

# State of New Mexico

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## MINUTES LESC MEETING AUGUST 8, 2005

Senator Cynthia Nava, Chair, called the Legislative Education Study Committee (LESC) meeting to order on August 8, 2005, at 9:15 a.m., Red River Conference Center, Red River, New Mexico.

### The following LESC members were present:

Senators Cynthia Nava, Chair, and Mary Kay Papen; and Representatives Rick Miera, Vice Chair, Joni Marie Gutierrez, Mimi Stewart, and W.C. "Dub" Williams.

### The following LESC advisory members were present:

Senators Vernon D. Asbill, Carlos R. Cisneros, Mary Jane M. Garcia, and Leonard Tsosie; and Representatives Ray Begaye, William "Ed" Boykin, Kandy Cordova, Roberto J. Gonzales, Jimmie C. Hall, John A. Heaton, Harriet I. Ruiz, and Richard D. Vigil.

Upon a motion by Senator Papen, seconded by Representative Gutierrez, the committee unanimously approved the agenda as presented.

## HIGH SCHOOL REFORM

Because the presentation on high school reform consisted of three issues – New Mexico High School Initiative/International Education, Smaller Learning Communities, and Career Pathways – discussion was held after the conclusion of the entire presentation.

***a. New Mexico High School Initiative/International Education***

Dr. Kathleen Forrer, LESC staff, introduced Ms. Lena Trujillo-Chávez, Program Manager, Career Technical and Workforce Education Division, Public Education Department (PED), to review the current status of the New Mexico High School Initiative, including PED's Mathematics Action Plan; Ms. Sharon Dogruel, Director, The Education Center, to discuss the role of international education in the state's efforts to reform high schools; and Dr. Frank Renz, Executive Director, New Mexico Association of Community Colleges, to present the recommendation of the Governor's Higher Education Student Success Task Force regarding student readiness.

Dr. Forrer directed the committee's attention to the materials in their notebooks, which included the staff brief, a list of the members of the High School Initiative Leadership Team and the Town Hall Implementation Team, *The New Mexico High School Initiative Consensus Document*, and a handout provided by PED entitled "New Mexico's High School Initiative."

As introduction, Dr. Forrer briefly reviewed the recent history of the national high school reform effort, starting with the National Commission on the High School Senior Year, begun by the US Department of Education (USDE), the Carnegie Corporation of New York, the Charles Stewart Mott Foundation, and the Woodrow Wilson National Fellowship Foundation in June 2000. The commission's final report introduced The Triple-A Program, the purpose of which was to improve alignment, raise achievement, and provide more rigorous alternatives for students.

Dr. Forrer noted that, in October 2003, then US Secretary of Education Rod Paige launched the Preparing America's Future High School Initiative, a critical component of which was a series of seven regional high school summits to help state teams work through and create short- and long-term plans for strengthening outcomes for youth, improving high schools, and meeting the vision of the federal *No Child Left Behind Act of 2001* (NCLB). In April 2004, a team from New Mexico consisting of 10 representatives from staffs of the LESC, PED, the Commission on Higher Education (now the Higher Education Department), and institutions of higher education attended the summit held in Phoenix, Arizona. Dr. Forrer stated that, as a result of discussions held by the original team, in May 2004 PED established a larger group, the High School Initiative Leadership Team (HSILT), to conduct a comprehensive study of New Mexico high schools. To facilitate the process, a New Mexico First Town Hall on the New Mexico High School Initiative was held in November 2004.

Elaborating on the work of the Town Hall, Ms. Trujillo-Chávez stated that, in February 2005, an implementation team had ranked the 18 recommendations that emerged from the Town Hall, placing the development of a rigorous and innovative curriculum as the first priority. She noted that ultimately all 18 recommendations would be deployed.

Ms. Trujillo-Chávez then discussed recent changes to the mission of the Career Technical and Workforce Education Division, which is moving from an emphasis on vocational education to an emphasis on aligning career and technical education with academics. She cited the national program, High Schools That Work (HSTW), a comprehensive school reform strategy initiated by the Southern Regional Education Board, as an example of a high school reform initiative that successfully integrates career education with a strong emphasis on academics. In New Mexico, HSTW is being implemented at 10 pilot sites: Bernalillo High School (Bernalillo Public Schools), Cibola High School (Albuquerque Public Schools), Farmington High School and Piedra Vista High School (Farmington Municipal Schools), Laguna-Acoma High School (Grants-Cibola County Schools), Loving High School (Loving Municipal Schools), Lovington High School (Lovington Municipal Schools), Pecos High School (Pecos Independent Schools),

Robertson High School (Las Vegas City Public Schools), and Ruidoso High School (Ruidoso Municipal Schools). Ms. Trujillo-Chávez cautioned that the strategy works best in school districts and in schools in which there is stability and commitment at the superintendent and principal levels. She also noted that HSTW is expensive; although the costs of the pilot districts have been covered by funding available under the federal *Carl D. Perkins Vocational and Technical Education Act of 1998* (Perkins), each district will have to spend approximately \$40,000 a year per high school to continue the program once the federal funding is no longer available.

Ms. Trujillo-Chávez then discussed the alignment of the New Mexico High School Initiative to other state initiatives, including:

- alignment of high school curriculum with postsecondary entrance requirements, beginning with mathematics and English;
- integration of international education into the curriculum;
- implementation of a Mathematics Action Plan to close the gap between the high school curriculum and postsecondary expectations;
- participation in Microsoft's Partners in Learning Project, which in New Mexico is linking education and economic development by extending the statewide 16 career cluster movement through technology-based simulations, curricula, online mentoring, and community outreach;
- partnership with the New Mexico Business Roundtable to produce career cluster training materials;
- implementation of Oracle academies, which provide Internet and database training for secondary students (with funding from Oracle Corporation, nine teachers from seven high schools have been trained to provide the required instruction); and
- coordination among the New Mexico Department of Labor, the New Mexico Economic Development Department, PED, and the Governor's Office of Workforce Training and Development regarding the role of career clusters in workforce development.

After providing the committee with a handout entitled "International Education: New Mexico and the World," Ms. Dogruel noted that in both 2004 and 2005, the Asia Society awarded grants of \$15,000 to New Mexico to promote international education. The 2004 grant, she explained, was used to help support the Town Hall on the New Mexico High School Initiative, which, in developing its recommendations, recognized that "global knowledge and skills are critical elements of standards." She added that the 2005 award will be used to implement the Town Hall recommendations by developing a document that identifies standards that support the development of global knowledge and skills; putting together a directory of resources, including materials and professional development; assembling a team of educators to serve as international education advisors; and developing a presentation package on international education that will be available on the web. Finally, Ms. Dogruel described New Mexico's efforts to initiate a multi-state partnership, beginning with Wyoming and Idaho, to advance international education and cross-cultural understanding.

Dr. Renz provided the committee with a handout entitled "Recommendation of the Governor's Higher Education, Student Success Task Force, on Student Readiness." Stressing that the task of preparing students for the future is not confined to the public schools but is an integral part of the entire K-20 initiative, Dr. Renz stated that the task force is recommending a standard "college-prep" curriculum with limited opt-out options to better prepare high school students for success in college and the workforce. Alignment at all levels, he said, is the key to helping students succeed.

Noting that today's student is looking at eight to 10 careers in a lifetime, Dr. Renz added that 80 percent of these students will need some type of postsecondary training. He reported that currently 67 percent of entering college freshman need remediation. He then cited other "key elements" that the Student Success Task Force believes are critical to the process of ensuring that students are ready to move on to postsecondary training:

- student support services and professional development/teacher preparation programs that support a rigorous standard curriculum;
- accelerated learning options, such as Advanced Placement courses and dual credit, for all students;
- alignment of high school exit-level math and English competencies with college entrance requirements;
- pre- and post-testing of all students for college/workplace readiness no later than the sophomore year in high school;
- expansion of tutoring plus/college awareness program beginning in middle school;
- creation of a workplace readiness certification that a student can take to a prospective employer to show that the student's workplace skills match the requirements for the job for which he or she is being considered; and
- investment in a statewide career information delivery system.

#### ***b. Smaller Learning Communities***

Ms. Pamela Herman, LESC staff, introduced Ms. Robin Chavez, Coordinator, and Ms. Carisa Petrie, Mathematics Teacher, Santa Fe High School Smaller Learning Communities Pilot Project, Santa Fe Public Schools (SFPS), to describe the smaller learning communities programs at Capital High School and Santa Fe High School.

Ms. Herman indicated that a copy of a brochure from the Bill & Melinda Gates Foundation regarding the benefits of smaller learning communities was attached to the staff brief. She stated that, during the 2004 interim, the committee heard presentations from Rio Rancho High School and Chaparral High School in the Gadsden Independent school district regarding smaller learning communities, described as "schools within schools" and based on the *Breaking Ranks II* high school reform model that emphasizes academic rigor, a personalized learning environment, distributed leadership, and continuous professional development. These presentations described how career pathways curricula delivered to smaller learning communities were supported by the actual design of the high school buildings. Ms. Herman noted that the concepts of smaller learning communities and career pathways, the subject of a later presentation, often go hand in hand in high school reform.

Ms. Herman said that the National Conference of State Legislatures (NCSL) notes a rapid proliferation around the country of innovative high school designs, such as schools within schools and the creation of smaller schools, supported by major state and national initiatives that include:

- the Small High School grants program of the Bill & Melinda Gates Foundation in targeted states (not yet including New Mexico);
- initiatives in partnership with business, industry and higher education to create career clusters and career academies within high schools; and
- the *Smaller Learning Communities Initiative* of the USDE, which is now included in

Title V of NCLB. This program has funded 13 high schools in New Mexico: Albuquerque, Cibola, Del Norte, El Dorado, Rio Grande, and West Mesa high schools (Albuquerque Public Schools) in 2000; Taos High School (Taos Municipal Schools) in 2001; Los Lunas High School (Los Lunas Public Schools) in 2002; Highland, Manzano, and Valley high schools (Albuquerque Public Schools) in 2003; and Capital and Santa Fe high schools (Santa Fe Public Schools) in 2004 to begin in school year 2005-2006.

Ms. Herman explained that, according to NCSL, research overwhelmingly supports the notion that students in kindergarten through high school are more successful when they attend small schools. NCSL notes that smaller, more personalized learning structures also serve as supportive settings for other high school reforms, perhaps because change is easier to implement in a smaller setting. According to Ms. Herman, research compiled by NCSL indicates that for all students, but especially for low income and minority students, smaller schools perform at least as well as, and often better than, larger schools in terms of academic achievement, academic equity, student attitudes and behavior, extracurricular participation rates, and attendance and dropout rates. The research cited by NCSL indicates that smaller schools also promote better student self-esteem and esteem for others, better college preparation, and lower cost per graduate.

Ms. Herman pointed out, however, that according to the USDE, a common danger is the notion that school size alone will improve student outcomes. While the research on smaller learning communities is extensive, and their benefits are well documented; nevertheless, few changes occur without difficulty, particularly in school restructuring. Research points to four main issues underlying concerns about restructuring into smaller learning communities: cost, staff conflict, student grouping, and conflict with other reform initiatives. Other problems documented by the research include perceptions of favored treatment of students in various sub-schools, isolation of small groups of faculty, unhealthy competition among faculty, lack of consensus about direction and mission, scheduling problems, and space constraints.

In 2004, Ms. Herman continued, the Legislature appropriated \$75,000 in the *General Appropriation Act of 2004* to PED for the smaller learning communities pilot project at Santa Fe and Capital high schools in SFPS. She said that in 2005, the Legislature made an additional appropriation of \$142,000 (after sanding) in SB 190, the “junior” appropriation bill, for the project.

Ms. Chavez then described the genesis of the smaller learning communities pilot project in Santa Fe. She noted that smaller learning communities, especially in the form of freshman academies, have been implemented in many school districts in New Mexico over the past several years. She said that freshman academies have had noted success in smoothing the transition year between middle and high school, when a drop in test scores typically occurs. Ms. Chavez stated that smaller learning communities first appeared in Santa Fe after a two-year planning process supported by the HSTW pilot project at Capital High School. In school year 2002-2003, Capital High School introduced a pilot freshman academy, and in school year 2004-2005 added a sophomore academy and some career academies. In school year 2005-2006, Capital will introduce career academies across all grade levels.

According to Ms. Chavez, the goal of restructuring in the Santa Fe schools is to improve graduation rates, narrow the achievement gap, and increase the rigor of the high school curriculum. She said that the project at Santa Fe High School originated in school year 2002-2003 when a guiding coalition of approximately 20 teachers, administrators, and community members, facilitated by Re:Learning New Mexico, began to study the idea of smaller learning communities. She emphasized that the study included a review of improved teaching strategies

that a smaller learning community structure would support. After planning and development in school year 2003-2004, Ms. Chavez said, a freshman academy was introduced at Santa Fe High School in school year 2004-2005 for approximately 25 percent of the freshman class, with support from Re:Learning New Mexico and community volunteers as well as the 2004 appropriation from the Legislature.

Ms. Chavez stated that the district has used its legislative appropriations for on-site professional development for the entire staff of the two schools, off-site training and school visits, and professional development and team meetings for staff members directly involved in freshman learning academies. She said the emphasis on professional development reflects the understanding that a smaller learning community will work only if it provides a structure for more effective teaching practices. Ms. Chavez explained that the professional development centers on climate and culture, collaboration, and the differentiation and integration of curriculum. According to Ms. Chavez, some of this professional development has targeted faculty who would be involved in the expanded freshman academy in school year 2005-2006 and the business education and art career academies slated for introduction in school year 2006-2007.

