

STATE OF NEW MEXICO
LEGISLATIVE EDUCATION STUDY COMMITTEE

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MINUTES
LESC MEETING
JULY 25-27, 2011

Frances Ramírez-Maestas, Director
David Harrell, PhD, Deputy Director

Representative Rick Miera, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 9:13 a.m. on Monday, July 25, in Room 307 of the State Capitol, Santa Fe, New Mexico.

The following LES C members were present:

Representatives Rick Miera, Chair, Nora Espinoza, Mary Helen Garcia, Jimmie C. Hall, Dennis J. Roch, and Mimi Stewart; and Senators Cynthia Nava, Vice Chair, Mary Jane M. García, and Lynda M. Lovejoy.

The following LES C advisory members were present:

Representatives Alonzo Baldonado, Ray Begaye, Eleanor Chávez, George Dodge, Jr., Tim D. Lewis, Sheryl Williams Stapleton, and Shirley A. Tyler; and Senators Vernon D. Asbill, John Pinto, and Sander Rue.

In addition, Representative Luciano "Lucky" Varela was also in attendance.

On a motion by Representative Hall, seconded by Representative Roch, the committee approved the agenda for the meeting.

UPDATES: PUBLIC EDUCATION DEPARTMENT (PED)

a. Distribution of Special Appropriations of the 2011 Legislature

The Chair recognized Mr. Peter B. van Moorsel, LES C staff, for a presentation concerning the distribution by the Public Education Department (PED) of three special appropriations made by the 2011 Legislature for (1) emergency support; (2) the Governor's educational reforms; and (3) increased fuel costs.

Regarding emergency support, Mr. van Moorsel noted that for FY 12 approximately \$7.7 million is available for emergency support to school districts, including:

- \$1.9 million in recurring categorical Public School Support;
- \$2.0 million in nonrecurring funds; and
- almost \$3.8 million in nonrecurring funds unexpended in FY 11 and reauthorized for expenditure in FY 12.

Mr. van Moorsel added that the \$2.0 million nonrecurring appropriation for emergency support includes language requiring that, prior to the distribution of any emergency supplemental funds, the Secretary of Public Education provide the LESC and the Legislative Finance Committee (LFC) with a report outlining:

- the criteria used to qualify for funds;
- the financial status of recipients, including the status of recipients' financial audits; and
- any cost-saving measures recipients implemented before applying for funds.

Mr. van Moorsel stated that PED provided LESC staff with a spreadsheet indicating how school districts budgeted nearly \$7.9 million in emergency supplemental funds. He added that, although the budgeted amount exceeds the emergency funding available, the final distribution of these funds will not be made until after PED verifies the school districts' second quarter financials; and PED projects that, after the districts' financial reports have been verified, the actual distributions will fall below the available amount of funds. Finally, Mr. van Moorsel noted that four districts were permitted to budget the nonrecurring \$2.0 million, adding that the department is currently collecting the information required to comply with the appropriation language noted above.

Regarding the \$2.5 million appropriation for the Governor's education reforms, Mr. van Moorsel stated that language accompanying the appropriation requires that the reforms include:

- third-grade retention, contingent on enactment of House Bill 21 or similar legislation of the First Session of the Fiftieth Legislature (this contingency was not met, as no such legislation passed);
- providing technical assistance to low-performing schools;
- improving data systems;
- Innovative Digital Education and Learning; and
- computer-administered assessments and common core standards implementation.

Mr. van Moorsel added that, while the LFC's post-session fiscal review does not include this appropriation because of the failed contingency, PED reports that the department intends to expend the funds according to priorities to be developed. Finally, he reported that, once the department has prioritized the uses of the funds, PED will develop the action plan required in the language noted above, including a specific timeline and implementation plan for these funds.

Regarding the \$1.2 million appropriation for increased fuel costs, Mr. van Moorsel stated that, on June 17, 2011, PED issued a memorandum to school districts soliciting requests for fuel

supplements that required applicant school districts to submit the following documentation by June 24, 2011:

- a cover letter with a detailed explanation of the need;
- third and fourth quarter expenditure reports;
- receipts for fuel purchased during the entire school year; and
- anticipated FY 11 transportation and operational cash balances.

