

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

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MINUTES
LESC MEETING
December 16-18, 2015

Representative Dennis J. Roch, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 8:05 a.m., on Wednesday, December 16, 2015, in Room 307 of the State Capitol in Santa Fe, New Mexico.

The following members of the LES C were present:

Voting: Representatives Dennis J. Roch, Chair, Nora Espinoza, Tomás E. Salazar, Sheryl M. Williams Stapleton, Christine Trujillo, and Monica Youngblood; and Senators John M. Sapien, Vice Chair, Craig W. Brandt, Gay G. Kernan, and Howie C. Morales;

Advisory: Representatives Alonzo Baldonado, Jim Dines, Stephanie Garcia Richard, Jimmie C. Hall, Patricia Roybal Caballero, James E. Smith, and James G. Townsend; and Senators Jacob R. Candelaria, Lee S. Cotter, Linda M. Lopez, Michael Padilla, John Pinto, William P. Soules, and Mimi Stewart; and

Guests: Representatives Paul C. Bandy, Sharon Clahchischilliage, and James Roger Madalena; and Senator Cisco McSorley.

The following members of the LES C were not present:

Advisory: Representatives David M. Gallegos, D. Wonda Johnson, Timothy D. Lewis, and G. Andrés Romero; and Senators Carlos R. Cisneros, Daniel A. Ivey-Soto, and Pat Woods.

FY16 AND FY17 GENERAL FUND REVENUE PROJECTIONS

Mr. Clinton Turner, Chief Economist, Department of Finance and Administration (DFA), began with an overview of the consensus revenue estimating group's forecast for General Fund revenue, noting the US economic growth forecast outlook is stronger citing stronger job and wage growth, an increase of vehicle and home sales, and household debt burdens that are the

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lowest in 50 years, noting government spending will slow compared to the spending levels of past decades. He explained that the strong US economy has made the US dollar stronger which equates to lower oil prices. Mr. Turner stated it is a positive sign that federal budget experts think the US economy is strong enough to increase interest rates.

Mr. Turner explained that New Mexico has shown growth in education, health, and leisure and hospitality industries. He noted that the professional services and healthcare sectors in New Mexico have grown. These sectors are important to New Mexico's economy because they are higher paying jobs and not typically subject to "boom and bust" scenarios. He explained New Mexico has experienced a loss in mining jobs which represents approximately 3.0 percent of total employment.

Mr. Turner indicated the gross receipts tax base has grown steadily stronger and is back to long-term trend levels. He noted the energy market outlook has shown the highest volume of production, however, energy prices are dropping. Lower gasoline prices mean New Mexico families will have \$600 million more to spend in FY16 and consumers spend roughly 80 percent of their savings from lower gas prices. Mr. Turner explained that as oil prices dropped, oil production slowed with the exception of the Permian Basin due to the workforce, technology, and transportation capacity.

Mr. Turner noted "new money" projected in FY17, defined as FY17 projected recurring revenue less FY16 recurring appropriations, is now projected to be \$232 million, or approximately 3.7 percent over FY16 appropriations.

Ms. Elisa Walker-Moran, Chief Economist, New Mexico Taxation and Revenue Department (TRD) explained that, revenue decreases in FY16 of \$83.0 million are partly due to weakness in gross receipts taxes and severance taxes. After these revisions, General Fund revenues are expected to decline by 0.5 percent in FY16 while FY17 is expected to grow by 3.7 percent and FY18 by 5.1 percent. She noted that while the revenue outlook is generally positive but weak, revenues rely on weak oil and gas receipts that may prove pessimistic if prices begin to rise again or optimistic if the unprecedented boom in domestic oil production does not continue. She noted the state should maintain reserves of at least 10 percent to mitigate this and other potential risks to the outlook.

Ms. Walker-Moran stated increasing volatility of compensating tax revenue over the past several years continues to make it difficult to forecast. The fluctuations have increased in frequency and magnitude as there has not been a back-to-back growth year since FY09. She noted that actual FY15 figures show revenue collections of approximately \$69.0 million, or about 12 percent below FY14, a record year. The oil industry made significant investments in the state over the past few years, contributing to increases in compensating tax in FY14 and FY15. This contribution to compensating tax began to decline in FY15 as the price of oil began to decline and contributes to a weakness in compensation tax revenue collections in the foreseeable future.

The revenue from liquor excise taxes remains steady with no anticipation of any major change in the near future, Ms. Walker-Moran explained. However, she noted there is a shift in consumer behavior as the consumption of beer is declining whereas the consumption of spirits and wine is on the rise. Ms. Walker-Moran stated, changes from the 2014 legislative session affecting liquor excise tax distributions:

- increased the distribution of liquor excise tax revenue to the Local DWI Grant Fund to 46 percent for FY16 through FY18, which reduces the distribution to the General Fund by an average of \$2.0 million for the respective fiscal years; and
- provided a distribution of 39 percent of liquor excise tax revenue to the Lottery Tuition Fund in FY16 and FY17.

She stated that, the overall effect leads to a reduction in distribution to the General Fund by about \$19.0 million for the time the additional distributions are in effect.

Ms. Walker-Moran stated the weaker severance tax forecast reflects lower oil prices offset slightly by higher year-over-year production volumes. This provides a sustainable base-level of production through the forecast period, while revenues from natural gas production and prices continue to decline.

Ms. Walker-Moran explained that oil exploration and production continue to show considerable strength. However, New Mexico oil prices have been lower than previously expected. New Mexico crude oil price was estimated at \$44 in FY16, \$7.50 lower than the August 2015 forecast. The consensus revenue estimating group now expects New Mexico oil prices to average \$49 in FY17 and \$56 in FY18, showing a \$7.52 decrease in FY17 and a \$5.23 decrease for FY18 from the August 2015 forecast. Crude oil production in New Mexico has been estimated to increase 6.1 percent in FY16, reaching 150 million barrels. The group also expects production to increase gradually over the next few years. A 3.3 percent increase is estimated in FY17, and 1.9 percent in FY18. Natural gas prices in New Mexico have been estimated at \$2.90 in FY16. The consensus group now expects New Mexico gas prices to average \$3.20 in FY17 and \$3.40 in FY18, showing a \$.70 decrease in FY17 and \$.75 decrease in FY18 from the August 2015 forecast. She noted, for the first time in a decade, New Mexico natural gas production increased 0.89 percent in FY14. The group is expecting total production to be 1,200 billion cubic feet in FY16 and 1,170 billion cubic feet in FY17.

Ms. Walker-Moran stated, TRD still has protests on the High-Wage Jobs Tax Credit from before the current law change and expects to continue to settle those in FY16. Starting in FY17 the cost of the High-Wage Jobs Tax Credit is projected to decrease to about \$20.0 million from \$70.0 million. In FY15 TRD increased its audit efforts. These efforts resulted in additional revenues being collected in most of the major tax programs including gross receipts tax, compensating tax, and personal income tax. TRD expects to continue these efforts in FY16. The federal discretionary budget authority is increased by \$80.0 million over two years, evenly split between defense and nondefense spending, which will boost spending in New Mexico, including the national laboratories, federal government, and roads.

Noting that the oversupply of oil will maintain lower oil prices through FY16, Ms. Christina Keyes, Economist, Legislative Finance Committee (LFC) stated concern that, if oil and gas prices remain at current levels, demand for crude oil will not be able to absorb the surging supply, creating a broad imbalance of declining oil prices. Citing Energy Information Administration reports that the levels of oil currently in storage have not been seen in 80 years, she noted the growing levels of crude oil in storage will slow any price recovery.

She explained, if market prices do not recover as expected, General Fund revenue may decrease by \$100 million or more in FY16 and FY17, adding that it is not known whether increased production in the Permian Basin will be sufficient to eliminate this outstanding price risk. She

stated that FY15 oil production grew 25 percent, and production is now more than double the level that prevailed over the last 30 years. The forecast assumes oil production growth continues at 6.0 percent in FY16 and 3.0 percent in FY17.

Ms. Keyes stated the gas price forecast represents an increase of more than 40 percent over the January 2016 spot price, and as a rule of thumb, a \$1.00 change in the price of oil sustained over the course of a full fiscal year will lead to a \$10.0 million change in General Fund revenue. For natural gas, a \$.10 change in price over a fiscal year leads to a \$7.0 million to \$8.0 million change in General Fund revenue. She explained that traditionally, New Mexico crude oil has been priced lower than standard West Texas Intermediate (WTI) by a differential of \$5.00, noting that according to well operators in New Mexico, this differential has decreased to a range of \$2.00 to \$3.00, which increases General Fund revenue. However, the liquids premium for New Mexico has evaporated and is expected to remain at or below zero; in a low-price environment, natural gas liquids are no longer an attractive alternative to crude oil.

Ms. Keyes explained that, gross receipts tax revenue increased 5.2 percent in FY15 over FY14, and the level of deductions taken against gross receipts tax liabilities has decreased in the last few quarters. This is an upside risk to the consensus forecast if the recent increase in taxpayer compliance is sustained into the out years. However, the first quarter of FY16 resulted in negative revenue year-over-year, partly due to the substantial drop in oil and gas prices with a concomitant decrease in well drilling and well service activity, and a drop in wages and salaries attributed to layoffs in the mining industry. In addition, settlements of high-wage job credits caused a drop in revenues expected to be in excess of the percentage drop in taxable gross receipts for the quarter.

Ms. Walker-Moran stated that oil and gas equipment accounts for a large share of compensating tax revenue. In the first three months of FY16, compensating tax revenue decreased \$17.1 million or 61.3 percent over the same period of the prior year. She noted that the forecast is a 9.0 percent decline in FY16 and flat in FY17 due to the continuing weakness in purchases and capital expenditures of the mining sector.

Ms. Walker-Moran expressed concern that the persistently weak labor market in combination with slow growth of household incomes inhibits the recovery of the New Mexico economy. She stated that employment in the state remains below the pre-recession peak, unlike surrounding states which have substantially recovered, noting that as of October 2015, the New Mexico Department of Workforce Solutions reports the state added 2,800 jobs, an increase of 0.3 percent. For the same month, however, the US Bureau of Labor Statistics reports the state lost 3,500 jobs, or 0.4 percent.

In closing, Ms. Walker-Moran explained that a substantial amount of internet consumer sales may have formerly been retail and offline sales, which would result in no net change in taxable gross receipts. Many “brick-and-mortar” retail companies, including Walmart, Target, Home Depot, and Lowes have significantly increased their internet retail access, but the internet sales of companies that have a “nexus” or a physical presence with the state are taxable. She noted the pace of internet sales may have accelerated, particularly through the critical holiday shopping period starting on Thanksgiving Day.

Committee Discussion

In response to a question by Chairman Roch asking why LFC is recommending a more cautious approach than DFA and TRD and if this reflects a change from previous years where DFA had taken a more conservative approach to the revenue estimate, Mr. David Abbey, Director, LFC, stated that the revenue estimate is a guide in budgeting, and the LFC is advising the committee to look at the downside risk on revenues and keep it in mind when the budget is set.

In response to a question by Senator Sapien what the price per barrel of oil that was projected and used for the revenue estimate, Mr. Turner responded that the price was projected at \$44 per barrel on average through FY16 and \$49 per barrel on average for FY17.

In response to a question by Senator Sapien asking whether the consensus forecast of \$232 million in new money was an overestimation, Mr. Turner responded that looking at the high-level growth rates, excluding oil and gas is how they arrive at that number.

In response to Senator Sapien expressing concern that the oil price reflected in the estimate is too high and unrealistic, Mr. Turner responded that “they know that they are going to be wrong,” and “their goal is to error on the low-side half of the time and on the high-side the other half.” He also stated, regarding the price set in the estimate, “if he had it to do it again, he would go down on the price.”

Representative Townsend expressed concern that the price of oil in the estimate was based on the WTI standard which is taken from sweet crude oil, cautioning that the majority of New Mexico’s oil is priced several dollars cheaper per barrel than WTI.