According to Ms. Chavez, SFPS has matched its legislative appropriations from other sources for a total amount of approximately \$2.265 million, including:

- the federal Smaller Learning Communities grant of approximately \$1.6 million for five years starting in FY 06, mentioned above;
- Perkins career and technical education funds allocations of \$168,000 in FY 05 and \$25,000 in FY 06;
- a Wallace Foundation grant of \$60,000 per year for three years starting in FY 05; and
- a corporate foundation grant for career education of \$75,000 per year starting in FY 05.

Ms. Chavez explained that the school district had anticipated certain results from the smaller learning community for school year 2004-2005, the first year of the project, including increased parental involvement, lower failure rates, and improved attendance, all of which did occur. She said that a sharp spike in test scores also occurred, much sooner than expected.

Stating that she had been involved as the lead teacher and mathematics teacher for the project at Santa Fe High School, Ms. Petrie described the organization of the smaller learning communities pilot project in more detail. She explained that participating freshmen in the pilot project took all their core classes, including an art class, with a dedicated group of teachers, including a special education inclusion teacher, who integrated the curriculum and had common planning time. She said that as sophomores, the students in the pilot project will continue with three core classes in a smaller learning community: math, English, and history. They will also have a choice of electives.

Ms. Petrie stated that, although change can be difficult, the results of the first year of this project were very encouraging. She said that year-end tests scores still being analyzed at the time of the presentation indicated that students in the smaller learning communities made greater gains in math and English than students in the rest of the freshman class, and that students in the program who began two years below grade level were two years above grade level at the end of school year 2004-2005. She noted that students with disabilities showed the greatest gains in test scores, contrary to the trend of the freshman population as a whole. Ms. Petrie explained that, while all Santa Fe High School students were offered after-school tutoring two days a week, the majority of those who took advantage of this opportunity were students in the smaller learning community. Because of parent involvement at a rate of 97 percent as well as student access to

counseling, she said, smaller learning community teachers saw fewer classroom behavior problems that took time away from teaching. Ms. Petrie enumerated several parental involvement initiatives, giving them invitations to visit the school, many phone calls about discipline and behavior, and twice the usual number of progress reports. Also contributing to the success of the pilot project were such benefits as time for teachers to plan and consult and mentoring for new teachers by veteran teachers in the program.

Ms. Chavez concluded the presentation by stating that, because of a change of leadership at Santa Fe High School, the expansion of the smaller learning communities pilot project in school year 2005-2006 will be scaled back from the entire freshman class to approximately half of the freshman students. Nonetheless, in the smaller learning communities, as described by Ms. Petrie, the project will continue for the sophomores. She stated that the plan eventually to include all students in middle and high school remains in effect, and she thanked the committee for the Legislature's continued support for this promising initiative.

### *c. Career Pathways*

Ms. Herman introduced Ms. Pam Stacey, Career Clusters Coordinator, National Association of State Directors of Career and Technical Education Consortium, to describe the genesis of the career pathways concept and to explain how it is being implemented around the nation; and Mr. Michael Chávez, Principal, Pecos High School, Pecos Independent Schools, to present the career pathways implementation plan for the school year 2005-2006 at Pecos High School.

As background, Ms. Herman stated that presentations to the committee during the 2004 interim regarding high school reform in Rio Rancho Public Schools and Gadsden Independent Schools included descriptions of schools structured around career pathways or career clusters. Career pathways is a high school reform model designed to respond to the changing demands of a new economy in which, according to the Education Commission of the States (ECS), nearly every American will need access to some form of postsecondary education. Ms. Herman said that, in response to that need, the USDE, in concert with career and technical educators and leaders of business and industry, has pushed for high schools to raise standards for academic and technical skills to increase the rigor of career and technical instruction, and to provide students with seamless transitions to postsecondary education and advanced training.

According to Ms. Herman, as part of its effort during the 1990s to strengthen career and technical education, USDE developed an educational framework that identified 16 occupational groupings called "career clusters" based on workforce projections for the 21<sup>st</sup> Century. There are clusters, for example, for Architecture and Construction; Arts, A/V Technology, and Communications; Business, Management, and Administration; and Education and Training. The USDE provided seed money under Perkins to develop curricula and instructional resources related to the clusters; and in 2001, USDE turned materials development and dissemination over to the National Association of State Directors of Career and Technical Education Consortium. Although the consortium now has frameworks for all 16 clusters, states and schools tailor the career clusters or pathways concept to suit the needs of their particular student population and local workforce needs.

Ms. Herman said that, according to PED, 48 public high schools in New Mexico will receive a total of approximately \$3.5 million in Perkins funds in school year 2005-2006 for career and technical education. She called attention to the attachment to the staff brief, which listed school districts that would receive Perkins grants for school year 2005-2006. She said that PED required each school applying for a Perkins grant to include a career pathways implementation

plan because PED has identified career pathways as the statewide strategy to improve student academic and technical skills required for Perkins-supported programs. Ms. Herman stated that according to PED, several schools are already fully implementing a school-wide career pathways framework and that 10 more schools would do so in school year 2005-2006 as a restructuring framework to implement the HSTW school improvement model described earlier in the day.

She added that 36 other high schools that receive Perkins funds intend to begin implementing or continue on implementing career pathways on a more limited basis.

Ms. Stacey provided the committee with handouts that included an outline of her presentation and sets of four color brochures published by the consortium describing the 16 career clusters, related career pathways, occupations, and career plans of study. She began her presentation by defining the concept of career clusters, which she said collectively incorporate the entire world of work in that each cluster includes academic, technical, and employability aspects. She noted that the terms “career pathways,” “career clusters,” and “career academy” are sometimes used interchangeably, but they may be distinguished as follows:

- *clusters* denotes the 16 umbrella career categories;
- *pathways* describes the professional and occupational options within each cluster; and
- *academies* means career-focused schools within schools.

Ms. Stacey explained that career pathways programs such as the Business, Management and Administration cluster organize instruction and student experiences around an occupational theme, such as administration and information support, business financial management, or marketing, to create pathways from secondary school to further education and the workplace. This framework involves schools, business and industry, and postsecondary institutions in partnership to deliver an integrated curriculum based on a student’s plan of study. The curriculum would include core academics, occupational skill-building, workplace experience, and dual enrollment delivered at the high school, at the postsecondary institution, or through a worksite internship or similar activity. Ms. Stacey asserted that the career clusters model reinforces high standards through strong assessments aligned both with state academic standards and with industry-endorsed knowledge and skills standards, and she said that these programs often result in the award of an occupational credential as well as a high school diploma. By giving students a relevant context for studying and learning, career pathways enables students to see the relationship between what they learn in school and what they can do in the future, motivating them to work harder and enroll in more rigorous courses. Ms. Stacey said that the career cluster model is adaptable to such high school restructuring initiatives as HSTW, smaller learning communities, career academies, and magnet or charter schools, as well as work-based learning programs, and community or technical colleges.

Ms. Stacey emphasized that the real importance of the career clusters approach lies not in the attainment of career goals *per se*, but in using the framework as a powerful tool for learning. She noted that the knowledge and skills required in each career cluster transfer horizontally among related occupations as well as vertically, introducing students to a wide range of career options, many of which they may not have otherwise considered, and giving them the capacity to transition or advance in related fields. In addition, she noted that students are never locked into their first chosen career cluster and that all programs are structured around a required rigorous college-preparatory core curriculum that prepares students for whatever postsecondary pathway they ultimately choose.

Mr. Chávez introduced Mrs. Mary Beth Britton, English teacher, Pecos High School, who was in the audience representing the Pecos HSTW planning team. He indicated that committee notebooks contained attachments to which he would refer, including a PowerPoint outline of his presentation, the Pecos High School planning chronology for the school year 2004-2005, a fact sheet from PED on HSTW, the Pecos High School Program of Study, and a sample student Next Step Plan based on the career pathways framework.

Mr. Chávez began his presentation by saying that, despite the roller-coaster pace of work in the world of education, he felt an urgency to make even greater changes. He stated that the Educational Plan for Student Success (EPSS) process provides an effective mechanism for reflecting on what works and what does not work. Unfortunately, however, he had to report that student achievement at Pecos High School has not increased significantly since school year 2003-2004: grade 11 reading test scores remained essentially flat from spring 2004 to spring 2005, and math scores actually dropped by approximately six points. Mr. Chávez attributed this situation to a hit-and-miss approach to school reform that did not stay true to any one model. However, Mr. Chávez said that Pecos High School has created a plan based on the key practices of the HSTW model using a career pathways structure and that he hoped being true to this model would produce better results.

Mr. Chávez reviewed the intersection of the career pathways plan in Pecos with the “three Rs” of HSTW: Rigor, Relevance, and Relationships. He stated that more rigor has been introduced in the Pecos schools by requiring 26 credits for graduation, three more than required in state law. These include four years of English, three of mathematics, three of science, three and one-half years of social science, and two years of Spanish. He explained how this core curriculum meshed with college entrance requirements and HSTW college preparatory recommendations helping Pecos Independent Schools send the message that “college is not an option; it is the expectation.” According to Mr. Chávez, because Pecos High School was asking its freshmen to start with Algebra I despite their low math scores, those students would receive double doses of help including alternating coursework with labs, after-school tutoring, and other interventions. He also emphasized the importance of relationships between adults and students that develop through counseling and advisement, and he described how developing a plan of study meshed with the Next Step Plan required in statute for high school graduation. He added that the HSTW plan supports teachers with dedicated planning time for teams implementing each program of study as well as the EPSS academic goals for the school and that teachers would receive training in the use of assessment data to drive instruction.

The key to ensuring the relevance of high school studies in Pecos, according to Mr. Chávez, is the career pathways framework. He described how the plan had been developed beginning with student career cluster interest inventories and a study of New Mexico labor market information. He outlined the seven relevant programs of study that will be offered in partnership with Luna Community College: nursing, dental assistant, business administration, building technology, automotive technology, automotive collision, and culinary arts. These programs will meet industry certification requirements and use industry-certified teachers. The plan provides enough dual enrollment opportunities for students to graduate from high school with up to 32 earned college credits.

Mr. Chávez referred the committee to the planning chronology that detailed the time and expense required to develop the plan, which he stated had involved strong participation and cooperation from the faculty at Luna Community College. He stated that the partnership with the community college was essential to the success of the plan because the high school lacked the resources, including equipment and facilities, to provide career pathways electives. In closing, Mr. Chávez expressed his enthusiasm for the opportunities that the new program would offer to Pecos students, and he thanked the committee for its interest in the changes at Pecos High School.

## **Committee Discussion:**

In response to a committee member's question whether the high school reform initiatives being implemented throughout the state are being tracked to determine which contribute to increased student success and which do not, Dr. Renz said that implementing reform takes time and that insufficient time has passed to accurately evaluate the initiatives currently underway. He stressed the need to establish benchmarks and expressed the hope that, in four years, the number of entering college students who require remediation can be reduced by half.

In response to a committee member's question if implementation of the statewide student identification number will enable the state to determine which students require remediation in college and which do not, Ms. Trujillo-Chávez said that an identification number will help but that implementation of the data warehouse is the ultimate answer to tracking student progress. Dr. Renz suggested that additional parties, including representatives from postsecondary institutions, need to be included in designing the data warehouse. Citing the Florida Education Department's K-20 data warehouse as an example of the type of system that New Mexico needs, Dr. Renz offered to use grant money to take a cross-agency team to see Florida's data warehouse on site.

Expressing concern regarding the potential for an impact on a student's future eligibility for the lottery scholarship due to the nature of the cooperative agreement between Pecos Independent Schools and Luna Community College, a committee member asked what funds will be used to pay for the college-level courses taken by Pecos High School students. Mr. Chávez explained that no lottery funds will be used. Under the cooperative agreement, he said, the district will pay a \$7.00 fee per student, and the first eight credit hours taken by a student will be offered at no cost to the student or to the district. For hours taken beyond the initial eight, Luna Community College will charge approximately \$28.00 per credit hour; however, the school district will cover the costs from its operational fund. Mr. Chávez noted that the district will actually save money by means of this agreement because the district will not have to hire teachers to provide certain elective credits at the high school.

Observing that past educational innovations that failed were sometimes "research-based," a committee member asked how today's "research-based" reform initiatives differ from those earlier efforts. Ms. Trujillo-Chávez responded that the difference is that everyone is now "on the same page." She added that there is general agreement, backed by research, that a rigorous curriculum is a requirement for all students, whatever their plans for the future.

In response to a committee member's question why no Native American schools are represented among the HSTW pilot schools, Ms. Trujillo-Chávez stated that the absence of Native American schools had not been intentional. Further, she explained that the pilot schools had been selected from volunteer schools that also exhibited stability of leadership.

A committee member asked what, if anything, is being done to ensure that mathematics texts are both readable and aligned with the more rigorous standards being promulgated by the state. Agreeing that most mathematics texts are neither readable nor aligned to the new standards, Ms. Petrie noted that a teacher does not necessarily need to use a textbook for instruction; instead, the teacher can relate the subject of mathematics to a particular career pathway by using real-world problems. Ms. Chavez added that a teacher is not really teaching if all he or she is doing is using a textbook. She said that it is important for the best teachers to work together with other teachers so that every teacher can understand the benefits of educational reform.

In response to a committee member's question regarding how students and teachers were chosen to participate in the smaller learning communities pilot project at Santa Fe High School, Ms. Petrie explained that, although the students were randomly chosen, the teachers were selected based on an expression of interest in the program. The committee member then asked how many students had taken part in the pilot. Ms. Chavez said that approximately 25 percent of the freshman class had been included, and she noted that for school year 2005-2006, 100 sophomores and 50 percent of the incoming freshman class are expected to participate.

