

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

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MINUTES
LESC MEETING
January 19, 2009

Frances Ramirez-Maestas, Director

Chairman Rick Miera called the Legislative Education Study Committee (LESC) meeting to order on Monday, January 19, 2009, at 1:03 p.m., State Capitol, Santa Fe, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Roberto "Bobby" J. Gonzales, Jimmie C. Hall, and Mimi Stewart; and Senators Cynthia Nava, Vice Chair, Vernon D. Asbill, Mary Jane M. Garcia, and Gay G. Kernan.

The following LESC advisory members were present:

Representatives Andrew J. Barreras, Ray Begaye, Nathan P. Cote, Nora Espinoza, Thomas A. Garcia, Dianne Miller Hamilton, John A. Heaton, Sheryl M. Williams Stapleton, and Jim R. Trujillo; and Senators Mark Boitano, Dianna J. Duran, Lynda M. Lovejoy, John Pinto, and William E. Sharer.

Also in attendance was Senator Nancy Rodriguez.

<> Approval of Agenda

On a motion by Representative Hall, seconded by Representative Gonzales, the committee unanimously approved the agenda as presented.

<> Welcome and Introductions

The Chair recognized Mr. Joseph D. Escobedo, Government Affairs, Albuquerque Public Schools (APS), and Superintendent Winston Brooks, APS, who asked permission to address the committee on the school district's 2009 legislative agenda. Mr. Brooks discussed a number of items on this agenda, among them:

- compensation for employees to include a three-tiered system of minimum salaries for educational assistants and instructional support staff;
- support for the proposed public school funding formula with the 1.0 percent increase in the gross receipts tax to fund the proposal;

- expansion of K-3 Plus and New Mexico PreK;
- extension of the deadline for charter schools to be in public buildings from 2010 to 2015;
- amendments to the school district HB 33 funds regarding charter schools;
- continued independent insurance coverage for APS employees;
- creation of the Dual Credit Textbook Fund, to be used only for textbooks and course supplies for students participating in the Dual Credit Program; and
- opposition to the creation of another school district within the current geographical boundaries of APS, including any attempt to divide APS.

Mr. Brooks said that this legislative agenda was the product of some 25 meetings with parents, neighborhood groups, and the community chambers of commerce.

Mr. Brooks then introduced Chief Bill Reed, former APS Director of School Police, to address the committee on a proposed school police bill for APS. After providing some background information on the APS Police Department, Chief Reed explained that the purpose of the bill was to grant statutory authority to the APS Police Department. He further explained that, without this authority, the department does not have access to the National Crime Information Center computer, nor is it able to apply for federal and state grants that are specific to law enforcement, which would help officers enhance their operations and enhance the safety and security of the students.

Committee Discussion:

In response to a committee member's question about the services that APS provides for the Native American students who travel to Albuquerque with their parents who are employed there, Mr. Brooks said that one of the community meetings to develop the legislative agenda was held at the Isleta Pueblo, with an excess of 150 parents participating. Mr. Brooks added that he is well aware of the importance of APS reaching out to the community, particularly to those students most in need.

In response to a committee member's question about Mesa del Sol, the land development on the southwest side of Albuquerque that is interested in a split from APS, Mr. Brooks said that the district is opposed to being divided at this time. For one thing, he said, the economy would not support another district; and for another, there is no proof that a new district would benefit children educationally.

In response to a committee member's question if the proposed legislation to authorize the police department at APS would apply to all school districts, Chief Reed said that the bill is drafted to apply only to school districts that serve a population of 200,000.

PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE RECOMMENDATIONS

The Chair welcomed Ms. Paula Tackett, Director, Legislative Council Service, to present the Public School Capital Outlay Oversight Task Force (PSCOOTF) recommendations. These recommendations were reflected in a packet of legislation; however, copies of the bills were unavailable because they were still being revised to incorporate changes from the previous evening. In general, then, the PSCOOTF recommendations included:

- re-endorsing the bill from 2008 to give additional funds to the Public School Insurance Authority to provide for liability coverage as well as coverage for use of school facilities by the community;
- amending the *Public School Capital Outlay Act* to extend the deadline for charter schools to be in public buildings from 2010 to 2015 and also clarifying charter schools' eligibility for standards-based grants;
- allocating up to \$10.0 million from the Public School Capital Outlay Fund for a roof repair or replacement initiative, with a requirement that the funds be expended within two years of the initial allocation;
- allowing 30-year lease-purchase arrangements;
- allowing an additional 25 percent of the total project cost to be distributed to a district that qualifies for the rural community credit;
- directing the Public School Facilities Authority to assist the Construction Industries Division in developing a certification program for non-licensed school district employees who perform basic facility maintenance and parts exchange;
- allowing participation in the facility information management system, which is required by the *Public School Capital Outlay Act*, to be a lawful use of SB 9 funds;
- requiring any resolution submitted to the qualified electors for SB 9 on or after July 1, 2009 to include capital improvements funding for a locally chartered or state-chartered charter school within the district if the charter school has provided the necessary information in a timely manner; and
- allowing charter schools to receive a proportionate distribution from the SB 9-generated funds according to the proportion of their membership to that of the district on the 40th day.

DIRECTOR'S REPORT

a. Approval of LESC Minutes for November 2008

On a motion by Representative Gonzales, seconded by Representative Hall, the November 2008 LESC minutes were approved unanimously.

b. Approval of LESC Financial Reports for September 2008 through December 2008

On a motion by Representative Hall, seconded by Representative Gonzales, the LESC financial reports for September 2008 through December 2008 were approved unanimously.

c. Approval of LESC Audit Report for FY 09

Ms. Frances Ramírez-Maestas, Director, LESC, reminded the committee that, at the December meeting, she had reported that there were no findings to the LESC audit report for FY 09, thanks to the work of LESC Office Administrator, Ms. Eloise Gonzales-Okada. However, she added, there have been two developments that may affect the operations of the LESC during FY 10: the slow implementation of the Statewide Human Resources Accounting and Management Reporting System (SHARE), and the lack of space to accommodate the two additional full-time equivalents (FTEs) that had been approved for the LESC staff.

On a motion by Representative Hall, seconded by Representative Gonzales, the LESC audit for FY 09 was approved unanimously.

d. Correspondence

The first item of correspondence in the notebooks was a memorandum to Ms. Ramírez-Maestas, from Mr. Norton Francis, Chief Economist, Legislative Finance Committee (LFC), regarding the presentation at the December meeting by Dr. Richard Sims, Chief Economist for the National Education Association. This memorandum was in response to a request from a committee member that the LFC director review the presentation made by Dr. Sims and give his perspective on the state's tax structure and the elasticity of the various taxes, a point that Dr. Sims had discussed in some detail. Ms. Ramírez-Maestas asked Mr. Peter van Moorsel, LESC staff, to explain to the committee the response received.

In brief, Mr. van Moorsel explained that elasticity measures the responsiveness of one variable to another and that Dr. Sims had contended that, in New Mexico, personal income tax revenues, having greater elasticity, would grow more than gross receipts tax revenues and therefore make a more reliable funding source for the proposed public school funding formula. However, Mr. Francis asserts in his letter that New Mexico's taxes do not follow that pattern. Instead, the Personal Income Tax and the Gross Receipts Tax have roughly the same elasticity; therefore, they would respond in the same way to an increase in personal income.

Mr. van Moorsel also noted that Mr. Francis' letter stated that some of the information that Dr. Sims used dates from 2002. Since that time, Mr. Francis said, changes in New Mexico's tax structure have made taxes less progressive than Dr. Sims had indicated. Even so, Mr. van Moorsel noted a point made by the LESC director: that the Personal Income Tax remains a more progressive tax than the Gross Receipts Tax, meaning that changes to the Gross

Receipts Tax rate will likely have a greater impact on low-income residents than high-income residents.

Ms. Ramírez -Maestas then reviewed two other items of correspondence:

- a recent story from the *Ruidoso News* titled “Dub Steps Down,” which announced the retirement from the Legislature of Representative W. C. “Dub” Williams and which highlighted his accomplishments. Ms. Ramírez -Maestas said that Representative Williams would be missed as a member of the LESC; and
- information about transformational learning and a proposed pilot project in collective intelligence, promoted by Ms. Jeanne O’Dean, President and Chief Learning Officer of Global Telesis 3.

Finally, although not an item of correspondence *per se*, the committee, together with Dr. Catherine Cross Maple, Deputy Secretary, Learning and Accountability, Public Education Department (PED), and with Mr. Bud Mulcock, public school lobbyist, discussed the potential effects upon the state’s education system of the stimulus package that the President of the United States had proposed.

