

**Joint Meeting Legislative Finance Committee and Legislative Education Study Committee
Meeting Minutes
Highlands University, Student Center
Luna Community College
Las Vegas, New Mexico
August 25, 26, 27, 2014**

Monday August 25, 2014

The following members and designees were present on Monday, August 25, 2014: Vice Chairman John Arthur Smith; Representatives Larry A. Larrañaga, Don L. Tripp, Edward C. Sandoval, Nick L. Salazar, James P. White, William “Bill” J. Gray, Jim R. Trujillo and Tomás E. Salazar; Senators Carlos R. Cisneros, Sue Wilson Beffort, Carroll H. Leavell, Howie C. Morales, George K. Muñoz, Steven P. Neville, and Pete Campos. Guest legislators: Senators Mary Kay Papen and Phil A. Griego.

The following Legislative Education Study Committee Members were present: Chairman John M. Sapien, Vice Chair Mimi Stewart; Representatives Nora Espinoza, Jimmie C. Hall and Rick Miera; Senators Craig W. Brandt and Gay G. Kernan. The following advisory LESC members were also present; Representatives Alonzo Baldonado, David M. Gallegos, Stephanie Garcia Richard, James E. Smith, Christine Trujillo; Senators Lee S. Cotter, Daniel A. Ivey-Soto, William P. Soules, and Pat Woods.

Welcoming Remarks and Strategic Initiatives. Jim Fries, president, Highlands University (NMHU), welcomed the committee and oriented them with the building and campus improvements. President Fries discussed capital improvements, stating there have been four LEED gold projects in five years, including the student center. NMHU is home to 3,720 students representing 42 states, 19 tribes, and 36 countries. Half of all students are first-generation college students, with 66 percent who are Pell Grant-eligible. Forty percent of students are studying at the master’s degree level.

President Fries discussed how higher education has transitioned over the past years, including changes in technology. He said NMHU has the lowest tuition and fees in the country and highlighted excellence in student research, field experiences, and internships. He said NMHU’s overall goal is student success, reporting the university has lowered the minimum graduation requirement from 128 to 120 credits, reduced the upper division requirement from 51 to 45 credits, and reviewed all policies and procedures to eliminate any unnecessary barriers. Student advisement has been restructured to focus on graduation, requiring each student to see their advisor every semester to discuss a path to graduation and develop multi-year schedules to simplify planning for students and advisors. Students are encouraged to take 15 or more credits per semester. Dr. Fries briefly discussed legislative requests for program support. In closing he discussed NMHU goals including expanding educational, cultural and economic leadership as a regional university with a national and international impact.

Representative Stewart asked about remedial courses and stated 40 percent of students in states with the highest test scores also require remedial classes. Complete College America suggests co-requisite courses instead of remedial courses with additional support for students through

support in tutoring or extra hours. President Fries said data supplied by Complete College America has led NMHU to work on different approaches to remedial education and resulted in the offering of co-requisite courses focused on supplemental instruction including, tutors, peer tutoring, or additional faculty support.

Representative Tripp asked about NMHU's enrollment patterns. Enrollment at NMHU has been relatively flat with modest increases in the past few years, though this fall may see a decline. He said when the economy is bad, more people go to school; when the economy improves and there are more jobs, available enrollment declines.

Representative Espinoza encouraged the university work with local high schools. President Fries reported that NMHU is working with feeder high schools and analyzing data on student performance, which should lead to improving student preparation and retention. He also noted the difficulty in preparing students for college, given challenges all through the education and social services systems – prekindergarten starting with prekindergarten. Ensuring students are able to read effectively is the most effective solution to our education challenges.

Senator Smith noted there is more work to do regarding the Legislative Lottery Scholarship Program, noting that lottery sales are declining and revenues will have to be addressed. He said 85 percent of lottery money goes to research institutions and 15 percent goes to the comprehensive universities and community colleges, noting the importance of improving graduation rates without diluting the quality.

FY14 and FY15 General Fund Revenue Projections. Tom Clifford, secretary, Department of Finance and Administration, gave the committee an overview of the consensus general fund revenue outlook. He said FY16 will be the third straight year of revenue growth, with new money totaling \$285 million; the reserve by the end of FY15 will be over 10 percent. Secretary Clifford said spending restraint has enabled a dramatic turnaround from deficits to four years of solid sustainable budget growth, providing stability of the economy and ensuring citizens the budget is managed well. He said the state's balance sheet includes contingencies for past accounting deficiencies.

Secretary Clifford briefed the committee on the U.S. economic outlook, stating the labor market has been healing slowly, adding an excess of 200 thousand jobs per month. This growth sustained over a year will absorb the excess labor supply in the U.S. economy. He said the housing rebound is expected to improve due to job growth, better credit access, and low interest rates. He noted risks, including the potential the Federal Reserve will change the interest rate and monetary policy from being fully expansive to slowing down, creating uncertainty in how the economy will react. He said the international sector is a huge risk, due to violence in Eastern Europe and the Middle East.

Secretary Clifford discussed New Mexico employment, highlighting expected growth in the next two years, returning the state to a normal level by FY16. He said as of July 2014, 4,300 jobs have been added. He outlined the gross receipts tax base, stating services contribute to the bulk of the gross receipts tax base with retail now less than 25 percent and construction down to 11 percent from a peak of 15 percent. He said mining and manufacturing have provided most of the

growth, noting construction and services have recovered in the past six months after the negative impacts of the federal sequester. He discussed oil and gas price and production, noting that in FY14 the price of oil approached \$100, contributing to strong oil and gas revenues in FY14. He said oil production has doubled since 2009 and natural gas prices have stabilized in the neighborhood of \$4.50 to \$5 per thousand cubic feet (mcf). Noting the problem with the oil and gas sector is volatility, he said in the last two months the oil prices have dropped 10 percent and natural gas has dropped 20 percent. He illustrated the impact of that to the general fund, stating every 10 cent change in the natural gas price causes a \$9 million change in the general fund. Every \$1 change in the oil price results in a \$6 million to \$7 million change in general fund revenue.

Secretary Clifford discussed the general fund outlook, noting recurring FY14 revenue neared the peak reached in FY08 and 4 percent long-term growth. He summarized the general fund forecast by highlighting oil and gas revenue exceeding \$1.1 billion per year, near the all-time high reached in FY08. He said sales taxes are growing and income taxes are rebounding; the investment income is growing quickly from \$654 million per year to \$784 million per year in FY16 due to strong investment performance in the stock market and strong contributions from oil and gas production on state lands. Secretary Clifford discussed general fund balances, stating the beginning balance as of FY14 was \$651 million and it is projected to be \$670 million in FY16. Next he outlined forecast risks, including the *Eunice v. New Mexico* lawsuit, the pueblo lawsuit on casino revenue sharing, companies challenging tobacco settlement payments, oil and gas volatility, the historic cash reconciliation issue, and the union lawsuit over FY09 pay raises. Referring to state agency audits, Secretary Clifford stated DFA has seen improvement in audit act compliance and the number of entities at risk is down from 51 to 22.

Secretary Clifford outlined budget priorities, including continuing education reforms, promoting economic development, improving public safety, continuing health workforce initiatives, targeted compensation reforms and continuing tax reform to promote economic development.

Demesia Padilla, secretary, Taxation and Revenue Department (TRD), introduced the economists on her staff and briefed the committee on the consensus revenue estimate. She said FY16 recurring revenue less FY15 recurring appropriations is estimated at \$285 million, equivalent to about 4.6 percent of FY15 recurring appropriations. She said to sustain growth and keep the state healthy would require 10 percent reserves to weather uncertainties. She said gross receipts are growing at a steady rate; the personal income tax and corporate income tax have declined. She cautioned that, beginning in FY16, the tribes party to the 2001 compact will no longer have a compact in place, and the economists adjusted the estimate for tribal revenue sharing by approximately \$24 million. She said even though corporate income tax collection is down, the compensating tax is high, illustrating the investment in new large equipment, resulting in larger deductions, which in turn reduces corporate income tax revenue.

Ms. Padilla discussed revisions for insurance tax premiums reflect a large degree of uncertainty surrounding the implementation of the Patient Protection and Affordable Care Act (PPACA). There is a potential for significant increase in the premium tax, but having received lower revenues than anticipated in FY14, the expected premium tax revenue has been lowered in the forecast years. She said the liquor excise tax remains steady, with no anticipation for any major

decline or increase in the near future. She outlined two changes introduced during the 2014 legislative session affecting liquor tax distribution to DWI grant fund; the law increases the distribution to 46 percent for FY16 through FY18, which reduces general fund distribution by an average of \$2 million for the respective fiscal years. The second change to the distribution was the legislation that amends the tax administration act to provide for a distribution from July 1, 2015, to July 1, 2017, of 39 percent to the lottery tuition fund. The overall effect leads to a reduction of general fund distribution by about \$19 million for the time the amendments are in effect.

Ms. Padilla discussed risks to the forecast, including the case of Eunice v. State of New Mexico, which creates a risk to the GRT forecast. She said, given the uncertainty about the legal status of the case and the administrative complexity involved in determining the fiscal impact of the Court of Appeals' decision, it is not yet possible to estimate the potential impact. Next she discussed the claims for the high wage jobs tax credit (HWJTC), which have significantly reduced as a result of 2013 legislative changes. The HWJTC continues to be a risk; TRD has \$64 million in HWJTC denials in protest.

Peter vanMoorsel, chief economist, LFC, noted areas warranting additional research, including the insurance premiums tax, earnings on state balances, and tribal revenue sharing. Mr. vanMoorsel outlined revenue impacts of selected tax law changes and tax expenditures, highlighting the volatility of the corporate income tax revenue. A volatile revenue base translates into a volatile estimate for the impact of tax law changes. He discussed the impact of the HWJTC, manufacturing deduction, construction deduction, and film production tax credit. Mr. vanMoorsel discussed the general fund financial summary, stating the difference between the DFA financial summary and the LFC summary is a contingency for the settlement of the union lawsuit liability. He said the DFA document includes a \$30 million adjustment and the LFC document includes a \$4 million adjustment, resulting in a \$26 million difference, which will work itself out in the balances at the end of FY15 where the LFC shows balances of \$696 million and the DFA document showing a balance of \$670 million. He added that as that liability becomes more firm these financial summaries should agree on that number.