Mr. van Moorsel added that, in June the LESC requested a spreadsheet detailing PED's distribution of the transportation emergency funds, including both the \$1.2 million appropriation and any remaining balance in the fund. Mr. van Moorsel reported that PED has not yet provided this information because the department is verifying the expenditure reports of some applicants and has not finalized the allocations.

Committee Discussion

In response to a committee member who commented that three or four school districts have requested and received a much larger portion than others, Mr. Paul Aguilar, Deputy Secretary of Finance and Operations, PED, replied that, because they do not generate enough money to cover basic operating costs, districts with fewer than 100 students may have received additional funds.

b. A-B-C-D-F Schools Rating System

The Chair recognized Ms. Pamela Herman, LESC staff, to provide an overview of the A-B-C-D-F schools rating system. Ms. Herman referred to the copy of SB 427, *A-B-C-D-F Schools Rating System* (Laws 2011, Chapter 10), included in committee members' notebooks. Then she outlined the requirement in the act that, commencing with school year 2011-2012, all public schools be graded annually by PED on an A-F scale, pursuant to criteria established in rule after input from the Secretary's Superintendents' Advisory Council. Ms. Herman also outlined the metrics proposed for rating schools as described by the Secretary-designate of Public Education in June:

- for elementary and middle schools, student proficiency status and growth from year to year; and
- for high schools:
 - student proficiency status and progress; and
 - additional indicators that might include graduation rates, annual improvements in graduation rates, growth in enrollment in Advanced Placement, International Baccalaureate, and dual credit courses; and ACT and SAT scores.

Ms. Herman noted that the staff report in members' notebooks listed concerns with the proposed rating system that had been enumerated at the June meeting.

Next, the Chair recognized Ms. Hanna Skandera, Secretary-designate of Public Education, who described the progress made by PED and the superintendents since the June report. She indicated that, while the issue of measuring growth for high school ratings had not been addressed in her

meetings with superintendents since the June LESC meeting, there had been good progress in discussions. Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators and a member of the superintendents group; concurred, noting in particular the helpful participation of Dr. Peter Goldschmidt, PED's new Director of Assessment and Accountability.

Committee Discussion

Responding to a committee member who asked whether the advisory council has followed the member's advice to include extracurricular activities in the school rating system, Ms. Skandera replied that the committee has not discussed sports yet but has looked at additional measures. She also intends to bring up the issue at the next meeting.

Alluding to the challenges facing Native American schools, a committee member asked how parents will be notified. Ms. Skandera explained that the committee has not developed a process yet, but she expects that grades will be publicly available for parents to review; and she believes that grading will allow PED to target interventions for struggling schools.

When a committee member asked whether a teacher close to retirement could be fired, Ms. Skandera said not according to the school grading bill; however, she added that the Effective Teaching Task Force is reviewing how to honor and reward effective teachers and what to do with ineffective teachers.

In response to a committee member who asked if PED has held the two public hearings this summer that she mentioned, Ms. Skandera replied that the meetings may take place in the fall, with one held in the south and the other in the north.

With regard to transportation for students who live far from schools to which they might transfer, Ms. Skandera said that the issue needs to be part of the discussion per state law and the provisions of the federal *No Child Left Behind Act of 2001* (NCLB).

The Chair asked about plans to use ACT and SAT scores, noting that not all students may have taken the exams. In reply, Ms. Skandera said the committee discussed using an allocation to provide the PSAT for all students to give schools as many data points as possible. The Chair also expressed concern about the short timeline for implementation of the grading system and advised PED to follow existing laws relating to the system, especially the graduation rate.

In response to questions from the Chair about the four-year versus five-year graduation rate, Ms. Skandera said she believes that the US Department of Education (USDE) will not allow the five-year rate to count.