In response to a statement by Ms. Walker-Moran, “this is a revenue forecast and not a budget forecast,” Chairman Roch cautioned her about making the distinction between a revenue and budget forecast, explaining the numbers included in the forecast are used by the Legislature for the state budget.

PUBLIC EDUCATION BUDGET REQUESTS

Ms. Hanna Skandera, Secretary of Public Education stated the FY17 Public Education Department (PED) budget proposes \$132 million in increased education funding, which reflects 45 percent of the August 2015 consensus revenue estimate. Secretary Skandera said she is aware that revenue projections have changed and noted PED is planning on resubmitting an amended budget. However, Secretary Skandera indicated that the priorities presented to the committee will remain priorities in any future budget requests.

Secretary Skandera stated the PED proposal of a 1.6 percent increase in formula funding, when combined with FY12 through FY16 budgets, reflects an overall increase of 16 percent for a total of more than \$352 million. She said recurring spending on education since FY11 increased by more than \$545.5 million or 23 percent. Secretary Skandera indicated that the FY17 budget request was developed with an emphasis on: closing the achievement gap, maximizing the state’s return on investment in education, ensuring funding is directed to proven programs that lead to improved student achievement, ensuring sufficient resources are in place to reward our most effective teachers and school leaders, ensuring appropriate supports are available to inform

and improve instruction, providing resources to assist those schools most in need and sustain improvements, and ensuring our students are set-up for success by investing in early learning.

Secretary Skandera provided highlights of the PED budget request. She said PED requested a \$600,000 increase in General Fund revenue to fund positions in information technology and budget analysis. Secretary Skandera also highlighted PED vacancy rate had decreased from 27 percent in FY13 to 13.1 percent in FY16, and currently represents less than 16 unfunded positions.

Secretary Skandera provided information on the public school support request, referencing a two-page table detailing specifics of the request. She indicated that proposed increases of some requests appear larger than they are because the Legislature used funding sources other than the General Fund in FY16. Secretary Skandera noted PED requested recurring General Fund revenues be used to replace the nonrecurring fund balances appropriated in FY16.

PED is recommending a \$39.0 million increase in state equalization guarantee (SEG) funding, Secretary Skandera said. Included in this amount is a recommendation to increase the Level 1 minimum salary to \$36,000. She said, in partnership with the Legislature, the beginning salary for Level 1 teachers increased from \$30,000 to \$34,000 over the last two fiscal years. Secretary Skandera said the proposed increase will impact an estimated 3,692 teachers in FY17 and will make the state more competitive with neighboring states.

Secretary Skandera indicated related recurring appropriations requests represent less than 5.4 percent of the total education budget. Commonly referred to as “below-the-line” funding, she said that since FY11, these appropriations have helped close the achievement gap, improved student achievement, and provided support for improved instruction. Secretary Skandera noted that the \$57.2 million requested for the K-3 Plus Fund and the Pre-kindergarten Fund reflected a \$12.5 million increase over FY16 and includes \$3.5 million to replace federal Temporary Assistance to Needy Families funding used in FY16. Funding will be used to provide access to students that requested services but were unable to participate because of limited funding. The amount requested for these programs will serve approximately 22,000 students in K-3 Plus and nearly 6,000 in pre-kindergarten. Secretary Skandera said demands for teacher and school leader programs and supports for training, preparation, recruitment, and retention in FY15 increased to \$14.3 million, and PED is requesting \$15.0 million for FY17.

Secretary Skandera explained the \$25.0 million requested for the New Mexico Reads to Lead! program will maintain current support for reading coaches, interventionists, a common screening assessment, parent training, and training and support for kindergarten through third grade teachers. She noted \$10.0 million will be used for Reads to Lead 2.0, the expanded program targeting the lowest-performing elementary schools.

Secretary Skandera also discussed an increase to \$2.5 million for the Indian Education Fund; an increase to \$3.0 million for science, technology, engineering, and mathematics (STEM) supports; and an increase to \$6.0 million for the teacher and school leader preparation (NM Prep and NM Lead) programs. With regard to NM Prep and NM Lead, Secretary Skandera said the programs allow more time in the classroom for teacher preparation and increase the emphasis placed on content knowledge. The programs are partnerships between Schools of Business, the Colleges of Education, and PED, and are requesting increased funding to address unmet demand.

Secretary Skandera discussed four new programs PED is proposing. She said PED wants to provide a \$10,000 stipend to the state's top 100 teachers. Secretary Skandera also discussed the need to promote a human capital pipeline and discussed the proposal to establish an exemplary teacher residency to continue to recruit the best and brightest students into the field of teaching. Under this program, up to 66 students will receive \$15,000 scholarships to pay for a teacher preparation program; though students must meet exceptionally high student performance criteria and make a commitment to teach in the state for three years.

Secretary Skandera said she had some incredible meetings when traveling the state talking to teachers, which informed the proposal for a teacher advisory committee (TAC) to provide feedback and support for teachers. Lastly, PED is proposing a new program to create innovative approaches to education. She noted a school district that wanted to pilot advancing students from one grade to the next on the basis of mastery of materials instead of seat time as a program that could qualify for funding.

Committee Discussion

Citing concerns over the sufficiency of funding of local school districts, Representative Garcia Richard raised a question about how much the appropriation to the SEG represents as a percentage of the total education budget over time. Representative Garcia Richard wondered if SEG's share of education funding has always been 88.7 percent. Senator Kernan said she would be interested in seeing trends in the percentage share of below-the-line funds over time as well. Ms. Rachel Gudgel, Director, LESC, indicated that when looking at formula funding between FY03 and FY15, SEG represented between 92 percent and 94.5 percent of education funding. For the last two years, the percentage share decreased to 91.8 percent and 91.3 percent, respectively. Ms. Gudgel said historically, below-the-line funding has been less than 0.05 percent, reaching 3.5 percent last year and categorical funding would represent the difference. Mr. Paul Aguilar, Deputy Secretary, Finance and Operations, PED, said with regard to equalization, PED keeps a chart of the disparity calculation that dates to FY03 as well, and PED staff would be happy to share the information.

Senator Kernan asked if the proposed funding for STEM includes stipends to hire teachers in STEM subjects. Secretary Skandera said these stipends are now included in the line item labeled hard-to-staff areas. The \$3.0 million proposed for STEM will be used for training and support for STEM teachers. Senator Kernan said it is very expensive for a local school district to hire in the STEM field and when evaluation results reveal that the newly hired STEM teachers were performing at a minimally effective performance level, school districts were required to return stipend awards.

Senator Kernan also said she is very hesitant to add additional money for the Breakfast After the Bell program without the flexibility granted to school districts to be able to use the funds before the instructional day begins. She also expressed support for the New Mexico Graduation Reality And Dual-role Skills (GRADS) teen pregnancy prevention program, and said she wished the state could provide the program with more money and additional support from the Department of Health. Deputy Secretary Aguilar indicated that the state receives a large federal grant that helps support the GRADS program.

In response to a question from Senator Sapien, Deputy Secretary Aguilar indicated PED's Early Childhood Education Bureau visited with school districts that have not accessed pre-kindergarten

appropriations and they cited a lack of facilities as a barrier to expanding pre-kindergarten programs. The last couple of years, funding has been made available to PED for pre-kindergarten facilities from the Public School Capital Outlay Fund, which is funded from supplemental severance tax bond proceeds. For FY17, Deputy Secretary Aguilar indicated PED is seeking recurring funding for these facilities.

Senator Sapien asked how this coincides with the state's longitudinal plan for early childhood; specifically, whether the plan is to expand the use of the Public School Capital Outlay Council (PSCOC) capital outlay process to include pre-kindergarten. Deputy Secretary Aguilar said he sees this as a challenge as the state expands pre-kindergarten to an all-day program. Deputy Secretary Aguilar said it is difficult to change the PSCOC process to include pre-kindergarten because it is a voluntary program. Deputy Secretary Aguilar said under provisions of the *Public School Capital Outlay Act*, any project over \$200,000 has to be approved by the Public School Facilities Authority (PSFA). For standalone projects, PED does not oversee construction; they accept applications of need for pre-kindergarten facilities and school districts work with PSFA staff to ensure plans are reviewed and meet adequacy standards. He said in recent years, pre-kindergarten facility funds have worked in conjunction with the PSCOC process, allowing the state to further leverage the expertise of PSFA staff.

Senator Sapien also asked if PED knew if the Children, Youth and Families Department (CYFD) request conforms to statutory requirements to provide equal pre-kindergarten operational funding. Secretary Skandera said she is not certain but would support a CYFD request for a comparable amount.

Senator Sapien also expressed concern about how stipends are determined for the top 100 performing teachers, asking what parts of teacher evaluations would be used. Secretary Skandera said the department will use the improved student achievement portion of teacher evaluations. Senator Sapien said that all of the human resources training and professional development he has undergone in his personal life indicate there must be very specific plans on implementing pay changes, using clear directives.

Senator Sapien questioned how the new program to promote innovative approaches to education will be implemented, as it would appear to favor schools like charter schools that have already been provided the legal framework to pursue innovative approaches to education. He said he wants to ensure that school districts have a level playing field to access these funds. Secretary Skandera said if a charter school is already innovating then they would not be a good fit because the department wants to make awards to new innovations.

Representative Trujillo raised concerns over a proposal in the teacher and school leader programs and supports to provide strategic pay increases to teachers using the state's teacher and principal evaluation system, citing the reliance on a teacher evaluation system that is currently the subject of a court injunction. Secretary Skandera indicated that the injunction is not relevant to the discussion of rewarding our best teachers or concerns about the use of professional growth plans implemented at the local level without any state enforcement. Representative Trujillo raised similar concerns over the proposal to pay stipends to the top 100 performing teachers.

Senator Padilla asked if the teacher supply program was proposed to continue in FY17. Secretary Skandera said it was proposed to continue at the same funding levels per teacher as

FY16. Senator Padilla also asked how often PED planned on holding TAC meetings and Secretary Skandera said PED envisioned TAC meeting four times a year.

Representative Salazar expressed concern about FY16 appropriations to the Higher Education Department for preparation of English learner (EL) teachers. He said he has seen many studies demonstrating the tremendous amount of need to get EL students served and the significance of EL teachers. Representative Salazar said he is looking forward to working with Mr. Matt Pahl, Director of Policy, PED, about further details of what is being planned to expand EL teachers.

Senator Stewart expressed concern over discussing a budget proposal likely to soon change. Secretary Skandera declined to provide a date when the amended budget will be made available but said PED staff is aware that having the most accurate and timely information is relevant to the committee and PED intends to submit an amended budget soon.

Senator Stewart also expressed concern at PED not proposing giving a salary increase for Level 2 and Level 3 teachers, and concerns related to the below-the-line funding for hard-to-staff areas. She also expressed concern over recruitment and retention of teachers and said that Albuquerque Public Schools (APS) has over 150 teaching openings and half of those positions are in special education. Senator Stewart said amounts provided to APS in FY16 in the Reads to Lead! program to provide a starting salary of \$60,000 to social workers and reading coaches is too low to attract people. After taking out benefits, APS was only able to offer a starting salary of \$38,000, which does not compete with CYFD's starting salary of \$40,000.

PED staff indicated that in APS the restriction to offering a more competitive salary is a collective bargaining agreement that the program as structured would allow APS to offer a salary of \$65,000. Senator Stewart indicated that those figures differ from the figures provided by the APS administration and also cited concerns about the structure of funding for these programs as below-the-line funding has to be reauthorized yearly and funding these programs in the SEG provides more stability in recruiting and retaining teachers. She also expressed concern with how school districts were complying with provisions of statute requiring the submission and approval of each school district's beginning teacher mentorship program. Senator Stewart continued to say that she would like more information about how the below-the-line programs are working and reiterated previous concerns about the use of value-added modeling in light of the court order.