Several committee members expressed concern that the Public School Funding Formula does not distribute sufficient revenue to cover the costs associated with smaller class sizes at the high school level. A committee member asked if it is possible to implement the other reform activities associated with smaller learning communities without lowering class size. Ms. Chavez said that restructuring a high school, even without a reduction in class size, could lead to improved student achievement.

A committee member asked what tests are used in New Mexico for college placement and whether those tests align with the high school curriculum. Dr. Renz stated that the two most commonly used college placement tests in New Mexico are Accuplacer, published by the College Board, and COMPASS, published by the American College Testing Program (ACT). However, he continued, they do not necessarily align with the high school curriculum.

In response to a committee member's question whether there is some assessment instrument that can be used in a student's sophomore year in high school to predict college success, Dr. Renz stated that both Accuplacer and COMPASS, which are nationally normed, can be used for this purpose. He added that the ideal test would be one that combines the benefits of a nationally normed test with a test of subject mastery.

Expressing concern that the 2005 Legislature had changed the high school graduation requirements by adding one-half credit in New Mexico history and decreasing the required number of elective units by one-half credit, a committee member asked if incorporating international education into the high school curriculum will have a similar impact on graduation requirements. Ms. Dogruel stated that there will be no such impact because international education is already included in the state standards as an integral part of the existing curriculum.

Noting that the renewed interest in renewable energy in light of the current energy crisis is creating a need for skilled workers, a committee member asked what the state is doing to interest students in training for the new positions. Ms. Trujillo-Chávez said that an effort is being made through the implementation of career pathways to move parts of the engineering curriculum down into the high schools.

In response to a committee member's inquiry regarding why, despite the district's participation in HSTW, assessment scores in mathematics are going down in Pecos Independent Schools, Mr. Chávez stated that the district's participation in HSTW will not actually begin until fall 2005. However, Mr. Chávez said, the district is concerned about the drop in test scores and has identified mathematics as a need to be addressed throughout the reform process. He again stressed that, despite the lower scores, all freshman will be required to take Algebra I but will receive the necessary support to be successful.

A committee member expressed concern that, because present reform efforts seem to be concentrated on pre-kindergarten through third grade at one end of the public school spectrum and on high school at the other end, middle schools are not getting sufficient attention.

Senator Nava requested that Santa Fe Public Schools provide disaggregated assessment data comparing the achievement of students in the smaller learning communities pilot project with the remainder of the 2004-2005 freshman class by subgroup.

There being no further questions, Senator Nava thanked the presenters.

## **CHARTER SCHOOLS ISSUES**

Because the presentation on charter schools consisted of two issues – dual chartering authority and charter schools as their own boards of finance – discussion was held after the conclusion of the entire presentation.

### ***a. Dual Chartering***

Dr. David Harrell, LESC staff, introduced the presenters:

- Dr. Elizabeth Everitt, Superintendent, Albuquerque Public Schools;
- Ms. Vicki Smith, President, New Mexico School Boards Association;
- Mr. Willie Brown, General Counsel, Public Education Department (PED); and
- Ms. Ruth LeBlanc, Treasurer, New Mexico Coalition for Charter Schools, and Principal, Academy for Technology and the Classics, Santa Fe.

Representatives of four entities involved in or affected by charter school authorization, these presenters offered their perspectives on the question whether state law should allow PED, in addition to local school boards, to authorize charter schools in New Mexico.

Describing the context for the question, Dr. Harrell explained that, at different times under state law, New Mexico has vested chartering authority in both state and local entities. The original *Charter Schools Act* (1993) allowed five conversion charter schools and designated the State Board of Education (SBE) as the sole chartering authority. The *1999 Charter Schools Act* amended those provisions to allow start-up charter schools in addition to conversion schools, and it changed the chartering authority to the local school board of the district in which the charter school is located, the provision that remains in effect today.

Since enactment of the 1999 law, however, Dr. Harrell continued, chartering authority has remained a topic of discussion (as have other issues related to charter schools), as evidenced by studies and legislative activities at least since 2002.

- During the 2002 interim, an LESC-appointed work group considered the possibility of allowing multiple chartering authorities such as regional education cooperatives, SBE, unions, nonprofit organizations, and two-year and four-year institutions of higher education, in addition to local school boards. This work group eventually chose not to recommend any change in the chartering authority.
- A bill introduced during the 2004 legislative session would have provided dual chartering authority, but that bill failed, like the other charter school measures considered in 2004.
- Another work group, formed during the 2004 interim at the request of the LESC, recommended dual chartering authority, but both the LESC and the Public School Capital Outlay Task Force agreed that chartering authority should remain exclusively with local school boards.

- The 2005 session did produce significant charter school legislation (a committee substitute for a bill endorsed by the LESC), but that legislation focuses on charter school facilities and leaves intact the chartering authorizer provision of the 1999 act, with local boards as the only authorizers.

Even so, through hearing appeals from charter applicants as provided in law, the Department of Education has been involved in decisions affecting the establishment or continuation of charter schools, first through SBE and now through the Secretary of Public Education. Taken together, SBE and the Secretary have heard 16 cases on appeal, according to PED. In five of them, the local board's decision was upheld; in the other 11, however, the local board's decision was remanded for approval (all by SBE), and all 11 schools are operating now.

Dr. Harrell then identified some of the options for charter authorizing, noting that committee members would find rationale for each one in the staff brief - school districts only, school districts and state education agencies, multiple chartering authorities (such as universities, municipalities, and foundations, in addition to local and state education agencies), and boards or agencies created expressly for the purpose of authorizing and monitoring charter schools.

Dr. Everitt said that she had initially supported the concept of allowing PED to authorize charter schools. Upon further consideration, however, both she and the Albuquerque Public Schools (APS) Board have concluded that limiting chartering authority to local school boards is preferable. Her concern, Dr. Everitt explained, is that, if PED were to authorize charter schools, the district would have even less control than it does now over fiscal and capital circumstances surrounding the charter schools within its boundaries. To illustrate, APS continues to have audit exceptions primarily because of its charter schools being included as component units in the district audit. There have also been instances, Dr. Everitt continued, in which charter schools have resisted cooperating with investigations into their finances. And now that the amendments to the charter school law require districts to include charter schools in their five-year facilities master plans and require charter schools, with certain exceptions, to be in public facilities by 2010, APS would be particularly concerned about the locations and facilities of any charter schools that PED might authorize.

Dr. Everitt offered two recommendations for the committee to consider: (1) require training in charter schools and charter school authorizing for local school board members; and (2) perform a financial analysis of the impact of requiring charter schools to be in public buildings by 2010.

Ms. Smith said that the New Mexico School Boards Association opposes dual chartering authority. Whoever authorizes the charter must have full oversight authority over the charter school, Ms. Smith said; and school districts are in a better position, at least geographically, to perform that function and to provide the technical assistance that charter schools need. The PED, on the other hand, is too far away from most charter schools to oversee their operations or to provide assistance effectively. In addition, Ms. Smith pointed out that, if PED were to become a charter school authorizer, the local public school district would still be responsible for capital outlay and transportation.

On a related point, Ms. Smith pointed to several studies of charter school performance in other states and across the country illustrating that, in general, charter schools have not lived up to their promise. Recent results from the National Assessment of Educational Progress, for example, indicate that the longer a charter school has been in operation, the lower the test scores of its students.

Ms. Smith also suggested that, if freedom from regulations is helpful for charter schools, then the same freedom should be offered to regular public schools, especially those that are performing well. And she cautioned the committee against relying too heavily upon the findings from surveys of parents of children enrolled in charter schools. While these surveys often show a high degree of parental satisfaction, they are more likely to reflect parents' confirmation of their choice of a charter school than they are to indicate school performance or student achievement, Ms. Smith contended.

Mr. Brown first stated that, in its desire to expand choices or options for charter applicants rather than to force them into relationships with any particular entity, PED supports the concept of separate chartering authorities - PED and local school boards. Mr. Brown also raised a number of other points, among them:

- that a small number of charter school operators seem to regard charter schools as private schools, not public schools;
- that a charter school authorizer has the power to say "yes" or "no," but that, if it says yes, it also has the responsibility of monitoring the charter school's compliance with requirements imposed upon it – in other words, "if you authorize, you own compliance";
- that the only enforcement action available to authorizers now is to revoke the charter, whereas an intermediate step, such as suspending certain functions of the school or its governing board, might be an option worth considering; and
- that the *1999 Charter Schools Act* should contain an anti-nepotism clause similar to the one in the *Public School Code* for regular public schools.

One point that Mr. Brown emphasized, both through handouts and discussion, was the implications under the federal *Individuals with Disabilities Education Improvement Act of 2004* (IDEA) if PED were to become a charter school authorizer. According to an analysis by the PED assistant general counsel who works with IDEA, if a charter school authorized by PED were unable to provide the special services required of a student's individualized education program, the responsibility of providing those services would fall to PED itself. However, because PED has traditionally been a supervisory agency rather than a direct service provider, the department lacks the structure, staff, and budget to provide direct educational services itself and lacks the statutory authority to use a charter school's State Equalization Guarantee (SEG) to pay for special education and related services as needed. With these points in mind, Mr. Brown offered sample statutory language assigning the responsibility for supplementing a charter school's special education services to the school district "in whose geographical boundaries the charter school is located."

Ms. LeBlanc began her presentation by noting that, as a former employee of the Alternative Schools Unit in PED and now as principal of a charter school, she has stood on "both sides of the charter school street." She also noted that her charter school has made Adequate Yearly Progress (AYP) for the last two years.

The New Mexico Coalition for Charter Schools, Ms. LeBlanc continued, agrees with Mr. Brown that charter applicants should have options beyond the local school board. The coalition also realizes that, in many cases, charter applicants and charter schools have good relationships with their respective districts and boards; but that in other cases the relationship is more adversarial. Consequently, the coalition recommends providing an alternative to the local board – but not necessarily PED as the alternative. Instead, the coalition suggests an appointed charter school commission that reports to the Secretary of Public Education. For one thing, Ms. LeBlanc explained, an outside authority might be in a better position than PED to address the capital needs of charter schools.

Ms. LeBlanc concluded her remarks by acknowledging that the issue of charter school authorization is complex and by requesting that the coalition be part of any discussion toward

resolving the issue. She also suggested that deferring any draft legislation until the 2007 session would allow time for proper deliberation, producing a better bill.

***b. Board of Finance***

Dr. Forrer introduced Mr. Domingo Martinez, CGFM, State Auditor; Mr. Carl Baldwin, Deputy State Auditor; and Mr. Brown to provide information regarding the implications of and requirements for designating charter schools as their own boards of finance. Ms. LeBlanc remained available to respond to questions.

To begin, Dr. Forrer reminded the committee of Mr. Brown's statement during the first part of the presentation: "If you authorize, you own compliance." Thus, she said, the question of who has the power to authorize and to revoke charters is directly related to determining who has the responsibility to exercise financial oversight of charter schools. She noted that providing charter schools with board of finance authority might not in and of itself affect their status as a component unit of another governmental entity.

Dr. Forrer then directed the committee's attention to the materials in their notebooks, which included the staff brief; a copy of the *1999 Charter Schools Act*; a summary of Governmental Accounting Standards Board (GASB) Statement No. 14, which defines the financial reporting entity; and that portion of the rule promulgated by the New Mexico Office of the State Auditor (OSA) governing the conduct of school district audits [2.2.2.12.C.(5).(b). NMAC].

As background, Dr. Forrer noted that, over the past six years, the LESC has heard testimony from local school board members, school district officials, charter school operators, and two LESC work groups regarding various concerns about charter schools, particularly those associated with charter school budgets and charter school audits. She explained that the *1999 Charter Schools Act*, which replaced the original statute enacted in 1993, stipulates that a charter school is a public school, accredited by PED, and "accountable to the school district's local school board for purposes of ensuring compliance with applicable laws, rules and charter provisions." However, she explained, state statute also establishes rights and responsibilities for charter schools that standard public schools do not have, such as the ability to contract and to acquire and dispose of property. And while state statute also requires each charter school to submit its annual budget to the local board of education, the law limits the local board's authority "to ensuring that sound fiscal practices are followed in the development of the budget and that the charter school budget is within the allotted resources." State statute also stipulates that the local school board may not amend or adjust the charter school's budget but must "approve or disapprove the budget in its entirety."

In regard to the role of charter schools in school district financial audits, Dr. Forrer stated that GASB Statement No. 14 clarifies what constitutes a component unit of a primary government, such as a school district, for auditing and reporting purposes. She noted that, because of the relationship established in state statute between a charter school and its host district, in accordance with GASB 14 guidelines, the rule promulgated by the OSA governing the conduct of agency audits defines a charter school as a "component unit" of a school district (the "financial reporting entity") and directs that charter schools be "included in the financial statements of their sponsoring school districts by discrete presentation," meaning that the financial data for each charter school must appear in a separate column within the school district's financial statements.

Dr. Forrer said that, partly in an attempt to remove charter schools from the host districts' annual financial audits, the 2004 Legislature considered a measure that would have made charter schools their own boards of finance (except for capital outlay and transportation), independent of their host districts; however, the bill did not pass. Because board of finance authority would allow a charter school to receive state and federal funds directly, Dr. Forrer continued, proponents of the bill had indicated that granting a charter school board of finance authority might result in the charter school no longer being classified as a component unit of the district for financial reporting purposes.

Dr. Forrer noted that the LESC/PED 2004 Charter Schools Work Group, previously mentioned by Dr. Harrell, recommended introduction and enactment of legislation to make each charter school its own board of finance (except for capital outlay and transportation) with the understanding that, regarding oversight and intervention, PED would treat charter schools in the same manner as it does school districts. Although such a measure was introduced during the 2005 session, it did not pass.