A committee member asked whether the choice provision in NCLB would remain in state law if it were eliminated from the federal law. Ms. Skandera replied that PED had thought about using a 20 percent set-aside provision for other parental options.

c. New Mexico Effective Teaching Task Force

The Chair recognized Ms. Herman to provide an introduction to the PED update on the New Mexico Effective Teaching Task Force. Ms. Herman directed the committee's attention to materials in their notebooks that included a copy of Executive Order 2011-024, *Formation of the New Mexico Effective Teaching Task Force*, and a press release from the Office of the Governor dated May 19, 2011, naming the members of the task force. She recapped briefly the presentation made to the committee at its June 2011 meeting regarding the work at the first three meetings of the task force; and she noted that, since then, the task force had met three times, with presentations by:

- Ms. Ivy Alford, Director, State Services for School Improvement, Southern Regional Education Board;
- Dr. Linda Paul, Executive Director, New Mexico School Leadership Institute;
- Dr. R. L. Richards, Superintendent, Texico Municipal Schools;
- Ms. Julie A. Radoslovich, Head Teacher, South Valley Academy;
- Dr. Shelley Roberts, Adjunct Assistant Professor, Literacy and Sociocultural Studies, College of Education, University of New Mexico; and
- Mr. Larry Langley, President and CEO, New Mexico Business Roundtable.

Ms. Herman also noted that the staff report included the task force website address, with meeting agendas, attendance, and handouts.

The Chair recognized Ms. Skandera to provide the committee with an update on the progress of the task force. She noted that the group was still in a "learning mode" but had spent some time in small groups beginning to hammer out preliminary drafts for a final report. She stated that the task force would accept public input prior to completing its report and recommendations, which were scheduled to be delivered to the Governor in August 2011.

d. Innovative Digital Education and Learning-New Mexico (IDEAL-NM)

The Chair recognized Mr. Peter B. van Moorsel, LESC staff, for an update on the PED and Higher Education Department (HED) budgets for IDEAL-NM and the New Mexico Cyber Academy (NMCA).

On the PED side, Mr. van Moorsel reported that the Legislature appropriated \$500,000 in General Fund dollars to PED for NMCA, and that PED has provided the LESC with a proposed FY 12 budget. The department reports that it is proposing to expend the funds to pay for:

- the salaries and benefits of between five and seven full-time staff, including:
 - the Executive Director;
 - up to two IT Technology Support Specialists;
 - an Academic and Student Services Director;
 - a Student Services Coordinator; and
 - a Business Operations Specialist;

- the costs of fiscal agent services (through an inter-governmental agreement with Regional Education Cooperative #10) for course development, eTeacher training, and other contracts related to virtual school operations; and
- supplies.

Mr. van Moorsel added that, according to PED, until this proposed budget is approved internally, the staff positions for the NMCA will be funded with \$50,000 in Government Services Funds pursuant to the federal *American Recovery and Reinvestment Act of 2009* (ARRA).

On the HED side, Mr. van Moorsel cited HED staff in reporting that the agency's expenditure of funds related to IDEAL-NM centers on paying the \$1.4 million contract with Blackboard Inc. for a Learning Management System, which is able to catalog, register, deliver, and track learners and learning, accessible via a web-portal. HED reports that the contract will be paid for in three portions:

- \$500,000 in federal ARRA Government Services Funds;
- \$450,000 from the HED agency budget; and
- higher education institutions that used Blackboard through the HED contract. HED notes that the department will establish a fee schedule for the use of Blackboard by these institutions.

In addition, Mr. van Moorsel cited HED in noting that the state agencies that used Blackboard through the state contract will continue to be able to do so in FY 12, albeit without receiving technical assistance.

e. FY 12 PED Operating Budget and Organizational Plan

The Chair recognized Ms. Eilani Gerstner, LESC staff, for a report on the PED operating budget and organizational plan. She explained that current law requires state agencies to submit their upcoming fiscal year budgets, based on the final appropriations in the *General Appropriation Act of 2011* (GAA), to the Department of Finance and Administration (DFA) no later than May 1.