EDUCATION-RELATED ISSUES FOR THE 2009 LEGISLATIVE SESSION

a. Public School Support Recommendations

Referring the committee to an LESC table in the committee notebooks, *Public School Support and Related Appropriations for FY 10*, Ms. Ramírez-Maestas stated that LESC staff worked with the LESC Chair and Vice Chair to develop the FY 10 LESC public school support recommendations for consideration of the committee. For comparison purposes, she stated, the table also includes the Legislative Finance Committee (LFC) and the executive recommendations.

To address projected revenue shortfalls in the current year and in FY 10, Ms. Ramírez-Maestas stated, LESC staff and LFC staff worked closely in determining available revenues for public school support and reasonable recommendations for consideration of both committees. As a result, she noted, the recommendations of the LESC and LFC, while somewhat different, were closely aligned in the total amount of dollars recommended for public education in FY 10.

In total, Ms. Ramírez-Maestas reported, the LESC recommendations provide nearly \$2.6 billion in public school support and in related appropriations for FY 10. The appropriation to the State Equalization Guarantee, often referred to as the SEG and the Public School Funding Formula, includes:

- approximately \$8.5 million for student enrollment growth in FY 10;
- over \$3.7 million to support fixed costs – that is, costs associated with energy, auditing, rents and leases, buildings and grounds, vehicle maintenance, general materials, and software;

- \$2.6 million to support a \$13,000 minimum annual salary for educational assistants statewide;
- over \$12.0 million to provide a 0.75 percent increase in the employer's contribution to the Educational Retirement Fund;
- \$4.5 million for elementary PE; and
- just over \$1.5 million for school district costs for administering, scoring, and reporting test results.

With regard to the minimum salary for educational assistants, Ms. Ramírez-Maestas noted, the LESC has endorsed legislation for consideration of the 2009 Legislature to amend current law to increase the minimum salary from \$12,000 to \$13,000.

In categorical public school support, Ms. Ramírez-Maestas reported, the LESC recommendations appropriate nearly \$133.0 million to support statutorily created funds and distributions, including:

- approximately \$105.5 million for school transportation distributions;
- nearly \$2.4 million for supplemental distributions, including \$2.0 million in emergency supplemental funds for school districts;
- approximately \$16.8 million to the Instructional Material Fund;
- \$1.5 million for the Dual Credit Textbook Fund;
- \$2.4 million to the Educational Technology Fund;
- \$2.0 million to the Indian Education Fund, with language to allocate \$500,000 to Save the Children, a rural literacy initiative to support after-school and summer literacy block programs for students in grades K-8 in schools with a high proportion of Native American students; and
- \$2.5 million for the Schools in Need of Improvement Fund.

Referring to the Dual Credit Textbook Fund, Ms. Ramírez-Maestas stated that LESC-endorsed legislation would be introduced in the 2009 session to create the fund in law. If enacted, she stated, the legislation would require that money in the fund be used only to purchase textbooks and course supplies for students participating in the Dual Credit Program.

In recurring appropriations to the Public Education Department (PED), Ms. Ramírez-Maestas reported, the LESC recommendations provide over \$36.8 million in continued support to several initiatives, including: regional education cooperative operations; the K-3 Plus and Pre-K programs; the Beginning Teacher Mentorship Program; summer reading, math, and science institutes; the New Mexico Cyber Academy; the Advanced Placement Program; after-school enrichment programs; the Apprenticeship Assistance Program; the School Improvement

Framework; Breakfast for Elementary Students; and the *Family and Youth Resource Act*. She indicated that the LESC recommendations do not include dollars for the PED budget since the LESC does not have budget authority for the department; however, she added, the table includes the LFC and executive recommendations for the PED budget for the committee's review.

Finally, Ms. Ramírez-Maestas outlined the LESC recommendation of approximately \$5.5 million in nonrecurring dollars, including:

- \$5.0 million in additional emergency support to hold school districts harmless from decreased revenues;
- \$200,000 to support the development of a leadership institute for school administrators;
- \$200,000 for costs associated with the Operating Budget Management System at PED;
- \$50,000 to support the Summer Science Program at the New Mexico Institute of Mining and Technology; and
- \$20,000 to support LESC-endorsed legislation that, if enacted, will convene a task force in the next interim to examine school transportation funding.

