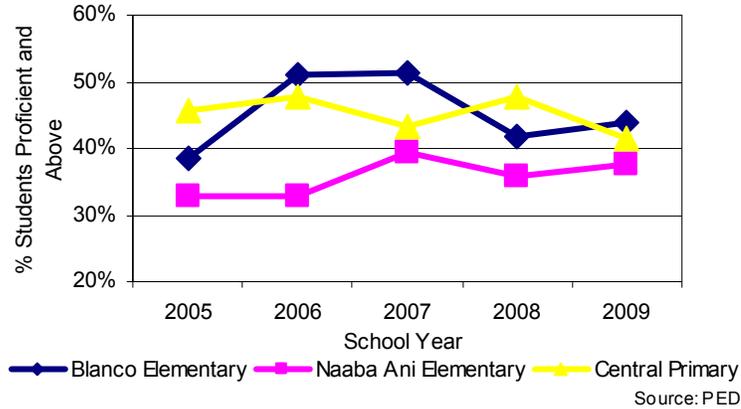
Students at Blanco elementary have traditionally outperformed their peers in reading. Student



reading proficiency growth rates, however, have decreased in recent years. As shown in chart 11, reading proficiency grew by 12 percentage points from SY06, but remained flat between SY08 and SY09. In order to improve student proficiency growth rate, the school should continue its efforts to identify and address the needs of students that face additional barriers to achieving academic success.

Conversely, as illustrated in chart 12, mathematics proficiency rates among Blanco students decreased by 7 percentage points between SY07 and SY09. School administrators should work to identify why students have seen a decrease in mathematics proficiency work to address these issues.

**Chart 12. Elementary School Mathematics Performance**



LFC evaluators have identified several factors that may help explain Blanco’s success relative to other district schools:

- Strong school leadership, committed to student success and orienting resources in support or student outcomes;
- Use of student data to guide instruction at the class room level, and as a tool for making student-teacher assignments based upon student academic need;
- Cooperation between teachers and administrators to develop curriculum, identify and implement instruction best practices and resolve conflicts;
- Significant buy-in from parents to support the school’s mission.

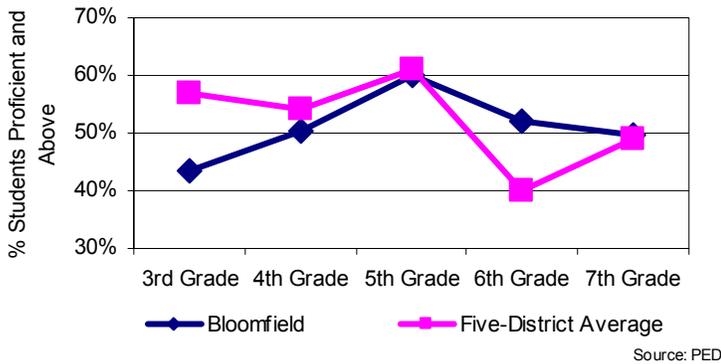
*Naaba Ani students have made gains in both reading and mathematics.* While Naaba Ani students continue to underperform relative to their district peers, student proficiency growth rates have kept pace with the district average. Student reading proficiency grew by 11 percentage points between SY05 and SY09, at an annualized rate equal to the district average of 3 percentage points. Similarly, Naaba Ani mathematics proficiency rates increased by 5 percentage points over the same period; increasing at an annualized rate equal to the district average of 1 percentage point.

In order to close the achievement gap between Naaba Ani students and their district peers, school administrators should continue efforts to develop and implement results-oriented growth strategies. With the highest proportion of ED students of any elementary school in the district, the challenge for the school lies in addressing the negative influence of poverty on student achievement.

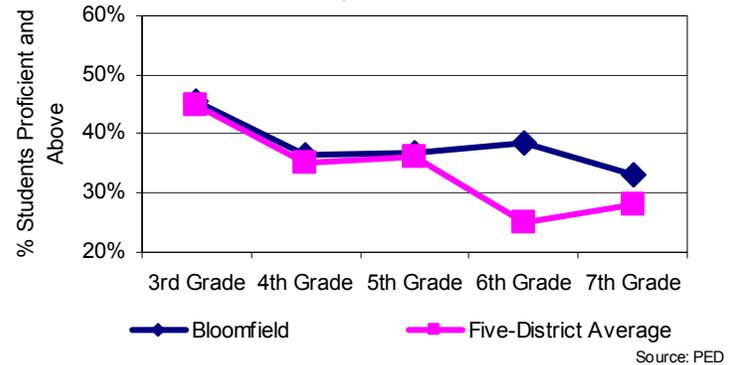
**District has taken steps toward addressing drops in student proficiency rates during the transition from elementary to middle school.** Reading and math tend to decrease during the transition from 5<sup>th</sup> to 6<sup>th</sup> grade. The district has taken active steps to addressing this trend by working to ensure that curricula between elementary and middle schools are vertically aligned. While it may be too early to assess the impact of these efforts, declines in proficiency rates among Bloomfield students are not as significant as those demonstrated by their review-district peers.

As shown in chart 13, reading proficiency rates among Bloomfield students decreased by 8 percentage points during the transition from 5<sup>th</sup> to 6<sup>th</sup> grade. This decline is less than the five-district average proficiency decline of 21 percentage points. While mathematics proficiency rates among the five review-districts decreased by an average of 11 percentage points, proficiency rates among Bloomfield students actually increased by 2 percentage points during the 5<sup>th</sup> to 6<sup>th</sup> grade transition.

**Chart 13. Pseudo Cohort: Reading Proficiency SY05 to SY09**



**Chart 14. Pseudo Cohort: Mathematics Proficiency SY05 to SY09**



Unlike the other review-districts, however, Bloomfield students lost ground during the transition from 6<sup>th</sup> to 7<sup>th</sup> grade. To address this issue, this district should continue its efforts to vertically align elementary and middle school curricula, with an emphasis on ensuring that students are adequately prepared to achieve at the 7<sup>th</sup> and 8<sup>th</sup> grade level.

**Economically Disadvantaged (ED) and Native American High School students have made gains in reading and mathematics.** Proficiency rates among all district students increased by 23 percentage points in reading, and 11 percentage points in mathematics between SY05 and SY09.