According to Ms. Gerstner, for FY 12, the GAA includes an appropriation to PED of approximately \$10.6 million in General Fund dollars – a reduction of nearly \$3.8 million, or 26 percent, from the FY 11 General Fund appropriation. She also noted that PED's total FY 12 budget is approximately \$33.2 million less than the total FY 11 budget, including decreases in federal and other revenues. Ms. Gerstner said that PED's FY 12 budget includes a total of 312.8 full-time equivalent (FTE) positions for FY 12, a decrease of two positions from FY 11.

Ms. Gerstner said that Attachment 1 in her report, "FY 12 Appropriation Request Organization Chart," illustrates the former departmental organization and that attachments 2 through 4, provided by PED, illustrate the department's reorganization:

- Attachment 2 shows the chart for the Office of the Secretary;
- Attachment 3 shows the chart for the Deputy Secretary of Finance and Operations; and
- Attachment 4 shows the chart for the Deputy Secretary of Policy and Indian Education.

Ms. Gerstner explained that one overall difference from the former organization chart in Attachment 1 and the new organization charts in attachments 2, 3, and 4 appears to be that divisions are now headed by directors, rather than assistant secretaries.

Finally, Ms. Gerstner referred to the staff report, which provided comparisons of the original FY 12 organization chart with the new organization charts reflecting the department reorganization.

The Chair recognized Ms. Skandera to provide the committee with an update on the progress of the PED operating budget and organizational plan. Ms. Skandera commented that PED is being reorganized to be a partner for reform on behalf of students, and she added that the reorganization is needed for PED to serve in a meaningful way with the resources it has. She then introduced her new management team, stating that the previous 19 exempt positions have been reduced to 15 positions.

Ms. Skandera noted several changes in the PED organization chart, among them:

- the former Director of Charter Schools is now the Director of Parent Options;
- a new Director of Federal Programs was added to improve coordination;
- the New Mexico Cyber Academy and IDEAL-NM are under Options for Parents; and
- the Ethics Division is now under the General Counsel.

Committee Discussion

In response to a committee member who expressed frustration over unspent funds in Indian education, Ms. Skandera replied that PED now has people in leadership to ensure that the intent of the legislation can be fulfilled.

Another committee member suggested that the reorganization should result in a better flow of information. He also commended PED for seeking private grant funding to fund education reform initiatives. However, alluding to Ms. Skandera's overturning decisions by the Public Education Commission (PEC) not to renew three charter schools (see minutes of the May LESC meeting), this committee member advised the Secretary-designate that PEC members are thoughtful and deliberative, rather than arbitrary or capricious, in reaching their decisions.

Regarding supplemental transportation funds, a committee member asked why several school districts (Wagon Mound Public Schools, Lake Arthur Municipal Schools, Corona Public Schools, and Roy Municipal Schools) requested and received a much larger portion of emergency supplemental funding than other districts. Mr. Aguilar answered that those districts are at the core of a long-term discussion about consolidation, adding that, because they all have small enrollments, they do not generate enough money even to open their doors. He added that their emergency supplemental requests are approximately half of the emergency budget and that districts need a minimum of approximately 100 students just to break even.

Responding to a committee member question regarding a request for NCLB waivers, Ms. Skandera stated that the school grading bill will be part of the waiver request, as well as the

Effective Teaching Task Force recommendation to use the term “highly effective” teacher, instead of “highly qualified.”

In response to a committee member’s concern about PED’s ability to post all data on the Sunshine Portal next year, Mr. Michael Archibeque, Chief Information Officer, PED, stated that he sees no obstacles now because the data flow through different systems.

Responding to a committee member who asked about home schools, Ms. Patricia Matthews, Director, Options for Parents, PED, said that PED needs to study how to leverage access to funds to make home schools more effective and bring them into the IDEAL-NM program.