Representative Espinoza asked how competitive the total teacher compensation package is when benefits are included. Secretary Skandera said there was discussion in the presentation to the Legislative Finance Committee that included a statement that the Educational Retirement Board provides a generous benefit. Deputy Secretary Aguilar said it is important to examine total compensation because our younger teachers prefer additional salaries and the older teachers prefer better long-term benefits.

Representative Williams Stapleton reiterated concerns about the use of measures of effectiveness based on the current teacher evaluation system in proposed strategic pay increases and asked whether there were plans to revise the measures of effectiveness in light of the court's injunction. Ms. Leighann Lenti, Deputy Secretary, Policy and Program, PED, said the injunction focused on 6.69.8.11 NMAC School Personnel – Performance, Teacher and School Leader Effectiveness, Evaluations, Observations, Reports, and Post-evaluation Conferences: Sections H - O, which relate to consequences of the system like implementation of professional growth plans and

licensure advancement. PED is not anticipating any changes to how a teacher's evaluation is calculated, and it will be up to the school district to determine how the data will be used.

NEW MEXICO BUSINESS ROUNDTABLE (NMBR) 2016 LEGISLATIVE PRIORITIES

Mr. William Knauf, Acting Chair, Board of Directors; Mr. Jack Jekowski, Chair, Education Committee; and Mr. Larry Langley, CEO, New Mexico Business Roundtable (NMBR), presented the group's 2016 legislative priorities. Mr. Knauf noted approximately 30 percent of students in New Mexico drop out, and in 2013, fourth grade readers in the state fell from 49 to 51 in national ranking. To alleviate this problem, Mr. Knauf noted that early screening assessments and other initiatives to enable parental involvement, especially with decisions to retain or promote their child, are good beginning steps.

Next, Mr. Langley explained that NMBR supports Jobs for America's Graduates (JAG), which provides services through its dropout prevention and recovery programs for students in the state who must overcome a number of barriers. He noted that six schools are receiving JAG mentoring and job training through a federal Carl D. Perkins Grant, including Rio Grande High School, Robert F. Kennedy Charter School, Zuni High School, and Bernalillo High School. Citing the JAG programs as a proven model, Mr. Langley stated 99 percent of students participating in JAG since 2006 have graduated from high school. He added that the Secretary of the New Mexico Department of Workforce Solutions has hired 11 JAG graduates and hires several JAG interns each year.

Mr. Jekowski continued by emphasizing NMBR's role in educating the business community on the complexities of the education system. He said that many NMBR members do not understand that Common Core State Standards (CCSS) and the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment are the result of a multi-year effort to solve major problems with high school graduates and their readiness for careers and college. Mr. Jekowski stressed the importance of continuing to take time and dedicate resources to implement the CCSS and PARCC testing. He indicated that although NMBR supports CCSS and PARCC, it comes with a proviso that implementation must be done carefully.

Mr. Langley acknowledged NMBR supports charter schools and is aware of issues such as school-size program units and charter school effectiveness. Mr. Knauf discussed the importance of sustaining the current educational structure, and stressed that NMBR positions should be data-based.

In summary, NMBR supports: early childhood care and education, including pre-kindergarten and K-3 Plus; implementation of reading intervention and retention if necessary; effective and understandable teacher evaluation and compensation; dropout and recovery programs, including JAG; continued implementation of CCSS and PARCC testing; charter schools; the current public education system governance structure; accountability; and a math and science focus and related adjunct teacher certification.

Last, Mr. Langley noted NMBR does not support using the Land Grant Permanent Fund (LGPF) for uses other than originally intended. Mr. Langley cited numerous reasons for NMBR's position, including facts that: the LGPF is not a "rainy day fund or state savings account" but

rather a trust fund designated for specified beneficiaries; early childhood care and education is not an “entity” or “specified beneficiary” and has no revenue-generating lands assigned to it; and attempts to reassign lands already designated to beneficiaries could trigger legal action.

The largest LGPF beneficiary is public schools, which receives approximately \$500 million per year. Currently, Mr. Langley reported that there are 21 beneficiaries receiving income from the LGPF, and a 22nd beneficiary, state parks, has not generated any revenue from its land holdings. He noted adding an early childhood beneficiary would also likely not generate any revenue.

Committee Discussion

Senator Kernan sponsored reading retention bills in past legislative sessions and noted that Florida has paused on third grade reading retention, suggested that New Mexico should take a second look to find something that will work better by addressing the reading issue before third grade. Mr. Jekowski agreed, adding that retention should not be based on a single test and intervention should be done in a manner which makes retention extremely rare.

Senator Kernan noted that CCSS has benefits but expressed concerns over the PARCC test and the computer skills of test-takers. She also encouraged NMBR members who do not support tapping the LGPF to run for school board members, and Mr. Knauf replied that NMBR has a growing membership and encourages them to run for public office.

Senator Sapien commented that he initially supported third grade retention; however, he noted the research and review of longitudinal studies which led him to believe that early intervention is preferable to retention.

Chairman Roch inquired, why some topics, like student career preparation, ACT WorkKeys assessments, and career technical programs and certification were not covered. In reply, Mr. Langley stated that NMBR always takes a strong stand on these issues and was one of the first entities to bring ACT WorkKeys to New Mexico. He added that work training runs through all of NMBR’s efforts.

Representative Salazar asked the presenters to quantify the types of workforce needs that are necessary in the future. Mr. Jekowski answered that some NMBR members are working with the Jobs Council and the Higher Education Department to create a database showing the types of degrees currently offered in comparison to the needs of our future workforce.

Representative Espinoza discussed how career- and college-readiness are the same thing and noted Complete College America’s approach which favors increased support and focused study over remediation. She explained that we have to change the way students are educated so they can see the light at the end of the tunnel. Mr. Langley replied that, 12 years ago, a student about to graduate high school was in an environment with more fax machines than computers; and now experts say that technology will make that 12-year leap in just two years. He agreed that major changes are on the way and said we need to look at how we use technology to deliver education to address the issue.

After thanking the business community for hiring New Mexico students, Representative Youngblood observed that many adults in our state cannot fill out a job application and commented that if adults are not proficient it may show up in the academic performance of their

children. In reply, Mr. Knauf said that several business members told him how hard it was to turn down applicants who had all the right attributes for a job position except they could not read well enough.

EDUCATION PARTNERS' 2016 LEGISLATIVE PRIORITIES

Mr. Joe Guillen, Executive Director, New Mexico School Boards Association (NMSBA), informed the committee that the education partners' coalition was established in 2005 to promote legislative initiatives that improve all public schools.

Mr. Charles Bowyer, Executive Director, National Education Association-New Mexico (NEA-NM), presented the education partners 2016 legislative platform, which include the following four priorities:

1. no less than 50 percent of all new revenue should be dedicated to public education, and distributed through the state equalization guarantee (SEG) distribution;
2. new funding should be allocated for pre-kindergarten for three- and four-year-old children statewide to be provided by New Mexico school districts whenever possible;
3. statutory salary minimums should be increased by \$2,000 each year for the next four years and cost-of-living increases should be provided to all education employees; and
4. Article 12, Section 7 of the constitution of New Mexico should be amended to permanently restore the annual Land Grant Permanent Fund distribution to beneficiaries to a minimum of 5.8 percent.

Dr. Gloria O. Rendón, Executive Director, New Mexico Coalition of Educational Leaders (NMCEL), introduced the Presidents of NMCEL and the New Mexico School Superintendents' Association (NMSSA) to brief the committee on their combined legislative platform. Rather than coming to the Legislature with a list of concerns, she said the two entities want to offer their expertise to help the state with education and economic development issues to ensure that all students are college- and career-ready.

Mr. Erik Bose, Executive Director, Albuquerque Charter Academy, and President, NMCEL, emphasized that the term "sufficient" has a different meaning to different stakeholders and explained that we need to reach a consensus before we know how to fund public education. Mr. Bose noted the following should be considered when thinking about what a sufficient education means:

- Should a certified and highly qualified teacher be in every classroom?
- Should every school have a nurse?
- Should a counselor be in every school?
- Should every school have a certified and highly qualified principal?
- What should be the maximum class load?
- What are the minimum salary requirements?
- Should all children be required to enroll in pre-kindergarten programs?
- How will intervention programs be used?
- How can funding be provided for timely instructional materials?

Mr. Bose acknowledged that sufficient funding can be expensive, so he said that stakeholders have to come to an agreement on what should be funded and how much is needed. To accomplish this, the public school funding formula must be taken into account. Mr. Bose noted that the current formula does not take into account “fixed costs” such as utilities and insurance. He also stated we need to determine a true per-pupil cost to fund education in 2016 and beyond.

Mr. Kirk M. Carpenter, Superintendent, Aztec Municipal Schools, and President, NMSSA, emphasized the importance of appropriating at least 50 percent of new funding to the SEG distribution. Money appropriated “below-the-line” disequalizes the funding formula and does not go to every child. The school districts should be trusted to improve student performance, he said. In addition, NMCEL and NMSSA support a moratorium on any new schools to prevent a decline in the overall unit value per pupil.

Mr. Carpenter warned that all decisions related to the training and experience index should be carefully reviewed to ensure school district funding is not decreased. He also noted that the statewide teacher shortage is a critical issue, with 468 open teacher positions, 30 percent of which are for special education positions. We need to work together to provide highly qualified teachers at all levels. He noted if only Level 1 teachers get a raise, salary schedules are disequalized and urged the committee to think about other education positions. He also noted we need to do something for teachers who are learning by doing.

Dr. Rendón closed by stating that NMCEL and NMSSA want to be a partner at the table and part of the solution, not the problem.

Mr. Ron Singleton, Member, Board of Education, Carlsbad Municipal Schools, and President, NMSBA, presented next, noting that NMSBA represents 337,000 students in 89 school districts governed by 490 board members. He also complimented Senator Kernan for commenting that school board representation is the least thought of elected position in the state but the most important. The mission of the NMSBA, he said, is to be the leading advocate for education in the state by collaborating with the community and elected officials. He then introduced Ms. Linda Trujillo, Member, Board of Education, Santa Fe Public Schools, and President-elect, NMSBA; and Mr. Ramon Montañó, Member, Board of Education, Rio Rancho Public Schools, and Vice President, NMSBA.

Mr. Singleton asked LESC to consider the organization’s guiding principles, which include: no unfunded mandates; reliance on local control (school boards know what is best for their students); and providing adequate funding.

Mr. Guillen then reviewed local school district legislative priorities, beginning with the following points for local decision-making:

- request that the Legislature and the Public Education Department (PED) support the authority of local school boards to make and set educational policy decisions for local school districts;
- oppose any efforts by the Legislature and PED to remove or reduce the power of local school boards by abolishing local alternative demonstration of competency policies which will result in the failure of many students to graduate and cause irreparable harm; and

- urge the Legislature and PED to collaborate with local school boards in a formal, mutually agreed-upon process.

Regarding funding and fiscal matters, NMSBA:

- calls on the Legislature and PED to increase SEG funding by a minimum of 1.0 percent each year until a minimum of 51 percent of the state budget is used to fund the SEG;
- calls for additional SEG funding to increase the per-pupil unit value; and
- requests that the Legislature adopt a three-year plan to increase Level 1 teacher salaries to \$40,000, Level 2 salaries to \$50,000, and Level 3 salaries to \$60,000 utilizing General Fund revenues;
- calls on the Legislature to ensure school district transportation funding is not decreased because new charter schools are authorized to receive allocations from the transportation distribution; and
- calls on the Legislature to provide funding for all state-mandated testing materials from sources other than the SEG.