To conclude, Ms. Ramírez-Maestas emphasized that, while a \$2.6 billion recurring appropriation to public schools may appear generous, the LESC recommendations reflect approximately \$32.3 million less – or a 1.2 percent decrease – than the appropriation for FY 09. In contrast, she noted, while the LFC recommendation is closely aligned with the LESC recommendation at nearly \$40.2 million less than the previous year's appropriation, the executive recommendations reflect a reduction of over \$75.0 million, for a 2.9 percent decrease from FY 09. The differences among the recommendations, Ms. Ramírez-Maestas indicated, are primarily contained in the amount of dollars recommended for program cost in the SEG. Realizing a shortfall in revenues for FY 09, she noted, the LESC recommendation reflects a 1.0 percent adjustment of nearly \$24.0 million in the SEG in FY 09 rather than a reduction in essential programs in the formula for FY 10.

The LFC and executive recommendations, Ms. Ramírez-Maestas added, adjust and/or reduce units used in the calculation of the SEG; and the executive recommendation removes funding for an additional instructional day that was appropriated by the 2008 Legislature.

Committee Discussion:

In response to a committee member's question regarding an appropriation for insurance costs, Ms. Ramírez-Maestas reported that the LESC and LFC recommendations do not contain an appropriation for the employer's share of insurance premium increases. She explained that, because of the projected shortfall in revenues, both the New Mexico Public School Insurance Authority (NMPSIA) and Albuquerque Public Schools (APS) were asked to make insurance plan changes to keep their FY 10 insurance appropriation request at zero.

In response to a committee question how the insurance plan changes would affect employees, Ms. Ramírez-Maestas stated that both NMPSIA and APS indicated that the changes might result in higher co-pays and deductibles for their employees. She said the LESC staff has asked

NMPSIA and APS to provide the committee with a spreadsheet outlining the effect of these plan changes on employees in selected salary ranges based on no salary increases in FY 10.

In response to a committee member's question regarding other possible reductions in the appropriations for public school support in the current year, Mr. Paul Aguilar, Senior Fiscal Analyst II, LFC, stated that the LFC is recommending that the 2009 Legislature consider "sanding" all of the Section 4 appropriations in the *General Appropriation Act of 2008* by 2.5 percent. For public education, the reduction would be approximately \$63.0 million in the current year. However, the LFC also is recommending that dollars be transferred from the "education lockbox" or General Fund contingency funds, to return 1.5 percent to the SEG to minimize the reduction to public schools.

On a motion by Representative Gonzales, seconded by Representative Stewart, the committee voted unanimously to approve the public school support recommendations for FY 10.

b. Endorsement of Potential Legislation and Approval of Sponsors for Endorsed Legislation

Ms. Ramírez-Maestas, turned the committee's attention to a packet of potential legislation for the committee's approval. She indicated that the first 10 items on the cover list of potential legislation had been fully approved for endorsement at the December LESC meeting. The remaining 23 items on the list included items that were discussed in December and had been modified by LESC and Legislative Council Service staff or were deferred by the committee pending funding recommendations.

The committee discussed the pending legislation, considering each item on the list of proposed measures with the understanding that votes would not preclude non-substantive drafting changes made before the final bills were provided to members for filing. The committee also confirmed funding recommendations included in the previous agenda item (*Public School Support Recommendations*) that related to specific pieces of legislation proposed for endorsement. The results of committee deliberations and the sponsors for each piece of legislation are noted in italics.

ITEMS ENDORSED AT DECEMBER 2008 LESC MEETING

EDUCATOR QUALITY

1. ***Professional Development Reports:*** Amend the Professional Development Framework to require the Public Education Department (PED), in conjunction with public school districts and charter schools, to provide an annual report to the LESC and the Legislative Finance Committee (LFC) regarding all professional development activities, regardless of funding source; and to make any changes to the system of accounting and budgeting for all public schools and school districts necessary to fulfill this requirement (*Sponsor: Senator García*).
2. ***Professional Development Dossier:*** Introduce legislation to define the professional development dossier (PDD) as a requirement for advancement to Level 2 and to Level 3 in the three-tiered teacher licensure system and to require PED to exercise more oversight of the PDD process, including such components as the selection and training of PDD reviewers (*Sponsor: Representative Gonzales*).