Addressing the issue of district audit findings attributable to charter schools, Mr. Martinez stated that a number of charter schools appear to be incapable of handling their own financial matters due, at least in part, to a high turnover rate among fiscal staff. He stressed that the OSA is neutral on the issue of charter schools becoming their own boards of finance but feels strongly that some entity, whether the host school district or PED, must assume the responsibility for assisting charter schools to fix their financial problems.

Mr. Baldwin explained that in 2002 GASB issued Statement No. 39, which amends and amplifies the concept of "component unit" set forth in GASB 14. He noted that the situation involving the inclusion of charter schools in school district audits is made even more complex by the fact that charter schools often have tax-exempt foundations—501(c)(3) organizations—that provide additional financial support; based on GASB 39, these foundations are component units of the charter schools. Thus, Mr. Baldwin said, not only must a charter school's financial statements be included in the host school district's audit but also the financial statements of any component unit of the charter school. As a consequence, Mr. Baldwin noted, some school district financial audit reports have become so long that they are nearly incomprehensible to the general public; as an example, he cited APS' June 30, 2004 audit, which is in excess of 500 pages. In support of APS' concerns that most of the findings in the audit report are related to financial deficiencies of the charter schools, Mr. Baldwin noted that, of the 127 findings in the audit, only six of them pertained to the Albuquerque school district itself.

According to Mr. Baldwin, an entity must meet three criteria to be considered a component unit of a governmental financial reporting entity, such as a school district:

- it must be separate from the financial reporting entity, e.g., a 501(c)(3) organization;
- its financial assets must significantly benefit the governmental entity or its constituents; and
- its financial assets must be integrated with those of the reporting entity.

Mr. Baldwin stressed that a host school district and its independent auditor have no choice in classifying charter schools within the district as component units. He warned that, if charter schools are not included in the school district's audit, the audit would not have been done according to generally accepted accounting principles; consequently, the OSA would be required to issue an adverse opinion, which can have major consequences for a district, including a reduction in the district's bond rating.

To conclude his remarks, Mr. Baldwin reiterated that OSA remains neutral on the issue of whether charter schools should become their own boards of finance. He stated that whether charter schools become “stand-alone” entities, are chartered by PED, or remain as they are under local school districts, something must be done to increase their fiscal expertise.

Mr. Brown said that if a charter school is permitted to become its own board of finance, the school will be required to have properly trained and bonded fiscal personnel. A potential downside, he said, is that this requirement might pose a hardship for small charter schools. However, he added, giving charter schools board of finance authority might force them to become more fiscally responsible.

Referring to the discussion on chartering authority, Mr. Brown stated that the current system placed the local school district in the role of gatekeeper, responsible for ensuring the charter school’s compliance with statute and regulation. Mr. Brown expressed concern that, if charter schools were to become their own boards of finance, they might then legally be construed as state agencies. He repeated his previous suggestion to the LESC that draft legislation specify that a charter school is “a public school existing within a school district and possessing distinct attributes despite their existence in a school district. ... This must be done so that in no uncertain terms charter schools do not become part of the state but, like a school district, are a public body.”

#### **Committee Discussion:**

In response to a committee member’s question about the amount of money that the state has spent on charter schools thus far, Ms. LeBlanc noted that, because charter schools are public schools, the state funds follow the student, except for the 2.0 percent that districts are allowed to retain to help cover administrative costs. Another committee member then asked if the 2.0 percent is sufficient to cover the district’s expenses in this regard. Dr. Everitt said that, while APS appreciates the 2.0 percent, it is not sufficient. APS, she added, now has three full-time equivalent employees dedicated to charter schools.

A committee member asked if charter schools resist being audited. Mr. Baldwin said that his office has met no resistance from charter schools themselves but that some charter school foundations have objected to being audited. In response to a related question, Mr. Baldwin stated that each charter school’s principal and financial officer should be held accountable for the charter school’s financial statements, adding that the school district superintendent typically has no knowledge of or control over the conditions that result in findings attributable to the charter school in the school district’s financial audit.

In response to a committee member’s question about the nature of the audit findings and compliance issues attributable to charter schools, Mr. Baldwin noted that the audit findings were diverse in nature and severity, citing inaccurate payroll records, failure to file employee W4 forms properly, and failure to follow proper procurement procedures as examples. Mr. Baldwin again stressed that the frequent turnover among the business personnel in charter schools is a contributing factor.

A committee member asked how PED deals with school districts that exhibit fiscal mismanagement. Mr. Brown stated that, in the past, PED has suspended board of finance authority and assumed fiscal control of a number of school districts, including Santa Fe Public Schools, Cuba Independent Schools, and Vaughn Municipal Schools because of serious fiscal irregularities within the districts. He added that there are so many charter schools now that PED

would find it impossible to assume control over them. Mr. Brown also noted that, under current statute, the authority of the local board to intervene in the case of fiscal or other problems is limited to revoking a school's charter and suggested, once again, that the committee consider supporting changes to statute that would provide authority for districts to take intermediate actions before resorting to charter revocation.

In response to a committee member's question concerning OSA's position on the question of whether charter schools should be their own boards of finance, Mr. Martinez stated once again that OSA has no position on the matter. He speculated that providing charter schools with board of finance authority might give them state agency status as Mr. Brown had suggested. Stating that OSA considers the main issue to be the apparent inability of a number of charter schools to manage their finances, he expressed doubt that making charter schools their own boards of finance would produce better audits or help correct any fiscal irregularities. Ms. LeBlanc added that, while the coalition contends that charter schools must be good stewards of public money, it does not know whether making charter schools their own boards of finance would help ensure good stewardship.

A committee member asked if OSA, rather than PED or the local school district, could be the agency responsible for assisting charter schools to better manage their finances. Mr. Martinez stated that by law OSA must remain independent; therefore, OSA would be ineligible to serve in such a capacity.

In response to a committee member's concern that the academic performance of charter schools in New Mexico has been no better than that of regular public schools, Ms. LeBlanc recommended an analysis of the reasons why any charter schools failed to make AYP. Failure to make AYP, Ms. LeBlanc continued, does not necessarily reflect student achievement, whether in a charter school or a regular public school. Instead, it may reflect other factors such as a lack of participation in the required tests. Ms. LeBlanc also said that she is unaware of any long-term study of the achievement of students in New Mexico's charter schools.

In response to a committee member's questions about the point in Ms. Smith's handout that the longer a charter school is in operation, the lower its students' test scores, Mr. Brown said that the scores speak for themselves in not reflecting well on charter schools as a whole. Ms. LeBlanc agreed that the statistics do not cast charter schools in a favorable light; but she added that, having seen the report only that day, she would want to analyze it more thoroughly before reaching any conclusions.

In response to a committee member's questions about the proportion of special education students in charter schools, Ms. LeBlanc said that nearly a third of the students in her school are considered special needs but that half of that group are considered gifted. Dr. Everitt said that, in APS, the percentage of special education students varies by school and that some charter schools are designed to attract special education students in particular. Dr. Everitt added her belief that some APS families stay with regular public schools because of the special education services they provide.

In response to committee members' questions why so many charter school issues remain unresolved, Dr. Rindone noted that previous charter school work groups, including the LESC/PED Charter Schools Work Group from the 2004 interim, had made numerous recommendations that led to legislation to enhance the law but that, for one reason or another, the legislation has never passed. Dr. Rindone suggested that LESC staff might present some of these recommendations at the next meeting.

In response to committee members' questions about measures that might be taken soon to help alleviate some of these concerns, Mr. Brown suggested that some control on the number of charter schools may help; several committee members suggested a moratorium on the authorization of any more charter schools; and another committee member suggested having the school districts assume the fiscal operation of their charter schools.

Committee members also expressed concern about a recent instance in which a charter school's foundation obtained a loan for capital improvements, using the charter school's lease as collateral. Both Mr. Brown and Dr. Everitt indicated that, if the foundation were to default on the loan, the charter school itself might be liable. Dr. Rindone informed the committee that the Public School Capital Outlay Council has asked for an opinion on the situation from the Attorney General.

As the discussion progressed, committee members raised a number of other points, among them that, especially during the late 1990s, charter schools were suspected of being a step toward the privatization of public education; that most charter schools are no different than regular public schools; that, despite assurances to the contrary during the 1990s, charter schools have repeatedly requested money for capital expenditures; that the automatic waivers granted to charter schools, especially regarding graduation requirements, may be a factor in charter schools' not meeting standards; that polarized views toward charter schools and numerous amendments to charter school bills have brought the Legislature to an impasse; and that any issues that cannot be resolved legislatively may result in court proceedings.

Senator Tsosie requested that LESC staff obtain a list by district of audit findings attributable solely to charter schools within the host district.

Representative Stewart requested that PED provide a list of the waivers from provisions of state law and PED regulation that have been granted for each charter school.

Senator Nava requested that charter schools be included as an issue at each meeting of the LESC during the 2005 interim.

## **DIRECTOR'S REPORT**

### ***a. Approval of LESC Minutes for June 2005***

Upon a motion by Senator Papen, seconded by Representative Gutierrez, the LESC minutes for June 2005 were unanimously approved.

### ***b. Approval of LESC Financial Report for June 2005***

Upon a motion by Representative "Dub" Williams, seconded by Representative Stewart, the LESC financial report for June 2005 was unanimously approved.

### ***c. Correspondence***

Dr. Rindone reviewed several items of correspondence and noted that all of the items are also included in the permanent file in the LESC office.

Dr. Rindone reported that, at the June interim meeting the committee requested LESC staff to prepare a letter from the members of the LESC to the US Secretary of Education applauding the goals of No Child Left Behind but requesting a more flexible approach on the part of the federal government to those aspects of the act that most negatively affect New Mexico. Dr. Rindone noted that the letter, approved by the LESC Chair and Vice Chair, was not included in the committee notebooks but that it would be circulated to the committee members during this meeting for their review and signature.

## **TOUR OF RED RIVER VALLEY CHARTER SCHOOL**

Committee members and others attending the LESC meeting were invited to tour the Red River Valley Charter School. During the tour, Ms. Karen Phillips, Principal, told the attendees that the school serves approximately 96 students in kindergarten through eighth grades. She stated that students enrolled in the school come not only from Red River but also from Questa, Eagle Nest, and Angel Fire. One-third of the student population, she said, are special needs students.

Noting that the pupil-teacher ratio is 14 to one in kindergarten and 15 to one in the remaining grades, Ms. Phillips stated that teachers in the school are paid according to the district (Questa Independent Schools) salary schedule. She explained that the goal of the school is for every student to be a successful learner and that, in order to meet that goal, the curriculum emphasizes reading and mathematics as well as kindness toward others. In conclusion, she reported that the school, which has met adequate yearly progress for the last two years, has had its charter renewed for another five years.

**RECESS:** Senator Nava thanked the presenters and, with the consensus of the committee, recessed the LESC meeting at 4:33 p.m.

## **MINUTES LESC MEETING AUGUST 9, 2005**

Senator Cynthia Nava, Chair, called the Legislative Education Study Committee (LESC) meeting to order on August 9, 2005, at 9:07 a.m., Red River Conference Center, Red River, New Mexico.

The following LESC members were present:

Senators Cynthia Nava, Chair, and Mary Kay Papen; and Representatives Rick Miera, Vice Chair, Joni Marie Gutierrez, Mimi Stewart, Thomas E. Swisstack, and W.C. "Dub" Williams.

The following LESC advisory members were present:

Senators Vernon D. Asbil, Carlos R. Cisneros, and Mary Jane M. Garcia; and Representatives Ray Begaye, William "Ed" Boykin, Kandy Cordova, Roberto J. Gonzales, Jimmie C. Hall, John A. Heaton, Harriett I. Ruiz, and Richard D. Vigil.

## PRE-KINDERGARTEN FY 06 EXPENDITURE PLAN

Dr. Kathleen Forrer, LESC staff, introduced Dr. Kurt Steinhaus, Deputy Secretary, Office of the Governor, to provide a general overview of the FY 06 pre-kindergarten expenditure plan; and Dr. Veronica C. García, Secretary of Public Education, and Ms. Dianne Rivera, Deputy Secretary, Children, Youth and Families Department (CYFD), to discuss those aspects of the plan pertaining to their respective agencies.

Dr. Forrer directed the committee's attention to the following materials in their notebooks - the staff brief; a copy of the *Pre-Kindergarten Act*; the pre-kindergarten expenditure plan submitted by the Department of Finance and Administration (DFA); a press release from the Office of the Governor containing a preliminary list of the pre-kindergarten programs awarded funding for FY 06; and a document entitled "New Mexico PreK Expenditure Plan," prepared by the Office of the Governor, the Public Education Department (PED), and CYFD. At this time, the committee also was given a handout entitled "2005 T.E.A.C.H. Early Childhood New Mexico" provided by Dr. Baji Rankin, Executive Director, T.E.A.C.H. Early Childhood New Mexico.

As introduction, Dr. Forrer noted that the 2005 *Pre-Kindergarten Act*, which establishes a voluntary program of pre-kindergarten services for four-year-old children, creates two non-reverting funds: the Public Pre-Kindergarten Fund, administered by PED, and the Children, Youth and Families Pre-Kindergarten Fund, administered by CYFD. Up to 10 percent of the money in each fund may be used for administrative expenses by the respective departments.

Dr. Forrer explained that the *General Appropriation Act of 2005* requires DFA to provide a pre-kindergarten expenditure plan for review by both the LESC and the Legislative Finance Committee (LFC) by July 1, 2005. In addition, she said, the act also specifies that "priority for funding shall be given to supplement public, tribal and private early childhood programs" that are licensed as of July 1, 2005 (as applicable); serving communities that have the highest percentage of public elementary schools not meeting adequate yearly progress; and serving children, at least 66 percent of whom live within the attendance zone of a Title I elementary school.