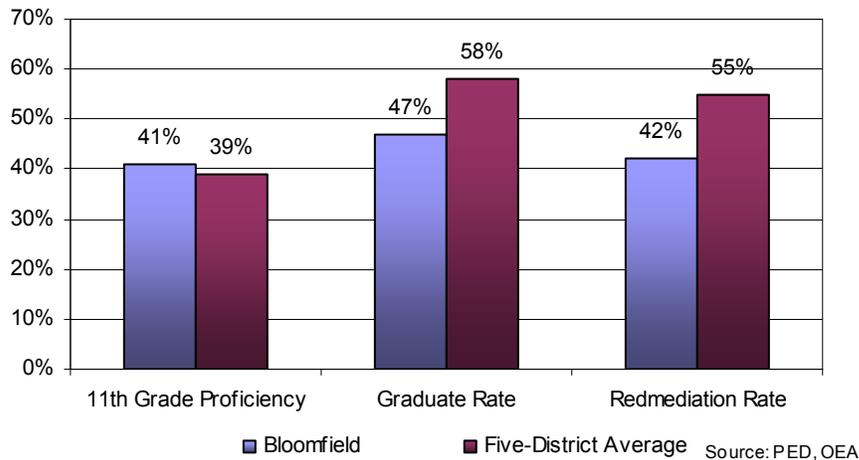
Reading proficiency rates among ED students increased by 24 percentage points during this period. As a result, the ED reading-achievement gap decreased slightly from 7 percentage points in SY05 to 6 percentage points in SY09. ED students also made similar gains in mathematics; between SY05 and SY09, ED mathematics proficiency rates increased by 11 percentage points. The ED mathematics achievement gap decreased by 5 percentage points; from 15 percentage points in SY05 to 10 percentage points in SY09.

Native American students also made significant proficiency gains during this period. Reading proficiency rates among Native American students increased by 19 percentage points. As a result, the Native American reading-achievement gap decreased by 4 percentage points between SY05 and SY09. Native American mathematics proficiency rates increased by 27 percentage points, causing the Native American mathematics achievement gap to decrease by 8 percentage points.

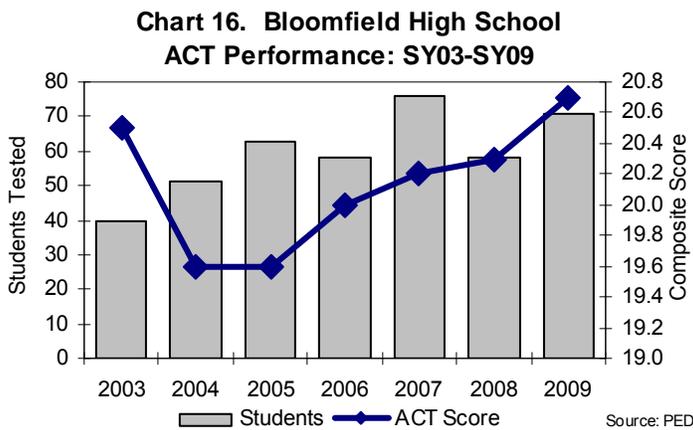
**High School students are less likely to graduate than their review-district peers.** About 47 percent of Bloomfield students who entered 9<sup>th</sup> grade in 2004 went on to graduate high school in 2008. The percentage of Bloomfield graduates falls below the review-district average of 63 percent. As shown in chart 15, however, Bloomfield students are generally more prepared academically than their peers.

School administrators have suggested that given the shape of the local economy, students do not see the value of graduating high school. In combating these attitudes, the district should consider partnering with the local business community to develop efforts aimed at convincing students that completing high school is in their long term best interest, both economically and socially.

**Chart 15. Bloomfield Class of 2008**



**Bloomfield High School students outperform their peers on college readiness examinations.**



Administrators have begun to use ACT scores as a metric for evaluating academic proficiency among district high school students. The ACT is a nationally recognized college readiness examination. Exams are scored on a scale of 1-to-36.

In SY09, the average ACT score for Bloomfield High School was (20.7). Bloomfield’s average ACT score outpaced the review-district average score of (18.7).

**Recommendations.**

The district should begin decomposing NMSBA data to the student benchmark level to provide teachers with a tool to better identify student academic need.

The district should develop a comprehensive policy regarding how schools and teachers shall use student performance data to design instructional interventions and develop curricula for all students.

The district should develop a comprehensive policy regarding the use of student performance data as a criterion for evaluating teacher performance, and for matching students with teachers.

The district should develop a comprehensive policy regarding the use of student performance data as a tool for guiding professional development programming for both teachers and administrators.

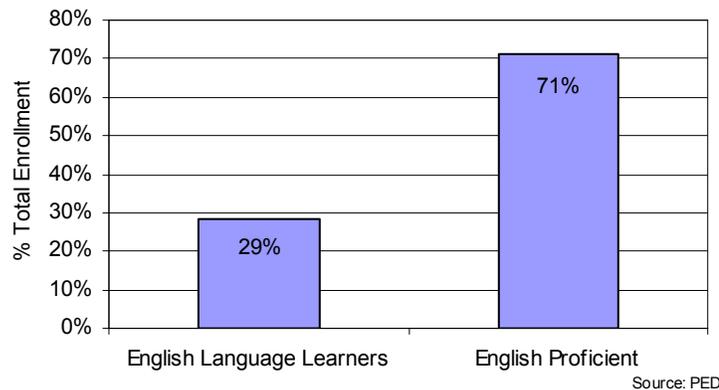
PED should provide school districts with guidance on the use of socio-demographic data such as economically disadvantaged student status at the school and classroom level.

**THE DISTRICT’S BILINGUAL EDUCATION PROGRAM HAS YIELDED MIXED RESULTS IN TERMS OF STUDENT ENGLISH AND SPANISH LANGUAGE FLUENCY.**

**Bilingual education program resources are directed towards students fluent in English.**

During SY08, 17 percent of all district students were enrolled in bilingual education programs. As a result, the district generated an estimated \$252 thousand dollars in additional program funding through the State’s funding formula. As shown in chart 16, 71 percent of enrolled students were fully proficient in English.

**Chart 17. Bilingual Education Program Enrollment by Language Proficiency**



In SY08, 33 percent of district English language learner (ELL) students were enrolled in bilingual education. The district average of ELL students enrolled in bilingual education is below the State average of 53 percent, and the review-district average of 73 percent.

*District has traditionally reported expenditures in excess of generated funds and maintains above average per student costs.* The district generated \$252 thousand dollars in additional funding through the State funding formula to support its bilingual and multicultural education program for SY08. The district, however, reported \$693 thousand dollars of expenditures in excess of generated amounts for SY08.