Severance Tax Bond and General Obligation Bond Capacity. Secretary Clifford gave a summary of the capital budget, stating the senior severance tax bond (STB) capacity will be \$347.7 million in FY25. Considering \$25 million for projects that have been authorized but unissued, \$34.8 million earmarked for water projects, and \$17.4 million each for tribal infrastructure and Colonias projects, \$253 million in senior STB capacity is available for new capital projects, as well as \$229.6 million in supplemental STB capacity for public schools.

Senator Cisneros asked about the discrepancy between the \$30 million and \$4 million, to which Secretary Clifford said DFA is waiting to see what the final reversion figures will be that come from agencies before updating the estimate. Mr. vanMoorsel said the LFC estimate assumes the remaining liability will be paid for with current agency budgets.

Senator Cisneros asked what the amount and the potential liability would be in the Eunice lawsuit if the Supreme Court rules against the state. Ms. Padilla said it is not a matter of money that would be owed out but rather the monies that cannot be collected from local governments

moving forward. Senator Cisneros asked if there are current issues with county government as well, to which Ms. Padilla said counties are also affected when there are refunds because there is a county portion to the gross receipts tax (GRT). Counties are affected when there is a location change, often a taxpayer will take the GRT from the city and move it into the county so in those cases the county would come to a net positive and the cities have the negative. Senator Cisneros asked if a change to statute will be required, to which Ms. Padilla said a change to the statute will be required even if TRD wins in the courts because there are some small communities that will never be able to pay back the state in the event of a distribution reduction.

Senator Cisneros asked about tribal compacts and discussed the possibility of tribes going directly to the federal government for gaming permits. Secretary Clifford said a risk is that other tribes may also pursue a federally authorized compact. Senator Cisneros asked what the total fiscal impact to the state would be if all five tribes went that route; Ms. Padilla said the impact would be around \$24 million. Senator Cisneros expressed concern about the status of road maintenance funding, to which Secretary Clifford said DFA is sensitive to the needs of the road fund and has considered intercepting some of the motor vehicle excise tax and redirecting that to the road fund.

Senator Leavell said Lea County has suffered 10 highway fatalities this year compared with 3 last year and expressed the need for funding to repair highways in the area. He also discussed the Eunice vs. New Mexico lawsuit, asking if it is possible to change the statute to better inform cities about where and funds are coming from such as manufacturing, retail, etc. Ms. Padilla said proposed legislation would increase transparency, but noted that taxpayer confidentiality rules make full disclosure difficult.

Representative Larrañaga asked for clarification regarding the \$285 million of new money. Secretary Clifford said “new money” represents the difference between FY16 revenue and the FY15 recurring appropriations. Representative Larrañaga asked how much may have to be used of the reserves for liabilities or risks. Secretary Clifford said there are two issues with the Eunice lawsuit one is the impact going forward, and the other is the retroactive impact. Going forward, if the case is resolved this year revenues will be impacted as soon as FY15, retroactive impacts could impact general fund reserves. Representative Larrañaga asked about the union lawsuit to which Secretary Clifford said the agencies are able to absorb the impact on their budgets; however, the retroactive piece is not fully resolved and may require supplemental funding.

Representative Gray noted there are hundreds of new corporations in southeast New Mexico and expressed concern about whether the state is getting its share of the gross receipts tax and corporate income tax. Ms. Padilla said local governments are asked to obtain a statement that the business is in tax compliance or that they have registered with TRD before issuing a business license. Representative Gray asked if TRD cross references with 1099s, Ms. Padilla said as a result of new funding for GenTax, they are able to extract federal data on a monthly basis.

Representative White expressed concern that the interpretation of the unemployment rate might be overly optimistic. He asked if the rate includes factors like part time jobs and the fact that some people may have given up looking for a job. Secretary Clifford said the consensus group is projecting continued improvement with those factors, highlighting the need for another year of

similar growth to absorb slack. Representative White asked about a comment made regarding the movement of oil from the Permian Basin, to which Secretary Clifford said production is increasing faster than the capacity to transport the product, resulting in expensive price differential. Representative White expressed concern with proposals to increase distributions from the permanent fund. He also commented about transportation funding, suggesting the possibility of a usage fee.

Senator Morales asked about the tobacco settlement fund and the status on the master settlement agreement. He asked what needs to be done to ensure statute meets the requirements of the master settlement agreement. Leila Borrows, chief economist, DFA, said the statute does not need to change. She said the state lost because reporting was insufficient in 2003. At the time, TRD did not adequately monitor the nonparticipating manufacturers. She said the tobacco companies have challenged it every other year and at this time an arbitration panel has not been formed. The Attorney General does not know how things are going to go at this point. Senator Morales suggested TRD make sure the language is not lax, to which Ms. Padilla said Shannon Baxter, bureau chief, TRD, has been very involved. She said she will ask Ms. Baxter to determine what increased monitoring was completed in subsequent years. Senator Morales asked for clarification regarding maintenance of effort. Secretary Clifford said the administration's estimates are that the state will not have further obligations and has reserved funds for the prior year.

National Trends in Early Literacy Intervention. Nonie Lesaux, Harvard Graduate School of Education, briefed the committees on her background and directed the committees' attention to a presentation titled, Comprehensive Literacy Reform: Increasing Opportunities to Learn for All Children. Professor Lesaux reviewed New Mexico's student population demographics, stating 33 percent of children ages zero to five live in poverty, 22 percent of children are children of immigrants, and 52 percent of children ages three to five are enrolled in early education and care. She went on to discuss reading proficiency, stating 22 percent of fourth grade students in New Mexico are at or above proficient. Professor Lesaux outlined skills students need to read, such as understanding language, relevant background knowledge, and vocabulary. She discussed code-based skills and meaning-based skills and the gap that exists between them. She said students that grow up in poverty are generally mastering early word reading skills at their grade level; however, they are not achieving grade-level proficiency on meaning-based skills. Professor Lesaux indicated that after discovering this gap, her research focused on the following three lessons: 1) the key link between reading and language development; 2) thinking past "proficiency"; and 3) strong and supportive interactions across contexts. She discussed a five-part plan to comprehensive literacy reform, including 1) program design and implementation for impact; 2) ongoing assessment of children and settings; 3) re-defined adult capacity building models; 4) language-rich, rigorous, and engaging curricula; and 5) partnerships with families focused on language and learning. In closing, Professor Lesaux discussed three types of initiatives to think about when mapping early literacy efforts, raising awareness, structural changes, and capacity building. She said to improve reading in New Mexico, policymakers have to think about capitalizing on attributes and resources, elevating the bar for children at every reading level, and increasing individual and societal prosperity.

Senator Woods asked about the correlation between vocabulary that a student has at home and how it affects their comprehension in school. Professor Lesaux said early exposure to language in quality and quantity affect outcomes. She pointed out the effects of the household and caregivers but also the language of kindergarten teachers is found to have a relationship with fifth-grade reading outcomes. She discussed the student's general language environment, highlighting the ability of students to accommodate different dialects and the eventual need for rich exposure in the school setting.

Senator Kernan said from kindergarten through about eighth grade it is left to the teachers and parents to decide whether or not to advance a student to the next level whether they are proficient or not. She asked Professor Lesaux what the research says about ninth grade students, when it is no longer up to the teacher or parent to decide but rather determined by course completion. Professor Lesaux said at that point the student would have to potentially repeat courses and repeat credits to move forward. When you get to these kinds of situations, you must increase remedial accommodations for those students. Professor Lesaux noted when you are worried about remediation for a high school student, it is clear an earlier opportunity has been lost, and it is better to focus on the earlier years.

Senator Sapien asked if she has a suggestion or program to serve the six or seven years of students that did not benefit from early childhood interventions or prekindergarten services. Professor Lesaux said you can also over-correct; it is not to say even achieving 100 percent proficiency at third grade will guarantee success later. She said it is important to help schools and communities get away from serving one child at a time and instead focus on interventions, daily core instruction, and generating a coordinated strategy.

Senator Soules asked for clarification on word deficit with impoverished children and how much can we make up in our schools versus working in the community to enrich lives. Professor Lesaux said a high quality prekindergarten can move vocabulary levels to the average range but to do so you must also ensure a teaching force educational conditions that will support that kind of language learning environment.

Emily Workman, policy analyst, Education Commission of the States (ECS), presented material on national trends in early literacy intervention. She said ECS is a nonpartisan nonprofit organization serving all state-level education leaders and their staff. Ms. Workman discussed early literacy interventions focusing specifically on third-grade reading proficiency. She said there are a number of components in a prekindergarten-to-third-grade system that need to be strong within state policy, including the assurance that high quality prekindergarten is accessible for all students as well as ensuring there is strong alignment of the prekindergarten program with the kindergarten through third grade system that supports teachers, students, and parents. She said it is important to have highly trained teachers and leaders to ensure there are developmentally appropriate curricula, and it is important to have full-day kindergarten available to all students. She highlighted the importance of ongoing assessments beginning in kindergarten and the importance of family engagement.

Ms. Workman said New Mexico currently has 39 percent of 4 year olds enrolled in a state-funded prekindergarten or Head Start program with no three year olds being served. New

Mexico state law requires children attend kindergarten, requires districts to offer at least a half-day program of 2.5 hours with a teacher ratio of one to 15 students. Full-day programs must offer a minimum of 5.5 hours. She said New Mexico revised the early learning guidelines, which address multiple domains of development and learning and are aligned with the common core state standards. She said New Mexico is a recipient of federal Race to the Top Early Learning Challenge (RTTT-ELC) grant funding and noted the state has established priorities, including improving the quality rating and improvement system (TQRIS), implementing a kindergarten entry assessment, and building a robust data system.