In response to several committee member questions about the PED reduction-in-force, Ms. Skandera stated that PED has worked hard to inform employees of their options and will provide an updated status report on the 33 employees who were subject to the reduction (15 of whom have been reemployed). She added that the functions of the Indian Education Division will remain largely the same and that PED will keep both offices in Santa Fe and Gallup.

f. PED Contracts

The Chair recognized Ms. Gerstner to deliver a report on current contracts maintained by PED. She referred the committee to a listing (attached to the staff report) from DFA of all current, approved contracts for PED, including:

- the contracts for at least three of the nine PED Advisory Team members; and
- two contracts for \$24,800 each with Ms. Caron Snow and GFund Solutions, hired to revise the Public School Accounting and Budgeting Manual of Procedures.

g. PED Advisory Team Deliverables

The Chair recognized Dr. David Harrell, LESC staff, for an update on the deliverables from the PED Advisory Team.

Citing the staff report in the committee notebooks, Dr. Harrell said that, in February 2011, PED issued a news release announcing the appointment by Secretary-designate Skandera of a nine-member advisory team, comprising “experts from across the country with extensive experience in education policy, management and administrative issues.” The charge to this “team of leaders,” Dr. Harrell continued, was to make recommendations to the Secretary-designate on short-term and long-term strategies “for making the Public Education Department more efficient and effective to better serve New Mexico’s students, schools, teachers, and parents.” The news release further explains that the department had contracted with these experts “as an alternative to the immediate hiring of many of the Department’s exempt positions, resulting in a cost-savings to the State of New Mexico”

Noting the phrase “across the country,” Dr. Harrell said that, given information in the news release and other sources, four of the nine team members – Dr. Christy Hovanetz, Mr. Jeff Sellers, Ms. Kristy Campbell, and Mr. Chad Colby – seem to be based in Florida; two – Mr. John Bailey and Ms. Terrell Halaska – in Washington, DC; and one each in California, Tennessee, and Texas –

Mr. Jay Pfeiffer, Dr. Catherine Freeman, and Mr. David Saba, respectively. Dr. Harrell then reviewed the names and summaries of assignments for each of the advisory team members as described in the news release and as outlined in the staff report.

Dr. Harrell identified two issues with the PED Advisory Team. The first was that, even though the news release says that PED “has contracted” with these nine people, a staff search of the Sunshine Portal and a list of current contracts from the DFA, together with a search by the DFA Contracts Review Bureau, could find only three contracts: one with Ms. Campbell, one with Mr. Colby, and a third with a company called HCM Strategists, LLC, which was signed by Dr. Freeman. Dr. Harrell suggested, however, that this third contract may include Ms. Halaska, as she is also affiliated with HCM Strategists. Dr. Harrell then summarized the components of the three contracts.

The other issue that Dr. Harrell identified was that PED had not responded to two LESC staff requests for information about the work and the deliverables of these nine contractors and about the cost-savings to the state. The first request, he said, was in May 2011 and the second was in July (likewise, two requests for information about the contract status of the five team members for whom no contracts had been found had gone unanswered). The unanswered questions, Dr. Harrell added, were included as Attachment 2 to the staff report.

Finally, Dr. Harrell described some of the overlapping professional affiliations among the members of the PED Advisory Team. In addition to service under former Governor of Florida Jeb Bush, in some cases, and service with USDE during the administration of President George W. Bush, in other cases, most of the nine members have had employers in common with other members. The staff report, Dr. Harrell said, included brief accounts of several companies, both profit and nonprofit. Among them are the Foundation for Excellence in Education, founded by Jeb Bush, and Laying the Foundation, LLC. From September 2010 to December 2010, Dr. Harrell continued, Ms. Skandera served as the Chief Executive Officer of Laying the Foundation. After Ms. Skandera resigned in December 2010 to assume the role of Secretary-designate of Public Education in New Mexico, she was succeeded by Mr. David Saba, a member of the PED Advisory Team, who assumed office in early April 2011.

The Chair recognized Ms. Skandera, who explained that she had used the advisory team to make policy recommendations while she became better acquainted with the state. It seemed prudent, she continued, to take these steps before hiring her senior management team. The advisory group, Ms. Skandera added, helped PED move forward during the legislative session; and the advice of the team members will assist PED in running and reorganizing the department and in conducting budget reviews.