Last, concerning teacher evaluation and retention, NMSBA:

- urges PED not to tie licensure and renewal to the teacher evaluation system, leave all personnel decisions at the local level, use only current student growth data in evaluations, make local observations and evaluations the major portion of a teacher's evaluation, and clearly explain how value-added modeling impacts teacher ratings;
- opposes PED efforts to reduce authority of the Legislature and local school boards and calls for the teacher evaluation system to be amended to reflect a more appropriate percentage (25 percent) for standardized test scores in the overall rating; and
- requests the Legislature establish a statewide effort to recruit and retain teachers and other educational personnel by adopting a fair and equitable three-tiered licensure system for all certified professional personnel.

Mr. Bowyer distributed a handout that described the following NEA-NM legislative goals for 2016: less regulations, more local decisions; more learning, less testing; more funding, less mandates; more graduates, less dropouts; and more respect, less blame.

In addition, Mr. Bowyer said NEA-NM also supports: a good education for each child that inspires their natural curiosity and desire to learn; providing opportunities, resources, tools, and learning time for all students, regardless of their zip code; ensuring every student has a caring, qualified, committed teacher; providing opportunities for teachers to advance; and legislation to end poverty and improve the quality of life for students, parents, and the community as a whole.

Mr. John Dyrz, State Affiliate Political Organizer, AFT NM (American Federation of Teachers New Mexico); and Ms. Ellen Bernstein, President, Albuquerque Teachers Federation (ATF), referred the committee to a joint handout from AFT NM and its ATF affiliate stating their advocacy for proven, educator-driven school reforms that will improve public education. These policies included:

- educating the whole child by ensuring that all schools have a well-rounded curriculum and classes in the fine arts;

- helping students to get the best possible start by providing age-appropriate education in the early grades and high-quality early childhood education programs;
- fully funding education – including intervention programs to ensure success for all;
- teaching all students by addressing disparities in educational services and securing comprehensive services for English learners and students with special needs;
- respecting professional educators through compensation that is comparable to others with similar education and experience levels;
- establishing community schools that are open outside the school day and offer programs and services such as daycare, tutoring, after-school programs, and adult education;
- addressing the issue of poverty through comprehensive public services, livable wages, tax fairness, and social and economic justice; and
- understanding that smaller class sizes matter, as numerous studies show that large classes hinder a student’s ability to learn and be successful.

Ms. Renata Witte, President, New Mexico Parent Teacher Association (NMPTA), provided background on the PTA, noting that PTAs are nonprofit organizations. The NMPTA has 10 board members who work with teachers and principals and perform activities from fundraising to advocacy. Currently, NMPTA is engaged in a project to help parents understand the Partnership for Assessment of Readiness for College and Careers exam scores. Ms. Witte highlighted NMPTA legislative priorities, including:

- access to well-rounded educational opportunities for all students through science, technology, engineering, and mathematics education and the arts, and ensuring safe and healthy environments;
- supporting quality after-school and summer learning programs through a partnership with the New Mexico Afterschool Alliance; and
- embedding family engagement in state policy by working with the Legislature and state organizations to create a definition for “family engagement” in state statute.

To conclude, Ms. Witte noted that NMPTA members attend numerous meetings to advocate on behalf of families throughout the state.

SUPERINTENDENT AND COMMUNITY INPUT

Ms. Cynthia Gustke, Education Chair, New Mexico Parent Teacher Association (NMPTA), told the committee that she has over 20 years of experience in education as a parent, teacher, bilingual program director, professional development provider, and grandparent. She then discussed NMPTA’s support for family-school partnerships and explained that these partnerships use research-based national standards to create a framework to improve the overall school environment. Ms. Gustke also noted that NMPTA advocates for all school workers (including custodians, cafeteria workers, guidance counselors, etc.) and collaborates with the community to enhance public education. To conclude, she suggested that New Mexico needs a statewide policy to address the passage of the *Every Student Succeeds Act* (ESSA) and to look at how ESSA will affect after-school programs, the *Hispanic Education Act* and the *Indian Education Act*, as well as federal Title I programs and College of Education programs.

There being no further business, the Chair with the consensus of the committee, recessed the LESC meeting at 3:59 p.m.

**MINUTES
LESC MEETING
December 17, 2015**

Representative Dennis J. Roch, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 8:06 a.m., on Thursday, December 17, 2015, in Room 307 of the State Capitol in Santa Fe, New Mexico.

The following members of the LESC were present:

Voting: Representatives Dennis J. Roch, Chair, Nora Espinoza, Tomás E. Salazar, Sheryl M. Williams Stapleton, and Monica Youngblood; and Senators John M. Sapien, Vice Chair, Craig W. Brandt, and Gay G. Kernan;

Advisory: Representatives Alonzo Baldonado, Jimmie C. Hall, Patricia Roybal Caballero, James E. Smith, and James G. Townsend; and Senators Jacob R. Candelaria, Carlos R. Cisneros, Lee S. Cotter, Linda M. Lopez, Michael Padilla, John Pinto, William P. Soules, and Mimi Stewart; and

Guests: Representatives Sharon Clahchischilliage and James Roger Madalena.

The following members of the LESC were not present:

Voting: Representative Christine Trujillo and Senator Howie C. Morales; and

Advisory: Representatives Jim Dines, David M. Gallegos, Stephanie Garcia Richard, D. Wonda Johnson, Timothy D. Lewis, and G. Andrés Romero; and Senators Daniel A. Ivey-Soto and Pat Woods.

**STUDENT LEARNING OUTCOMES OF EARLY LITERACY PROGRAMS:
K-3 PLUS AND READS TO LEAD**

Ms. Melinda Webster, Director, Literacy and Early Childhood Education Bureau, Public Education Department (PED), informed the committee that PED's strategic approach to early literacy includes: professional development related to kindergarten through third grade instruction; intensive district support; family engagement; absenteeism; K-3 Plus funding and support; Dynamic Indicators of Basic Early Literacy Skills (DIBELS Next) data; and Reads to Lead! (RTL) 2.0.

Ms. Webster stated professional development on the best instructional practices for early literacy was offered through various PED bureaus. The professional development reached approximately 2,700 teachers and administrators, and is provided to both educators in K-3 Plus and RTL programs. Trainings were provided in the following: administration and data analysis of DIBELS Next to help drive instruction; providing intensive support to priority schools on close reading of complex texts and writing by using evidence from text; training in Language Essentials for Teachers of Reading and Spelling; training the trainer with Readers Raise the

Roof! family workshop and writing professional learning modules (approximately 5,700 family members have participated to learn how to help their child with reading, and materials are available in English, Spanish, and Diné); promoting language, literacy, and learning to support English language development; training in Mathematically Connected Communities (MC²) math webinars; and training with blended online and in-person literacy modules for administrators.

Ms. Webster explained all kindergarten through third grade teachers in 10 schools in Albuquerque Public Schools; Carlsbad Municipal Schools; Las Cruces Public Schools; and Moriarty-Edgewood School District are receiving training on close reading of complex texts and writing.

Ms. Webster explained for the 2015-2016 school year, RTL provides early literacy support to 88 school districts and 35 charter schools. Los Lunas did not participate in RTL because they opted not to use DIBELS Next as a universal assessment tool; a requirement to receive RTL funding.

Ms. Webster stated for FY16, \$15.0 million appropriated to PED for RTL was allocated as follows:

- \$1.9 million for DIBELS Next and IDEL (Indicadores Dinámicos del Éxito en la Lectura) as a common assessment for kindergarten through third grade students;
- \$2.4 million for regional reading coaches and professional development for teachers, coaches, administrators, and Readers Raise the Roof! workshops for families; and
- \$10.7 million for school districts and charter schools to hire reading coaches and intervention support.

Ms. Webster indicated funding allowed school districts and charter schools to hire 149 regional, district, and school-based reading coaches and interventionists to support improved student achievement. She also stated funding provided support for kindergarten through third grade reading interventions such as instructional materials and professional development. If a school district or charter school is unable to hire a reading coach, Ms. Webster stated PED allows for flexibility to use the money to hire contractors or purchase intervention materials that directly relate to kindergarten through third grade literacy. She said that smaller, rural districts also collaborate with their local Regional Education Cooperative to provide a reading coach for those districts.

Ms. Webster explained that a reading coach for kindergarten through third grade must have the following qualifications: be deemed an effective content teacher for kindergarten through third grade as demonstrated by performance evaluations; hold an instructional Level 2 or Level 3 license and have a minimum of three years of effective teaching; hold a teaching English to students of other languages endorsement if working in a school with a high concentration of English learners (ELs) and have a background check if not already employed by the school district or charter school.

For FY16, Ms. Webster indicated PED requested an additional \$10.0 million for RTL to provide new competitive funding to 60 low-performing schools to provide more targeted support. She also indicated the department saw better results with more targeted allocations as opposed to the current allocation methodology.

Ms. Webster explained 47 school districts and six charter schools applied for and received funding for the summer 2015 K-3 Plus program. She said the 2015 summer program served 21,059 students in 235 schools statewide. Ms. Webster stated eligibility for K-3 Plus funding included having at least 80 percent of enrolled students eligible for free and reduced-fee lunch or a school grade of D or F. She clarified that if the school improved its grade, it was an indication that K-3 Plus helped and the school could continue to receive funding for that program if they applied.

In FY16, Ms. Webster stated that \$23.7 million was appropriated for K-3 Plus and allocated as follows:

- \$22.7 million for school districts and charter schools to hire reading coaches and intervention support (LESC staff noted funding provides for the extra 25 school days);
- \$758,000 for literacy and numeracy professional development for K-3 Plus teachers and administrators; and
- \$190,000 for K-3 Plus staff and administrative costs, as well as including breakfast, lunch, and transportation costs.

Ms. Webster maintained DIBELS Next data for beginning-of-year and end-of-year results, for the 2014-2015 school year, show K-3 Plus students versus all kindergarten through third grade student composite scores are nearly at par, at, or above benchmark levels. She stated that while this was promising, school districts still have a lot of work to do to continue to raise those levels well above 70 percent.

Ms. Webster explained that chronic absences in kindergarten and first grade can leave students unable to read by the end of third grade. She added in sixth grade, poor attendance becomes a leading indicator that a student will drop out of high school, and by ninth grade attendance is a better predictor of high school graduation than eighth grade test scores. She concluded by saying the Secretary provided a memo to school districts and charter schools highlighting resources as well as a link to the nationwide campaign, *Attendance Works and the Campaign for Grade Level Reading* (<http://www.attendanceworks.org>).

Dr. Damon Cann, Project Co-investigator and Statistical Lead for Utah State University (USU), explained that many students experience a decrease in academic achievement levels over the course of the summer, and the summer learning losses especially impact students from low socioeconomic backgrounds. He explained that as this decrease of academic achievement levels accumulates across the years of education, a substantial achievement gap can emerge.

Dr. Cann explained that USU received funding through the federal Investing in Innovation Fund program to evaluate the effectiveness of the New Mexico K-3 Plus program. The StartSmart project includes funding from both public and private sectors including: US Department of Education; JP Morgan; Annie E. Casey Foundation; Sandia National Laboratory; Kellogg Foundation; Rural School and Community Trust; and Pearson and Riverside Publishers. The research-based project included participants from: Albuquerque Public Schools; Gallup-McKinley County Schools; Gadsden Independent School District; Hobbs Municipal Schools; Deming Public Schools; Roswell Independent School District; Santa Fe Public Schools; and Belen Consolidated Schools and Las Cruces Public Schools for only one year.

Dr. Cann explained the StartSmart project used a randomized controlled trial to compare students randomly assigned to an intervention group with students assigned to a control group, which will give a consistent comparison. He further added that a comparison between K-3 Plus students and non-K-3 Plus students may create a selection bias. Dr. Cann explained there are variables for students within a K-3 Plus program, for example: K-3 Plus students are more likely to be ELs and may be eligible for free and reduced-fee lunch. These students tend to struggle more academically than their peers.

Dr. Cann informed the committee that after the random assignment, students were followed for four years, and outcomes in core academic areas of reading, math, writing, language, and social skills were evaluated. He noted the study prompted three key questions: (1) does the summer program improve student performance? (2) are gains from the summer program maintained for all students? and, (3) are there some students who benefit more from the program than other students?