Ms. Workman reviewed statewide reading policies and how they compare with the national landscape. She said 33 states and Washington D.C. are assessing reading proficiency in at least one grade between preschool and third grade. Nineteen of those are administering assessments in kindergarten through third-grade classes, while three states administer assessments in prekindergarten. Currently, nine states do not begin assessing students until third grade. She said 30 states and Washington D.C. offer some type of intervention and 16 states and Washington D.C. require third-grade retention if students are not reading at grade level. Ms. Workman reviewed New Mexico's third-grade reading policy highlighting the fact that the state assesses all kindergarten through third-grade students. She also noted the Public Education Department has designed reading initiatives that include ongoing assessments, professional development, extra time in the student's day or year designated for reading programs, and individualized reading plans for students who fail to meet grade-level reading proficiency standards. She said components of a strong reading policy include early identification, early intervention outside of the normal school day, highly qualified reading teachers, parental involvement, ongoing assessments, and program evaluation.

Next Ms. Workman discussed early identification and ongoing progress monitoring, highlighting Arizona as a good example due to its requirement to review reading programs if more than 20 percent of students at the school or district level do not meet standards. She said Iowa requires a minimum of monthly progress monitoring that allows students to move in and out of intervention related to growth or need seen through the results. Next she discussed early intervention and high quality teachers, noting success in Rhode Island, Ohio, and Kentucky. In closing, Ms. Workman again highlighted the components of a strong reading policy.

Representative Christine Trujillo asked for clarification regarding ongoing assessments and program evaluations. Ms. Workman said ongoing assessments can include teacher observation or teacher created assessments. She said several states have a locally developed assessment and give the more formal assessment in the third grade. Representative Christine Trujillo said Ohio received block grants and asked how those have helped with interventions to which Ms. Workman said she would get back to the committees with information.

Race to the Top Early Learning Challenge Grant Implementation Update. Leighann Lenti, deputy secretary, policy and program, Public Education Department (PED), introduced panelists and members of staff and briefed the committee on the early learning challenge grant. She said New Mexico received a four-year \$25 million Race to the Top Early Learning Challenge (RTT-ELC) grant in 2012 with a supplemental award in 2013 of \$12.5 million. New Mexico's grant support projects in PED, the Children, Youth and Families Department (CYFD) and the

Department of Health (DOH). RTT-ELC funds are targeted to focus on improving early learning and development programs for young children by supporting state efforts. She said the key projects included in New Mexico's RTT-ELC grant are the development and implementation of Focus, New Mexico's third generation tiered quality rating improvement system (TQRIS). The establishment of early childhood investment zones that identify and prioritize communities where children are at the greatest risk. Another key project is providing support to early childhood educators through scholarships and additional training opportunities as well as the implementation of kindergarten rubrics as criteria for a kindergarten readiness assessment and finally building a unified early learning data system that will provide educators, families and policy-makers with better information regarding early childhood outcomes and school readiness.

Alejandra Rebolledo Rea, bureau chief, Office of Child Development, CYFD, provided details of the Focus component of the grant, stating all three agencies collaborated to develop key elements for the Focus – TQRIS. She said it will be implemented across the early childhood system and highlighted important components, including the continuous quality improvement process, standards and competencies for consultation, and cross training, which began in September 2014. Ms. Rebolledo Rea said there are three cohorts of the Focus TQRIS pilot program currently operational with a fourth identified and slated to begin in September. She said criteria has been revised to emphasize full participation of each child, the development of "2+" criteria for programs and the clarification about the continuous quality improvements process. She said Child Trends has begun the validation and verification process for the TQRIS and has begun gathering information for the validation of New Mexico's Assessment System and Curriculum planning. Ms. Rebolledo Rea outlined PED's Focus components, including monitoring tools with protocols and incentives for use in PED prekindergarten and IDEA 619 special education. Next she discussed DOH's Focus components including the Family, Infant and Toddlers (FIT) program. She said there is a contract in place with consultants to develop Focus criteria and a TQRIS which includes monitoring tools which protocols for Part C Early Intervention programs. She said they are working with stakeholders to review the general criteria and determine the process for integration into the FIT system. She said concepts for Focus have been shared with the Interagency Coordinating Council (ICC) and a Focus RTT FIT staff member was hired and has fully integrated to the project.

Next Ms. Rebolledo Rea discussed investment zones, stating training has taken place to begin the process of building capacity. She said programs from Early Childhood Investment Zones have been selected with enhanced support through training and consultation with consultants having been identified to work with communities to implement leadership-based community organization. She said TEACH Scholarships have been implemented to assist consultation staff and home visiting practitioners. She said higher education faculty and adjunct faculty are learning Early Learning Guidelines, Focus criteria, principles and curriculum. Ms. Rebolledo Rea closed with a discussion about the development of systems to incorporate reflective practices into the consultation and training process.

Leighann Lenti, deputy secretary, policy and program, PED, gave an update of the kindergarten entry assessment (KEA). She said a goal of PED is to prepare more students to be school-ready when they enter kindergarten. To achieve that, PED has developed a KEA tool based on the current New Mexico prekindergarten observational assessment that will assess essential domains

of a child's school readiness including; language and literacy development, cognition and general knowledge, approaches toward learning, physical well-being and development, and social and emotional development. It is designed to be administered within the first 30 days of the kindergarten school year via teacher observation of students. Ms. Lenti reviewed a timeline of implementation, highlighting a statewide KEA implementation with 100 percent of districts by fall 2016. She then discussed how the KEA intersects with state requirements currently in statute highlighting a component that is related to language and literacy skills. She said they updated the current kindergarten regulation that requires the implementation of the KEA starting in the 2016 school year.

Ferdi Serim, education technology coordinator, PED, discussed significant work across all three agencies related to early childhood data. He said the data systems will provide current information of children in their programs, provide families with the information they need to make informed choices and track young children's development. He said the data will allow for the measurement of the quality of early learning programs and assess young children as they enter kindergarten. The data will follow students from early childhood through grade school keeping all confidential data protected. Next he discussed key performance measures stating a data warehouse and reporting mechanism will be established in order to make policy decisions and track the efficacy of early learning programs as evidenced by the longitudinal tracking of child outcomes.

Steve Hendricks, director, early childhood services, CYFD, discussed a project within RTT-ELC titled Enterprise Provider Information and Constituent Services (EPICS), an enterprise web-based system to meet the needs of all CYFD program areas and their clients. He said EPICS is a multi-year, phased project with a current budget of \$10.5 million. He said because EPICS is a web-based system it gives CYFD the ability to interface in a transparent way with other systems and registries.

Responding to Representative Christine Trujillo, Mr. Hendricks said he met with early childhood providers and leaders of the childcare association and is aware of other CYFD staff meetings with providers. He noted his intent to meet with any and all providers or advocate groups that would like, to provide feedback. Representative Christine Trujillo asked for clarification of the KEA to which Ms. Lenti highlighted the alignment between Race to the Top and components of current state statute. Representative Christine Trujillo expressed concern with additional assessments and asked if the KEA was a summative or formative test, to which Matt Pahl, policy director, PED, said KEA is observational based and will determine where students fall in the spectrum of readiness for kindergarten.

Senator Soules expressed concern about spending time gathering data and building data systems rather than using the data already gathered to improve early childhood programs. He noted professional development and changing community dynamics improves early childhood results. Mr. Pahl said they do have a lot of information but connecting it with other pieces of the system makes it difficult to understand what their best investments are on the margins. He noted having more information for the Legislature and the executive allows for better prioritization of future investments. Ms. Lenti added when PED received the grant it was responding to the federal specifications set by the U.S. Department of Education and the Department of Health and Human

Services. She said this grant is structured to support infrastructure at the state level not space for children in programs this is why you don't see explicit funding for more prekindergarten at CYFD or PED.

Senator Kernan asked if both public and private prekindergarten students get an identification number whether, to which Mr. Hendricks said prekindergarten is a defined program that has certain requirements and a certain number of seats, students who enter a state funded prekindergarten are given a STARS identification number, those who are not will not receive one until they enter kindergarten. Senator Kernan asked for a copy of the current copy of the prekindergarten assessment, to which Ms. Lenti said they will provide it to members of both committees.

Representative Espinoza asked what the government body oversees Race to the Top, to which Ms. Lenti said the grant at the federal level is administered by the U.S. Department of Education and the Department of Health and Human Services. In New Mexico, PED, CYFD and DOH form the leadership team for all activities under the grant with PED acting as the fiscal agent. Representative Espinoza asked if a childcare center has to belong to Focus to receive funds. Mr. Hendricks said centers can either go through Focus or can become accredited by one of CYFD's accrediting bodies to receive differential rates. Representative Espinoza expressed concern with centers not receiving funds unless they are part of Focus.. Mr. Hendricks reminded the committees the TQRIS is part of the Race to the Top application commitment. He said providers who choose not to participate in the Focus program can still receive funds from , they just do not receive the higher differential quality funds. Representative Espinoza asked if Focus is accredited, to which Mr. Hendricks said Focus is not an accreditation program but a rating system that is the alternative to accreditation for at least the level-five programs. He said programs have an option of participating in Focus or becoming nationally accredited if they want to reach the highest level. Representative Espinoza asked if those accrediting bodies already accepted in the state will continue to be accepted, and if they choose not to accept Focus will they no longer be an accrediting body and receive funds up to a five level. Mr. Hendricks said they are responding to the LFC report presented last year on whether or not childcare was producing outcomes. He said requiring that centers receive accreditation from organizations who standards that parallel the standards of the National Association for the Education of Young Children (NAEYC) is an answer to that finding. He noted CYFD is not requiring anyone to become NAEYC accredited. Senator Sapien asked for clarification of what accrediting bodies CYFD will accept if centers choose not to use the Focus system and what they will have to do to receive the differential up to a level five. Dan Haggard, Children, Youth and Families Department, said there are five; NAEYC, the Association of Christian Schools International, International Christian Accrediting Association, Council on Accreditation, and National Family Childcare Association. Senator Sapien asked what accrediting bodies CYFD will accept after Focus is implemented. Mr. Haggard said the state will accept accreditation from those accrediting bodies that have cross walked with the NAEYC standards, to which Representative Espinoza highlighted the fact that Montessori schools with internationally accredited will no longer be accepted if they choose not to implement Focus. Representative Espinoza asked if Focus is listed in state regulations, to which Mr. Hendricks said the reimbursement rate that CYFD pays for the various levels of quality is in regulations. The Focus criteria and the various

criteria programs are required to meet to achieve the various levels of quality are not in regulation.