As for the cost-savings, Ms. Skandera asserted that \$1.2 million would have been spent on senior managers; therefore, PED saved \$700,000 through the contracting process. She added that one of the team members had provided services for free.

Committee Discussion

In response to a committee member who asked whether she had considered hiring in-state people for her advisory team, Ms. Skandera replied that she had also sought input from around the state.

With regard to missing contracts and contractors working for free, the Chair noted his concerns that people without a contractual obligation to New Mexico may have had access to sensitive data, especially student data. In reply, Ms. Skandera assured the committee that volunteer contractor Jeff Sellers, who worked with data system issues and strengthening communications within PED, had no access to individual student data. Ms. Skandera also cited a contract with a company called Summit Education Associates LLC, which she said applied to other members of the team.

Responding to a committee member's question about the nature of the advice she was receiving, Ms. Skandera replied that much of the conversation has been on outcome-based investment, yet she does not propose to make any changes to the funding formula at this time.

Several committee members expressed concern that partisan educational philosophies from other states, especially Florida, seemed to be driving the work at PED.

In response to questions about the contract deliverables, Mr. Aguilar displayed a binder of material, which the Chair said he would look forward to reviewing.

FY 12 PUBLIC SCHOOL BUDGETS

The Chair recognized Ms. Eilani Gerstner, LESC staff, and Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, for an overview of FY 12 public school budgets.

Ms. Gerstner stated that, according to the *Public School Finance Act*, on or by July 1 of each year the Public Education Department (PED) must:

- approve and certify the operating budget for each local school board and governing body of a state-chartered charter school; and
- make corrections, revisions, and amendments to the operating budgets to conform the budgets to the requirements of law and PED's rules and procedures.

For FY 12, Ms. Gerstner stated, PED issued guidance for school districts and charter schools in building their budgets. The guidance document, titled "A Smarter Return on New Mexico's Investment: Guiding Principles for the Development of School District Budgets," provided to the committee in May, indicates that PED's School Budget and Financial Analysis Bureau staff, along with program staff, would analyze budgets in line with the following five principles:

1. student achievement drives spending;
2. classroom dollars come first;
3. transparency and good policy govern budget-making;
4. academics inform long-range planning; and
5. budgets reflect reasonable allocations for student and teacher services.

At the time of publication of this staff report, Ms. Gerstner said, PED had not responded to inquiries regarding how many school district and charter school budgets had to be revised to align with these new guidelines.

Referring to her staff report, Ms. Gerstner went on to note that provisions in current law allow for waivers of certain requirements relating to the development of school budgets, including a temporary provision in the *Public School Code* for school year 2009-2010 through school year 2011-2012 to allow the Secretary of Public Education to waive requirements pertaining to:

- individual class load;
- teaching load;
- length of school day;
- staffing patterns;
- subject areas; and
- purchases of instructional materials.

According to Ms. Gerstner, PED is also required to monitor the waivers and report to the LESC and the Legislative Finance Committee on any issues or actions of a school district that appear to adversely affect student learning. She also noted that other provisions in the *Public School Code* provide for waivers, as outlined in the staff report.

At the time of publication of this staff report, Ms. Gerstner said, PED reported that information on which waivers had been requested will not be available until after the first reporting period (the 40th day) for school year 2011-2012.

Ms. Gerstner also explained that the attachment to her report provides a comparison of total statewide budgeted operational expenditures of school districts and charter schools from FY 11 to FY 12. According to the data provided by PED:

- schools have budgeted nearly \$8.0 million less, or 0.3 percent, for FY 12 than in FY 11; however,
- the percentage of funding to instruction increased nearly 0.5 percent from FY 11 to FY 12.

Next, Mr. Sullivan presented the results of a survey of school districts regarding the impact of reduced funding on the FY 12 public school budgets.