Dr. Cann noted when performance is measured within one-to-two months of the beginning of the school year, students who attended K-3 Plus improved in core academic areas. He explained that beginning-of-year results for kindergarten, K-3 Plus students receiving the intervention demonstrated significant statistical gains with an average of about 10 percentile points in the core academic areas; however, for social skills and receptive language, there was no statistical significance. Dr. Cann noted similar results for third grade.

Referring to a table with end-of-year kindergarten results, Dr. Cann explained that gains were not maintained through the year and showed minimal if any statistical significance. He explained that they did not have end-of-year third grade results because funding ran out. He noted for second grade the significance was a little better than kindergarten but not by less than five percentile points.

Dr. Cann said something is happening during the course of the year that is causing both groups to end up at the same percentile where at the beginning of the year the intervention group was academically ahead of the control group. He explained to the committee that there are a couple of hypotheses that may explain why K-3 Plus students are not maintaining academic gains over the course of the year: (1) teachers may simply re-start the curriculum on day one; state guidance suggests to keep these students together with the same teacher through the end of the year but this is not often the case; and (2) language issues exist in some schools; while some schools provide summer services in both English and Spanish, the language of instruction will typically be English and finding or securing a bilingual teacher is difficult.

Dr. Cann explained that second grade data suggest that when K-3 Plus students remain with the same teacher through the end of the year there are strong, statistically significant gains academically, but not socially.

Referring to ELs, Dr. Cann stated data does not indicate that K-3 Plus hinders academic gains. However, the statistical significance demonstrates fewer gains than the control group which is set at the 50th percentile, with the exception of social skills, ELs slightly outpace the others. He explained the data suggest that something is happening with ELs and the language of instruction.

Dr. Cann concluded by summarizing four key takeaways: (1) when controlling for selection bias, K-3 Plus has clear achievement boosting prospects; (2) these gains are not maintained

through the school year for all students, but appear to be maintained for some students; (3) continued research and evaluation of the program can help determine whether adjustments to the program can improve effectiveness like maintaining the same teacher through the end of the year and addressing language development; and (4) we have additional data that could be used to support additional analysis on program effectiveness and funding formulas in various contexts.

Committee Discussion

In response to a request from Chairman Roch for student data that is program specific, especially data for K-3 Plus students, Ms. Webster explained that PED has access to state-level data through the Amplify mCLASS system and that the department will provide that specific data to LESC.

In response to a request from Chairman Roch to provide evidence for the department's decision to authorize some schools to allow the K-3 Plus summer program to run for 20 days as opposed to the 25 days required in statute, Ms. Webster explained that Administrative Rule clarifies flexibility for schools that run a four-day school schedule with longer hours to have a 20-day summer program; the hours of instruction are equivalent to the 25 days in statute.

In response to a suggestion from Chairman Roch to move K-3 Plus funding into the formula so all school districts and charter schools can benefit, Ms. Webster explained that below-the-line funding ensures that the money is used for its intended purposes. For example, she noted that if funding were above-the-line for RTL, smaller districts would receive significantly less money than the minimum \$50,000 that is currently distributed.

In response to a concern that Chairman Roch that grant funding for StartSmart has concluded, Dr. Cann explained that schools that served approximately 1,200 students will no longer receive funding but recommended that school districts and individual schools apply to PED for state funds to fill the gap, and Dr. Cann noted that several districts have done so and are able to fill in that gap. Chairman Roch also suggested that as the FY17 budget is being considered, language should be included to ensure services continue for those students who have participated through the StartSmart grant.

Representative Hall expressed concern that federal grant funding would not support conclusion of the study and that USU owns the StartSmart data. He asserted that, because K-3 Plus was such a vibrant program, it was important for the LESC and the Legislative Finance Committee (LFC) to have access to that data to support further study. In response to Representative Hall's concern, Dr. Cann stated that they would like to have more funding to continue with StartSmart and that federal requirements prohibit them from sharing the data. Representative Hall noted LFC unanimously supported below-the-line funding for early literacy programs such as pre-kindergarten, K-3 Plus, and RTL. He stressed that if the LFC budget passes, maybe we can work with USU to have access to the data.

In response to Representative Hall's question about the data not having any statistical significance in the area of social skills for both kindergarten and third grade, Dr. Cann explained that perhaps the assessments used to measure social skills was not the best tool. He noted that perhaps the reason for lack of statistical significance is they may not have targeted specific types of classroom behaviors that K-3 Plus affects. Representative Hall added that this area was an important indicator for discipline and truancy.

In response to a concern from Senator Stewart that some districts are not implementing K-3 Plus as it is intended in statute, Dr. Cann stated that feedback from districts maintained that it is very difficult to get teachers to volunteer to teach during the summer, even though they are paid. He also noted that sometimes the teachers that do volunteer are from higher grades making it difficult to keep students with the same teacher. He explained they recommended a 205 day teacher contract instead of the 180 day contract. He asserted that this idea obligated those teachers to remain with those students. Dr. Cann maintained that while there is no evidence to support the idea, finding ways to attract teachers to remain with those students will likely demonstrate significant gains for K-3 Plus students.

In response to Senator Soules' request about conducting a longitudinal study, Dr. Cann said they are currently seeking funding to conduct one and added that if USU was successful in attracting the Legislature's support, he recommended two ways in which to conduct such a study: (1) inexpensively, the state can use assessments that are already in place and follow students through graduation; and (2) a more expensive approach would be to select an instrument to look for the right kinds of matches between skills and specific outcomes. However, he noted New Mexico has a high student-mobility rate and a tracking system will need to be efficient at following students as they move from district to district. Dr. Cann added that PED tracks K-3 Plus students in the student teacher accountability reporting system.

In response to Senator Padilla's question regarding data tracking for pre-natal to third grade experiences, Dr. Cann explained that they do not know if any of the K-3 Plus students attended pre-kindergarten or Head Start. He also noted the consequences for students who did or did not participate in an education program prior to kindergarten would randomly occur at equal rates in the intervention and control group. Dr. Cann further stated that while there was a household survey to include activities for students during the summer, the team has not had the opportunity to analyze those data. He also added USU would not be able to measure whether those programs were high-quality or not.

In response to a request from Senator Sapien related to how to track pre-natal to third grade experiences, Dr. Cann suggested that in order to track within those programs, an efficient system must be set up to efficiently track a child's performance before they are assigned their PED identification number. He noted that if data is gathered on who is participating in early childhood learning programs and if you can make the system between PED and other departments talk to one another, you are going to have an easier time evaluating early childhood learning programs.

In response to Representative Salazar's question about identifying ELs, Dr. Cann stated they were not successful in tracking EL status through the course of the study. However, he noted they did measure for EL status by administering a language acquisition assessment to detect which language was strongest, English or Spanish, and then tested in language of strength for randomization. Dr. Cann clarified they were only able to assess in English and Spanish and not able to reach those other languages identified in the state.

In response to a question from Senator Kernan about gauging attendance for K-3 Plus, Dr. Cann explained that schools were asked to provide attendance data and USU found students in kindergarten had an attendance rate of about 80 percent, though attendance drops significantly for third graders to 60 percent. He determined younger students were more motivated to attend the summer program than older students. Dr. Cann noted that StartSmart allocated funding to

provide attendance incentives to attend the summer program. He added the program is not effective if students do not attend. Senator Kernan inserted that one of the challenges is attendance and did not think it can be mandated because K-3 Plus is a special program.

In response to a question from Senator Kernan about funding for transportation, Dr. Cann stated that StartSmart funded transportation and added that schools were able to dip into federal funds to help fill gaps. He said they were able to identify different transportation costs across districts and noted they vary within rural areas compared to urban ones. Ms. Webster added transportation costs are included in state-funded K-3 Plus programs.

Referencing statistical growth only in math and writing for second grade at end-of-year with the same teacher, Senator Brandt expressed concern that K-3 Plus may not be working as effectively as it should if a student cannot remain with same teacher. He suggested that the Legislature may consider investing that money in reading interventionists. In response, Dr. Cann explained that K-3 Plus may work well for a certain population of students and for it to be successful depends on many factors such as maintaining the same teacher and addressing language issues. Dr. Cann noted the choice that confronts policymakers is choosing among a variety of programs with limited resources, and the natural choice is to choose a program with solid evidence to support successful student outcomes. Based on data results, Dr. Cann expressed that it would be great to suggest that the program is working and fund it to its maximum extent possible or suggest it is not working and decrease or eliminate funding. However, he stated that as a scientist, he is only able to suggest areas of improvement, as the program does demonstrate promise for some students.

ELEMENTARY AND SECONDARY EDUCATION ACT **(ESEA) REAUTHORIZATION**

Ms. Leighann Lenti, Deputy Secretary, Policy and Program, Public Education Department (PED), informed the committee about the historical timeline behind the federal *Every Student Succeeds Act* (ESSA). The *Elementary and Secondary Education Act* (ESEA) was originally passed and signed by President Lyndon B. Johnson in 1965. This law created the Title I program, which allocated funding to schools and school districts with a high population of low-income students. The *Improving America's Schools Act* was passed and signed by President Bill Clinton in 1994, and this was the first time the federal government required all states to have math and reading standards. The *No Child Left Behind Act of 2001* (NCLB) was passed and signed by President George W. Bush, and this expanded the federal government's role in public education. Since NCLB was never reauthorized, the US Department of Education (USDE) began issuing waivers to states from certain elements of the act. The ESSA was passed and signed by President Barack Obama on December 10, 2015.

Ms. Lenti stated that ESSA required each state education agency (SEA) to consult with the governor of the state on the development of its Title I and Title II plans. Chairman Roch clarified the ESSA requires consultation with a larger group of stakeholders including: legislators, school boards, and local education agencies (LEAs).

Ms. Lenti noted the USDE Secretary is required to establish a peer-review process to assist in the review of state plans; however this is not a new requirement. The USDE Secretary is also required to approve a state plan no later than 120 days after submission unless the Secretary

meets specific criteria to disapprove the state plan. The USDE Secretary may not: require a state to add new requirements or add or delete specific elements to state standards; prescribe goals of progress or measurements of interim progress that are set by states pursuant to their accountability systems; or prescribe specific assessments, items to be used in the assessments, indicators that states must use, the weight of measures, or school improvement strategies or exit criteria.

Ms. Lenti noted the law maintains the high-quality student academic assessments in math, reading, language arts, and science. As part of that process, PED is required to assure that the state's standards are aligned with entrance requirements for credit-bearing coursework in postsecondary institutions in the state and relevant state career and technical education (CTE) standards. Moreover, the law codifies the 1.0 percent cap, on the total number of students in the state that can be assessed using alternative assessments for students with significant cognitive disabilities. ESSA maintains the existing requirement that all students in grades 3 through 8 and at least once in high school be assessed annually in reading and math. The students must also be assessed at least once in a grade span in science.

Ms. Lenti said ESSA eliminated the adequate yearly progress framework and replaced it with ambitious state-designed long-term goals that must include measurements of interim progress for all students and subgroups of students on improved academic achievement on state assessments, graduation rates, and progress in achieving English proficiency for English learners (ELs).

The state will be required to develop and implement a new accountability framework index that focuses on three key areas. First, the academic indicators must include academic achievement based on annual assessments and on the state's goals. Academic indicators must also include a measure of student growth or other statewide academic indicator for elementary and middle schools, graduation rates for high schools, and progress in achieving English proficiency for ELs in grades 3 through 8 and the same high school grade in which the state assesses for math and English language arts. The index must also include at least one measure of school quality or student success, which can include student and educator engagement, access and completion of advanced placement (AP) coursework, postsecondary readiness, school climate, and safety. In addition, she noted that "substantial weight" is required to be given to the academic indicators, although this is undefined in the act. The law also maintains the requirement that schools must assess 95 percent of students and subgroups of students annually as part of the state index system.