**Table 11. Bilingual Education Program Funding and Expenditures**

School Year	Funded Membership	Amount Generated	Reported Expenditures	Difference
2005-2006	411.33	\$174,291.55	\$879,739.00	(\$705,447.45)
2006-2007	399.00	\$185,521.87	\$73,013.00	\$112,508.87
2007-2008	520.50	\$252,917.69	\$946,294.61	(\$693,376.92)

Source: PED

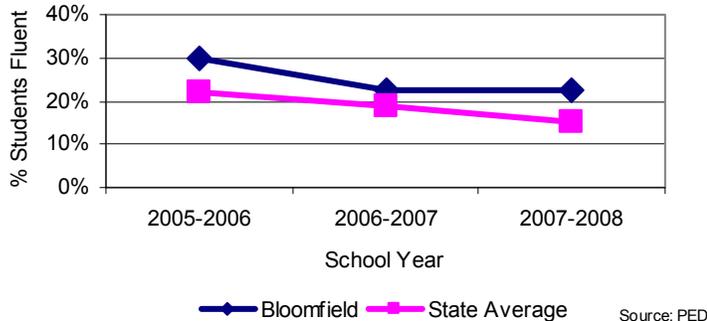
The district’s revenue-to-cost ratio is not correlated with program enrollment. As shown in table 11, district program over-expenditures were greatest in SY06, while program enrollment peaked in SY08. During conversations with LFC evaluators, however, district administrators stated that the district has not traditionally complied with PED program expenditure reporting guidelines. As such, the validity of these reports comes into question.

Between SY06 and SY08, the district average per student program cost was \$1,993. This figure exceeds the review-district average per student cost of \$1,100, as well as the State average of \$1,300.

*While the majority of funds are used to support Spanish and indigenous language maintenance and acquisition, students have made limited gains in Spanish language fluency.*

In SY08, 84 percent of students receiving bilingual services were enrolled in either a heritage/indigenous language maintenance or revitalization program. Despite investments in bilingual education, Spanish fluency rates for district students decreased by 8 percent between SY06 and SY07. In addition to providing Spanish language instruction, about 27 percent of district students received Dine language instruction in SY08. As of SY 09, the district has begun to administer the State's newly developed standardized Dine language assessment.

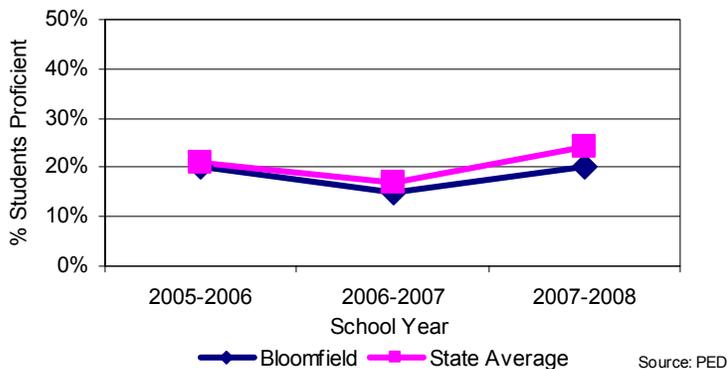
**Chart 18. Percentage of Students Fluent in Spanish**



*District ELL students have made limited gains toward English language proficiency, and have fallen further behind their ELL peers in the State.*

District ELL students have traditionally lagged behind their statewide peers in English language proficiency. As shown in chart 18, the achievement gap between district ELL students and ELL students statewide increased by three percent between SY06 and SY08. While the district met the State's AMAO for English Language acquisition in SY08, it will need to reverse the pattern of stagnate growth illustrated above in order to continue meeting State English language proficiency

**Chart 19. Percentage of ELL Students Proficient in English (Grades K-12)**



targets.

*District ELL students have fallen behind their district peers in reading and mathematics.* ELL students have traditionally performed on par with their district peers in both reading and mathematics. However, in SY09 reading proficiency rates among ELL students decreased by 27 percent, while mathematics proficiency rates decreased by 23 percent from the previous school year. The district should take steps to identify and address the causes of decreasing ELL academic proficiency rates.

**NATIVE AMERICAN STUDENTS LAG BEHIND THEIR DISTRICT PEERS IN READING AND MATHEMATICS, AND CONTINUE TO EXPERIENCE BELOW AVERAGE ATTENDANCE AND GRADUATION RATES**

**Native American students comprised approximately 32 percent of the district's total enrollment in SY09.** The district received over \$448 thousand in State and federal grant funds targeted at tribal students for SY09. Table 12, below provides a breakdown of the district's Indian education federal and State grant allocations by funding source.

**Table 12. Native American Grants**

<b>Funding Source</b>	<b>Program/Activities</b>	<b>Funding Amount</b>
<b>Johnson O'Malley</b>	Native youth advisor, field trips, reading and math tutoring, parental share	\$78,717.00
<b>Title VII</b>	Educational assistants, Secondary Navajo language teachers	\$193,354.00
<b>Title VIII</b>	Educational assistants, nurses	\$154,999.00
<b>Indian Education Act</b>		\$15,000.00

Source: PED

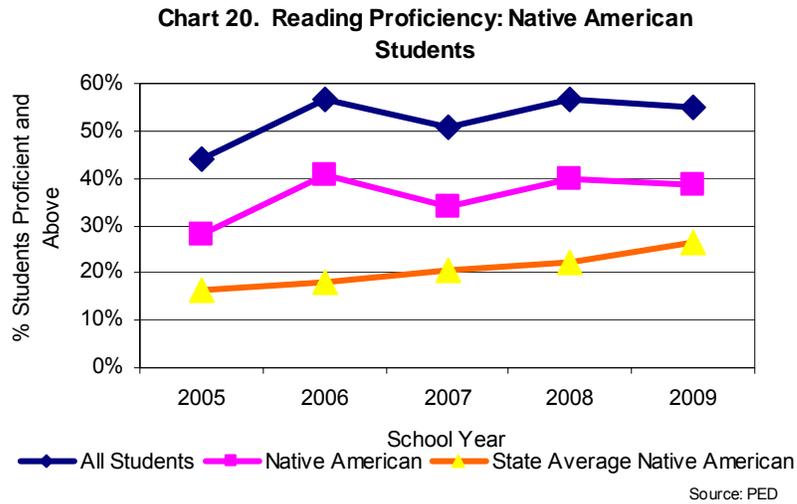
Approximately 55 percent of district Indian education funds were spent on instruction. During SY 09, the district used its grant allocations to fund: 4 FTE in instructional assistants, .25 FTE in teachers, and .73 FTE in teachers-other instruction.

Student support services accounted for approximately 29 percent of district Indian education grant spending. The plurality of these funds was used to support 1.25 FTE secretary/technical assistant positions. The remaining student support services budget helped fund 1 FTE for a health assistant and .75 FTE for registered nurses.

*District schools have recognized that Native American students continue to underperform relative to their district peers in reading and mathematics.* The district has identified Native Americans as a population in need of additional instruction and other services. District administrators have provided Native American students with access to community health advisors, and tribal liaisons that facilitate communication between schools and the tribal community. The district has also taken steps to involve local tribal communities in the development of instructional programs and interventions aimed at Native American students.