Noting that the 2005 Legislature appropriated \$4.0 million for a pre-kindergarten pilot program for FY 05, FY 06, and FY 07 and \$950,000 for pre-kindergarten services for FY 05 and FY 06, Dr. Forrer observed that the pre-kindergarten program expenditure plan submitted by DFA budgets the entire \$4.95 million for expenditure in FY 05 and FY 06.

Dr. Forrer reported that, in April 2005, PED and CYFD issued separate requests for proposals (RFPs) for eligible pre-kindergarten providers; both proposals contained the stipulation that money awarded may not be used to supplant "pre-kindergarten services being delivered prior to the PreK contract" and specified a per-child reimbursement rate of \$2,278.81, based on 540 hours of direct services. On June 23, 2005, the Office of the Governor released a "non-binding preliminary list" of contract awardees, consisting of "28 new or expanded programs in 23 communities across the state...for more than 1,500 four-year-olds."

Stressing the potential benefits of pre-kindergarten, Secretary García stated that a recent report estimates that half of the achievement gap already exists by the time children enter kindergarten because many children do not have the opportunity to learn pre-literacy and pre-numeracy skills before they start school. She cited the *Pre-Kindergarten Act* as New Mexico's attempt to bridge that gap.

Ms. Rivera then identified five objectives of the act: (1) to increase access to voluntary high-quality pre-kindergarten programs; (2) to provide developmentally appropriate activities for New Mexico children; (3) to expand early childhood community capacity; (4) to support linguistically and culturally appropriate curriculum; and (5) to focus on school readiness.

Dr. Steinhaus noted that, prior to the deadline for responding to the pre-kindergarten RFPs, CYFD and PED jointly held grant writing workshops in Farmington, Gallup, Albuquerque, Las Cruces, Carlsbad, Taos, and Las Vegas to provide general training for both school district staff and private providers on how to respond to the RFPs. In regard to the RFPs themselves, Dr. Steinhaus reported that CYFD and PED had received a combined total of 46 proposals. He explained that, after the proposals had been evaluated and negotiations conducted with some of the responders, 31 programs were awarded grants to serve an estimated 1,538 children:

- Ms. Rivera stated that CYFD had received 30 proposals and had recommended funding 20 for a total of \$1.75 million to serve 768 children in 30 locations. CYFD awardees include the following private providers: Albuquerque Preschool Cooperative, City of Albuquerque, San Felipe de Neri, St. Marks in the Valley, University of New Mexico Children's Campus, Youth Development Incorporated, and La Petite Academy, all of which are in Albuquerque; Apple Tree Education Center (Truth or Consequences); Family Learning Center (Española); HELP (Chaparral, Lordsburg, Deming, Columbus, Alamogordo, and Las Cruces); New Mexico Highlands University (Las Vegas); Jardin de los Niños (Las Cruces); Little Learners (Los Lunas); Mescalero Apache Schools; Mid-West CAP (Gallup and Grants); Presbyterian Medical Services (Santa Fe and Bernalillo); Rocking Horse Daycare (Carrizozo); Ruidoso River Raccoons (Ruidoso); and Watch-Me-Grow (Belen).
- Secretary García stated that PED had received 16 proposals from 15 school districts and one charter school; 11 school district proposals were recommended for a total of \$1.75 million to serve 770 children in 20 locations. PED awardees include the following school districts: Albuquerque Public Schools, Bernalillo Public Schools, Central Consolidated Schools, Cuba Independent Schools, Gallup-McKinley County Public Schools, Gadsden Independent Schools, Los Lunas Public Schools, Magdalena Municipal Schools, Roswell Independent Schools, Santa Fe Public Schools, and Zuni Public Schools.

Noting that *the Pre-Kindergarten Act* allows the administering agencies to use up to 10 percent of the pre-kindergarten appropriation for administrative costs, Secretary García stated that CYFD and PED are using \$140,000 each for administrative purposes, \$115,000 for salaries and contract services and \$25,000 for support and travel. She said that this amount is less than the 10 percent allowed by law.

- Of the \$115,000 budgeted by CYFD for salaries and contract services, \$100,000 will be used to support an early childhood education specialist and a .5 full-time-equivalent fiscal staff member; the remaining \$15,000 will be used for Governor's staff costs.
- Of the \$115,000 budgeted by PED for salaries and contract services, \$100,000 will be used to support an early childhood education program coordinator and to provide the coordinator with administrative assistance; the remaining \$15,000 will be used for Governor's staff costs.

Both Ms. Rivera and Dr. Steinhaus addressed the professional development needs of practitioners in state-funded pre-kindergarten programs:

- Ms. Rivera explained that New Mexico State University (NMSU) has contracted with the state to establish the Prior Learning Assessment Center for Early Education (The P.L.A.C.E.), which is scheduled to begin in September 2005. According to Ms. Rivera, practitioners will be able to challenge and to receive credit for competency-based early childhood teacher education coursework leading to both the associates and the bachelor's degrees. In addition, she said, NMSU will offer three on-line, undergraduate-level classes in early childhood education in fall 2005 and another five such courses in spring 2006. She added that the university is also developing a master's degree program in early childhood education.
- Dr. Steinhaus then described the T.E.A.C.H. Project, which provides college scholarships for individuals working toward a degree in early childhood education with New Mexico licensure. The number of scholarships available, he said, is dependent upon the level of education sought, i.e., undergraduate or graduate, and on the associated tuition costs. Dr. Steinhaus explained that \$450,000 of the \$950,000 appropriated by the 2005 Legislature to DFA for pre-kindergarten services will be used to provide approximately 150 T.E.A.C.H. scholarships, with priority given to teachers currently working in pre-kindergarten sites.
- Dr. Steinhaus also announced that CYFD, on behalf of both CYFD and PED, will issue an RFP to solicit one or more agencies to provide on-site training, technical assistance, and support to state-funded pre-kindergarten programs, with awards expected to total \$200,000.

Finally, Ms. Rivera addressed the issue of evaluation, explaining that there will be three levels of pre-kindergarten evaluation. The first level of evaluation will consist of a teacher-administered assessment, *Get It, Got It, Go*, which measures a child's developmental growth and predicts later success at learning to read. The second level of evaluation will assess whether a pre-kindergarten program has met its unique program goals; data will be gathered through annual reporting and ongoing contract monitoring. The third level of evaluation will be a statewide external evaluation conducted by a contractor to determine if the pre-kindergarten program results in improved student readiness for school. Ms. Rivera said that DFA issued the RFP to select an external evaluator on June 15, 2005. She explained that, although the RFP review committee has recommended a contractor, she could not yet release the name because negotiations are still in progress.

In summation, Secretary García stated that pre-kindergarten is an investment in developmentally appropriate learning for children in order to improve their opportunities to succeed in school. She reminded her audience that pre-kindergarten is not a part of the federal *No Child Left Behind Act of 2001* but stressed the need for quality teachers and a proven curriculum.

### **Committee Discussion:**

A committee member asked if the external evaluation of the pre-kindergarten program will include: (1) a comparison of the progress of children in the program with the progress of children who do not take part in pre-kindergarten programs; and (2) an assessment of how well the programs interface with the children's families and the community. Dr. Steinhaus stated that an assessment of the students in the program, based on the results of *Get It, Got It, Go*, is one of the requirements addressed in the RFP. In addition, he said, the contractor will be required to use the *Early Childhood Environment Rating Scale, Revised* (ECERS-R), which assesses seven

program aspects: space and furnishings; personal care routines; language-reasoning; activities; interactions; program structure; and parents and staff. Stressing that the duration of the contract will be for no more than one year and that the contract amount will be approximately \$180,000, he said that he did not want to “promise the moon” in terms of what the contractor will be able to accomplish.

In response to a committee member’s question, Dr. García stated that *Get It, Got It, Go* is available in Spanish.

In response to a committee member’s question regarding the curricular structure of the pre-kindergarten program, Ms. Rivera said that there are a number of curricula available that are research based. She added that the pre-kindergarten awards were made to programs using different approaches in the hope that program results could be compared to determine best practices.

In regard to a committee member’s question about what constitutes a quality pre-kindergarten teacher, Dr. Steinhaus stated that a quality pre-kindergarten teacher is one who has the ability to build a warm, caring relationship with the child and the child’s parents, knows how children learn, and has a “bag of tricks” that includes knowledge of multiple curricula.

A committee member asked for additional information regarding NMSU’s The P.L.A.C.E. program. Ms. Rivera explained that the concept behind The P.L.A.C.E. is to create a center to help teachers all over the state by providing a means for them to challenge courses based on their own knowledge and experience, thereby attaining a degree in a shorter period of time.

In response to a committee member’s question regarding how CYFD and PED can be sure that the pre-kindergarten awards will be used to supplement and not supplant pre-existing services, Ms. Rivera stated that successful award recipients must sign contracts that stipulate that the funding will be used to provide services for additional children. She noted that the contracts will be monitored through unannounced visits by agency staff. Children enrolled in state-funded pre-kindergarten, she added, will receive pre-kindergarten services free of charge for the required 540 contact hours.

A committee member asked why only about 1,500 children are being served when the \$4.0 million appropriation at the current reimbursement rate of \$2,278.81 could fund approximately 1,755 children. Noting that some of the \$4.0 million is being used by CYFD and PED for administrative costs and other program support as allowed by law, Dr. Steinhaus said that the number of students included in the approved proposals is 1,538.

Several committee members expressed concern that the approved pre-kindergarten programs appear to be concentrated along the Rio Grande corridor. Dr. García responded that neither CYFD nor PED had received applications from the eastern side of the state.

In response to a committee member’s question regarding what plans are being made to expand the program and at what cost, Secretary García said that CYFD and PED are working with DFA to develop a preliminary cost estimate. Adding that the pre-kindergarten program is currently based on a “fill-in-the-gaps” model, she stated that discussions concerning the future expansion of the program are part of the larger discussion regarding a holistic approach to children’s needs encompassed by the Governor’s recently declared “Year of the Child.”

In response to a committee member's question regarding participation in preschools during FY 05, Dr. García stated that 2,947 children were in state-subsidized preschool and child care programs; 2,187 children were enrolled in private preschools; and 5,283 children were enrolled in federal Head Start programs. The committee member then asked if the 1,538 children that will be served in state-supported pre-kindergarten programs during FY 06 will be in addition to the number of children served previously. Dr. García answered in the affirmative.

Several committee members expressed concern that there might not be a sufficient number of credentialed pre-kindergarten teachers available in the next few years to support an expansion of the state funded pre-kindergarten program.

A committee member asked if the on-line courses that will be offered by NMSU will be available to anyone who wishes to take them or if enrollment will be limited to individuals already employed in a pre-kindergarten program. After some deliberation, Ms. Rivera stated that the on-line courses will be available to anyone who can access them. The committee member then asked what the cost of the courses will be. Referring to the handout provided to the committee by Dr. Rankin, Mr. Dan Ritchey, T.E.A.C.H. Project Director, explained that the cost of bachelor's and associate degree programs is a shared responsibility among T.E.A.C.H., the school or early childhood program employing the teacher, and the teacher who is seeking the degree. He stated that a T.E.A.C.H. scholarship covers from 54 to 85 percent of the cost, the school or early childhood program is responsible for between 13 and 43 percent of the cost, and the teacher seeking the degree is responsible for the remaining 1.0 to 7.0 percent of the cost. Dr. Steinhaus noted that, in addition to the \$450,000 included in the pre-kindergarten expenditure plan for T.E.A.C.H. scholarships, there is \$250,000 for training and technical assistance.

In response to a committee member's question regarding sources of funding for the state pre-kindergarten program other than state revenues, Dr. Steinhaus stated that the Public Service Company of New Mexico is expanding its teacher scholarship program to include pre-kindergarten teachers. In addition, he said, the Pew Charitable Trust has expressed an interest in providing some type of support.

In response to a committee member's question regarding capital outlay needs for future expansion of state-funded pre-kindergarten, Dr. Steinhaus stated that the question of facilities is on a list of unanswered questions that also includes instructional materials. He noted that staff have conducted a survey of other states that provide pre-kindergarten programs to determine how those states are handling capital outlay, transportation, instructional material, and start-up costs.

## **LAND GRANT PERMANENT FUND DISTRIBUTIONS**

Ms. Frances Maestas, LESC staff, introduced Mr. Mark Valdes, Deputy State Investment Officer of Administration and Client Services, State Investment Office, to discuss the distributions from the Land Grant Permanent Fund for public schools and education reform.

Ms. Maestas directed the committee to the background section of the staff brief regarding the history of the Land Grant Permanent Fund and the charge of the State Investment Office for managing the investments of the fund. Ms. Maestas noted that public schools are the largest of the 20 beneficiaries of the Land Grant Permanent Fund. The remaining 19 beneficiaries, she stated, include all of the state's public four-year higher education institutions and other state institutions, such as the New Mexico School for the Blind and Visually Impaired, New Mexico School for the Deaf, penitentiaries, and the state hospital.

With regard to current revenues available from the Land Grant Permanent Fund, Ms. Maestas reported that, at a special election in September 2003, New Mexico voters adopted an amendment to the state constitution to provide a permanent increase in the annual distribution from the fund from 4.7 percent to 5.0 percent of the average market value over the past five years, effective with voter approval of the amendment, and to provide for a temporary increase in the distributions to 5.8 percent from FY 05 through FY 12 and to 5.5 percent from FY 13 through FY 16.

Referring to a copy of Article XII, Section 7, of the state constitution included in the committee notebooks, Ms. Maestas pointed out that the additional 0.8 percent annual distribution from FY 05 to FY 12 and the additional 0.5 percent from FY 13 to FY 16 is to be used for education reform as provided by law. Beginning with FY 17, she stated, the distribution reverts to 5.0 percent and additional distributions dedicated to education reforms will cease. Ms. Maestas also noted that the permanent fund measure includes safeguards against depletion of the fund. For example, she stated, no distribution will be made in any year in which the average of the year-end market value of the fund for the immediately preceding five calendar years is less than \$5.8 billion. An additional safeguard, she indicated is that the Legislature, by a three-fifths majority vote of each house, can suspend any additional distribution.