Mr. Sullivan distributed a preliminary handout of the survey in advance of a presentation to be given in August. He said that three districts – Portales Municipal Schools, Rio Rancho Public Schools, and Santa Fe Public Schools – have reported growth; and he expects 2,500 to 3,000 positions lost statewide when all data are in.

The Chair invited leaders in the education community to speak, and Superintendent Winston Brooks, Albuquerque Public Schools (APS), referred to his handout showing that 980 APS positions have been cut over the last three years. He also commended the LESC staff for insisting on looking at the budget cuts as a three-year trend, not just one or two years.

Superintendent Ray Arsenault, Gallup-McKinley County Public Schools, testified that his district lost approximately 50 positions.

Mr. Joe Guillen, Executive Director of the New Mexico School Boards Association (NMSBA), reported that NMSBA surveyed board leaders on several topics and suggested that he may have a formal presentation ready for the next LESC meeting.

Superintendent Eugene Schmidt, Los Alamos Public Schools, testified that his district lost positions and asked the LESC to consider ways of generating revenue.

Committee Discussion

In response to a committee member who asked whether all school budgets have been approved yet, Mr. Guillen replied that all budgets were approved last week. Superintendent Schmidt added that the budget review was unlike any he had ever been through – noting that the district had to justify every program.

The Vice Chair commented that this year’s budget process had more connection with programs than in the past. She also noted the damage of 1,000 jobs lost at APS and approximately 200 jobs lost in Gadsden Independent Schools.

A committee member asked Superintendent Brooks to comment on the need for APS to have public relations staff, and Mr. Brooks explained that the magnitude of APS’ size warranted the use of “communications” staff to respond to 15-20 media inquiries daily and to notify the public of ongoing school issues (such as snow days, vandalism, and predators). Mr. Sullivan added that each of the three largest school districts has public relations officers and these positions are not expendable.

In response to a committee member question regarding economies of scale and how much of the APS staff reduction was due to attrition, Superintendent Brooks replied that 100 percent of the reduction was due to attrition.

WRITTEN REPORTS

a. SM 70, Rural Isolation Units Study

The chair recognized Mr. Peter B. van Moorsel, LESC staff, for a presentation on Senate Memorial 70, *Rural Isolation Units Study*, which requests that the LESC study:

- the law and the funding formula calculations for small school size adjustment and rural isolation units; and
- the need for a hold-harmless provision to minimize drastic fluctuations in funding for Gallup-McKinley County Public Schools (GMCS).

Mr. van Moorsel began by reporting that the rural isolation factor was added as a size adjustment factor in the public school funding formula in 1976, and that, historically, only GMCS has qualified for rural isolation units.

He added that the changing structure of the school district in recent years has resulted in a reduction in the rural isolation units for GMCS, causing the district to request in May 2010 that the Public Education Department (PED) hold the district harmless from the reduction in units. PED denied the request because, according to the department, “there is no statutory provision available to waive a district’s eligibility for the size adjustment calculation for rural isolation units.”

Mr. van Moorsel next stated that the *Public School Finance Act* provides for several mechanisms that generate additional program units based on school district or school size, and the study requested in SM 70 addresses two of these mechanisms: Senior High Units and Rural Isolation Units.

Mr. van Moorsel explained that statute provides that an approved public high school with a student membership count (MEM) of less than 400 is eligible for additional program units. The number of additional program units to which a school district is entitled is calculated as the greater of:

or

He added that current law also provides that “a school district with over 10,000 MEM with a ratio of MEM to senior high schools less than 4,000:1 is eligible for additional program units based on the number of approved regular senior high schools that are not eligible for senior high units.”

The number of additional program units to which an eligible school district is entitled under this subsection is the number of units computed in the following manner:

Given these formulas, Mr. van Moorsel explained that:

- holding MEM constant, a decrease in the number of high schools reduces the number of isolation units that are generated; and
- holding the number of high schools constant, an increase in MEM reduces the number of isolation units that are generated.