Senator Morales asked if there were plans to reschedule a meeting with CYFD and providers, to which Mr. Hendricks said they are committed to meeting with all providers and groups that would like to provide feedback. Senator Morales noted the need for teachers to be out of the classroom for administrative issues and asked if CYFD has any proposed solutions to help with the changes. Ms. Rebolledo Rea said they have finished the procurement process to secure an agency that will manage planning and also pay for substitutes so education staff can do their paperwork etc. Senator Morales said he did not agree with that approach and would rather give the funds directly to the centers that can in turn pay the professionals for the extra work being completed. He asked how they determined the tier reimbursements, to which Mr. Hendricks said CYFD worked with an economist to determine what the additional differentials would be using a national cost model. Senator Morales asked if Montessori is incorporated into the Focus model. Mr. Hendricks said CYFD has made steps in the right direction, making the decision to modify the ratio and group size requirement and be more flexible so programs such as Montessori will have more of a possibility to participate in Focus if they so choose. He said it is not CYFD's intention to exclude any provider group.

Effective Use of Short Cycle Assessment Data To Inform Instructional Practices. David Stevenson, vice president of government relations, Amplify Insight, discussed effective use of short-cycle assessments, noting key factors, including the importance of identifying children early to change their outcome before it is too late and implementation in kindergarten through third grade. He said the early grades are a well-understood gateway to academic success and a time in which children transition from learning about reading to studying subject matter and their ability to process increasingly complex text is essential to academic success. Children who are not reading on grade level by the end of third grade are four times more likely to drop out of high school. He discussed early warning systems that can predict likely third-grade outcomes as early as kindergarten, providing an early opportunity to close the gap.

Mr. Stevenson noted the following about short-cycle assessments: 1) They are part of a process and provide opportunities for feedback. 2) Administration is rapid, preserving teaching time. 3) They are repeatable, allowing students to show progress; 4) They are classroom-friendly and easy to integrate into teaching and learning; 5) they are instructionally relevant, guiding what happens in the classroom; and 6) they are psychometrically valid to ensure utility. He said short-cycle assessments are only helpful if they are part of a broader process that uses the data for classroom planning. He discussed how to help teachers work with kindergarten through third-grade students to get a quick understanding of how they are doing and take action. For the DIBELS Next, he said teachers are given a handheld device that helps them work one-on-one with the student. The system takes care of the timing and scoring and only takes 60 seconds to administer. At the end of administration, the teacher is able to place the student normatively. As the teacher aggregates the information about the class, it allows the teacher to think differently about how to group their students and what to do with them.

Next, Mr. Stevenson discussed how to use short-cycle assessment data instructionally. He said the system highlights error patterns and provides observation and analysis of item-level data to

identify areas in which a student may need support. A grouping tool allows for easy differentiated instruction and groups students based on appropriate grade-level and time of year benchmark skills. Next he noted implementation of DIBELS Next in New Mexico supports Reads to Lead (the department's early literacy initiative) and K-3 Plus with nearly 200 on-site coaching and training visits during the 2013-2014 school year. He went on to discuss data conversations and how teachers are using data to inform instruction.

Staci Mascareñas, principal, Pojoaque Valley Intermediate School, discussed how her school is using short cycle-assessment data to improve instructional outcomes for students. She said Pojoaque Valley Intermediate School serves fourth and fifth grades and serves approximately 280 students with 30 staff members. Ms. Mascareñas noted instructional offerings at the school and discussed their use of short-cycle assessment data to inform instructional practices. She highlighted how school staff developed a culture of data use, created a system to organize data, built school capacity for informed data decisions, and how her staff analyses and uses data to improve performance. She outlined how staff collects and charts data as well as how it is used to analyze strengths and identify obstacles. She discussed how they establish goals and select instructional strategies to improve outcomes for students. In closing, Ms. Mascareñas reviewed a series of graphs showing proficiency levels and how staff monitor growth.

Representative Stewart thanked Ms. Mascareñas for her presentation and expressed appreciation of how she has embraced the system to inform teachers on where the students are and give them a way to organize the data to use daily.

Representative Miera asked if the data is being used to inform teacher evaluation. Mr. Stevenson said many but not all school districts are using data as part of their teacher evaluation practice, but noted it is a school district decision in terms of whether they do or not. She said it is reliable and valid over the course of the year. Ms. Mascareñas noted Pojoaque Valley Intermediate School does not use the data as part of teacher evaluations.

Tuesday, August 26, 2014

The following members and designees were present on Tuesday August 26, 2014: Vice Chairman John Arthur Smith, Larry A. Larrañaga, Don L. Tripp, Edward C. Sandoval, Nick L. Salazar, James P. White, William "Bill" J. Gray, Jim R. Trujillo, Tomás E. Salazar; Senators Carlos R. Cisneros, Sue Wilson Beffort, Carroll H. Leavell, Howie C. Morales, George K. Muñoz, Steven P. Neville, and Pete Campos. Guest legislators: Senators Mary Kay Papen and Phil A. Griego; Representative Lundstrom

The following Legislative Education Study Committee Members were present: Chairman John M. Sapien, Vice Chair Mimi Stewart; Representatives Nora Espinoza, Jimmie C. Hall, Rick Miera and Dennis J. Roch; Senators Craig W. Brandt, Gay G. Kernan. The following advisory LESC members were also present; Representatives Alonzo Baldonado, David M. Gallegos, James E. Smith, Christine Trujillo; Senators Lee S. Cotter, Daniel A. Ivey-Soto, William P. Soules and Linda M. Lopez; Representative Bob Wooley.

Recruiting and Retaining High Quality Teachers and Administrators – Aligning Teacher and Administrator Pay, Licensure Advancement, and the Training and Experience Index to Improve Student Outcomes.

Educator Salary Comparison, Regional Competitiveness, and Public Education Department Vision for Ensuring Recruitment and Retention of Effective Teachers and Administrators.

Michelle Exstrom, education program principal, National Conference of State Legislatures (NCSL), briefed the committees about NCSL, stating they serve all 50 state and territorial legislatures through research, technical assistance, and opportunities to exchange ideas as well as advocate on behalf of legislatures before the federal government.

Next she discussed teacher salaries and compensation models. Ms. Exstrom noted the National Education Association (NEA) estimates the average teacher salary for the 2013-2014 school year was approximately \$56 thousand, with beginning teacher earning an average of \$36 thousand. Ms. Exstrom said New York has the highest salary for teachers, averaging \$76 thousand a year with beginning teachers earning an average of \$44 thousand per year. South Dakota has the lowest teacher salaries in the nation; the average teacher salary is \$40 thousand per year with beginning teachers earning an average of \$30 thousand a year. She went on to discuss states in the southwest, stating New Mexico's average teacher salary is approximately \$45 thousand with beginning teachers earning an average of \$31 thousand annually.

Ms. Exstrom discussed salary research and trends, saying states are gradually looking to increase salaries; however, research does not support dramatically higher salaries or bonuses. She said increases in teacher salaries do not necessarily lead to better teacher retention or improved student achievement. She said experts argue across-the-board teacher salary increases are not a good strategic investment; instead states should strategically invest in high quality teachers. She said research does not support salary increases based on investing in inputs, such as national board certification and master's degrees. Ms. Exstrom said research shows performance based or merit pay does lead to better teacher retention; however, they do not lead to higher student achievement.

Lastly she discussed market-based pay, saying states have been trying to recruit and retain teachers using bonuses for hard to staff schools with research showing they do not necessarily work. Teachers will often say a bonus of \$3,000 or \$4,000 a year is not enough incentive to work in a difficult atmosphere, particularly in light of new evaluation systems which can affect licensure renewal. However, significant bonuses – bonuses of \$10 thousand to \$15 thousand – do have an impact. Ms. Exstrom said there are a few places across the country experimenting with across-the-board market-based pay. She mentioned Douglas County in Colorado, noting they evaluate how many applicants they have for positions then they determine how difficult it will be to hire teachers based on those numbers, resulting in a market-based pay schedule.

Ms. Exstrom went on to discuss teacher licensure and state policy approaches. She said states should consider inputs and outputs, which can help to determine whether or not a teacher should receive initial and continuing licensure. Inputs include professional development, additional education, and national board certification. Outputs require teachers to demonstrate their mastery of teaching and their ability to demonstrate student growth and improved student outcomes. She

said, according to the National Association of State Directors of Teacher Education and Certification (NASDTEC) database, 10 states have a single system of traditional licensure with traditional renewal and 21 states that have two-tiered licensure systems. She said New Mexico is one of the first states to implement a multi-tier licensure system and now there are 17 states that have three or more tiers.

She said tiered licensure establishes a career ladder, creating incentives for teachers to achieve certain inputs and it creates a type of pay structure. In closing, she noted new evaluation systems and federal Race to the Top grant program requirements states are now beginning to require both inputs and outputs for teachers to move through tiered licensure systems.

Matt Pahl, policy director, Public Education Department (PED), spoke about how PED is recruiting and retaining effective teachers. He outlined PED's vision, which included attracting talent into the teaching field, providing targeted training and support for educators, placing the best educators in high-need areas, retaining effective teachers, and rewarding excellent teachers and school leaders. Next he spoke about delivering the vision through increased starting salaries, new teacher preparation programs, the start of an incentive pay pilot and the already implemented recruitment and retention stipends for science, technology, engineering and math (STEM) teachers. Mr. Pahl highlighted missed legislative opportunities during the last session, including the adjunct teacher bill, which would have allowed professionals in their communities to teach part-time. The principal eligibility bill removed an unnecessary barrier to gain an administrative license. Mr. Pahl noted the bill would have allowed teachers with two years of experience to become an administrator. The teacher advancement bill allowed for a faster advancement through the three-tiered licensure system.

Next he discussed opportunities to expand the departments vision, including allowing effective teachers to advance their licensure, connecting pay with performance in the classroom, creating more advancement opportunities, and creating a competitive salary system.