3. ***Educator Licensure Fund:*** Amend statute to clarify that money in the Educator Licensure Fund is subject to the annual legislative appropriation process and that the money in the fund may be used to cover costs of licensing educators, including costs associated with evaluating and processing licensing applications and PDDs, conducting background checks, and enforcing educator ethics requirements (***Sponsor: Representative Hall***).
4. ***Reciprocity for School Counselors:*** Amend the *School Personnel Act* to provide conditions for reciprocity for school counselors and other instructional support providers licensed in other states (***Sponsor: Senator Nava***).
5. ***Remove ERA Return to Employment Sunset Date:*** Amend the *Educational Retirement Act* to eliminate the 2012 sunset date in the current “return to employment” provision (***Sponsor: Senator Nava***).
6. ***Implement Mentorship Model:*** Write a letter to PED requesting that the department:
 - a. implement Phase I of the mentorship model for beginning high school teachers, including use of free, existing online resources such as IDEAL-NM and Teach New Mexico; begin conversations about how to implement regional support; and work with teacher preparation programs to prepare annual reports;
 - b. develop an implementation plan for Phase II including expanding online resources through IDEAL-NM, expanding regional support for new high school teachers, developing a three-year induction program for all new teachers, and expanding annual reporting; and
 - c. report the results of the implementation of Phase I and the development of the plan for Phase II to the LESC during the 2009 interim (*letter signed by Representative Miera, December 18, 2009*).

LESC ENABLING LEGISLATION

7. ***Include Higher Education in LESC Authority:*** Amend statute to include higher education in the committee’s study of all education in New Mexico (***Sponsor: Senator Nava***).

P-20 INITIATIVE

8. ***Postsecondary Reports to High Schools:*** Introduce legislation to require New Mexico public postsecondary institutions to report annually to New Mexico public high schools on their students who enroll within three years of graduating or leaving the high school regarding freshman year outcomes, including remedial courses taken, total credits earned, grade point averages, and retention from first to second semester (***Sponsor: Senator Nava***).

PRE-APPRENTICESHIP PROGRAMS

9. ***Running Start for Careers Program:*** Introduce legislation to enact the *Running Start for Careers Act*; to create a pilot project, directed by the Public Education Commission, to provide industry-led or -guided pre-apprenticeship opportunities to high school students; to exempt industry instructors from teacher licensure requirements but require criminal

background checks; to create the non-reverting Running Start for Careers Fund; and to make an appropriation to the fund for FY 09 and subsequent fiscal years for contracts for partial reimbursement of industry training costs (*Sponsor: Representative Berry*). (Pre-filed as HB 44, Running Start for Careers Act, for the Economic and Rural Development Committee.)

10. **High School Pre-Apprenticeship Programs:** Introduce legislation to allow school districts to offer industry-led or -guided pre-apprenticeship programs as electives for qualified high school students; to provide for approval of the programs, providers, and industry instructors; and to exempt industry instructors from teacher licensure requirements but require criminal background checks (*Sponsor: Senator Bernadette Sanchez*). (Pre-filed as SB 46, High School Pre-Apprenticeship Programs, for the Economic and Rural Development Committee.)

ITEMS FOR CONSIDERATION AT THE JANUARY LESC MEETING

DATA SYSTEM

11. **Codify Requirements for P-20 Data System:** Introduce legislation to codify the requirements for a comprehensive P-20 data system (Student Teacher Accountability Reporting System, or STARS) at PED that collects, integrates, and reports data from PED, Higher Education Department (HED), and other agencies, as follows:
 - a. establish a governance council, led by PED and including HED, Office of Education Accountability (OEA), the Department of Information Technology, the Department of Workforce Solutions, and public postsecondary institutions, that will assign responsibilities and authority for the operation and management of the system; develop interagency agreements; and develop a strategic plan with timelines and budget requirements;
 - b. provide that the system may be used for program research and evaluation, including the aggregation, collection, and distribution of data, but that personally identifiable student and educator data will be safeguarded as required by federal and state law; and
 - c. require an annual system status report detailing the capability of the system to perform specified functions (*Sponsor: Senator Nava*).

DUAL CREDIT

12. **Dual Credit Textbook Fund:** Introduce legislation to create the Dual Credit Textbook Fund, administered by the Instructional Material Bureau in PED; require that money in the fund be used only to purchase textbooks and course supplies for students participating in the Dual Credit Program; require PED, by April 1 of each year, to allocate to each school district, charter school, and state-supported school a specific dollar amount for each dual credit course completed by an eligible student during the prior calendar year; require PED, by July 31 of each year, to distribute 100 percent of those allocations, to the extent that funds are available; and appropriate funds from the General Fund to PED for the Dual Credit Textbook Fund for FY 10 (*Sponsor: Representative Miera*).