In addition to the persistence of high poverty rates among tribal communities, Native American students face additional geographic barriers to education. Many students commute into district schools from surrounding tribal lands, with some travelling upwards of two hours per day. Long travel times reduce the amount of time that students have at home, and thus the amount of time they have to study material outside of the classroom. Schools have taken various approaches to address this issue, with one school providing students with iPod Touches in order to extend the instructional day on long bus rides.

*District Native American students continue to underperform in reading relative to their district peers.* As chart 20 illustrates, Native American students in Bloomfield have traditionally performed better than their ethnic peers statewide. Bloomfield Native American students also grew in reading proficiency at a faster annualized rate than their ethnic peers statewide.

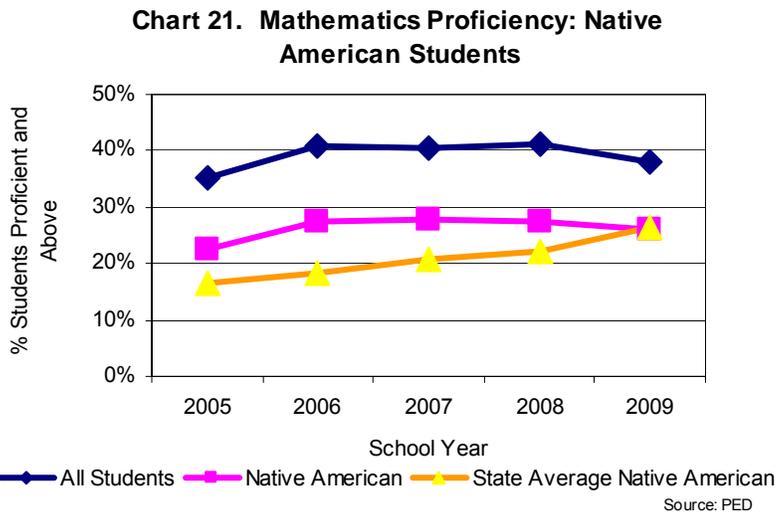


District Native American students, however, continue to underperform relative to their district peers. Between SY06 and SY09, the achievement gap between Native Americans and all students increased slightly from 16.2 percent to 16.4 percent. As a result, Bloomfield’s Native American reading achievement gap for SY09 continued to outpace the State average of 15.3 percent.

The persistence—and growth—of the Native American achievement gap results from parallel growth among Native Americans and all other district students. In order for Bloomfield to close this gap, reading proficiency levels among Native American students must increase at a faster rate than the district average.

*Native American students no longer outperform their ethnic peers in mathematics.* Between SY06 and SY09, mathematics proficiency rates for district Native American students increased at an annualized rate of 1 percent per year, while proficiency rates among their ethnic peers statewide grew by an

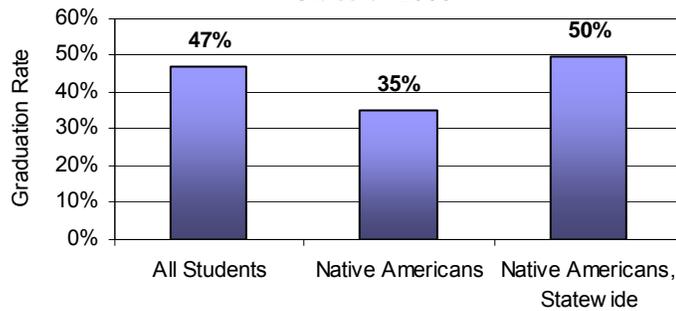
average of 2.7 percent per year.



The achievement gap between Native Americans and all district students decreased somewhat from 12.61 percent in SY06, to 12.2 percent in SY09. Bloomfield’s Native American mathematics achievement gap, however, remains below the State average of 14 percent.

***Graduation rates for district Native American students are lower than State and district averages.*** In SY08, approximately 35 percent of district Native American students from the Class of 2008 graduated from high school. The district graduation rate for all students was approximately 47 percent. District Native American students also graduated high school at a lower rate than their ethnic peers in other school districts; statewide, 49.8 percent of Native Americans from the Class of 2008 graduated high school in SY08.

**Chart 21. Native American Graduation Rate, Class of 2008**



Source: PED

***Native American students have below average attendance rates at the middle school level.*** Native American school attendance rates are below the district average at the middle school level. By the 9<sup>th</sup> grade, Native American attendance rates begin to slightly outpace the district average.

**THE DISTRICT IDENTIFIES OVER 25 PERCENT OF ITS MEMBERSHIP IN NEED OF SPECIAL EDUCATION OR GIFTED SERVICES.**

**The district generates nearly twice as much revenues for severely challenged students as the next highest of the five districts LFC staff evaluated, and special education performance has remained flat.** The district generates some of the largest amount of funds of the five districts the LFC evaluated, receiving over \$4.6 million for special education in SY09. This is primarily because Bloomfield has nearly twice as many children at the levels of special education that generate the highest amount of funding. A trend of the units generated by district is available below. LFC analysis of special education numbers shows that, including gifted students, 25.5 percent of the total student membership was receiving special services. The district is identifying significantly higher populations of special education students.

**Table 13. Levels of Four Year-Old Developmentally Disabled Students**

	Bloomfield	Aztec	Bernalillo	West Las Vegas	Las Vegas City
4 Yr. DD Units	135.00	69.00	67.00	8.00	16.00

Source: PED

Bloomfield does a very good job of having special education students take the NMSBA. However, district math and reading scores are stagnant and, as State goals increase, the district will fail to meet goals if scores remain at the same level.

**Table 14. Percent of Students with IEP's Proficient or Above on NMSBA and Participation**

	Participation				Proficiency			
	District		State Goals		District		State Goals	
	Read	Math	Read	Math	Read	Math	Read	Math
2005-06	100.00%	100.00%	94.90%	95.10%	21.98%	17.67%	20.00%	13.00%
2006-07	98.95%	99.30%	95.00%	95.20%	14.98%	16.30%	24.00%	17.00%
2007-08	99.58%	100.00%	95.10%	95.30%	22.50%	16.25%	28.00%	22.00%

Source: NMPED Special Education Bureau

**Recommendation.**

The district should evaluate its identification and placement of children to make sure that they are being appropriately placed. The district should also evaluate how it will improve special education proficiency rates by determining whether steps recommended in its EPSS plans resulted in improved special education outcomes.

**BLOOMFIELD SCHOOL DISTRICT RESPONSES**

Response to the draft LFC Audit Report from the Bloomfield School District Superintendent

Many of the concerns of the Legislative Audit Team need to be given viewed in terms of internal district events. In August of this calendar year the superintendent was placed on administrative leave while his performance was being evaluated.