Matt Montaña, director, Educator Quality Division, Public Education Department (PED), cited a study conducted by Education Trust West, that found a correlation between student outcomes and having three teachers in a row that were either at the top quartile or bottom quartile. Next, he discussed the impact of highly effective or exemplary teachers on lexile measures, a way to measure a student's reading ability. He said students that have zero highly effective teachers have significantly lower lexile scores compared with students who have three highly effective teachers, who have significantly higher lexile scores. Mr. Montaña said even one year with a highly effective teacher has a lifelong impact on students. He said students with one top teacher are less likely to have children as teenagers and more likely to attend college and earn a higher salary. He cited a study that found having a top-quartile teacher rather than a bottom-quartile teacher four years in a row could be enough to close the achievement gap between white and African American students. Mr. Montano said changing teacher performance from mediocre to very good has an effect equivalent to reducing class size by more than 10 students in fourth grade, 13 students in fifth grade or an implausible number in sixth grade. He said recruiting the right teachers not only has a significant impact on student achievement but has an impact on our fiscal ability to serve those students well.

Mr. Pahl discussed how teacher salaries have some effect on teachers staying in the classroom but also how low initial salaries make the profession unattractive despite competitive compensation in the long-term. He outlined national data on the beginning salaries for teachers, which start off at approximately \$35 thousand per year which ranks well below college educated positions in other sectors. He said teaching appears unattractive compared to other careers because we pay teachers based on years of experience and education instead of job performance.

Mr. Montaña outlined barriers to entry that shrink the teaching pool, including low starting salaries and limited and slow potential salary growth, noting that transitioning to teaching from another career can be cumbersome. Next he discussed creating incentives to place the best teachers in high need areas. He said because teachers are paid on years of experience and not job performance and position need, there is no incentive to teach the state's most needy students. In New Mexico, data confirms student outcomes are not significantly different for level three teachers compared with level one teachers, despite \$20 thousand in added pay. He discussed average teacher salaries in New Mexico and teacher effectiveness. He said there are 4,644 teachers in New Mexico rated ineffective or minimally effective. New Mexico is spending \$6.4 million on raises for teachers who are ineffective or minimally effective, roughly the same amount being invested in salaries for teachers that are highly effective and exemplary.

Senator Kernan highlighted a statement by Ms. Extrom that pay for performance does not create better student outcomes. She said it is important to identify effective teachers but does not believe the value added model (VAM) is completely correct. She noted she would not put her confidence in the process until the methodology used is proved to be correct, noting there are irreplaceable teachers that have been rated as minimally effective.

Representative Tomas Salazar discussed a study conducted by the American Statistical Association that argued against using VAM in teacher evaluations. Mr. Montaña said ASA said VAM should be the sole method of evaluation of teachers. He said PED staff believes in a multi-measure approach and the VAM is one method of measurement. Representative Salazar asked what the weighting of the standards-based assessment (SBA) is in regard to teacher effectiveness. Mr. Montaña said, in the framework for the evaluation system, 50 percent of a teacher's evaluation is based on either the standard-based assessments or some other measure of student achievement.

Senator Muñoz expressed concern with the teacher evaluation system and suggested students have input on how effective their teachers are. He also noted Secretary-Designate Skandera's absence.

Representative Christine Trujillo expressed her concerns, stating the PED is devastating the lives of the many educators deemed ineffective. She commented on the vilification of educators and questioned the methods of recruiting and retaining teachers and how it is contradictory to what is actually happening. She expressed concern with the inappropriate times the department schedules some meetings, highlighting some educators are purposely left out of conversations. She said the data does not include the impact of poverty on education and called the presentation erroneous and invalid.

Senator Soules said the presentation is fraught with statistical problems and quoted recommendations from ASA. He said ASA endorses a wide use of data, statistical models, and designed experiments for improving the quality of education. VAMs are complex statistical models and high-level statistical expertise is needed to develop the models and interpret their results. He noted estimates from VAM should always be accompanied by measures of precision and discussion of the assumptions and possible limitations of the model. These limitations are particularly relevant if VAMs are used for high-stakes purposes. He asked what assumptions were made and what possible limitations are. Mr. Montañó said he is not a psychometrician and would not purport to discuss the precision or assumptions being made with the VAM model. Senator Soules expressed his dismay at the secretary-designate's absence and the absence of the PED staff able to appropriately respond. He said the validity of this model needs to be discussed. In conclusion, he said he is frightened that New Mexico's system is moving toward looking only at test scores with a lack of research from academia. He expressed concern that this model is supported by think tanks that have an agenda.

Representative Stewart said she agrees with the goals and vision of PED but said the Legislature and the department got off on the wrong foot. She suggested a fresh start in which policymakers do not promote policies that research shows do not work. She said policies should focus on student achievement and teacher quality and suggested collaboration with teachers to promote best practices among teaching staff. She asked PED to give LFC and LESC staff access to VAM and Teachscape data to better understand it. Mr. Montañó said he would take the request back to PED. Representative Stewart asked why Secretary-Designate Skandera was absent, to which Mr. Montañó said she had a prior commitment.

Senator Phil Griego expressed concern with testing and evaluations that appear to favor larger districts. He said he represents a small rural area with 80 students and with some classes with only three or four students. He said if one student performs poorly the teacher evaluation goes south. He expressed concern with the lack of recruiting ability in small schools and wanted to know what the PED was going to do to recruit in his district. Mr. Pahl highlighted opportunities, including the incentive pay pilot, the STEM retention and recruitment stipends, and finally the adjunct teacher bill that would allow community members to become teachers. He noted PED does not focus on urban areas.

Senator Morales noted Secretary-Designate Skandera's absence and asked about beginning teacher salaries and how many districts were not at that level prior to implementation. Mr. Pahl said districts must show a salary schedule that incorporates the \$32 thousand minimum required for FY15 to have their budget approved. Senator Morales asked how many districts were paying first-year teachers \$32 thousand or below prior to FY15, to which Mr. Montañó said he would get back to him. Senator Morales pointed out inaccuracies and misrepresentations on graphs included in the presentation and expressed concerns with the use of VAM.

Representative Gallegos asked why the evaluation system is a good program going forward, to which Mr. Montañó said the evaluation system is a multi-measure approach that includes professional development, student surveys, observations, attendance, and outcomes of student achievement. He said it is easily tangible for teachers to see where students are succeeding and

where they may need support. He noted teachers can look back at prior performance to gauge growth.

Representative Miera expressed concern in moving forward with a system that is proven not to work. He said connecting pay with performance should be excluded because there is no evidence of it working or improving student outcomes. He suggested taking time to understand the system and models before pushing them onto students and teachers.

Senator Sapien asked how long VAMs have been used for teacher evaluations. Mr. Montaña said there have been multiple models used for several years but none were used for high-stakes purposes until three years ago. Senator Sapien asked if New Mexico's VAM is the same as the ones used in other states, to which Mr. Montaña said multiple VAMs are in use with different philosophies that take into account the uniqueness of those being measured. He said they are similar but not the same. Senator Sapien asked how New Mexico knows the model it is using is right for New Mexico, to which Mr. Montaña said the model has been developed and experts outside of the state as well as stakeholder groups in the state have look at the model and evaluated the measurements. Senator Sapien asked if the model had been peer reviewed to which Mr. Montaña said as part of the application for federal flexibility from provisions of the federal No Child Left Behind law, the VAM was peer-reviewed by nationwide stakeholders contracted through the federal government. Senator Sapien commented on the secretary-designates absence and discussed the possibility of the development of an independent data council to examine data currently only available to PED. Senator Sapien asked what the current percentage of teachers achieving effective, highly effective, and exemplary ratings was, to which Mr. Montaña said 24 percent of teachers are minimally effective or ineffective and 76 percent are effective, highly effective, or exemplary. Senator Sapien noted missing or inaccurate data around the state and questioned how the ratings remained relatively unchanged given the number of errors.

Aligning the Training and Experience Index with the Three-Tiered Licensure System, the Index of Staff Qualifications, and Alternative Compensation System. Representative Mimi Stewart presented material on the training and experience (T&E) index, stating it has been in use since 1974 when the public education funding formula was created. She said its purpose is to ensure school districts have enough funding for highly experienced and highly trained teachers. She noted that before the development of the funding formula, the Legislature would estimate how many teachers a school district needed and send them funding based on that estimate. Representative Stewart said the reason there have been issues with the T&E (training and experience) index for the past 10 years is because the index is not aligned with the three-tiered licensure system. She discussed the implementation of the three-tiered licensure system, which was fully implemented by 2008. Next she discussed the matrix that contains cost-differential factors based on academic credentials and years of experience contained in statute. To use the matrix, a district places each full-time equivalent (FTE) in a cell, based on that individual's level of academic training and years of instructional experience. Once determined, the numbers in each cell are multiplied by the cell value. Finally, the sum of the 25 products is divided by the total number of FTE to obtain a single index for the district. Districts are given some autonomy in how they place eligible personnel in the matrix. Depending on local desires and expectations, different districts may recognize different number of years out-of-district and or out-of-state instructional experience in determining salaries. They may also choose to limit the type of

academic hours that they will count as hours earned after a bachelor's degree. Representative Stewart noted, in the past, local school board policy has been the determining factor. Whatever local decision in regard to years of experience or academic credentials, there must be a salary differential that corresponds to an individual's placement one on the matrix. In closing she discussed proposed alternatives to the T&E index that resulted from the American Institutes for Research (AIR) funding formula study. She referred to a chart illustrating an index of staff qualifications (ISQ).

Joel Boyd, superintendent, Santa Fe Public Schools (SFPS), discussed his approach to incentive-based compensation. He gave a brief history of the district and highlighted incentives as part of an aligned system. He said there is no silver bullet to improving New Mexico schools and putting every child on a path to college requires hard and steady work. He said every adult in the system is responsible for the academic success of the children. Superintendent Boyd outlined an aligned accountability system of principals, teachers, and central office performance, including superintendent evaluation.

Richard Bowman, chief accountability and strategy officer, SFPS, discussed incentive pay in SFPS. He said incentive based pay must be aligned using measures from evaluations; it must be immediate; it must be monetarily significant; it must address strategic goals and must align to the budget. He discussed existing incentives, such as early commitment, early notification separation, and special education certification, which have resulted in fewer vacancies. He said all incentives for teachers are based on growth and are aligned with the teacher evaluation system, including interim assessments and observations. He discussed incentives for principals that are also based on growth and aligned with the principal evaluation system.

In closing, Superintendent Boyd said SFPS test scores have outpaced the state as a whole and chronically underperforming schools in his district have outpaced the district as a whole. He said SFPS dropout rates are at the lowest levels in a decade and advanced placement scores are at their highest level ever in Santa Fe with a 16 percent increase in enrollment.