EDUCATOR QUALITY

13. ***Assessment of Teacher Candidates Who Are Deaf:*** Amend the *School Personnel Act* to provide for an appropriate alternative to passage of all or part of the New Mexico Teacher Assessments for teacher candidates who are deaf or hard of hearing (***Sponsor: Representative Gonzales***).
 14. ***Beginning Teacher Mentorship and Internship:*** Write a letter to PED and OEA requesting that they study: (1) the requirements and provisions of the PED regulatory internship license in terms of their compliance with state and federal laws and regulations; (2) the number and levels of teachers receiving mentoring services and the sources of funding for those services in school districts and charter schools; and (3) the number and level of teachers providing formal mentoring services in school districts and charter schools; and report their findings and recommendations to the LESC during the 2009 interim (*letter signed by Representative Miera, January 19, 2009*).
 15. ***Beginning Teacher Mentorship Funds Distribution:*** Amend the *School Personnel Act* to require PED, on or before September 1 of each fiscal year, to allocate to school districts no less than 50 percent of the available funds for mentorship programs based on the estimated number of beginning Level 1 teachers on the 40th day of the school year and, on or before January 15 of each fiscal year, to allocate the balance of the available funds based on the actual number of beginning teachers on the 40th day of the school year, adjusted for any over- or under-estimation made in the first allocation (***Sponsor: Senator Nava***).
 16. ***Educational Assistants Minimum Salary:*** Amend the *School Personnel Act* to provide for a minimum annual salary of \$13,000 for educational assistants, and appropriate funds from the General Fund for FY 10 to distribute to school districts and charter schools through the state equalization guarantee (SEG) to pay the cost of implementation (***Sponsor: Representative Miera***).
- Ms. Ramírez-Maestas noted that the \$2.6 million appropriation included in this item was also included in the amount to be distributed to school districts through the SEG that the committee had approved earlier in the public school support recommendation.*
17. ***Educational Assistants Licensing Framework and Minimum Salaries:*** Amend the *School Personnel Act* to provide for minimum annual salaries based on licensure levels and qualifications for educational assistants in public schools; and make an appropriation from the General Fund for FY 10 to distribute to school districts and charter schools through the state equalization guarantee to pay the cost of implementation (***Sponsor: Representative Miera***).
- Ms. Ramírez-Maestas indicated that this item includes a four-year phase-in, and that in FY 10 only Level 1, with a minimum annual salary of \$13,000, would be implemented. Therefore, the \$2.6 million appropriation included in the bill, and in the public school support recommendations discussed for item 16, would be sufficient to cover the first-year implementation cost for this item.*
18. ***School Principal Recruitment and Mentoring:*** Per the recommendations of the School Principal Recruitment and Mentoring Work Group (SJM 3):

- a. appropriate funds to HED to develop and implement the New Mexico Leadership Institute (*Sponsor: Senator Kernan*);
- b. amend statute to include academic and demographic data about candidates for administrative licensure in the Teacher Education Accountability Reporting System (TEARS) (*Sponsor: Senator Kernan*);
- c. amend the *School Personnel Act* to remove the requirement that, to hold a Level 3-B license, an applicant must have been a Level 3-A teacher for at least one year (*Sponsor: Senator Kernan*); and
- d. write a letter to OEA requesting that it collaborate with PED, school districts, charter schools, HED, and Institutions of Higher Education (IHEs) on the recommendations of the 2008 SJM 3 Work Group regarding school principal competencies, recruitment and working conditions, and school leadership preparation programs; and report to the LESC in the 2009 interim (*letter signed by Representative Miera, January 19, 2009*).

Ms. Ramírez-Maestas noted that the public school support recommendations approved earlier by the committee included \$200,000 for the New Mexico Leadership Institute.

19. **School Staff Shortages:** Write a letter to PED and OEA requesting that they convene a work group to consider the recommendations of the School Staff Shortage Work Group (HJM 3), including: a study of alignment of PED competencies for school counselors and nurses with those of the national professional associations; a study of PED's career pathway requirements for school counselors and nurses; a study of accountability measures for school counseling programs; the creation of a systematic plan to reduce student-to-counselor and student-to-nurse ratios; and a report of findings and recommendations to the LESC in the 2009 interim (*letter signed by Representative Miera, January 19, 2009*).