Mr. Valdes provided the committee with a handout outlining State Investment Office projections of distributions from the Land Grant Permanent Fund, comparing the distributions under the current year percentage (5.8 percent) to the percentage (4.7 percent) prior to the passage of the 2003 increase and summarizing the performance of the fund and the impact of the constitutional change on the corpus of the fund.

Mr. Valdes emphasized that the constitutional amendment has significantly increased distributions from the fund. Pointing to the FY 05 and FY 06 projections, Mr. Valdes explained that the 5.8 percent distribution is expected to provide approximately \$80.0 million in additional revenues each fiscal year if compared to the distributions based on 4.7 percent. For FY 07, he added, the total fund distribution is projected at \$438.4 million, with 83 percent or \$363.9 million allocated for public schools.

Referring to Land Grant Permanent Fund dollars for education reform, Mr. Valdes directed the committee to a table included in his handout that summarized the distribution in excess of 5.0 percent for FY 05 through FY 16. He noted that the amount available for public schools would be approximately 83 percent of the total distribution amount. Pointing to the approximately \$58.2 million available for FY 05, he stated that 83 percent of the total distribution, or \$48.3 million, would have been provided for public schools for education reform.

Focusing on the corpus of the fund, Mr. Valdes reported that preliminary, unaudited ending market value of the Land Grant Permanent Fund for June 30, 2005 is \$3,226.0 billion, an increase of \$562.5 million or 7.3 percent above the June 30, 2004 ending market value. He emphasized that, as long as the investment performance exceeds the percent annual distribution (5.8 percent from FY 05 through FY 12 and 5.5 percent from FY 13 through FY 16) plus inflation, the corpus of the fund will be preserved.

With regard to the percentage and amount of revenues available for education reform, Ms. Maestas indicated that during the 2005 legislative session the Office of Education Accountability (OEA), Department of Finance and Administration, provided a table to the House Education and Senate Education committees outlining differences between the LESC's and the Executive's projected revenues available from the fund for education reforms. Referring to

committee to a table included the committee notebooks, she stated that a review of the OEA table by LESC staff indicated that the Executive's projections were based on the entire difference between the original 4.7 percent and the 5.8 percent annual distribution rate for FY 05 through FY 12 (a difference of 1.1 percent) and the 5.5 percent annual distribution rate for FY 13 through FY 16 (a difference of .8 percent), instead of the additional annual distribution percentage provided in the constitution (i.e., an additional 0.8 percent annual distribution from FY 05 to FY 12 and 0.5 percent from FY 13 to FY 16). She noted, however, that State Investment Office projections of the fund's distributions received by the LESC on February 2, 2005 substantiated the LESC projections in the OEA table.

On a related issue, Ms. Maestas reported that the LESC, LFC, and OEA do not agree on the total amount of recurring dollars appropriated for education reform. She explained that the difference is attributable to the way in which teacher salaries were considered as reform.

### **Committee Discussion:**

Referring to Ms. Maestas' explanation of the differences between the LESC and the Executive in the amount of revenues available for education reform and in the total amount appropriated by the Legislature to fund education reform initiatives, Representative Miera emphasized the importance of meeting with LFC to discuss the differences with the Executive numbers and to address the issue of "supplanting" dollars for public education. Representative Stewart requested that the discussion include the identification of other funding streams for education reform.

In order to provide a report to the LESC during the October meeting, Senator Nava requested that LESC staff coordinate a meeting on October 4, 2005 of the chairs and vice chairs of the LESC and LFC.

## **DATA WAREHOUSE IMPLEMENTATION/UNIFORM PUBLIC SCHOOL CHART OF ACCOUNTS**

Ms. Frances Maestas, LESC staff, introduced Mr. Don Moya, Deputy Secretary of Finance and Operations, Public Education Department (PED), Mr. Robert Piro, Assistant Secretary and Chief Information Officer, PED; and Mr. Rick Wells, CPA, Vice President, Finance and Consulting Service, EDmin.com, for a presentation outlining the activities of the department in establishing a data warehouse at PED and in implementing a uniform public school chart of accounts aligned with the guidelines of the National Center for Education Statistics (NCES).

In the 2004 interim, Ms. Maestas explained, the committee heard a report of the Performance Accountability Data Systems Project, a Legislative Finance Committee (LFC) initiative conducted in collaboration with staff from the LESC, PED, and the Office of Education Accountability. The goals of the project, she noted, were to inventory data systems at the state and public school district levels; to examine the process for gathering, interpreting, and using data; and to provide recommendations to the Legislature. The findings of the project revealed, among others, that PED maintains separate, obsolete data collection systems that are not integrated and that result in inconsistent and unreliable data across the systems; and that PED, school district, and charter school personnel need to be provided training in collecting, analyzing, interpreting, and using data. Among its recommendations, the work group requested that the Legislature consider appropriating funds for the implementation of a comprehensive data warehouse project at PED. Subsequently, the Legislature appropriated over \$6.6 million to fund the implementation of a data warehouse at PED in FY 05, FY 06, and FY 07. Other

recommendations of the work group, Ms. Maestas added, included a requirement that PED expand the architecture design of the warehouse into a P-20 performance accountability system and fully implement a uniform public school chart of accounts by July 1, 2006.

Since the 2003 interim, Ms. Maestas noted, the LESC has heard testimony from PED on the implementation of a uniform public school chart of accounts aligned with NCES guidelines. She reported that the LESC had requested PED to complete the chart of accounts conversion by June 30, 2005; however, in its testimony during the 2004 interim, PED indicated that at least three years would be necessary to complete the design of the new chart of accounts; to train PED, school district, and charter school personnel statewide; and to provide adequate computer systems. In additional testimony to the committee in the 2004 interim, Ms. Maestas added, PED indicated that funding the warehouse project would greatly facilitate the implementation of a uniform chart of accounts; therefore, PED's plan included the development of both of these projects. To conclude, Ms. Maestas reported that, since 2004, the Legislature has appropriated \$2.4 million to support the conversion to a new public school chart of accounts.

Mr. Moya reported that the data warehouse will store all student, teacher, course, testing, and financial data in one comprehensive system and that it will provide the department with the technology to enhance its data collection and reporting capabilities in meeting federal and state requirements. The data warehouse will also facilitate the conversion to a uniform public school chart of accounts. The two interrelated initiatives, he emphasized, should provide the state with accurate, consistent, and reliable data to assist in the decision-making process.

Mr. Moya stated that, during the course of the Performance Accountability Data Systems Project, PED joined the Decision Support Architecture Consortium (DSAC), an initiative of the Council of Chief State School Officers. PED's participation in DSAC, he reported, facilitated an assessment of PED's data management and decision-support capabilities by a team of system experts from the Center for Education Leadership and Technology Corporation. The assessment, he added, resulted in the development of a DSAC model for establishing a decision-making framework focused on improving student performance that will be used for the design of the comprehensive data warehouse at PED.

With regard to the conversion to a uniform public school chart of accounts, Mr. Moya reported that to use resources more efficiently, PED was able to salvage the remaining balance of \$330,000 from the \$4.2 million appropriated by the Legislature from FY 00 through FY 04 for the implementation of performance-based budgeting in public schools. Using this balance, PED negotiated with EDmin.com to design a chart of accounts aligned with NCES guidelines as well as to update PED's Manual of Procedures, Public School Accounting and Budgeting, commonly referred to by school districts as "supplement 3." He emphasized that PED anticipates having all processes and systems in place by June 30, 2006 so that the new chart of accounts will be available for school districts to use in developing their budgets for the school year 2006-2007.

To conclude, Mr. Moya indicated that Mr. Piro would summarize the overall objectives of the data warehouse project and outline the student and teacher accounting reporting system. Mr. Wells, he added, would provide the committee with an overview of the redesigned chart of accounts.

Referring to a committee handout, *Student, Teacher Accountability Reporting System (STARS)*, Mr. Piro outlined the DSAC framework for the implementation of a data warehouse at PED. To comply with the requirements of the appropriation provided by the 2005 Legislature in the General Appropriation Act of 2005, Mr. Piro emphasized, PED has developed a strategic project

plan (STARS Project Management Plan); is currently awaiting approval for four term full-time equivalent positions for the project; is assigning additional full-time staff currently employed in the department; and has begun to provide status reports to the state Chief Information Officer. Mr. Piro reported that, responses to the request for proposals (RFP) for the first phase (design and operational model) of the project are due at PED on August 23, 2005. By December 1, 2005, he reported, the Legislature will be able to review the capabilities of the system in interfacing student ID, assessment, teacher, human resources, and finance data.

Using a document included in the committee notebooks, Mr. Wells summarized the activities provided by EDmin.com in developing a uniform public school chart of accounts aligned with NCES guidelines and updating the manual of procedures for school districts and charter schools. He also provided the committee with a structure, numbering, and content comparison between the current and redesigned chart of accounts; outlined the new components (program, location, and job classification) of the chart of accounts; and provided examples of levels of detail required of school district and charter school personnel in reporting financial information. To facilitate the preparation of budgets for FY 07 using a new chart of accounts, Mr. Wells recommended that, within six months, training be provided for PED, school district, and charter school personnel statewide.

### **Committee Discussion:**

In response to a committee member's question whether school districts and charter schools will be required to hire additional staff to implement the new chart of accounts, Mr. Moya reported that the web-based and CD training program should preclude the need to hire new staff in school districts and charter schools statewide.

In response to a committee member's question whether new software would be required to implement a new chart of accounts, Mr. Moya indicated that Mr. Wells worked with the various software vendors that service school districts and charter schools statewide to implement the new chart of accounts with no additional cost.

In response to a committee member's question whether the RFP for the data warehouse referenced the new chart of accounts, Mr. Piro stated that the RFP includes language that requires the incorporation of all data gathered at PED, including financial data.

In response to a committee member's question relating to the anticipated date for completion of the data warehouse at PED and anticipated cost, Mr. Piro directed the committee to page 7 of the handout, Student, Teacher Accountability Reporting System, for a summary of the activities, deliverables, and expenditure of the \$6.6 million appropriation of the 2005 Legislature for implementation of the data warehouse at PED. Mr. Piro added that the data warehouse and associated training of PED, school district, and charter school personnel should be complete by the end of school year 2005-2006. He also noted that the department estimates that an additional \$15.8 million appropriation would be required to fund the project through FY 08.

Committee members discussed concerns related to appropriate training for school personnel at the state and local level, including individuals employed in low-pay, high-turnover positions at the school level. To emphasize the committee's concerns, the chair of the committee stated that, data-entry clerks are responsible for submitting data that determines the funding of a district yet they are among the lowest paid and least trained employees at the local level. She stated that, along with investing in hardware and equipment, PED should focus on identifying data entry positions in each district to ensure that the employees receive appropriate training and technical assistance as well as recognition for the vital role that they play in providing the state with accurate, consistent, and reliable data that are used in the decision-making process.

Mr. Moya acknowledged that quality training of school personnel at the appropriate level is of importance in ensuring that data are submitted in a consistent and accurate manner. He agreed with a committee member that the availability of web-based and CD training would not ensure that school personnel understand their role in providing accurate data and that face-to-face training and assistance would be required in future years. He indicated that initial training initiatives also include two-day regional training sessions statewide. Once the initial training is completed, he added, school district and charter school personnel will be able to contact school budget analysts at PED on a daily basis for technical assistance. To conclude, Mr. Moya reported that training will continue to be provided on an annual basis to provide system updates, to discuss problems and potential changes, and to train new employees.

## **AREA SUPERINTENDENTS AND COMMUNITY INPUT**

Although opportunity was provided, no one in attendance at the meeting chose to provide input to the committee.

**RECESS:** Senator Nava thanked the presenters and, with the consensus of the committee, recessed the LESC meeting at 5:30 p.m.

## **MINUTES LESC MEETING AUGUST 10, 2005**

Senator Cynthia Nava, Chair, called the Legislative Education Study Committee (LESC) meeting to order on August 10, 2005, at 9:07 a.m., Red River Conference Center, Red River, New Mexico.

The following LESC members were present:

Senators Cynthia Nava, Chair, and Mary Kay Papen; and Representatives Rick Miera, Vice Chair, Joni Marie Gutierrez, Mimi Stewart, Thomas E. Swisstack, and W.C. "Dub" Williams.

The following LESC advisory members were present:

Senators Vernon D. Asbill, Carlos R. Cisneros, and Mary Jane M. Garcia; and Representatives Ray Begaye, William "Ed" Boykin, Kandy Cordova, Roberto J. Gonzales, Jimmie C. Hall, John A. Heaton, Harriet I. Ruiz, Sheryl M. Williams Stapleton, and Richard D. Vigil.

## **EDUCATOR QUALITY**

### ***a. Preparation of School Leaders***

Ms. Pamela Herman, LESC staff, introduced Dr. Arthur E. Levine, President, Teachers College, Columbia University, to present the findings and recommendations of his report *Educating School Leaders*; and Dr. Viola E. Florez, Dean, College of Education, University of New Mexico (UNM); Dr. Robert D. Moulton, Dean, College of Education, New Mexico State University (NMSU); and Dr. Gary Ivory, Academic Department Head, Education Management &

Development, College of Education, NMSU, to provide perspective from educators in New Mexico school leadership preparation programs regarding the challenges cited in Dr. Levine's report. Ms. Herman also introduced Mr. James Ball, Assistant Secretary, Educator Quality Division, Public Education Department (PED), who was in the audience and was available for questions.