TJ Parks, superintendent, Hobbs Municipal Schools, discussed the relationship between teacher evaluations conducted in 2013-2014, licensure levels, education levels, and years of experience. He said based on data from 492 teachers from Hobbs Municipal Schools, there is not enough evidence to conclude that there is linear relationship between years of teaching experience and the 2013-2014 teacher evaluation component. He noted the state is paying teachers based on years of experience and their level of education not on their performance level. He went on to discuss the T&E index versus the three-tiered licensure system, stating salary schedules across the state are difficult to manage due to the two systems not being aligned. He then provided a comparison of T&E indexes of several school districts and discussed recruitment. He said recruiting in his area is difficult due to Hobbs proximity to the Texas border. He said the beginning salary in Midland, Texas, is \$47 thousand per year compared with \$33 thousand in Hobbs. In conclusion, Mr. Parks discussed the growth in his district and suggested a review of the T&E index and noted the importance of paying teachers for what they are worth.

Kathy Sandoval, director, Albuquerque Institute for Mathematics and Science (AIMS), discussed the charter school's compensation program. She gave a brief history of the school, highlighting

its affiliation with the University of New Mexico, and discussed math and reading proficiency progress. She outlined the school's system of evaluation, which is based on the following: 50 percent for SBA scores, 25 percent for observations, 15 percent for teacher research, and 10 percent for student surveys. She detailed elements of the evaluation and said evaluations are tied to pay. In conclusion, she discussed evaluation changes by level and provided a case study of a teacher as well as results from that teachers student surveys.

Charles Bowyer, president, National Education Association (NEA) of New Mexico, briefed the committee on NEA's approach to alternative compensation. He said NEA New Mexico believes a solid pay system should be created and only after that occurs should it include pay enhancements. He cited a poll conducted by Research and Polling that found 80 percent of New Mexican's said teachers deserve a pay increase and should be paid at the national average of \$56 thousand per year. He said NEA ranks New Mexico as 46th nationally in average teacher salary for the 2013-2014 school year and noted all teachers should have mediocre pay before a few receive extraordinary pay. NEA's view is to make teaching a financially viable profession. Mr. Bowyer noted a 2008 Economic Policy Institute report found that teachers' weekly salaries are 15 percent lower than comparable positions and that, over the long term, teachers experience a significant earnings disadvantage compared with other professions. As a result, teachers leave the profession. He said NEA believes a starting salary of \$40 thousand or more is a first step in reaching a solid base salary. He noted, in addition to the establishment of a solid base pay system, it is also important to be true to the ideals of local control. He highlighted the importance of local control being fostered by a framework at the state level. Mr. Bowyer outlined alternative pay systems that are feasible within the NEA belief system, including hard-to-staff schools and knowledge and skills (competency based pay). He said NEA opposes pay for test scores, pay for evaluation, and pay for hard-to-staff subjects. Mr. Bowyer spoke about principles for a professional growth salary schedule, including a base salary, association involvement, salary levels or tiers, advancement through the levels, a link to quality professional development, funding, accessibility, flexibility, transparency, and program assessment. In closing, he said there are ways to create alternative approaches to teacher salaries that do not violate the basic tenants of paying for test scores, paying for evaluation, or devaluing one level of teaching to perhaps overvalue another level.

Representative Lundstrom asked for clarification of Representative Stewart's comment regarding the districts' flexibility in determining what they will and will not accept. Representative Stewart said districts may recognize instructional experience for out-of-district and or out-of-state teaching experience differently in determining the T&E index.

Representative Lundstrom noted the wide fluctuations in T&E indexes, particularly with similar sized school districts. Representative Stewart said the T&E index is designed to fluctuate, depending on the type of teachers a school district hires. If a district loses teachers with experience and training, its T&E index will decrease. If a year or two later, the district gains teachers with more experience and training, it will go up. She noted that if school districts are sufficiently funded, there is no argument over T&E index. Superintendent Boyd commented that larger school districts with high needs students and high turnover are negatively affected by the T&E index.

Representative Larrañaga asked Ms. Sandoval about AIMS merit pay plan and how it worked. Ms. Sandoval noted she identified two reasons why teachers felt uncomfortable with the school's merit pay system during first year of implementation. Either teachers might not have been confident in their own ability or they possibly did not trust the evaluator. She said over time teachers were more confident in their abilities and their impact in the classroom. Representative Larrañaga asked what the highest priority was, to which Ms. Sandoval said student performance in math and science as well as college preparation.

Representative Larrañaga commented on the role of leadership in schools and asked Superintendent Boyd if the shift in leadership has changed the attitudes of teachers. Superintendent Boyd said the premise of their work has been around expanding options for families and increasing autonomy at the local level within the school. He said this required leadership to build capacity and agency at the same time. He said SFPS is defined as collaboration pro-reform, noting the importance of leadership.

Representative Tripp asked about SFPS's pay pilot program and if SBA results were used. Superintendent Boyd said the program uses the Discovery Education Assessment (DEA) to measure growth four times throughout the year, allowing for incentives on a biannual basis. Representative Tripp asked for clarification on monetarily significant stipends to which Superintendent Boyd said it is approximately 10 percent of base pay.

Senator Soules expressed concern with implementing programs that have monetary impacts and impacts on children that are not research based; he asked what does research show about the effect of incentive pay. Mr. Bowyer said there is no research that says incentive pay has any effect on student achievement. Superintendent Boyd said SFPS follows what works well in sectors outside of education and action-based research. He said what has been done locally has proven to be effective on recruitment and reducing day-one vacancies to their lowest levels in history. Senator Soules commented on underfunding education. He said New Mexico has the fairest method for funding schools in the country; however, he noted the system is underfunded, resulting in shared poverty.

Review of Class Size and Teaching Load Waivers and Implementation of House Bill 280

Return to Class Size Loads. Don Moya, chief financial officer, Albuquerque Public Schools (APS), discussed class load compliance and APS' plan moving forward. He said PED allows school districts to attain classroom size compliance within a three-year period. He said initially APS estimated the district was out of compliance by 7 percent; however, more recent estimates based on more current data indicate APS is only out of compliance by 3 percent. In FY15, APS increased the number of teachers hired by 2 percent. Additional teacher FTE will be added in FY16 and FY17 to attain full compliance. Mr. Moya discussed how APS estimated their compliance, stating they examined elementary school load averages for first through third grades and fourth through sixth grades. District staff identified a number of schools that would require an additional teacher to bring the average school load into compliance. He said they also examined kindergarten class size and identified classrooms that would require an additional teacher to meet compliance. This analysis resulted in increasing staffing by 2 percent. Mr. Moya said APS also examined high school average teacher load to identify teachers who taught an extended contract. He said middle schools were a challenge but assumed if elementary and high

schools were out of compliance by approximately 3 percent the high schools would be out of compliance by approximately the same amount. Mr. Moya outlined next steps, which include monitoring compliance and developing a plan for closing the gap over the next two years if the school district is out of compliance by more than 1 percent. For FY15, he said APS has added a net of 44.5 teachers at all grade levels at a cost of \$4 million and a net of 36 educational assistants at a cost of \$1.2 million.

Paul Aguilar, deputy secretary for finance and operations, Public Education Department (PED), discussed House Bill 280. He said the number of schools seeking class-size waivers during the recession was not as significant as expected. He discussed whether or not there was a need for House Bill 280, as there was an appropriation in the formula to help school districts overcome some of those shortages. He gave a brief overview of the statute regarding class size, stating the one special sizing criteria has to do with English classes in seventh through 12th grade. He discussed individual loads in kindergarten, first through third grade, fourth through sixth grade, and seventh through 12th grade. Mr. Aguilar noted there was a significant spike in class size waiver requests in 2009-2010 because of the recession and funding reductions to school districts. However, since then the number of requests has declined to a level less than 2009. He said some class over loads do exist but exist in pockets. He said the average overloaded class size in first through third grades at APS was approximately 2.26 children per overloaded class during the 2013-2014 school year. Mr. Aguilar reviewed class overload averages for Las Cruces and Rio Rancho. He noted seventh through 12th grades are based on daily teaching loads for teachers, rather than student counts in individual classes (except for English). APS has 126 overloaded teachers out of 1,700. These overloaded teachers had an average of 21 additional students per day, totaling 181 students per day. He said a similar situation existed in Las Cruces and Rio Rancho during the 2013-2014 school year. Mr. Aguilar said APS anticipates the overload situation will decline in rural and mid-size schools, noting APS overall student population is trending down. However, there are pockets of desirable schools that are attracting more students. He said rural schools are declining in population as families migrate to urban populations. Mr. Aguilar noted his analysis did not include charter schools because they are exempt from the class-load requirements based on their charter.

Representative Hall asked for comments regarding the need for more classrooms, to which Mr. Moya said the need for classroom space would exist in pockets. He said APS has need for additional classroom space in the northwest mesa and the south valley and the school district is dealing with it through the capital master planning process.

Representative Roch asked if all the waivers applied for were actually used. Mr. Aguilar said waivers are good for a school year, whether or not the school uses it. Representative Roch asked what the process is if a school is overloaded but has not received a waiver. Mr. Aguilar said overloading is self-reported and PED runs a 40-day overload report. If overloads are found and they have not self-reported, PED staff contacts the school district and works with them to submit a waiver. Representative Roch asked if data from charter school overloads is tracked, to which Mr. Aguilar said class loads do not apply to charter schools but the department can provide access to that information.

Senator Smith asked for a list of charter schools and the grades they serve, as well as the number of instructors at each school. He is interested in the percent of operational funds going into instruction. Mr. Aguilar said PED staff will provide that the requested information. Mr. Moya commented that charter schools have a relatively low pupil-to-teacher ratio.

Representative Stewart asked for data about charter school dropout rates and charter school mobility to understand class overload. Mr. Aguilar said he would provide that information.