FAMILY AND YOUTH RESOURCE ACT (FYRA)

20. **FYRA Program Eligibility:** Amend the *Family and Youth Resource Act* to include a provision to enable a school that met the poverty level eligibility criteria at the time of its application and program approval by PED to continue to receive funding so long as its poverty level does not drop below an average of 80 percent over any three-year period; and appropriate additional funds to expand the program (*Sponsor: Senator Nava*).

Ms. Ramírez-Maestas noted that the public school support recommendations approved earlier by the committee included \$1.5 million to PED to the Family and Youth Resource Fund.

PUBLIC SCHOOL FUNDING FORMULA

21. **New Public School Funding Formula:** Amend statute to phase in a new public school funding formula that:
 - a. incorporates four measures of student need, namely poverty, English language learners, special education, and mobility;

- b. recognizes costs associated with school district size and school size;
- c. is based on the concept of educational sufficiency in that it enables schools and districts to provide a comprehensive instructional program designed to meet the needs of all students; and
- d. is conditional on the identification of appropriate revenue sources (**Sponsor: Representative Stewart**).

Representative Stewart discussed two significant changes in the proposed new public school funding formula from last year's bill, based on work with stakeholders over the interim: the requirement for a "gifted student education plan" to replace the Individualized Education Plan (IEP) that parents feared would be lost by removing gifted students from special education; and a more detailed requirement for using the Educational Plan for Student Success (EPSS) for accountability under the new formula.

22. **Gross Receipts Tax Increase:** Amend the *Gross Receipts and Compensating Tax Act* to increase the statewide Gross Receipts Tax by 1.0 percent (from 5.0 percent to 6.0 percent), and dedicate the revenue derived from the increase to fund the proposed public school funding formula.

Ms. Ramírez-Maestas noted that consultants from the American Institutes for Research (AIR) were working with LESC and Legislative Council Service staff to update the cost estimate for implementing the new public school funding formula and that staff would provide the estimate to committee members as soon as it was available. The Chair suggested that the committee defer action on this item until the new cost estimate provided a revenue target.

REGIONAL EDUCATION COOPERATIVES

23. **REC Services:** Amend the *Regional Cooperative Education Act* to:
- a. authorize a cooperative, on behalf of its members and in cooperation with PED, to apply for, accept, and expend state, federal, local, and private funds that are available for programs of educational benefit;
 - b. allow a cooperative to provide and to be reimbursed for revenue-generating education-related services to non-members, so long as services provided do not detract from the cooperative's ability to fulfill its responsibilities to its members; and
 - c. require each cooperative (1) to submit to PED, on a schedule to be determined by the department, a report and evaluation of the technical assistance and other services provided by the cooperative; and (2) to make these reports available upon request to the LESC and the LFC (**Sponsor: Representative Thomas García**).

SCHOOL TRANSPORTATION

24. **School Transportation Task Force:** Create a school transportation task force to examine provisions in current state and federal laws and regulations governing public school transportation in New Mexico, including the transportation funding formula; the personnel

costs to school districts and school bus contractors; the costs of fuel, equipment, and maintenance; and the administration of the public school transportation program (**Sponsor: Representative Gonzales**).

Ms. Ramírez-Maestas noted that the public school support recommendations approved by the committee earlier included the \$20,000 appropriation for this item.

SCHOOL ACCOUNTABILITY

25. **Alternative School Accountability Pilot Project:** Create a six-year voluntary school accountability pilot project based on a student growth model for grades 4 through 8 that is separate from, but complementary to, the existing school accountability system; and phase in the project over two years (**Sponsor: Senator Nava**).

SPECIAL EDUCATION

26. **Residential Treatment Centers:** Amend statute relating to the placement of a student in a residential treatment center (RTC) to:

- a. clarify the state’s responsibility to provide a free and appropriate public education (FAPE) to any student, including an out-of-state student, who has been placed in a private RTC; and
- b. require PED to determine which New Mexico school district is responsible for providing FAPE to a student who has been placed in an RTC located outside the student’s home district; and to provide a reasonable reimbursement to the receiving district (**Sponsor: Representative Thomas García**).

TRUANCY

27. **Compulsory School Attendance Law Amendments:** Amend the *Compulsory School Attendance Law* as follows:

- a. establish a consistent method to count unexcused absences, and require PED to approve school district and charter school attendance policies;
- b. change the term “truant” to “student in need of early intervention” to describe a student with five or more unexcused absences in a school year;
- c. require schools to notify parents of those students by regular mail of a time and place to meet to develop intervention strategies;
- d. require schools to document attempts to provide parental notice and to intervene;
- e. require PED to compile reports of absence rates and verify that absences are being reported consistently; and
- f. permit the juvenile probation office (JPO) to send a notice to a parent directing the parent and student to report to the JPO to discuss services for the student or family.