Ms. Herman directed the committee's attention to two attachments to the staff brief in committee notebooks - a summary of Dr. Levine's report, outlining how existing school leadership programs fall short in addressing his proposed "criteria for excellence;" and a response to his report from the National Council for the Accreditation of Teacher Education (NCATE) that presents additional recommendations for improving school leadership programs.

To provide a New Mexican context for discussing Dr. Levine's report, Ms. Herman stated that the 2003 Legislature acknowledged the importance of leadership in its comprehensive amendments to the *Public School Code* by elevating the authority of superintendents to that of chief executive officers in their districts and expanding the authority of school principals. She stated that current law sets forth standards for applicants for a Level 3B school administrator license within the three-tiered teacher licensure system, and it establishes a minimum salary to be implemented in school year 2007-2008.

Ms. Herman said that national research indicates that leadership is second only to classroom instruction among all school-related factors that contribute to student learning, with a demonstrably greater impact in schools where the learning needs of students are most acute. She said that current research also finds that there are virtually no documented instances of troubled schools being turned around without intervention by a powerful leader. However, she said that the Education Commission of the States (ECS) and other authorities agree that school leadership preparation programs do not currently fulfill their mission to produce leaders prepared to address the challenges that confront today's schools. She said that, in response to these criticisms and demands that the programs be held accountable, Dr. Levine led a five-year research study whose goal was to examine how well current programs educate leaders for today's jobs and today's schools, resulting in the report that was the subject of this presentation.

Dr. Levine provided the committee with bound copies of his full report, *Educating School Leaders*, published in March 2005, and copies of the report's executive summary. He introduced his presentation by stating that the study grew out of a deep commitment to educational leadership programs in institutions of higher education (IHE). He said that demands on these programs have shifted dramatically in the face of extraordinary economic, demographic, technological, and global changes affecting the public education system. According to

Dr. Levine, school leaders must now focus on instructional outcomes, not processes, and must do so for every student regardless of that student's circumstances. In this new environment, principals and superintendents must lead in the fundamental redesign of their schools and school systems. However, Dr. Levine stated that few of today's 250,000 school leaders have been prepared to carry out this agenda, and that, with approximately 40 percent of current school administrators slated to retire in the next five years, the number of effective school leaders will likely decline even further. He said that the necessary leadership is lacking not because school leaders are generally weak or unprepared, but because the preparation they have received does not fit them for the nature and magnitude of the tasks they confront.

Dr. Levine described his research methodology, which he said involved collecting and compiling extensive data from surveys sent to all deans of colleges of education, a representative sample of faculty and alumni of school leadership preparation programs in those colleges, and a representative sample of school principals in the nation. Dr. Levine said that his research team also completed in-depth studies of 28 schools and departments of education with site visits of several days to each institution. The team also made a demographic profile of education schools, the programs they offer, and the degrees they award, as well as inventories of programs and the types of doctoral degrees they award, along with a random sample of doctoral dissertations for both PhD and EdD programs.

Dr. Levine outlined the nine criteria he established for judging school leadership programs: clarity of purpose, curricular coherence, curricular balance, faculty composition, admissions criteria, graduation standards and degrees, research, adequacy of resources, and self-assessment.

According to Dr. Levine, his research lead him to the conclusion that the overall quality of educational administration programs in the United States is generally poor, ranging from inadequate to appalling even at some of the country's leading universities. A number of specific shortcomings indicated an overall lack of quality - the curriculum in these programs is an irrelevant, nearly random collection of courses disconnected from the needs of leaders and their schools; admissions standards, reflected by the students' very poor Graduate Record Exam scores, are the lowest in American graduate schools; faculty who do not have both scholarly expertise and recent experience in schools are often ill-equipped to help students effectively integrate research with practical experience; and programs pay insufficient attention to clinical education and mentorship components. Dr. Levine said his research convinced him that the degrees these programs award are inappropriate to the needs of today's schools and school leaders, the research that these programs generate lacks rigor and is disconnected from practice, and the programs themselves receive insufficient funds from their parent institutions.

Dr. Levine raised four specific concerns that he said undermine the quality of educational leadership programs:

- the rise in the number of institutions offering off-campus educational administration programs, often of lower quality than campus-based counterparts and using a disproportionate number of adjunct faculty members;
- the push for IHEs to venture into doctoral level offerings first with programs in educational administration on the assumption that these programs will be the least demanding on the institution, which too often results in programs that are little more than graduate credit dispensers;
- the decline in program quality driven by competition for students, who are often less interested in obtaining an education than in accumulating credits; and
- the intensification of what he described as a "race to the bottom" by salary scales that award teacher pay increases based on graduate credits and advanced degrees; and the drive on the part of programs to meet enrollment targets imposed by their institutions through low admission standards, use of adjunct faculty, and establishment of low-cost, high-volume off-campus programs, in order to produce revenues that support other institutional programs with higher operating costs.

According to Dr. Levine, the most promising model he identified in his study was England's National College for School Leadership, a government agency established in 1998 not to award credits or degrees, but to provide a single national focus for school leadership development and research. He said that the National College offers a suite of programs organized around a career progression from emergent leaders to leadership mentors and coaches. Geared to the work of practicing leaders, these programs combine on-the-job learning and classroom instruction. They emphasize problem solving and experiential and field-based learning, and they are staffed by a mix of education practitioners and academics. Dr. Levine added that the National College engages in rigorous evaluation of every element of its program, with continuous improvement the goal and children's achievement the ultimate yardstick.

Dr. Levine presented six recommendations for strategies that universities, policymakers, and school systems can pursue to improve the preparation of school leaders:

1. School systems, municipalities, and states must find alternatives to salary schedules that grant raises merely for accumulating credits and degrees.
2. Universities must champion high standards for colleges of education and their leadership programs by embracing financial practices that strengthen these programs.
3. Weak programs should be strengthened or closed.
4. The current grab bag of courses that constitutes preparation for a career in educational leadership must give way to a relevant and challenging curriculum designed to prepare effective school leaders, resulting in a Master's in Educational Administration degree.
5. The doctor of education degree (EdD) in school leadership should be eliminated.
6. The doctor of philosophy degree (PhD) in school leadership should be reserved for preparing researchers.

Dr. Levine contended that voluntary efforts on the part of colleges of education will not be sufficient to produce the change that is urgently needed. He also suggested that legislatures are the most powerful agents in creating change in educational leadership programs because they have the capacity to make a difference through a number of strategies. For example, state legislatures could change how teachers are compensated, removing the incentive to earn credits simply to advance on a salary schedule. They could also exercise their power to determine how educational administrator programs are reauthorized under state law. Dr. Levine recommended that state legislatures consider imposing a requirement that school principals hold a Master of Educational Administration degree. And lastly, he urged that state legislatures consider creating a program structured on the model of England's National College for School Leaders.

Dr. Levine said that, with only approximately 200 graduate students in educational administration programs at a time, the state of New Mexico is in a position to institute systemic change without serious disruption. He suggested that New Mexico consider implementing a new model for preparing school leaders that employs nontraditional program formats that offer coursework grounded in the best research on leadership within or outside education, and that is taught by an integrated team of practitioners and academics on the model of a teaching hospital. He stated that the ultimate measure of program success would be student achievement in the schools led by program graduates. In this way, Dr. Levine urged, New Mexico could provide the nation with a successful and groundbreaking model for preparing effective school leaders.

Dr. Florez commenced her presentation with the caution that none of New Mexico's school leadership preparation programs were included in Dr. Levine's study. She said, however, that his recommendations were good ones and that UNM is already looking at reforms he has recommended. For example, she agreed that it is important to champion high standards and relevance in curriculum, and for that reason UNM has conducted a curriculum audit of its education administration courses. Dr. Florez said that, because UNM recognizes the importance of high-quality, full-time faculty, it uses full-time faculty and, for clinical experiences, full-time lecturers. Dr. Florez outlined the school leadership programs offered at UNM, which include licensure, a Master's with licensure and a post-Master's educational specialist certificate, as well as the EdD. The EdD program generally serves only candidates moving beyond principal positions to become superintendents or to take other kinds of leadership positions, and it admits students only on a biennial basis. Dr. Florez concurred that educational leadership programs should be supported with financial incentives and that they should not be seen as "cash cows," although that can and does happen. She said that UNM avoids this problem by capping enrollment in its graduate education programs based on faculty capacity. However, she also acknowledged that school leadership preparation as well as teacher education programs at UNM bring in revenue that is spent elsewhere in the university.

Dr. Florez stressed that partnerships with schools and school districts were key to UNM's efforts to provide more relevant curriculum and a stronger field experience. She said UNM was attuned to the need for strong internships and first-year mentoring. She said that schools are "critical friends" who let the university know if their programs provide inadequate or inappropriate preparation. She agreed that the leaders of today's schools, particularly of those designated in need of improvement, need a different type of preparation than those of an earlier era, and that UNM works constantly to find ways to do this better.

Dr. Moulton said that Dr. Levine's report was courageous and right on target. Problems in school leadership are national problems, he said, and they are everyone's problems; Dr. Levine deserves thanks for bringing these problems to light, because "sunlight is a good disinfectant." He agreed that voluntary efforts on the part of institutions may be a slow way to address this issue.

Dr. Moulton asked the rhetorical question: To what extent is New Mexico guilty of the shortcomings Dr. Levine identifies? He stated that he believed that university programs in educational administration adhered to state standards and, because they are accredited by NCATE, to national standards as well. He agreed that a strong field experience component is crucial for effective programs, but providing good supervision of these experiences is expensive. Most aspects of these programs are under tight state and federal control. He suggested that in areas that need strengthening, the problem often comes down to finance.

Regarding the "cash cow" issue, Dr. Moulton said that New Mexico has "a whole herd of them." He reported that a survey of New Mexico colleges of education showed that all except the program at Eastern New Mexico University generated more revenue for their institutions than the budget allocations they received. He stated that at NMSU the new president reviewed all the university department budgets and added \$700,000 to the College of Education's budget, a start toward addressing this disparity. He emphasized, however, that he had never been pressured by the university to admit more students simply to generate more revenue; he said the drive to increase enrollment came solely from the statewide demand for new educators.

Dr. Moulton pointed out the delicate and complex balance in the mission of NMSU as a research, land grant, and Hispanic-serving institution. In addition, most of NMSU's students are part-time and economically challenged in an extremely economically challenged part of the state where schools face tremendous problems. These factors, Dr. Moulton said, add to the university's responsibility. He answered Dr. Levine's concern about the spread of distance-delivered programs by stating that in southern New Mexico they meet a critical need; the question is how to get distance delivery right, not whether to use the methodology. He noted that distance-delivered programs at NMSU are taught by the College of Education's 60 full-time, racially and ethnically diverse faculty.

Regarding the issue raised by Dr. Levine of preparing leaders with inappropriate degrees, Dr. Moulton suggested that the state must be vigilant in fighting the urge of each type of institution to move to the next level – from four-year to master's and from master's to doctoral – thus generating a multiplicity of programs of dubious quality. He also noted that, through the three-tiered licensure system, New Mexico may have eliminated the problem of educators earning credits in often irrelevant courses just to move up on the salary scale.

In closing, Dr. Moulton suggested that the underlying problem faced by educators in the United States is our society's failure to appreciate their value, as demonstrated by inadequate teacher salaries, faculty salaries, college operating budgets, and state formula funding.

Dr. Ivory provided the committee with a handout describing the Center for Border and Indigenous Educational Leadership (BIEL) and the American Indian Executive Leadership Program at NMSU. He said that he believed Dr. Levine's criteria for excellence were a good place to start in discussing the state of school leadership preparation programs. Partly as a result of requirements for NCATE accreditation, Dr. Ivory continued, NMSU was already addressing issues such as continual self-assessment and working to meet the real needs of schools and students. He described the curriculum of the NMSU administrator licensure program, all of which he said was pertinent to school leadership, covering such topics as school finance, principalship, school law, evaluation, administration of bilingual education, the administration of special education, and two field internships.

Dr. Ivory thanked the committee for two years of legislative funding for CBIEL. Dr. Ivory said the goals of CBIEL are to provide leadership, professional development to close the achievement gap for Hispanic and Native American students to apply state and national standards to unique local circumstances, and to address social justice issues in public schools. CBIEL aims to accomplish these goals by offering a variety of programs, fostering resources, and developing networks for school leaders and policymakers. One of the center's programs is a new American Indian Executive Leadership Program that will prepare 10 doctoral candidates in superintendent positions and licensure/preparation programs.

Dr. Ivory provided other examples of efforts at NMSU to guarantee relevance and quality in school leadership preparation programs. He highlighted a close partnership with Las Cruces Public Schools called Project LIBRA (Leadership for Border Region Areas) which was funded in 2002 for three years by a federal grant of approximately \$1.0 million. The program was designed to develop a new cadre of 34 good, culturally competent school leaders by means of relevant, comprehensive leadership preparation to promote sustained achievement gains for limited English proficient students in high-need schools using a rigorous curriculum integrated with meaningful job-related practical experience and field research.

Mr. Ball provided the committee with background information regarding state qualifications for a Level 3B license. Current statute states that an applicant must:

- have been a Level 3A instructional leader for at least one year;
- have satisfactorily completed department-approved courses in administration and a department-approved administration apprenticeship program; and
- demonstrate competencies required by the department and verified by the local superintendent through the highly objective uniform statewide standard of evaluation.