PED Implementation of Select FY15 Related Recurring Initiatives. Leighann Lenti, deputy secretary, Policy and Program, PED, discussed FY15 improvements and accountability including making awards to school districts two months to three months earlier than FY14. She said across all programs PED is using common accountability metrics including standards-based assessment (SBA) results, school grades, teacher and principal evaluation results, graduation rates, participation and success rates, and program evaluations results that are used to inform additional training and next steps for individual programs. She noted almost \$14.5 million was appropriated for the department's early literacy intervention initiative, New Mexico Reads to Lead. Of this amount, \$1.9 million has been allocated for a universal screening assessment for kindergarten through third grade students, \$2.4 million for regional reading coaches and professional development, \$9.02 million for reading coaches and intervention supports at school districts and charter schools, and \$1.08 million to purchase books for first grade students and additional awards for districts to support the purchase of reading instructional materials.

Next Ms. Lenti noted \$7.25 million was appropriated to the department in FY15 and the department has earmarked the funds for an incentive pay pilot. Of the total, \$5 million is for incentive pay for teachers and \$2.25 million for incentive pay for school leaders. She said PED received 26 applications from charter schools and school districts; the department will announce awards by mid-September 2014.

Ms. Lenti noted PED received \$4.9 million for the new teacher and administrator evaluation system, NMTeach. Of the total, \$1.9 million will be used for training and support of principals and district leadership; \$1 million for the development of end-of-course assessments and online administration of end-of course assessments. This will allow faster scoring and cost-savings to school districts; and \$2 million for maintenance of an online portal for collection of NMTeach observation data, feedback for teachers and a repository for district-required artifacts.

Ms. Lenti discussed NMLead and NMPrep, initiatives focused on developing new training programs at institutes of higher education for teachers and school leaders. She said the application window closed on July 28, 2014, and the department will announce awards the first week of September 2014.

Ms. Lenti discussed college preparation, career readiness, and dropout prevention. The appropriation totaled \$2.9 million. PED has allocated funding as follows: \$500 thousand for workforce ready programs, \$500 thousand for early college high schools, \$600 thousand for an early warning system, \$200 thousand for career-technical student organizations, \$400 thousand for advanced placement, \$309 thousand for PSAT, and \$392 thousand for counselor support modeled after Farmington High School.

Next Ms. Lenti discussed interventions and supports for students, struggling schools, and parents. She said PED received \$10.4 million in FY15, of which \$6 million will provide training for schools receiving a C, D, or F letter grade; \$1.8 million will be used to continue the University of Virginia School Turn Around Specialist Program (UVA STSP); \$300 thousand for calibration and NMTeach rubric training for D and F schools; \$500 thousand for school district support for dropout prevention. The remaining funds will be used to boost programming associated with similar interventions and support.

In closing, Ms. Lenti said PED received \$1.2 million for parent portals, web-based services that provide parents and students access to real-time information including attendance, grades, detailed assignment descriptions, school bulletins, and even personal messages from teachers. She said beginning in October, PED will provide all school districts access to a tool that can provide the information outlined above should they choose to use the PED-provided tool.

Senator Soules asked for clarification regarding criteria for NMLead and NMPrep. Ms. Lenti said the PED website has an application that outlines all the scoring criteria. She said the applications are reviewed by a combination of PED staff and stakeholders from the field. Senator Soules asked who will provide training with the appropriation interventions and support for students, struggling schools, and parents. Ms. Lenti said the majority of the training is provided by PED staff, though some aspects of the training will be supplemented with outside trainers. The funds are used to make sure there is space available for training and also pays for participant travel costs. Senator Soules asked how the department will use the remaining funds; Ms. Lenti said the department is currently making those determinations.

Representative Roch asked if school districts already spending operational dollars on a parent portal could qualify for current year expenditure to offset the cost. Ms. Lenti said she will respond to his question in writing. Representative Roch asked if Teachscape is an annual recurring cost. Ms. Lenti said her guess was yes unless they decide to use another tool or build something in house to replace the system.

Representative Christine Trujillo asked about NMPrep and how PED reconciles training for teachers in the Teach for America program whose longevity at a school district is usually no more than two years. Ms. Lenti said approved partners are not receiving the grants, but instead New Mexico institutes of higher education will receive the grants and will partner with one or more of the approved partners.

Senator Lopez asked about NMLead approved partners and what expertise Public Consulting Group (PCG) brings to the table other than conducting audits. She gave a brief history of PCG who recently performed Medicaid fraud audits with multiple behavioral health providers. Ms. Lenti said PCG has a history of working with schools and school districts regarding training principles. Senator Lopez asked what else approved partners can do in PED to which Ms. Lenti said as of right now this is the only opportunity for PCG to work with any PED initiatives. However, she noted there may be other request for proposals they may apply for in the future. Senator Lopez asked for a list of who the institutes of higher education were and who they have chosen to which Ms. Lenti said PED would provide the list as soon as they finalize the review process in two weeks.

Miscellaneous Business

Action Items

Approval of July 2014 Meeting Minutes – Representative Larrañaga moved to approve the July 2014 meeting minutes, seconded by Senator Smith. The motion carried.

Approval of LFC Policy and Procedures – Senator Cisneros moved to approve the LFC Policy and Procedures, seconded by Representative Gray. The motion carried.

Approval of LFC Budget Guidelines – Senator Cisneros moved to approve the LFC Budget Guidelines, seconded by Representative Larrañaga. The motion carried.

Approval of FY16 LFC Budget Request – Senator Cisneros moved to approve the FY16 LFC Budget Request, seconded by Representative Larrañaga. The motion carried.

David Abbey, director, LFC, recommended a \$10 thousand contract with Cathy Fernandez to provide mentoring for new analysts. **Senator Cisneros moved to approve the contract, seconded by Representative Larrañaga. The motion carried.**

Information Items

David Abbey, director, LFC, briefed the committee on information items, highlighting the FTE report. He said time is spent examining employment levels by agency and the need for personal services and benefits, agencies ask for significant increases in FTE and compared to last year there is zero percent change in employment levels. He noted the importance of rightsizing the funding.

Charles Sallee, deputy director, LFC, briefed the committee on upcoming program evaluations including a results first brief on behavioral health in September. He said his team will present a report on the uncompensated care pool and a report on education examining high and low performing elementary schools. Later in the fall another evaluation will be presented titled cost-effective options for improving education outcomes of past-dropouts and preventing future ones. He said a capital outlay evaluation on selected water projects is also in the works.

Wednesday, August 27, 2014

The following members and designees were present on Wednesday, August 27, 2014: Vice Chairman John Arthur Smith, Larry A. Larrañaga, Don L. Tripp, Edward C. Sandoval, Nick L. Salazar, James P. White, William “Bill” J. Gray, Jim R. Trujillo, Tomás E. Salazar; Senators Carlos R. Cisneros, Sue Wilson Beffort, Carroll H. Leavell, Howie C. Morales, George K. Muñoz, Steven P. Neville, and Pete Campos. Guest legislators: Senators Mary Kay Papen and Phil A. Griego; Representative Lundstrom.

The following Legislative Education Study Committee Members were present: Chairman John M. Sapien, Vice Chair Mimi Stewart; Representatives Nora Espinoza, Jimmie C. Hall, Rick Miera and Dennis J. Roch; Senators Craig W. Brandt, Gay G. Kernan. The following advisory LESC members were also present; Representatives David M. Gallegos, Stephanie Garcia Richard, James E. Smith, Christine Trujillo; Senators Lee S. Cotter, Daniel A. Ivey-Soto, William P. Soules and Linda M. Lopez; Representative Bob Wooley.

Welcoming Remarks and Strategic Initiatives. Pete Campos, president, Luna Community College, welcomed the committee and introduced Abelino Montoya, board of trustees chairman, Luna Community College. Mr. Montoya welcomed the committee and discussed the vision and future of Luna Community College stating the college has traditionally served northeastern New Mexico. He said they began dual credit and concurrent enrollment in 1989 and under the direction of president Campos has lead the college in a positive direction.

President Campos introduced number of students who shared their experiences and gratitude for what the college has given them. He discussed the future of the college highlighting their intent to move forward with innovation and continued work with an area charter school. He said they have plans for an early college high school and are working on getting all programs nationally accredited. He discussed improvements to the campus and thanked the committees for their work in serving New Mexico.

Review of Data Quality and Methods for School Grades and Teacher Evaluations. Kim Johnson, Coalition for Excellence in Science and Math Education (CESE), gave a brief history and background of CESE, stating it is a non-profit, non-partisan 501(c)(3) charitable corporation whose members include national laboratory personnel and retirees, industrial scientists, educators, parents, and college professors. He said the group has analyzed New Mexico public education data and policy issues for over 15 years. Their focus is to help improve New Mexico schools using New Mexico data.

He discussed performance from 2007, using the New Mexico Standards-Based Assessment (NMSBA), stating there was gradual improvement in math scores up until approximately 2011. He noted reading scale scores trended upward with an anomaly in 2010, though they decreased slightly in 2013 and 2014 from the high in 2012. He said adoption of common core state standards probably does not explain recent trends. Next he discussed state graduation rates saying they have been trending generally upward except for a 5 percent decrease from 2010 to 2011.

Mr. Johnson discussed why the state uses a school grading system, rather than more simple and direct test scores. He said it is a state law requirement and required by U.S. Department of Education for waivers from provision of federal No Child Left Behind (NCLB) requirements. He noted the U.S. Department of Education has approved New Mexico's grading system. He said without the waiver, essentially all schools in all states would have failed NCLB requirements by 2014 and would have no choice but to accept either monetary loss and punitive measures if states did not get the waiver.

Next he gave an example of a PED school grade sheet and discussed issues with the value-added model (VAM), weightings that are important but not justified, and growth measures. He noted school size does not significantly correlate with SBA data; however, prior performance correlates with demographics. Mr. Johnson discussed how school grades compare with SBA scores, noting the data somewhat reflects actual school and student performance but with some significant anomalies. He said without a path to improvement, New Mexico will not get better at turning out well-educated public education students and meet the student growth targets.