Also, amend the *Children's Code* to change the definition of a "family in need of court-ordered services" to mean one whose child has 10 or more unexcused absences in a school year rather than a semester (*Sponsor: Senator García*).

LANGUAGE OR ITEMS IN THE *GENERAL APPROPRIATION ACT*

28. **21st Century Community Learning Centers:** Include language in the *General Appropriation Act* to require that a specified amount of the dollars from the FY 10 appropriation for the after-school enrichment program be allocated to the 21st Century Community Learning Centers statewide that in school year 2007-2008 or school year 2008-2009 are in their final year of eligibility for federal funding.

Ms. Ramírez-Maestas noted that \$3.3 million was to be included in the General Appropriation Act for after-school programs, of which \$1.8 million would be designated for those in their final year of federal eligibility.

29. **Summer Science Program:** Appropriate funds to New Mexico Institute of Mining and Technology for the high school Summer Science Program to provide full scholarships for New Mexico students in FY 09.

Ms. Ramírez-Maestas noted that the materials provided to committee members indicated an appropriation of \$50,000 for this item.

30. **Rural Literacy Initiative:** The appropriation to PED for the *Indian Education Act* includes \$500,000 to provide a rural literacy initiative to support after-school and summer literacy block programs for students in kindergarten through grade 8 in schools with a high proportion of Native American students, contingent on receiving \$250,000 in matching funds from sources other than the state no later than September 30, 2009.

31. **New Mexico PreK:** The internal service funds/interagency transfers appropriations to PED include \$2.0 million for the pre-kindergarten program from the Temporary Assistance for Needy Families (TANF) block grant to New Mexico.

Ms. Ramírez-Maestas noted that the Legislative Finance Committee (LFC) also recommended a transfer of \$2.0 million in TANF funds to the Children, Youth and Families Department (CYFD) for New Mexico PreK.

HIGHER EDUCATION DEPARTMENT PRIORITIES

32. **High School Transcript Requirement:** Require high schools and PED to add the STARS student identifier to all student transcripts and GED diplomas (*Sponsor: Senator Nava*).

33. **College Affordability Cleanup:** Amend current statute to ensure a predictable and orderly flow of base payout, modeled on the permanent fund payout method, to the College Affordability Scholarship Fund; and protect the ability of the Endowment Fund to support College Affordability Awards in the future (*Sponsor: Representative Ben Luján*).

After the review of these items, Representative Cote asked the committee to endorse a memorial to study the possibility of the state's adopting the Interstate Compact on Educational Opportunity for Military Children.

The Chair noted that items 1 through 10 had not changed since the committee voted unanimously to endorse them at the December meeting. Upon a motion by Senator Nava, seconded by Senator García, the committee unanimously approved all items and their sponsors except number 22, for which a committee member had requested a separate vote. Upon a motion by Representative Stewart, seconded by Senator Nava, the committee endorsed item 22 and its sponsor by a vote of 5 to 3.

The Chair requested a moment of silence for the husband of Representative Mary Helen Garcia, who passed away.

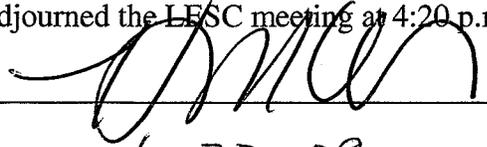
On behalf of the Education Partners, Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, presented to the Chair a stack of resolutions that were adopted in support of the proposed public school funding formula, with the request for sufficient funding to ensure successful implementation. At this time, he said, 82 separate New Mexico school districts, comprising more than 305,000 students, as well as numerous statewide and local community organizations, have adopted resolutions in support of this proposal. Mr. Sullivan said that these resolutions are the proof that the Chair had requested of the community support for this proposed new funding formula.

c. Approval of Draft LESC Report to the 1st Session, 49th Legislature, 2009

On a motion by Senator Nava, seconded by Representative Hall, the committee approved the draft LESC Report to the 1st Session, 49th Legislature, 2009.

<> ADJOURNMENT

There being no further business, and with the consensus of the committee, Representative Miera adjourned the LESC meeting at 4:20 p.m.



Chairperson

6-22-09

Date