Ms. Lenti said ESSA requires comprehensive support and improvement and targeted support and improvement, which was not required under NCLB. Ms. Lenti stated that beginning with the 2017-2018 school year, and at least once every three years, the state must identify schools that are in need of comprehensive support and improvement. This identification includes schools that are in the bottom 5.0 percent of schools in the state, high schools that graduate less than two-thirds of their students, and schools for which a subgroup is consistently underperforming. These schools will be required to develop improvement plans that are evidence-based and are required to be approved by the school district and SEA. The state must annually notify LEAs of schools that have consistently underperforming subgroups. These schools are required to develop and implement a targeted support and improvement plan to improve outcomes for underperforming subgroups.

Ms. Lenti testified that ESSA provides flexibility to states in allowing a portion of Title II administrative dollars to be used for developing teacher preparation academies. The academies are required to be state authorized and can be operated from a nonprofit or public entity, including the state's institutions of higher education. ESSA eliminates the highly qualified teacher requirement though it allows a state to develop and implement teacher and principal evaluation systems. Lastly, states are still required to describe how low-income and minority children enrolled in Title I schools are not served at disproportionate rates by ineffective, out-of-field, or inexperienced teachers, principals, or other school leaders.

Ms. Lenti concluded by noting the NCLB waivers are null and void on August 1, 2016. She also stated that USDE has one year to issue final regulations. USDE is in the process of outlining an expected timeline for developing and implementing regulations.

Mr. Kevin Force, Analyst for LESC, informed the committee about specific timelines required by ESSA. In particular, the USDE Secretary has 120 days to approve state plans after submission. He noted there is an additional timeline of 90 days to approve a state plan with significant changes without peer review. He indicated that although waivers expire on August 1, 2016, there is no specific timeline for submission of state plans. As such, the implementation of interventions, such as monitoring school turnaround programs or schools in need of improvement grants, will continue beyond the August expiration until the state plan is approved.

Mr. David Craig, Analyst for LESC, began by highlighting changes to federal grant programs. First, he noted the key themes of the new ESSA grant framework are simplification, fewer grant programs, and allowing grantees increased flexibility in usage.

Mr. Craig stated the formula for Title I grants to LEAs remains unchanged. Under ESSA, LEAs can consolidate and use Title I funds for their school-wide programs for serving low-income students as well as funds for preschool programs and dual or concurrent enrollment programs. In addition, ESSA changed certain requirements states must meet when using Title I funds, such as the maintenance of effort for Title I expenditures. Specifically, future awards will only be reduced if the state fails to meet the requirement for one or more of the five immediately preceding fiscal years.

ESSA made significant changes to the school improvement program. Under ESSA, the school support and improvement activities grant program requires each SEA to prioritize LEAs that serve high percentages of schools implementing comprehensive support and improvement plans and that demonstrate the greatest need and commitment to using funds for underperforming schools.

A state is allowed to use up to 3.0 percent of the administrative withholding for direct student services awards. These awards can include providing academic courses not available at a student's school such as advanced courses like Dual Credit and selected CTE coursework, credit recovery and academic acceleration courses, AP courses, and components of a personalized learning approach such as high-quality academic tutoring. LEAs may also use these funds to offset transportation costs associated with school choice provisions. Additionally, there is funding available for parent and family engagement efforts such as professional development, disseminating best practices, and collaborating with entities for parent and family engagement.

Mr. Craig also noted ESSA awards state assessment grants under Title I to SEAs to pay the costs of development or administration of assessments and standards adopted in the state's Title I plan, which may include the costs of working in voluntary partnerships with other states. Examples of administrative expenses include ensuring appropriate accommodations to ELs and children with disabilities, developing or improving assessments for ELs, and ensuring the continued validity and reliability of state assessments. Under ESSA, the formula for grant programs to assist migrant students was amended to include eligible migrant children who received services in summer or intersession programs. Additionally, ESSA expanded coverage under the grant program for neglected and delinquent students to include tribal institutions. It also adds a requirement that states must establish provisions for timely reenrollment of youth in the juvenile justice system, including opportunities to participate in credit-bearing coursework.

The Title II funding formula was changed to eliminate a base funding amount and shift the reliance of the formula from the number of school-aged children in the state to the percentage of school-aged children in poverty in the state. Under ESSA, states will receive the base amount, but this provision will be phased out by a percentage over seven years. Title II retains a guarantee that states will receive a minimum amount of funds distributed above the base allocation. Funding for national activities is included for the development of new grant programs, including teacher and school leader incentive programs and grants; literacy education programs and grants; school leader training and recruitment; and state-led science, technology, engineering, and mathematics master teacher corps programs.

Mr. Craig stated that under Title IV, student support and academic enrichment grant programs are set up to provide all students with access to a well-rounded education, improve school conditions, and improve the use of technology. The LEA must use at least 20 percent of Title IV funds to support one or more activities related to healthy and safe students, such as drug and violence prevention programs, nutritional education, and credit recovery programs. Lastly, LEAs have to use a portion of the funds to support the effective use of technology, provided that no more than 15 percent is used to purchase education technology infrastructure.

Additionally, Title IV provides funding for grants to support the startup of new charter schools, the replication or expansion of high-quality charter schools, assisting charter schools in accessing credit to acquire or renovate facilities for school use, and national activities such as evaluating the impact of the charter school program and creating stronger charter school authorizing practices.

To conclude, Mr. Craig noted that under Title VII a number of policy changes were made to the Impact Aid program to reduce subjectivity and increase the timeliness of payments. Additionally, under Title IX, ESSA required that SEAs create a state coordinator for education of homeless students as well as requiring LEAs to create liaisons for homeless students. Lastly, ESSA includes preschool development grants, which will allow states to develop, update, and implement a strategic plan to foster collaboration between early childhood care and education programs. This partnership will encourage improvements to coordination, program quality, and delivery of services. States can also use the funds to conduct periodic statewide needs assessments that measure the availability and quality of existing programs, the number of children being served in existing programs, and the number of children awaiting services.

Committee Discussion

Chairman Roch inquired whether LEA subgrants would be reduced if the state's Title II funding is used to fund teacher preparation programs. Ms. Lenti indicated, based on her knowledge, that teacher preparation programs would be funded through the percentage of Title II funds each SEA is allowed to set aside that can be used at the state's discretion.

In response to Chairman Roch's question on the timeline for approval of the state plan, Ms. Lenti noted she was not aware of the specific timeline for USDE approval. Chairman Roch stated the committee was looking forward to collaborating with PED on the state plan details and implementation.

Senator Stewart observed notable changes in ESSA. In particular, she stated that the USDE Secretary has a diminished role in requiring or prescribing the weight of measures or indicators for standards and assessments. She also noted that consultation on the state plan is required to include LEAs, Indian tribes, parents, and teacher organizations.

Chairman Roch directed committee members to a letter from the committee that asked PED for the opportunity to be included in the development of the state plan. On a motion by Senator Kernan, seconded by Representative Salazar, the committee voted to send the letter to PED.

ABC COMMUNITY SCHOOLS PARTNERSHIP IN ALBUQUERQUE

Mr. José Muñoz, Executive Director, ABC Community School (ABCCS) Partnership in Albuquerque, explained that ABCCS is both a place and a set of partnerships between the school and other community resources to address the most vulnerable students. He stated ABCCS has an integrated focus on academics, health and social services, community engagement and development, and are open to everyone before school, after-school, weekends, and summers.

Mr. Muñoz spoke about the *Community Schools Act* passed by the 2013 Legislature and the result and impact-driven core component strategy of ABCCS focusing on health and support for students, extended learning, and family and community engagement.

Mr. Muñoz cited a 2014 report by Child Trends, a nonprofit, nonpartisan research center that synthesized rigorous evaluations of community school initiatives, and concluded there is growing evidence that community schools reduce grade retention and dropout rates, and increase attendance, math achievement, and grade point average. He noted that ABCCS is a disciplined approach focused on improving New Mexico's ranking of 49th in child well-being by focusing on five impacts and outcomes for children: academic achievement, early childhood readiness, keeping students in school, increased graduation rates, and cost-effective strategies.

Mr. Muñoz explained that ABCCS builds stronger families, develops healthier communities, and helps students learn, noting that:

- based on an Apex for Education 2009 evaluation, Pajarito Elementary School increased math scores by 23 percent and reading scores by 13 percent in two years;
- Emerson Elementary School decreased student mobility rate by 15 percent in the first year; and

- based on a Center for Education Policy Research-University of New Mexico 2012 report of 10 community schools:
 - English learner unexcused absences decreased over 18 percent;
 - the number of students involved in two or more discipline incidents decreased over 15 percent; and
 - math and reading scores increased over 20 percent for economically disadvantaged students.

In closing Mr. Muñoz stated that an appropriation of \$5.0 million to the Public Education Department for FY17 and FY18 for the *Community Schools Act* would broaden the impact across approximately 60 to 70 schools in New Mexico and the creation of a task force of other funding agencies to develop a request for proposal for schools and districts encouraging them to partner. He noted that assistance from already thriving ABCCS would help other local governments and school districts develop a “community wide leadership” model.

CAREER PATHWAYS: PREPARING STUDENTS FOR A SUCCESSFUL LIFE

Mr. Eric Spencer, Director, College and Career Readiness Bureau, Public Education Department (PED), explained how career pathways can help New Mexico achieve success by increasing: college- and career-readiness; high school graduation rates; access to high-quality workplace learning experiences; rates of postsecondary attainment and employment; numbers of students staying in school; and student academic attainment.

Mr. Spencer explained that a career pathway is defined in regulations as a subgrouping used as an organizing tool for curriculum design and instruction of occupations and career specialties that share a set of common knowledge and skills for career success. In a New Mexico Career Technical Education (NMCTE) study conducted by the Southern Regional Education Board (SREB), career pathways and programs of study refer to aligned sequences of academic and technical courses that span high school and postsecondary studies that lead to certifications, credentials, degrees, and jobs in high-demand fields.

Over the last year, Mr. Spencer stated the Council of Chief State School Officers (CCSSO) created a task force that New Mexico participated in with stakeholders across the nation to evaluate CTE systems and make policy recommendations. CCSSO issued a report with their findings, which included the NMCTE study. Mr. Spencer explained the work of CCSSO and the evaluation of CTE systems informed the development of a state action plan that included collaboration between PED, the Higher Education Department (HED), and the Department of Workforce Solutions (DWS).

Mr. Spencer outlined three components of the action plan with recommendations: (1) listing employers as community partners or lead partners to move career pathways forward; (2) raising the bar for quality career preparation programs; and (3) adding value for career preparation programs to schools and students.

Mr. Spencer explained that employers need to be at the table to help identify the standards for quality work-based learning for students and the standards need to be negotiated between industry and education. He noted PED would execute this by implementing recommendations to

identify the sectors most important to New Mexico's economy and design specific knowledge and skills within a career pathway for students that pertain to qualifications defined by the employer community. The goal is to define pathways in the state and define more strategic investments into those pathways that lead to high-wage, high-skill, and high-demand jobs.

Mr. Spencer stressed that all students in a school system should have a clear career pathway that spans secondary to postsecondary education. He emphasized that a high school diploma is no longer enough in today's economy. He recommended raising the rigor in CTE programs throughout the state. Mr. Spencer asserted that New Mexico needs to dramatically expand work-based learning, strengthen and expand career guidance, and scale-up CTE programs through an approval process.

Concerning equal value between college- and career-readiness, Mr. Spencer explained that CCSSO wanted to level the playing field and explore an emphasis on career-readiness for meeting graduation requirements. He recommended building bridges from high school to promote rigorous relevant pathways that align secondary and postsecondary programs of study that lead students to great jobs in high-demand fields at a state or regional level.