Mr. Johnson discussed the effects of school demographics on performance, stating poverty and minority status alone are not a major factor. However, the combination of minority status and poverty overwhelms all other factors. Between 60 percent and 80 percent of school performance is explained by school demographics. Next he discussed how the various grading elements used by PED correlate to demographics and SBA scoring. He said CESE developed an objective method that accounts for factors beyond schools' control, including minority population, students learning English, students with disabilities, poverty percentage, and student mobility. The method also shows a comparison of school performance to standards. Mr. Johnson directed the committees' attention to a slide depicting the comparison of actual to predicted scores. The data showed New Mexico schools that significantly outperform predictions and are candidate models for how to improve. He said the data shows how well schools perform with respect to the state SBA results. He reviewed a recipe for overall school improvement, including studying best practices of a select variety of higher than expected scoring schools with a range of demographics. He also suggested sending in one or more teams to observe and document their best practices and compare the differences between high and low performing schools in the same demographic sectors to derive a set of best practices for each demographic and similar group.

Next, Mr. Johnson discussed the merit of teacher evaluations, stating the U.S. Department of Education requires the use of student growth in teacher evaluations to be eligible to receive a waiver from NCLB. He said the evaluation assumes teachers are the only cause for student performance variations other than demographics. Many teachers are graded on end-of-course tests that are not professionally created and some are graded on the basis of what different teachers did in different subjects. He quoted a statement by the American Statistical Association saying most VAM studies find that teachers account for about 1 percent to 14 percent of the variability in test scores, and that the majority of opportunities for quality improvement are found in the system-level conditions. Ranking teachers by their VAM scores can have unintended consequences that reduce quality.

In conclusion, Mr. Johnson said the school grading system needs to be modified or recast to provide information that educators can use to help them improve and the portion of teacher evaluation based on student growth is almost certainly not going to cause improvement, help teachers improve, or provide accurate assessment of most teachers' performance. He said until the requirement for this goes away we must minimize the impact.

Representative Larrañaga asked why the Singapore math models is not used to which Mr. Johnson said the model could prove helpful but noted the importance of assessing what we are doing right and wrong with our current system and incorporate what will work in our state.

Representative Miera asked if the CESE thought about challenging the statement that 99 percent of teachers were rated effective or above. Mr. Johnson said the CESE does not have access to data that would allow the group to challenge that statement. He noted the tremendous amount of room for more research. Representative Miera discussed the need to access information so assertions do not become assumptions.

Representative Stewart discussed the Singapore math model stating they teach math concepts using a pictorial process showing children how to conceptualize math. She noted the amount of collaboration time allowed, giving teacher's time to perfect their craft.

Senator Muñoz asked Mr. Johnson to develop a scoring system to determine how PED has improved the quality of education in the state. He went on to discuss how his wife as a librarian is graded based on students she does not teach. Mr. Johnson said librarians should be graded based on observation and said he was unsure he could develop a scoring system because his system of evaluation is based on observation. Representative Roch provided clarification on how librarians are evaluated.

Senator Morales said in 2012 he was told the grading system formula could not be replicated and asked if that has changed since then. Mr. Johnson said his general impression has not changed. He said there is no path to getting better using the grading system. Senator Morales commented that he will support the grading system if it is accurate but has concerns with building policy based on a faulty system.

Senator Kernan noted that the use of the DIBELS assessment is not proper for teacher evaluation and if he has examined those pieces. Mr. Johnson said he has examined them in general but not in detail. He said it is a matter of time and resources but would be worth researching.

Teacher and Principal Evaluation System Panel. Adan Estrada, superintendent, Cimarron Municipal Schools, shared concerns his community has experienced with the evaluation system. He said Cimarron schools have ranked highly, with mostly A and B schools and one C schools. He said on further evaluation he discovered there are four teachers ranked as minimally effective or ineffective. He examined information provided by PED that gave data on how those teachers were ranked and found inaccuracies in the data. In one case, an elementary physical education teacher was found to have third-grade math data included in her evaluation. He went on to discuss PED's response to the inaccuracies and was told it was the fault of the district. He requested the opportunity to verify data in STARS before teachers are evaluated to help alleviate any future inaccuracies. He highlighted his support for improving schools and measuring students but has concerns with data accuracy. In closing Mr. Estrada discussed the observation piece of the evaluation system noting there are specific strategies that effective bilingual schools use that show gains for students that are not accounted for in the observation matrix used for teachers.

Staci Diller, superintendent, Des Moines Municipal Schools, discussed observations she conducted in Des Moines, stating it was a very time-consuming process. She said for the coming school year they intend to conduct two observations. She discussed the usefulness of the Teachscape tool and hopes to see greater outcomes moving forward. She said her school district had 10 teachers that were in group A with 30 percent of them being exemplary, 40 percent highly effective, and 30 percent effective with none falling below the effective line. She then discussed group B and C teachers, noting their rates of effectiveness. Next she discussed misalignment of STARS data because the inability of the school district's student information system to feed into the STARS system. She said as administrators it is important to know how the data is used and what was expected from PED. She said she would like to examine the data and said evaluating

teachers on data that is not accurate is unfair. In closing, Ms. Diller said the evaluation tool as a whole is useful and allows administrators to hone in on teachers' shortfalls and support them to develop those skill sets.

Ruben Cordova, superintendent, Las Vegas City Schools, gave an overview of his district, stating they have eight schools serving approximately 1,700 students. He discussed his experience with the evaluation system, stating many teachers received ratings that contradict what was expected. In some cases, schools received data for teachers no longer employed by the district and did not receive data for other employed teachers. He highlighted his endorsement of the system, noting it has the ability to deliver useful information; however, it is time consuming especially with limited resources. He said the lack of human resources can prevent the system from meeting its goals. He said the system is good for improving instruction; however, the variable test score does not support or reflect the level of professional growth on the part of teachers or the quality of instruction. He said often teachers who are highly regarded and respected by their peers received ratings that were ineffective or minimally effective which can be very damaging. On the other end of the spectrum there are some teachers who are not highly regarded who received high ratings. In closing he said a contributing factor was missing data.

Neil Terhune, superintendent, Raton Municipal Schools, gave a brief history of his career and discussed leadership. He said it is the perception in his district that there is an agenda in place, noting his admiration for the governor and secretary-designate because they have stood firm and are doing what they think is right for children. He said there is a sense that we are not professionals; teachers will not do better because they received a minimally effective rating, they work for intrinsic reasons. He expressed support for the evaluation system. He noted one downfall — PED is rolling it out before conducting administrator training.

Richard Perea, superintendent, Santa Rosa Consolidated Schools, discussed his experience with the evaluation system and expressed frustration on behalf of his teachers. He said the number one factor to increase student outcome is the confidence of the teacher and the student. He said he has witnessed a mass exodus of teachers because they are disenfranchised with what is happening in the classroom. He said he believes the evaluation system is a good tool in examining objectives for domains in the classroom but disagrees with assessments being a key component in measuring a teacher's success. In closing, he expressed his hope that decisions are made with what is best for teachers and students in mind.

Gene Parson, superintendent, West Las Vega Public Schools, said a common goal among administrators is improvement in schools. He discussed his support of the evaluation system, noting changes that need to be implemented. It is his opinion teachers should not be counted absent when they are using that time for professional development because it affects the attendance portion of their evaluation. Next, he discussed the observation piece of the evaluation giving an example of a math teacher who is in his opinion very effective. He said because there is not a way to account for how a teacher interacts with students, parental involvement, or how effective they are in the school setting, she was given a rating of ineffective. He said some teachers feel the evaluation is a mechanism to assist in the firing of teachers. He discussed glitches in the Teachscape program and the fact that data is sometimes skewed. In closing, Mr. Parson discussed how time-consuming the evaluation system is.

Representative Wooley asked if districts include teacher sick days as part of evaluations and, if so, did that bring them down below the expected level. Ms. Diller said they did use teacher attendance as part of the evaluation and it counted for 10 percent. She said if teachers are not in the classroom, students are losing instructional time and, if it is a choice on the teacher's behalf and they know ahead of time that it will affect their evaluation, she does not feel it is unfair. Mr. Parson and Mr. Estrada also commented on the inclusion of teacher attendance as part of the evaluation, stating some teachers were affected. Representative Roch read a paragraph off PED's NMTeach website regarding teacher attendance, stating leave that is excluded from the calculation includes leave under the federal Family Medical Leave Act (FMLA), bereavement, jury duty, military or religious leave, professional development, and coaching. Representative Wooley asked how the people conducting evaluations were chosen and if there were any criteria used. Mr. Parson said the principals and administrators at each school conducted evaluations.

Representative Smith paraphrased the panel's general approval of the evaluation system stating most of them approve of the NMTeach domains and using the observation portion. He said teaching is an art, not a science, and it is difficult to use data to measure art. He said there are several ways teachers work with students that cannot be measured. He asked if the panel agrees that the evaluation does not capture the connection with students and the one-on-one work conducted. Mr. Cordova, Mr. Terhune, and Mr. Perea agreed with his assessment. Representative Smith asked what percentage of errors occurred on each of the panelists evaluations and if those errors were corrected. Several panelists did not have that information and stated it is a learning experience. Mr. Parson said his average was approximately 25 percent.

Representative Stewart asked for details on methods used by Ms. Diller. She was impressed with her working with teachers initially to discuss elements of the observation and work with teachers on weaknesses beforehand. Ms. Diller said she reviewed lesson plans with teachers and made adjustments using a rubric to ensure they would meet the criteria of a strong plan. She said observations were recorded and reviewed by the teachers which allowed them to see where they needed improvement.

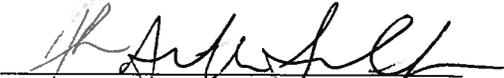
Senator Griego asked how substitute teachers and student teachers are evaluated in rural schools. Mr. Parson said he is not aware of any evaluation tools for substitute teachers although they do make an effort to obtain high quality substitutes for long term absences. Ms. Diller said there is a board policy to have an evaluation for substitutes but does not compare to the teacher evaluation. Senator Griego asked if there is an adverse effect on students when substitutes do not meet standards regular teachers do. Mr. Terhune said there are very few substitutes in his district and he would like them to be at the same level as regular teachers but that is not the case.

Senator Smith asked if the evaluation has garnered additional parental involvement to which Mr. Terhune said yes and discussed his views on the A-F grading system. Senator Smith advocated for more involvement in local communities.

Senator Lopez commented on teacher attendance noting that women are traditionally caretakers in families and should keep this in mind when rating on attendance.

With no further business, the meeting adjourned at 12:23 p.m.


Chairman Luciano "Lucky" Varela


Vice Chairman John Arthur Smith