Resulting from this review, specific procedures to monitor the use of purchase cards are being developed with strong administrative and board oversight being developed to insure against potential misuse. Currently, there has already been a drastic reduction in such expenditures.

In terms of persons overspending on travel or training trips, the paying of exact expenses is being discouraged in favor of the State per diem rate for instate travel. Room sharing is also being encouraged with staff being instructed that should you decide to exceed the per diem rate, the excess cost will be paid from the employees personal funds. In the event that exact expenses are necessary I have capped exact expense expenditure to a maximum not to exceed a total \$150 for room and meals.

I will be working with our Director of Finance to implement sound practices and procedures that were identified as areas of concern in this report.

In response to the concern that the Central Office has added 2.95 FTE in administration, we added a Director of Human Resources to a department where all HR duties were previously performed by a clerk. This addition enables us to manage employees' issues more quickly and efficiently. In the first month of employment the HR Director was put in charge of an EEO complaint but because we had appropriate documentation in place the complaint was not allowed. In addition, the HR Director has assumed responsibility for professional development which includes training for supervisors, non-certified staff, substitute teachers, etc. The HR Director has also assumed responsibility for staff safety which includes overseeing the loss control component and workers' compensation.

One of the LFC report's concerns was the management of staff entering and leaving the district. The HR Director ensures that all applications are handled in a professional and timely manner. Because of our multiethnic student population the Director continuously seeks candidates reflecting the cultural makeup of our populations. This addition allows for confidential professional investigation of all complaints. She has also established exit records for employees leaving the district so this data can now be tracked.

It is my understanding that the national SHRM Metric of HR/employee ratio is approximately 1 hr person for every 100 employees. Using this comparison to Bloomfield Schools we are providing services with fewer HR staff as recommended by this national group.

Another addition is in the area of technology. The previous Technology Coordinator resigned leaving the department after the initial installation of the STARS student data system. With the

increased requirements by the State department for data reports and submissions one person could not efficiently manage the technology requirements of the district.

One person could not manage the increased technology demands from the PED, report deadlines, repairing equipment, purchasing and inventory of all technology equipment and provide classroom IT assistance that is essential for student instructional emphasis.

With the addition of the second technology employee ,we gave the department a person to manage all testing, short cycle assessment and test data reports so that schools could have reliable data in a more efficient and timely manner. This allows the teacher to use current student assessment data to drive instruction. The addition of this person gives the classroom teacher the use of current data, program maintenance, upkeep of programs and immediate trouble shooting of technological issues in a on a short notice. Previously these services were placed on a “wait list” with priority given to larger district issues and the classroom was given lower priority. This addition refocuses our efforts to drive instruction at the student level.

The third position was the establishment of a Medicaid Billing Coordinator position to assist in locating and billing the Medicaid program so that we could strengthen our nursing services at every school. This action allows us to hire more nursing staff which is part of the districts strategic long range plan. This position generates funds to pay for the position and help pay for additional nursing services.

In response to the concern of new staff being assigned to low performing schools, it is essential that you realize that when we employ teachers, they must meet the highly qualified requirement for all employees at these schools. All employees have met this requirement. Employees at these schools are required to do extra work, attend more training and are held to higher scrutiny than succeeding schools. The burn out rate of teachers at these schools appears to be higher. On the 40<sup>th</sup> day of the 09-10 school year, we are 100% highly qualified.

Classroom interventions for the Economically Disadvantaged students is not driven by individually identified testing data because ED information provided by parents is highly protected and to share information at the classroom level would be a violation of this protected information. However, these students are not ignored. We design programs, differentiate instruction, build instructional strategies based on results from our short cycle assessments which in no way are tied to ED information. NMSBA tells us that we have instructional issues so we assess using the NWEA to build specific programs and interventions for the children.

In terms of our 47% graduation rate, while we are not pleased, we do have some explanation as to how this may have occurred. IN 2004 the high school principal decided to reclassify students by a new method. As a result, by changing the number of credits needed to classify for a specific grade a large group of older students were reclassified as freshmen and drove our cohort numbers to almost 400. This created a false image of enrolling freshmen. Historically, we have around 200 – 250 entering freshmen. That year with the reclassification of students, the reports showed us to have about 400 students. This administrative change created havoc with the numbers of the cohort group. While this explains some of the low graduation rate, the schools are still taking the graduation rate very seriously. They are refocusing their efforts on better data management and tracking of students and what they need to graduate. This tracking will give

better oversight for all students but especially our ethnic students. We expect to see better graduation rates as these efforts are put into place and monitored.

Lastly, regarding the recommendations for identification and placement of special education, the school district has made significant strides to reduce the over identification and placement of special needs students. All state and federal guidelines are followed while diagnostic staff meets regularly to review assessment process and tests to insure that evaluations are being done correctly.

The most telling strides in improving our student identification process is our use of the RTI program. We have made a concerted effort to get a strong SAT/RtI process established. We have been extremely effective in the process to the point that our coordinator has been used by other districts as a RtI consultant. While not at perfection, our efforts have reduced the number of level 3 referrals drastically. While not required at the secondary level both our high school and junior high are in the process of applying many of the RtI practices and are focusing more effort on individual learners. This paradigm shift from a teaching to a learning model at the secondary level shows a great deal of potential for change for the better.

#### **LFC AUDIT RESPONSE FROM BLOOMFIELD SCHOOL DISTRICT BOARD OF EDUCATION**

1. The Board will establish regularly scheduled budget training to increase oversight on the District's finances. The Board will establish a Board Finance Committee for financial oversight.
2. The Board will work with the Finance and Human Resources departments to receive monthly reports by department on budget status and personnel. The Board has received personnel reports in the past whenever requested.
3. The Board will conduct a Self Evaluation in January, 2010. The current Policy Manual that contains the Board Self Evaluation policy was approved summer 2009.
4. The Board has completed formal superintendent evaluations every year except 2009. The formal evaluations will be reinstated in January, 2010. The Board is commencing a superintendent search right away. We will be working with the Interim Superintendent for the academic year 2009-2010.
5. To date, the Board president is not aware of any Conflict of Interest situations. We will call this to the members' attention and will ensure that future situations are covered with the appropriate documentation by using the forms in policy.

#### **LFC AUDIT RESPONSE FROM BLOOMFIELD SCHOOL DISTRICT BUSINESS OFFICE**

**The district should continue to implement the findings of the IT audit contracted by LFC. Further, the district should work with LFC and PED to identify an alternate accounting system for future upgrades.** *Response: The district will implement security enhancements*

where feasible per the IT audit report. The district has been in search of an alternate accounting system and in fact purchased a system in 2005. The system was not installed due to the vendor selling off the software to three separate entities. The district chose not to continue implementation and have to deal with multiple vendors. We did receive a full refund of all monies spent. Other systems were reviewed but either our specifications were not met or the systems were too expensive.