Mr. Spencer provided the committee with five core recommendations: (1) establish a rigorous, relevant career pathway that connects industry and education; (2) raise the quality of instruction and assignments aligned to skills in industry; (3) challenge high school students for postsecondary studies by implementing strategies designed to improve literacy and math achievement; (4) ensure all students have an ongoing opportunity to explore their life after school with caring adults through a career guidance counseling system; and (5) support value in academic and CTE readiness in college and careers.

Mr. Spencer explained HM 14, *Establish High-quality Career Pathways*, of the 2015 regular legislative session, requested that PED, HED, and DWS collaborate with each other to determine how high-quality career pathways bridge high school curricula with postsecondary studies and 21st Century job opportunities for all New Mexico students. He added that the memorial also maintains that relevant stakeholders develop policies and initiatives to develop clear career pathways and programs of study for career opportunities. He noted that taking the directive from HM 14 and the two resources from CCSSO and NMCTE, a partnership with suggested entities enabled a development of a state plan for career readiness.

Mr. Spencer stated both PED and HED included \$500,000 to support the execution of the career readiness state action plan, as well as \$425,000 to fund and support local implementation of programs of study that creates a true partnership with postsecondary education and the employer community in their FY17 budget requests.

The committee also heard testimony from Ms. Unna Valdez, Career and Vocational Teacher for the Culinary Arts Program, Sandia High School (SHS), Albuquerque Public Schools; Ms. Janet Hunter, Director, Secondary Curriculum, Farmington Municipal Schools (FMS); and Ms. Michelle Ronga, Assistant Principal, Health and Human Service Program of Study, Las Cruces High School, Las Cruces Public Schools (LCPS), to inform the committee about the different CTE programs of study across the state.

Ms. Valdez stated that SHS established the hospitality and tourism pathway eight years ago and has served approximately 1,500 students. She added that certifications provided through this

pathway currently include ProStart and ServSafe, and SHS is working to establish certifications for First Aid, CPR (cardiopulmonary resuscitation), and OSHA (Occupational Safety and Health Administration). She said according to the New Mexico Restaurant Association, 80 percent of those students who received certification will work in the industry, whether it is to put themselves through college or obtain employment.

Ms. Valdez said SHS students have participated in Career and Technical Student Organizations (CTSO) including: ProStart for eight years; SkillsUSA for eight years; and Family, Career and Community Leaders of America (FCCLA) for two years. Her students participated in a ProStart culinary arts competition where students were judged on safety, sanitation, and knife cuts, as well as mise en place (preparation of ingredients), she added. The students were also judged on quality and presentation of their dish.

Ms. Valdez explained the culinary arts program has been named one of the 2014-2015 Elite 50 by the National Center for Hospitality Studies at Sullivan University. She added the Elite 50 list is comprised of high schools and technology centers that excel in culinary arts, baking, and the pastry arts, as well as hospitality management. Ms. Valdez emphasized the program has won a number of state and national competitions and students have moved on to some of the nation's top culinary schools including Johnson and Wales. She stated the program has earned \$600,000 in scholarships for students with the use of funds being flexible if students choose to study something different.

Ms. Valdez noted that integration with work-based learning and academics included the integration with the New Mexico Common Core State Standards (NMCCSS) math and language arts to be used in collaboration with social studies projects, as well as the humanities and sciences. She added the integration was important so students have a strong academic core and culinary arts background to be college and career ready.

Ms. Hunter explained the Energy and Power (pre-engineering) program of study in Farmington was implemented in the fall 2015. She noted FMS was interested in expanding their high school programs of study based on student interest in the oil and gas industry. Ms. Hunter informed the committee that FMS has been a High Schools That Work (HSTW) participant for 12 years and based on need, applied for SREB's Advanced Career (AC) Energy and Power curriculum to expand its programs of study. She stated that they chose AC because the curriculum was written by teachers and was project-based.

To qualify, Ms. Hunter explained, the school district needed to create a partnership with stakeholders in the community to include: local industry (Process Equipment & Service Company (PESCO) and Merrion Oil and Gas Corporation); the Four Corners Economic Development Council; and the San Juan College (SJC) School of Energy. She stated high school principals met with these entities to make sure the curriculum was aligned with academics and industry.

Ms. Hunter explained funding came in the form of a grant offered through PED's workforce readiness initiative. The grant provided for: SREB's AC Energy Power and curriculum; professional development for teachers and administrators; and implementation of the first course offered for 38 students at two high schools.

Ms. Hunter stated the energy and power curriculum included a sequence of four courses with six hands-on projects for each course. She emphasized that math, science, and English language arts standards were integrated into the courses for students to have an opportunity to apply academics to real-life skills in an industry.

Ms. Hunter explained the four courses have been modified to include Dual Credit opportunities. She stated that students will transition to SJC School of Energy for what would be considered courses three and four. Ms. Hunter added the sequence of coursework includes Energy and Power Foundations and Energy Transmission and Distribution, both offered in high school. She added that SJC offered the following courses for Dual Credit; Natural Gas Compression Technology, Industrial Process Operator, and Petroleum Production Operations. Ms. Hunter explained the Dual Credit courses offered at SJC also provided certification or an associate degree in applied science.

Ms. Hunter stated the Energy and Power (pre-engineering) programs of study offered students opportunities to work in the field or continue on to postsecondary studies. She added the students were able to make site visits to SJC School of Energy and the School of Engineering at New Mexico Institute of Mining and Technology. Ms. Hunter explained students also demonstrated a motor projects to groups of students at the Discovery Festival (a science, technology, engineering and mathematics (STEM)-based program), as well as made presentations to a panel of adults including district-level administrators. She said some of the presentations included hands-on projects such as: direct current motors; hydroelectric turbines; heat exchange; and pumps and pipe flow.

Ms. Hunter concluded by adding the goals for the Energy and Power (pre-engineering) program of study is to increase overall academic performance in core content areas as well as the Partnership for Assessment of Readiness for College and Careers scores. She stated that FMS' plan to increase enrollment in the first course, as well as maintain enrollment in the second course. Ms. Hunter explained they will track students moving from one course to the next and then on to SJC.

Ms. Ronga explained that healthcare is the fastest growing employer in New Mexico and as a participant of HSTW, LCPS has selected to expand the programs of study in health science to make it a model program for other pathways to follow. She added that health science is broad in its employability, as well as serves students going on to an advanced degree.

Ms. Ronga emphasized that community partnerships are especially important for the success of programs of study. She added that they are part of the Health Occupation Students of America, a CTSO that provides insight into developing trends and providing opportunities for students to have work-based learning experiences in the healthcare field. Ms. Ronga stated students must job shadow as well as complete projects within the medical community. She said other partnerships include New Mexico State University (NMSU), and Doña Ana Community College (DACC).

Ms. Ronga explained that rigor and relevance of curriculum help support project-based learning and literacy design collaborations. She stressed that NMCCSS guide the design of the curriculum, as well as provide hands-on application of curriculum to real-life industry. She explained that because bilingual nurses are in high demand, an emphasis to work with bilingual students is crucial to help fill that demand.

To conclude, Ms. Ronga explained that to ensure success within the program a few modifications will take place to better serve the students such as: adjustments within course offerings; considerations for Dual Credit opportunities on our campus; and refining curriculum to address recommendations of the partnership advisory boards.

Committee Discussion

In response to Senator Soules' concern about filling New Mexico's highest-needs jobs in social work, early childhood education, and education, Mr. Spencer clarified that the initiative calls for partnerships with business and industry for employer engagement. He added that those jobs are considered industry-based and those employers would be at the table to help us identify those pathways. Mr. Spencer said that it is important to address the employment sectors with high-need and look into career pathways to fill those needs. He added that the action plan includes a proposal to develop an employer committee to help support this effort.

In response to a comment from Representative Espinoza regarding employer engagement in a particular field and region, Mr. Spencer added that a partnership between secondary and postsecondary has to be solid. He said that postsecondary institutions have to be informed about what happens at the secondary education level, and the secondary system has to be open to those particular sets of ideas. Mr. Spencer concluded that the end goal is to ensure we are able to provide academic structures for students to take on that particular skill-set and career pathway.

In response to Representative Williams Stapleton's question regarding STEM, Ms. Hunter explained the Energy and Power (pre-engineering) program of study is part of the STEM initiative. She added there are several pathways these courses will lead into, such as the SJC School of Energy and the School of Trades and Technology. Ms. Hunter stated these pathways are part of a career cluster for engineering, but as the program expands, they may be included in other pathways.

In response to a question from Representative Williams Stapleton regarding Dual Credit, Ms. Ronga explained that LCPS does not currently offer a Dual Credit course. However, she added, LCPS has an articulation agreement with NMSU and DACC. Ms. Ronga stressed the credits do filter out to other universities in New Mexico. She explained it is not considered Dual Credit because it is not taught by NMSU or DACC faculty.

PUBLIC EDUCATION DEPARTMENT UPDATE ON LICENSURE BUREAU

Ms. Rachel Gudgel, Director, LESC, informed the committee that certain issues have arisen over the last several months related to licensure and background checks. Ms. Gudgel said the former Mora Independent Schools superintendent was under investigation because there were allegations that he produced some fraudulent documents to obtain his Level 3-B administrator license while he was a Public Education Department (PED) employee. The individual resigned from the superintendent position and state police are investigating the issue. The second issue dealt with Albuquerque Public Schools (APS) not conducting a background check on a former deputy superintendent. It came to light that this individual was facing serious felony charges in Denver. Based on these two instances, the Office of the State Auditor became involved and issued a risk advisory opinion. The Office of the State Auditor has also issued a report to APS related to their background check process.

Ms. Gudgel noted the committee asked PED to address what they were doing internally to ensure fraudulent documents were not used to secure licenses as well as how PED is making sure background checks are being fulfilled at the district level. She stated PED was unwilling to comment on an issue with a pending state police investigation. When the investigation is completed, PED would be willing to address the committee and its concerns. Additionally, Ms. Gudgel said that PED has been looking for an outside firm to audit their licensure bureau process and to help identify risks that might exist.

Chairman Roch indicated the committee wishes to stay updated on this important issue. Additionally, at the local district level, every school district was required to submit evidence that background checks had been done on all their administrators. Chairman Roch stated background check provisions in the *School Personnel Act* require a person who becomes employed with a local school district to obtain a background check within a certain amount of time. The background check does not have to be renewed so long as they maintain employment; however, if they move to another school district and their background check is more than two years old, the employee has to undergo another background check to start employment in the second school district.

SUPERINTENDENT AND COMMUNITY INPUT

Mr. Tim Sheahan, President and Chief Executive Officer, Boys and Girls Clubs of Central New Mexico and a member of the New Mexico Afterschool Alliance (NMASA) Leadership Council, informed the committee that NMASA is a network of after-school and summer learning stakeholders across the state that work together to ensure that all students have the opportunity to participate in affordable and high-quality out-of-school-time programming, including before-school, after-school, and summer programs.

He noted that students spend over 70 percent of their waking hours outside of school so these types of programs help keep kids safe while providing them with engaging learning activities, academic enrichment, positive youth development, and career exploration opportunities.

Mr. Sheahan emphasized that NMASA supports the educational strategies and programs discussed during the LESC interim, including community schools, summer learning programs like K-3 Plus, and high school career pathways. He also described how out-of-school-time programs align with these strategies and programs through the use of community school strategies and leveraging existing school infrastructure and family engagement opportunities.

Mr. Sheahan provided the following statistics to highlight the need for out-of-school-time programs: juvenile crime triples between the hours of 3:00 p.m. and 6:00 p.m.; seven out of 10 New Mexico parents agree that after-school programs help working parents focus on their jobs; performance data from 21st Century Community Learning Centers across the United States show that students in these out-of-school-time programs raised their math and English grades by almost 40 percent and improved their homework completion and class behaviors by approximately 70 percent; nearly eight out of 10 teachers agree that students who participate in summer learning programs are better prepared for school in the fall; and researchers find that two-thirds of the achievement gap between lower and higher income youth results from unequal access to enriching summer learning opportunities.