Mr. Ball said that the PED rule defining educational requirements for an education administration license include a bachelor's and a master's degree from a regionally accredited IHE and successful completion of a 180 hour apprenticeship. The apprenticeship may be in a program approved by PED or under the supervision of a local school superintendent who verifies that it meets competencies in nine areas of leadership: ethical, visionary, instructional, multicultural, disability, community relations, political, legal and fiscal, and personal and professional. He added that PED has approved the following school leadership preparation programs in New Mexico IHEs:

- Eastern New Mexico University—master's degree;
- New Mexico Highlands University-master's degree;
- New Mexico State University—licensure, master's degree, EdD and PhD;
- The University of New Mexico—licensure, master's degree and EdD;
- The University of Phoenix—master's degree;
- Western New Mexico University—master's degree;
- The College of Santa Fe—licensure;
- The College of the Southwest—licensure and master's degree; and
- Wayland Baptist University.

### **Committee Discussion:**

In response to a committee member's question regarding how to overcome the tendency of colleges of education to resist direction from the Legislature, Dr. Levine responded that it is a natural inclination for any organization to resist another organization's attempts to tell it what to do. He said that, historically, universities have served the role of "truth-tellers to society;" therefore, they have needed the protection of academic freedom. He added that education policy, in particular, has been highly politicized and ideologically fueled. He said that policymakers such as legislatures will function most successfully in shaping higher education by advocating for outcomes, not processes, and establishing a timeline for the outcomes to be achieved. If the outcomes are not achieved, legislatures have the means to levy punishment.

In response to a committee member's question regarding how to staff colleges of education with knowledgeable practitioners, since faculty members lose their connection with the classroom the longer they work at the college level, Dr. Levine replied that the model of the teaching hospital is useful. He also suggested that if university faculty conduct research that truly serves educators, they will have more to offer in the college classroom.

In response to a committee member's question regarding the problem of colleges claiming that students arrive unprepared for their freshman year, when the teachers of these students were prepared in those same colleges, Dr. Levine said that this complicated problem has many possible solutions—including pre-kindergarten skill-building, extending the school day and school year, and increasing teacher pay—that colleges of education cannot solve alone.

In response to a committee member's question regarding how, after a major effort to reform teacher licensure and raise salaries, the Legislature can apply pressure to colleges to train teachers capable of teaching to high standards, Dr. Levine stated that, in the final analysis, the Legislature has the power to authorize or reauthorize programs in colleges of education. He emphasized that content knowledge and pedagogy must be integrated and that experience at the school level must inform research at the university level so the research is useful in improving the quality of leaders and teachers. Dr. Levine acknowledged that the three-tiered licensure system and \$50,000 base salary for master teachers are laudable achievements, but he said that teaching is still an undervalued, low-status profession. He advocated the creation of an incentive program such as a fellowship equivalent to a Rhodes Scholar for teachers that would carry enormous prestige and attract exceptional college students into teaching.

In response to a committee member's question regarding how to increase and improve teacher professional development, Dr. Levine said that professional development is certainly the weakest part of teacher education in the United States. He said that professional development should focus on learning, not teaching, and should be designed to provide the school staff as a whole with what it needs to move that school from where it is to where it needs to be. A member of the committee expressed concern about the structuring of teachers' schedules to include meaningful professional development, indicating that this was an issue that the committee needed to look at.

In response to a committee member's question from a committee member regarding what success the Teachers College has seen in making the changes he recommends, Dr. Levine described three initiatives: first was a federally funded project to engage in school improvement in 23 failing, predominantly minority high schools; second was an intensive mentoring program for new teachers to reduce attrition from 65 percent to 10 percent; and third was a proposal, still under discussion, to drop the doctorate in education at Teachers College.

In response to a committee member's question regarding how to get schools and universities to work together, Dr. Levine said that incentives such as money on the table will motivate them to act. Expectations must be realistic, and resources must be adequate; it will cost less to fix the universities than to fix the schools. He recalled the model program in England that is a genuine partnership between schools and teacher education. Dr. Levine stressed that evidence of effectiveness is "where the rubber meets the road" and that outcomes, not processes, and learning, not teaching, are what matter. Evidence to drive reform is where the meaningful interface occurs between schools and teacher preparation programs.

In response to a committee member's question regarding administrator salaries, Mr. Ball stated that, currently, administrator salaries are based on district salary schedules. He said that, in the 2005 legislative session, the implementation of minimum principal salaries based on school size in current law was delayed by two years. He said that it is true that Level 3B administrators must first earn a Level 3A teachers license, so that a master teacher might not currently have a salary incentive to become an administrator. He suggested that the next step in educator quality might be to assure adequate compensation and an effective evaluation process for school administrators that would perhaps include some consideration of student outcomes.

The committee briefly discussed taking another look at legislation proposed in the 2005 session, HB 286, *School Principal Salary Calculation*, regarding administrator salaries and evaluations. A member of the committee also voiced the need for the Legislature to address the fact that teacher mentorships are currently funded based on prior-year numbers rather than current-year numbers, thus not allowing for inevitable fluctuation from year to year.

In response to a committee member's question regarding whether principals need always to come up through the ranks of teachers, Dr. Levine said that, while there are arguments for and against this tradition, he has not seen the results of any research on the subject.

In response to a committee member's question regarding whether leadership training should be tailored to the needs of specific schools or specific circumstances, Dr. Levine stated that there are some generic skills that all leaders must have; however, leaders must also understand the context in which their students live, and clinical experience can give them some insight into that context. He added, however, that just as new doctors are not expected to do brain surgery, nor new lawyers to argue before the Supreme Court, teachers college graduates should not be expected to move into the most challenging situations without sufficient mentoring and experience.

In response to a committee member's question regarding assessment of school leadership preparation programs based on the impact their graduates have on student achievement, both Dr. Moulton and Dr. Flores stated that they currently have no data to make this correlation, but that it would be appropriate to look at using such an indicator in evaluating their programs.

In response to a question from a committee member regarding whether New Mexico would benefit from having one statewide school leadership preparation program rather than multiple programs at IHEs around the state, Dr. Levine stated that he would not dismiss the value of a statewide program and urged the state to study both options seriously.

Senator Nava requested that Dr. Moulton provide the committee with suggestions for more properly funding the field experience aspect of school leadership preparation.

***b. State Action for Education Leadership Program: Wallace Foundation Grant Report***

Ms. Herman introduced Dr. Jane R. Best, Senior Policy Specialist, Education Program, National Conference of State Legislators (NCSL), to describe the Wallace Foundation State Action for Education Leadership Project from a national perspective; and Dr. Peter Winograd, Director, Office of Educational Accountability (OEA), to report on goals of the New Mexico project, how it expects to achieve its anticipated outcomes, and the current status of the project.

Ms. Herman directed the committee's attention to the staff brief in their notebooks and three attachments: a copy of the proposed budget for the State Action for Education Leadership Program (SAELP) supplied by OEA; a list of attendees at the first meeting of the New Mexico Education Leadership Action Network (NM ELAN), also provided by OEA; and descriptive material regarding the nationwide SAELP initiative from the Wallace Foundation and NCSL.

As introduction, Ms. Herman stated that, in November 2004, the Wallace Foundation announced a one-year \$1.2 million grant to New Mexico to strengthen the ability of district and school leaders to improve student achievement through the use of accountability data. The foundation states that the grant is renewable for up to two additional years based on evidence of progress, for a total of \$3.6 million. Ms. Herman said that the Wallace Foundation SAELP had been launched in 2000, with the long-range goal of significantly improving student achievement across the country by strengthening the preparation and performance of education leaders and by promoting policies and practices that improve the conditions for their success at all levels: school, district, and state.

Ms. Herman reported that, regarding school leaders' use of accountability data, Wallace Foundation-funded research has determined the following:

- school leaders are often “overwhelmed by educational minutiae” in the new environment of data-driven accountability. The availability of masses of detailed information about every aspect of schools, collected in the hopes of providing useful direction for education leaders, has all too often lead to “paralysis by data.” School leaders need to find ways to ensure that the accountability data they are required to collect is useful to them and to the students they serve; and
- effective use of data as a management tool that enables educational leaders to make efficient and beneficial use of accountability data will undoubtedly require additional professional development and technical assistance.

Dr. Best explained the role of NCSL in the state action program. In addition to state grants for a variety of approaches to strengthening leadership, she said the Wallace Foundation has funded a consortium of national organizations including NCSL, the Council of Chief State School Officers (CCSSO), the Education Commission of the States (ECS), the National Association of State Boards of Education (NASBE), and the National Governors Association (NGA). Dr. Best said that this consortium was created to provide leadership for the project and to connect and engage major education policymakers in support of state-level activities.

According to Dr. Best, the New Mexico project, funded in the second phase of the Wallace Foundation initiative, is one of a total of 22 state projects. She said that states are focusing on a variety of leadership issues such as professional development and resource allocation, and New Mexico is breaking new ground in targeting leaders' use of accountability data. She concluded

by stating that the Wallace Foundation would host a session at the annual meeting of NCSL in August 2005 in which states could share information about their projects.

Providing members of the committee with copies of an outline of his presentation, Dr. Winograd began with a review of national research supporting the importance of leadership in fostering student achievement. He indicated that the challenges of leadership in the current era are a result of intensified responsibility, constraints on the exercise of authority, and the high rate of turnover of school leaders. Dr. Winograd stated that turnover was a serious problem in New Mexico, pointing to a graph in his material showing that approximately 51 percent of New Mexico schools had had between three and seven principals in the 10-year period from 1994 to 2004.

Dr. Winograd said that the goal of the New Mexico SAELP is to ensure that educational leaders have the skills, support, resources, and authority necessary to use accountability data successfully to improve educational outcomes for all students. The project has engaged a team of participants including OEA, PED, New Mexico Coalition of School Administrators (NMCSA), ELAN, the Children's Cabinet, and six pilot school districts. ELAN, he explained, is a statewide education leadership group convened to guide the project as required in the project plan. The pilot school districts are Albuquerque Public Schools, Aztec Municipal Schools, Moriarty Municipal Schools, Rio Rancho Public Schools, Santa Fe Public Schools, and Texico Municipal Schools. According to Dr. Winograd, the plan is to implement the project in the pilot districts and then take the lessons learned statewide.

The project identifies three key questions that must be addressed in order to achieve its goals, Dr. Winograd continued, and these were discussed at the first meeting of ELAN on May 19, 2005. The project must determine what kinds of accountability data educational leaders need to improve student achievement; what constraints educational leaders face in using accountability data effectively; and how the project can help remove those constraints. Stakeholders indicate that data needs include student achievement data; information on why students are having difficulties and what to do about it; student preparedness for higher education and the workplace; teacher effectiveness; and fiscal information. Constraints include inaccurate data; lack of agreement about which data are essential; lack of time; staff collecting data without knowing why or how it will be used; lack of training; inconsistent policies, formats and infrastructure across and within the P-20 system; and lack of resources and authority.

Dr. Winograd explained that to address these constraints the project has organized proposed actions around five types of leadership needs from the most basic to the most complex. These needs are for basic data gathered in a timely and efficient manner; accurate information used for positive purposes; social and organizational support; competence and authority; and finally the need to turn data into action. Project partners can address these needs by:

- supporting PED's effort to develop a comprehensive accountability data warehouse that contains data that are current, well-organized, valid and accurate, and that works across the P-20 continuum;
- developing systemic supports for educational leaders including a principal support network, Leadership Academies, a statewide website, training and tools for using data, and improved preparation programs for educational leaders; and
- working with partners to ensure that educational leaders have the ability to analyze data, as well as the authority, flexibility, and resources to make timely decisions based on what the data reveal.

Dr. Winograd concluded by stating that, during the three-year grant period, the New Mexico SAELP will work to ensure that New Mexico's educational leaders have responses to their needs for an accountability system that enables these leaders to focus their creative energies on using data to improve student achievement.

### **Committee Discussion:**

In response to a committee member's concerns about how the pilot school districts were chosen and why some areas of the state were not represented, Dr. Winograd stated that the Wallace Foundation had identified a number of districts by name that it wanted included, and that in general districts were selected based on diversity in size, location, and demographic characteristics and on the presence of the infrastructure and leadership to participate effectively. He added that, unfortunately, funding was not sufficient to include a very large number of school districts and that some school districts that were contacted chose not to participate.

In response to a committee member's question regarding whether a high rate of principal turnover was a good or bad thing, Dr. Winograd stated that he believed it was a disaster. The committee member suggested that, for a myriad of reasons, sometimes a change in leadership must happen in order to have a change in results, and that in such a situation turnover was a good thing.

In response to a committee member's question regarding who selected district-level personnel to participate, Dr. Winograd said that each school district had identified its own specific needs and had chosen staff -usually superintendents, central office staff, and principals -depending on the local focus of the project.

In response to committee members' questions regarding how the project would be evaluated, Dr. Winograd stated that the Wallace Foundation would do the evaluation. He said that the state submits quarterly reports to the foundation with continued funding dependent on progress. He added that ELAN would oversee the grant and help it stay on track.

In response to a committee member's question regarding how the budget was allocated, Dr. Winograd stated that approximately \$500,000 would go directly to the six pilot school districts for their local activities. Another \$250,000 would be subcontracted to the NMCSA to broker training for these districts, and the NMCSA would be the statewide organization to disseminate the project statewide. He stated that approximately \$100,000 would go for personnel support at PED for training for the data warehouse project. He said that most of the remainder of the money will be spent on technical assistance, which would involve special interest groups that had data analysis tools for adequate yearly progress and teacher quality, and for project personnel, including Beata Thorstensen, Director, and Kristina Eckhardt, Administrative Assistant. He further stated that \$6,000 was allocated to the Children's Cabinet to support its efforts.

Senator Asbill requested that Dr. Winograd provide the committee with OEA's analysis of the data from its study of principal turnover.

There being no further business, Senator Nava thanked the presenters and, with the consensus of the committee, adjourned the LESC meeting at 1:00 p.m.

\_\_\_\_\_ **Chairperson**

\_\_\_\_\_ **Date**