**The district should increase the monitoring of payroll procedures to eliminate the possibility of fraud or abuse regarding payroll funds. The district should develop a management report reconciling salaries expenses to fund balances and canceled checks.** *Response: The district will review the internal controls in place and modify as needed. The district will have our independent auditors review any changes made to the internal controls.*

**The district should formally adopt the procurement code into its policies and procedures. We recommend site administrator and business office staff approve expenditures by signature.** *Response: The district will adopt the procurement code into its policies and procedures. The district already requires signatures on expenditures. We were unable to determine why this is an issue.*

**The business office staff should verify expenditures are allowable and monitor expenses to reduce costs. Further, the district should consider reimbursing employees for travel expenditures using the state guideline for per diem reimbursement.** *Response: The business office currently verifies expenditures are allowable in district policies and procedures. We were unable to determine why this is an issue. The district will require the per diem rates be used for travel unless the circumstances show that per diem rates would impose a financial hardship on the employee.*

**The district should consider restricting the use of pre-approved blanket purchase orders and retiring the use of manual purchase orders to maintain centralized control over purchases.** *Response: The district will review its practices for blanket and manual purchase orders to ensure that their use is necessary based on the situation.*

**The district should use the performance data generated by FIMS to create and track performance measures for the maintenance division activities and identify areas in need of improvement.** *Response: The district's maintenance department will develop performance measures in conjunction with PSFA.*

**The district should update its policies and procedures to ensure all new purchases or assets are entered into the maintenance management system and are assigned a preventative maintenance schedule.** *Response: The district's maintenance department will develop procedures and controls to ensure that new assets are added to the maintenance management system and assigned a PM schedule. The district will provide additional training for all maintenance staff members on the software to improve the accuracy of the data.*

**The district should create and implement district policy for additional compensation. At a minimum, the policy should document the details of the duties performed and justifications**

**for compensation.** *Response: The district will review the current policies and procedures for additional compensation and make changes as necessary.*

**The district should establish performance measures and targets such as: cost per mile and cost per rider, timely arrival, and school administration and parent satisfaction and report results to the school board on a quarterly basis.** *Response: The district will develop appropriate performance measures and reports for the transportation department.*

## **LFC AUDIT RESPONSE FROM BLOOMFIELD SCHOOL DISTRICT CURRICULUM DEPARTMENT**

The report is a very comprehensive review of all aspects of Bloomfield Schools. The Strategic Planning process will provide the vehicle for moving forward to build on the strengths that were identified and to remedy the weaknesses. We have instituted a framework, Response to Intervention, which uses student performance data to identify and design individual student intervention and curricula. We have begun to use specific student data to plan professional development through the Response to Intervention process.( p.22) In the past, we have used NMSBA—AYP data to determine professional development for sub-populations not meeting AYP, which is a generalized approach. We use the data from NMSBA at the standards level to identify weak areas. We are moving to the specific using RtI to address the needs of individual students through professional development for teachers. The framework for the Response to Intervention will need to become procedural policy for the process to become the same at every school site. Addressing the needs of the Economically Disadvantaged students will be a challenge because identifying the students for intervention is prohibited by law. We feel that through the RTI process; we are addressing the approximately 70% of our population that is ED.( p.18) See attached description.

While we have several areas to improve on such as the graduation rate, closing the achievement gap, ELL student performance, performance in math and several other areas; we are willing to address the issues and move forward for our students to be successful. Bloomfield High School is in the process of changing their schedule to provide a period for intervention and a professional meeting time to solve critical issues such as the graduation rate, ELL, and Native American performance p.21. We are also using the RtI to identify specific interventions for ELL and Native American students to help close the achievement gap. We understand the need for students to make significantly more than one year of growth on the NMSBA and the short cycle assessment to close the achievement gap ( p.24-25-26).

As part of the Strategic Planning process, we must decide upon student performance indicators that reflect our mission, beliefs, parameters and action plans of our district. To address long term strategic thinking, we will look beyond making AYP in 2014.

The performance indicators we will be investigating:

1. Increasing the number of students taking the ACT while increasing the average.
2. 80% of the third grade students will be on grade level
3. Reduce the number of remedial classes taken by Bloomfield graduates at two year institutions.

**The district should develop a comprehensive policy regarding how schools and teachers shall use student performance data to design instructional interventions and develop curricula.**

Tier 1: Students *performing below the 20<sup>th</sup> percentile on two consecutive short cycle assessments* are referred to Tier 2.

Tier 2: The student assistance team (SAT) conducts a problem solving process. If an intervention plan is warranted, *scientific research based interventions are prescribed and progress monitored weekly using curriculum based measures*. Interventions are provided in addition to core instruction. *Review of the student's response to intervention is conducted regularly by the SAT and RTI building teams utilizing Tier2 weekly progress monitoring data as well as all available data markers (i.e., intervention fidelity measures, attendance records, disciplinary records.)*

Tier 3: Students at Tier 2 who demonstrate poor response to intervention *evidenced by multiple Tier 1 and Tier2 progress monitor assessments over time* are referred for possible Tier 3 placement.

**The district should develop a comprehensive policy regarding the use of student performance data as a tool for guiding professional development programming for both teachers and administrators.**

Tier 1: *If fewer than 80% of a school or grade perform above the 20<sup>th</sup> percentile on core short cycle assessments, core instruction must be reviewed and corrected.*

Tier 2 and 3: *Review of progress monitoring data will be conducted yearly to identify intervention strategy weaknesses and strengths.*

#### **LFC AUDIT RESPONSE FROM BLOOMFIELD SCHOOL DISTRICT RESPONSE TO BILINGUAL RECOMMENDATIONS**

- 1.) THE DISTRICT SHOULD CREATE A BILINGUAL PROGRAM COST CENTER TO ACCURATELY TRACK EXPENDITURES: Bloomfield School District does track bilingual expenditures in the charter of accounts. Bilingual expenditures are identified through the program code of 4010 and the tracking code of 470. (Page 1)
- 2.) BILINGUAL EXPENDITURE FOR 2006-2007: For school year the bilingual funded membership was 399.00, the amount generated was \$185,521.87. The LFC reported expenditures was at \$73,013.00, making a difference of \$112,508.87. The Bilingual expenditure report sent to PED documents expenditures at \$804,473, making a difference of (\$621,951). Program models, school participation and teacher qualifications are variables that affect the number of students counted for bilingual funding. (Page 23)
- 3.) The Navajo Nation in collaboration with New Mexico public schools implementing the Navajo Language programs have developed and administered the new Oral Dine Language Assessment beginning with school year 09-10. The Oral Dine Language Assessment will be used for reporting to PED. (bottom Page 23)

- 4.) Tribal community members are given the opportunity annually to address the Native American achievement gap through the annual Indian Policies and Procedures (IPP), The district has an established District American Indian Parent Committee. (page 27)

**LFC AUDIT RESPONSE FROM  
BLOOMFIELD SCHOOL DISTRICT SPECIAL EDUCATION DEPARTMENT**

**The district should evaluate its identification and placement of children to make sure that they are being appropriately placed. The district should also evaluate how it will improve special education proficiency rates by determining whether steps recommended in its EPSS plans resulted in improved special education outcomes.**

The district has implemented a weekly peer review of evaluation procedures and best practices. Further, the district has implemented a systematic response to intervention program to include the requirement of the dual discrepancy model of evaluation as required by the NMPED in July 2009.