To conclude, Mr. Sheahan stated that many OST programs offer opportunities for career exploration through internships and mentoring with an emphasis on science, technology, engineering and mathematics (STEM). According to the latest *America After 3:00 PM* report, Mr. Sheahan indicated more than 70,000 children take part in after-school programs in New Mexico but another 90,000 children would be enrolled if programs were available to them. He also explained that more than nine out of 10 New Mexico parents support public funding for after-school and summer learning programs in a very bipartisan manner but more funding is needed to reach underserved students in rural, tribal, and high-poverty communities.

There being no further business, the Chair with the consensus of the committee, recessed the LESC meeting at 3:28 p.m.

**MINUTES
LESC MEETING
December 18, 2015**

Representative Dennis J. Roch, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 8:02 a.m., on Friday, December 18, 2015, in Room 307 of the State Capitol in Santa Fe, New Mexico.

The following members of the LESL were present:

Voting: Representatives Dennis J. Roch, Chair, Nora Espinoza, Tomás E. Salazar, Sheryl M. Williams Stapleton, and Monica Youngblood; and Senators John M. Sapien, Vice Chair, Craig W. Brandt, and Howie C. Morales;

Advisory: Representatives Alonzo Baldonado, Stephanie Garcia Richard, Jimmie C. Hall, G. Andrés Romero, Patricia Roybal Caballero, James E. Smith, and James G. Townsend; and Senators Jacob R. Candelaria, Carlos R. Cisneros, Lee S. Cotter, Michael Padilla, John Pinto, William P. Soules, and Mimi Stewart; and

Guests: Representative James Roger Madalena; and Senators Cisco McSorley and Bill B. O'Neill.

The following members of the LESL were not present:

Voting: Representative Christine Trujillo and Senator Gay G. Kernan; and

Advisory: Representatives Jim Dines, David M. Gallegos, D. Wonda Johnson, and Timothy D. Lewis; and Senators Daniel A. Ivey-Soto, Linda M. Lopez, and Pat Woods.

DIRECTOR'S REPORT

a. Approval of November 2015 LESL Minutes

On a motion by Senator Sapien, seconded by Representative Youngblood, the committee approved the minutes for the November 2015 interim meeting.

b. Informational Items

Ms. Rachel Gudgel, Director, LESL, reported the following items were included in the meeting materials for the committee's review:

- information requests from the committee fulfilled since the previous meeting, including:
 - cost to expand the Children, Youth and Families Department truancy program;
 - higher education completion and remediation rates;
 - math assessments used for the K-3 Plus program;
 - percentage of tuition and fees covered by the Legislative Lottery Scholarship;
 - source documents for the New Mexico Educator Equity Plan;
 - stakeholder engagement for the New Mexico Educator Equity Plan; and
 - whether teacher licenses constitute a property right;

- a copy of the temporary injunction on the use of teacher evaluations for certain purposes issued under *State of New Mexico ex rel., et. al. v. New Mexico Public Education Department, et. al.*, along with sections of rule pertaining to the evaluation system; and
- the New Mexico Supreme Court ruling for *Moses v. Skandera*, which found sections of the *Instructional Material Law* unconstitutional.

Committee Discussion

Chairman Roch questioned whether the committee should consider endorsing legislation to align the *Instructional Material Law* with the New Mexico Supreme Court decision. After Representative Espinoza noted it might be premature to consider statutory changes because legal remedies to appeal the ruling had not been fully exhausted, the committee declined to proceed with any action.

POTENTIAL LESC-ENDORSED LEGISLATION: BILL DRAFTS AND COMMITTEE REVIEW

Junior Reserve Officer Training Corps Teaching Licenses

Representative Patricio Ruiloba, with Major William E. Barker, US Marine Corps, District Military Instructor, Albuquerque Public Schools (APS); Lieutenant Colonel Gary R. Gomez, US Army; and First Sergeant McMinimn, US Marine Corps, spoke on a proposed bill for Junior Reserve Officer Training Corps (JROTC) teaching licenses. Representative Ruiloba noted the bill creates a new section of the *School Personnel Act* to create an alternative teacher license for JROTC instructors. Last session, a similar bill died in the Senate.

Major Barker described his involvement with JROTC since 1990, noting that in order to receive one of these positions with JROTC, the instructor must have at least 20 years of active duty service, so it is of benefit to the school and community. Committee discussion largely concerned what sort of training JROC instructors receive. Senator Sapien moved the bill for committee endorsement, seconded by Representative Espinoza; the bill was endorsed without objection, 7:0.

Eliminate Certain Grade 9 and 10 Assessments

Representative Romero presented his bill proposing to eliminate short-cycle diagnostic assessments in ninth and tenth grades. The bill does not prohibit the administration of such assessments; it merely removes the requirement to do so. The bill was moved by Senator Sapien and seconded by Chairman Roch and was endorsed without objection, 7:0.

Breakfast After the Bell Name and Changes

Senator Stewart presented a bill proposing to make changes to the Breakfast After the Bell program, which Senator Kernan sponsored during the 2015 regular legislative session. Essentially, the bill proposes to add flexibility to the program by renaming it the School Breakfast Program, and allowing the meal to be served after the instructional day has begun, rather than only before it begins. Senator Stewart noted supporters of the Breakfast After the Bell program thought schools already had this flexibility. Representative Espinoza moved

endorsement of the bill, with Senator Brandt seconding; the bill was endorsed 6:1, with Senator Sapien voting “no.”

English Language Learner Teacher Preparation Act

Representative Salazar, briefly spoke about Representative Javier Martinez’ 2015 bill proposing the creation of the *English Language Learner Teacher Preparation Act*. Representative Salazar noted that due to timing and other considerations, the sponsor was not seeking endorsement of a bill at this time.

School Use of Restraint and Seclusion

Representative Smith and Senator Bill O’Neill presented a bill proposing to add limits on the sorts of actions school personnel can take when disciplining students, as well as to add requirements for school personnel to notify parents if their children have been subjected to restraint or seclusion. A similar bill was introduced in the 2015 legislative session, CS/SB 283, *School Use of Restraint & Seclusion*, but failed to get a Senate floor hearing. Representative Smith and Senator O’Neill were accompanied by Ms. Katie Stone, Chair, Legislative Committee of the New Mexico Autism Society.

Committee discussion focused on the seclusion aspect of the bill, as well as significant disparities in how students belonging to different subgroups were respectively treated with restraint and seclusion. Several members expressed general support for the bill, but noted that the definition of “seclusion” was overly broad, and may prohibit seclusion actions like in-school suspension or “time-out.” Additionally, members were concerned that allowing school administrators 24 hours to notify parents of their child being restrained or secluded was too long.

The bill was moved for endorsement by Senator Sapien and seconded by Senator Morales, and endorsed 5:3, with Chairman Roch, Senator Brandt, and Representative Espinoza voting “no.” Some members expressed hope that the sponsors would continue to work on the bill. Sponsors indicated their appreciation for the endorsement and assured members that they will continue to look at improving the bill, with particular emphasis on the seclusion and reporting aspects.

Charter School Transportation Distribution

Chairman Roch then spoke of the transportation distribution bill, which would remove state-chartered charter schools from the transportation distribution and treat them like locally chartered charter schools. The bill arose last interim as a result of the work of the LESC Charter Schools Subcommittee but failed to move during the 2015 regular legislative session. Chairman Roch did not seek committee endorsement of the bill.

Chairman Roch presented a second transportation bill that proposed to establish parallel transportation funding distribution formulas: one for school districts and one for state-chartered charter schools. The proposed bill includes a number of provisions intended to equalize transportation funding for school districts and state-chartered charter schools. Notably, 100 percent of a state-chartered charter school’s unspent transportation distribution would revert to the Emergency Transportation Fund. The bill proposed to limit a charter school’s transportation boundaries to those of the school district in which it is located. Finally, the bill

includes charter schools in provisions related to walking zones and minimal required distances for transport by school bus.

Committee discussion focused on the proposed establishment and administration of two parallel transportation funding formulas, which may generate different funding amounts per student and per mile. Staff noted that currently, state-chartered charter schools get more money than they need and have more limited options for expenditures. The administration of two formulas allows for better targeting of state-chartered charter school needs. Members were also concerned with the Public Education Department's involvement, noting the department is generally unsupportive of the bill.

Senator Brandt moved for committee endorsement of the bill, with Representative Espinoza seconding; the bill was endorsed with no objections, 7:0.

Training and Experience (T&E) Index, At-Risk Index, and Small School Size Program Units

LESC staff presented a bill proposing changes to the training and experience (T&E) index, the at-risk index, and the school size program units. By grouping all three adjustments together, the effects help to offset one another, thus avoiding too great a financial hit to individual school districts and charter schools.

Specifically, the bill has three main provisions that are to be phased-in over five years:

1. Establishes a teacher cost index (TCI) that replaces the T&E index, which is aligned with the three-tiered licensure system.
2. Reduces school size program units by 50 percent for charter schools; however, it allows a first-year charter school to generate 100 percent of the current size adjustment units to recognize start-up costs.
3. Phases in an increase in the at-risk index from 0.106 to 0.115.

Senator Sapien moved endorsement of the bill with Senator Brandt seconding; the bill was endorsed 6:0 by the committee.

Higher Education Credit for Military Training

Senator Brandt presented a bill proposing to direct the Secretary of Higher Education to establish a consistent, statewide policy permitting the evaluation and award of college credits based on military training. Veterans are eligible to receive college credit in consideration for their work, training, and coursework completed as components of their service. However, this credit is generally limited in application to electives, regardless of the work or training a particular veteran might have completed. The bill was moved for endorsement by Representative Espinoza, seconded by Representative Salazar and endorsed 7:0 by the committee.

Elementary School Physical Education and Obesity

Senator Stewart presented a joint memorial requesting the creation of a task force to assess the role of elementary physical education in reducing juvenile obesity, and to develop a plan for increased weekly physical fitness instruction to improve children's fitness. Representative

Salazar moved endorsement of the bill, and Senator Morales seconded; the bill was endorsed 7:0 by the committee.

Two Percent Administrative Support Offset

LESC staff presented a bill proposing to eliminate the 2.0 percent administrative offset withheld by charter school authorizers for support of their authorized charter schools. Ultimately, the committee decided to withhold endorsement, as multiple issues were noted by the New Mexico School Boards Association, the New Mexico Coalition for Charter Schools, and members.

Alternative Level 3-B School Licensure

Chairman Roch presented a bill to establish an alternative Level 3-B license for instructional support providers. Currently, there is no licensure track for instructional support personnel. Committee discussion centered on providing a Level 3-B license; the same base-salary as Level 3-A licensees. Chairman Roch accepted an amendment to change reference to the \$50,000 minimum salary to the same minimum salary as a Level 3-A license holder, times the applicable responsibility factor. Representative Salazar moved the bill, with the amendment, for endorsement, seconded by Representative Espinoza. The bill was endorsed 8:0 by the committee.

Enrollment Growth

LESC staff presented a bill proposing to change provisions regarding enrollment growth to prohibit any students included in funding calculations from based on current year membership from being counted in the calculation of enrollment units, which essentially may fund a student twice. Chairman Roch moved for endorsement, with Representative Salazar as second. The committee endorsed the bill 5:1, with Representative Espinoza voting “no.”

Core Arts Standards

Senator McSorley discussed a bill that would require the Public Education Department (PED) to adopt academic standards for arts programs established by the National Coalition for Core Arts Standards. Members were concerned about requiring the adoption of specific standards in law (generally, law requires PED to adopt standards in regulation), and that the bill named a non-governmental entity in New Mexico statutes. Senator McSorley agreed to address these concerns and return with a new bill for endorsement at the January LESG meeting.

ADJOURNMENT

There being no further business, the Chair adjourned the LESG meeting at 11:13 a.m.