In regard to evaluation of EPSS plans to improve special education outcomes:  
As reported by the Secretary of Education, Dr. Veronica Garcia, on November 6, 2009, Bloomfield Schools have corrected non-compliance with Indicator 11. One area of non-compliance remains, Indicator 13. It is noted that while the compliance target is 100%, the district exceeded the 'Substantial Compliance Target' of 95% with a District Rate of 96.2%. Current EPSS plans to improve Indicator 13 performance are recently been revised via consultation with the SPPIP educational consultant, Juan Portley, Ph.D. The district continues to work with Dr. Portley on this Indicator.

## APPENDIX A: History of the Unit Value

**History of the Unit Value**

School Year	Initial Unit Value	Final Unit Value	Percent Change Year to Year
1975-1976		\$703.00	
1976-1977		\$800.00	13.80%
1977-1978		\$905.00	13.13%
1978-1979		\$1,020.00	12.71%
1979-1980		\$1,145.00	12.25%
1980-1981		\$1,250.00	9.17%
1981-1982		\$1,405.00	12.40%
1982-1983	\$1,540.00	\$1,511.33	7.57%
1983-1984		\$1,486.00	-1.68%
1984-1985		\$1,583.50	6.56%
1985-1986	\$1,608.00	\$1,618.87	2.23%
1986-1987		\$1,612.51	-0.39%
1987-1988		\$1,689.00	4.74%
1988-1989		\$1,737.78	2.89%
1989-1990		\$1,811.51	4.24%
1990-1991		\$1,883.74	3.99%
1991-1992		\$1,866.00	-0.94%
1992-1993	\$1,851.73	\$1,867.96	0.11%
1993-1994	\$1,927.27	\$1,935.99	3.64%
1994-1995	\$2,015.70	\$2,029.00	4.80%
1995-1996	\$2,113.00	\$2,113.00	4.14%
1996-1997	\$2,125.83	\$2,149.11	1.71%
1997-1998	\$2,175.00	\$2,175.00	1.20%
1998-1999	\$2,322.00	\$2,344.09	7.77%
1999-2000	\$2,460.00	\$2,460.00	4.94%
2000-2001	\$2,632.32	\$2,647.56	7.62%
2001-2002	\$2,868.72	\$2,871.01	8.44%
2002-2003	\$2,896.01	\$2,889.89	0.66%
2003-2004	\$2,977.23	\$2,976.20	2.99%
2004-2005	\$3,035.15	\$3,068.70	3.11%
2005-2006	\$3,165.02	\$3,198.01	4.21%
2006-2007	\$3,444.35	\$3,446.44	7.77%
2007-2008	\$3,645.77	\$3,674.26	6.61%
2008-2009	\$3,892.47	\$3,871.79	5.38%
2009-2010*	\$3,862.79		-0.23%

Source: PED

\*Preliminary Unit Value. Includes \$256.39 federal Stimulus SEG.

## APPENDIX B: LFC Performance Index

LFC staff has developed a methodology for evaluating the performance of New Mexico public school districts, using the following equation:

$$a + \sqrt{(1-y)(b)} + \sum_{t=1}^4 [(P_{t+1} - P_t) / (1 - P_1)]$$

Where:

- a=district five-year (SY 05-SY 09) average of student proficiency rates in reading and mathematics for *all* students.
- (1-y)=weighted variable of average, five-year enrollment rates for district economically disadvantaged (ED) students relative to a demographic peer group average when:
  - $y=(x-x1)$ , where  $x$ =demographic peer group average over five years for ED student enrollment, and  $x1$ =district average over five years for ED student enrollment
- b=district five-year average student proficiency rates in reading and mathematics for ED students.
- $\sum_{t=1}^4 [(P_{t+1} - P_t) / (1 - P_1)]$  Represents a benchmark growth model that evaluates annual growth in district student proficiencies in reading and mathematics, to a base-proficiency benchmark ( $P_1$ ) and annual growth from that benchmark towards the eventual goal of reaching 100 percent proficiency among all students.

Based upon their performance on this index, districts generate an index score that allows for student performance comparisons across districts.

The LFC index (index) takes into account that school districts with above average ED populations face additional challenges given the demographic profile of their student population. Meeting the academic needs of these students is one of the prime challenges facing the state, as ED students comprise a majority of the current school-aged population.

The index also evaluates school districts on the basis of yearly growth in student proficiency rates. Unlike other methods of measuring school performance, however, the index does not evaluate school districts based upon their ability to reach certain annual performance benchmarks; but rather on the basis of their progress towards achieving 100 percent student proficiency rates.

*Limitations.* The index may over-estimate the weight that should be given to districts with large ED student populations. This problem stems from the composition of the *all* students category, which represents an aggregate measure for the performance of non-ED students as well as ED students.

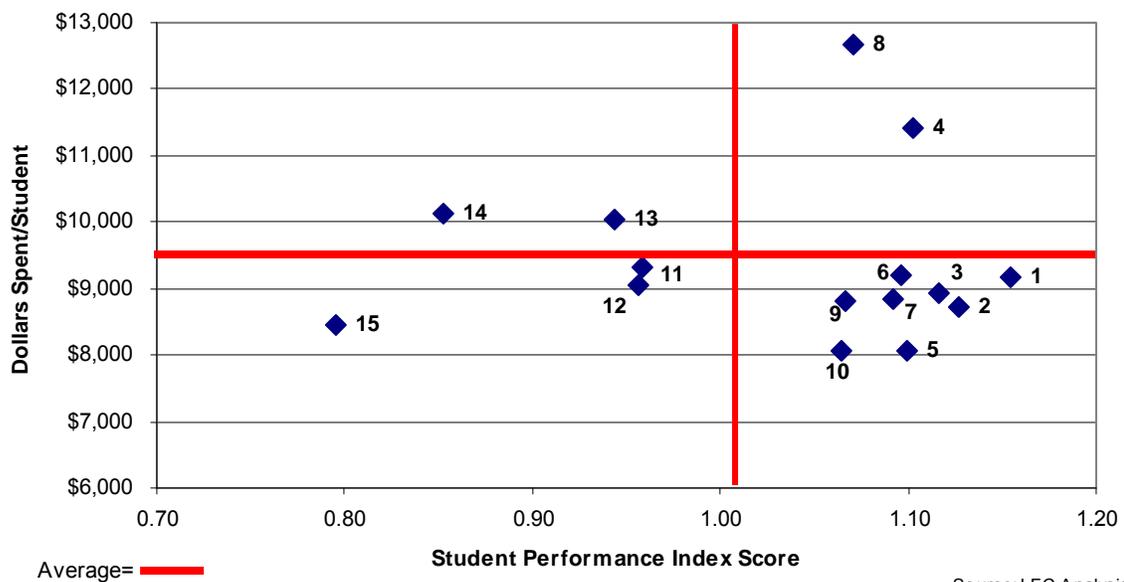
The benchmark growth model may underestimate the weight that should be given to schools with above-average growth. LFC staff will continue to evaluate this feature of the index, to ensure that proper weight is given to school districts that have consistently demonstrated high-levels of growth in student proficiency rates.

LFC staff used the index to evaluate the performance of 15 medium-sized school districts, including those districts currently under review. The results of this analysis are presented in table and chart 1.

**Table 1. Student Demographic Weight**

Ranking	DISTRICT	Cost/Mem	Index Score
1	Taos	\$9,178.26	1.16
2	Silver City	\$8,731.74	1.13
3	Portales	\$8,939.69	1.12
4	Bernalillo	\$11,399.78	1.11
5	Moriarty	\$8,053.73	1.11
6	Ruidoso	\$9,193.72	1.10
7	Bloomfield	\$8,836.36	1.10
8	West Las Vegas	\$12,663.92	1.08
9	Artesia	\$8,819.69	1.07
10	Aztec	\$8,051.35	1.07
11	Las Vegas City	\$9,311.27	0.96
12	Pojoaque	\$9,041.39	0.96
13	Grants Cibola	\$10,029.55	0.95
14	Socorro	\$10,117.46	0.86
15	Lovington	\$8,463.73	0.80
	<b>Average</b>	<b>\$9,388.78</b>	<b>1.03</b>

**Chart 1. LFC Student Performance Index Relative to Avg. Cost/Student**



Source: LFC Analysis

### *Excluding Student Demographics*

When the ED student weighted variable is removed from the index, school districts are ranked based solely upon:

- District average five-year student performance in reading and mathematics;
- Annual percent growth in student proficiency rates.

This method is expressed by the following equation:

$$a + \sum_{t=1}^4 [(P_{t+1} - P_t) / (1 - P_1)]$$

As shown in table and chart 2, some district performance rankings shift when student demographics are excluded as an evaluative variable.

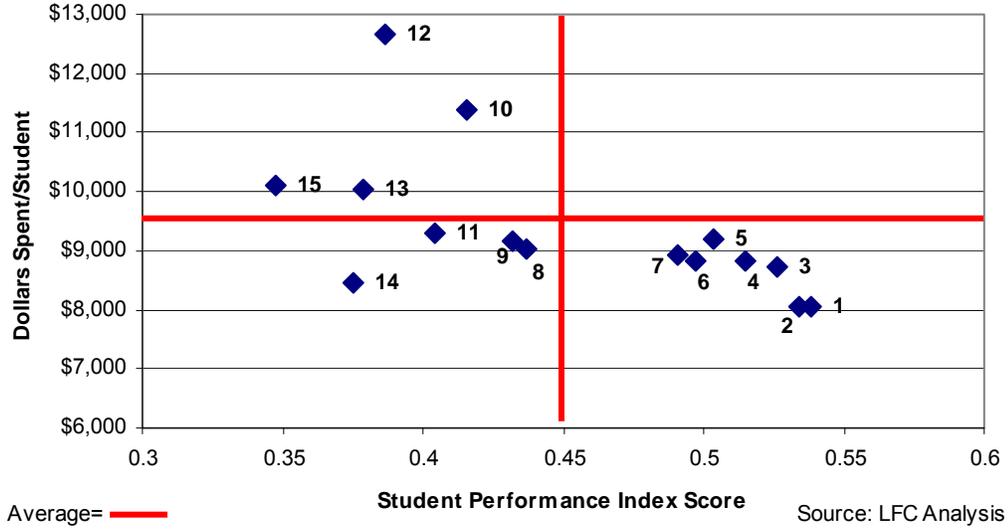
**Table 2. No Student Demographic Weight**

<b>Ranking</b>	<b>DISTRICT</b>	<b>Cost/Mem</b>	<b>INDEX SCORE</b>	<b>% Low Income</b>
1	<b>Moriarty</b>	\$8,053.73	0.54	48%
2	<b>Aztec</b>	\$8,051.35	0.53	41%
3	<b>Silver City</b>	\$8,731.74	0.53	55%
4	<b>Artesia</b>	\$8,819.69	0.52	45%
5	<b>Ruidoso</b>	\$9,193.72	0.50	60%
6	<b>Bloomfield</b>	\$8,836.36	0.50	58%
7	<b>Portales</b>	\$8,939.69	0.49	68%
8	<b>Pojoaque</b>	\$9,041.39	0.44	52%
9	<b>Taos</b>	\$9,178.26	0.43	99%
10	<b>Bernalillo</b>	\$11,399.78	0.42	96%
11	<b>Las Vegas City</b>	\$9,311.27	0.40	58%
12	<b>West Las Vegas</b>	\$12,663.92	0.39	99%
13	<b>Grants Cibola</b>	\$10,029.55	0.38	75%
14	<b>Lovington</b>	\$8,463.73	0.37	28%
15	<b>Socorro</b>	\$10,117.46	0.35	63%
	<b>Average</b>	<b>\$9,388.78</b>	<b>0.45</b>	<b>63%</b>

For instance, Bernalillo drops from 7<sup>th</sup> to 10<sup>th</sup> place in the LFC ranking, while Aztec rises in the ranking from 10<sup>th</sup> to 2<sup>nd</sup> place. These shifts are a result of the added weight that the amended formula places on student performance and growth in proficiency rates.

While excluding the demographic variable may alter district performance rankings, it does not alter the central finding that there appears to be little correlation between increased per-student expenditures and higher or improved student performance outcomes.

**Chart 2. No Student Demographic Weight**



As shown in chart 2, all school districts with above average performance also have below average per-student costs. Conversely, 50 percent of school districts with below average student performance have above average per student cost.