Addressing GMCS specifically, Mr. van Moorsel stated that, from school year 2009-2010 to school year 2011-2012, the number of GMCS high schools not eligible for senior high units has decreased from four to two. This reduction created two effects:

- a decrease in the number of rural isolation units, from 501.0 to zero; and
- an increase in the number of senior high units, from 452.03 to 632.35.

Mr. van Moorsel concluded that the current law already contains a mechanism to minimize fluctuations in funding such as those that GMCS has experienced. That is, any decrease in funding that result from a reduction in the number of rural isolation units is partially offset by an increase in the number of senior high units generated within the district, as follows:

- the number of isolation units did indeed decrease to zero as a result of the reduction in high schools not eligible for senior high units; however,
- the reduction in units is partially offset by an increase in the number of senior high units; and
- the net change in isolation and senior high units between school year 2009-2010 and school year 2011-2012 is a decrease of 320.68 units.

The Chair also recognized Mr. Ray Arsenault, Superintendent of GMCS, who provided testimony stating that the district had lost approximately \$1.8 million in program costs due to the reduction in isolation units.

Committee Discussion

In response to a committee member's question about where the \$17.0 million in Impact Aid goes, Superintendent Arsenault replied that the money flows through all the districts and that his district receives approximately \$2.5 million.

The Chair asked Mr. van Moorsel whether there was any solution to this interesting problem. Mr. van Moorsel replied that one potential solution is to hold the district harmless for the loss of those units. However, he added that with the hold harmless provision the LESC must decide at what level and which year to do so.

b. Preliminary Cohort Graduation Rate Reports: Four-year Rates for 2010 Cohort and Five-year Rates for 2009 Cohort

This report was deferred to the August 2011 LESC meeting.

c. Preliminary Adequate Yearly Progress (AYP) Report for 2011

The Chair recognized Ms. Pamela Herman, LESC staff, to present the preliminary AYP report for 2011. She began by noting that on July 22, 2011, the Public Education Department (PED) issued preliminary AYP rankings for 831 New Mexico public schools and 89 school districts.

According to Ms. Herman, school districts will have an opportunity to file appeals with PED regarding AYP designations until August 5, 2011. She added that, prior to the start of the school year, school districts must inform families of students in public schools that fail to make AYP for two years in a row of their right to transfer to another more successful school under state and federal law.

In a press release issued concurrently with the AYP rankings, Ms. Herman said PED indicated that it plans to submit a request for a waiver to the US Department of Education to replace the AYP ranking system with New Mexico's new A-B-C-D-F Schools Rating System. Finally, she stated that her written report includes, for each school and district, the overall AYP status and designation, as well as ratings and designations for math, reading, and "other" (attendance for elementary schools and graduation rates for secondary schools and school districts), based on scores from state standards-based assessments taken in spring 2011.

There being no further business, the Chair thanked the presenters, and the committee recessed at 4:16 p.m.

**MINUTES
LESC MEETING
JULY 26, 2011**

Representative Rick Miera, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 9:17 a.m. on Tuesday, July 26, in Room 307 of the State Capitol, Santa Fe, New Mexico.

The following LES C members were present:

Representatives Rick Miera, Chair, Nora Espinoza, Mary Helen Garcia, Jimmie C. Hall, Dennis J. Roch, and Mimi Stewart; and Senators Cynthia Nava, Vice Chair, Mary Jane M. García, and Lynda M. Lovejoy.

The following LES C advisory members were present:

Representatives Ray Begaye, Eleanor Chávez, George Dodge, Jr., Tim D. Lewis, Sheryl Williams Stapleton, and Shirley A. Tyler; and Senators Vernon D. Asbill and John Pinto.

UPDATES: HIGHER EDUCATION DEPARTMENT (HED)

The Chair recognized Mr. Glenn Walters, Deputy Secretary of Higher Education, and HED staff members Mr. Ricky Serna, P-20 Policy Analyst, Mr. Dan Koleski, IT Director, and Ms. Karen Kennedy, Financial Aid Director, to update the committee on HED activities. The Chair also recognized Mr. Kevin Force and Mr. Peter B. van Moorsel, LES C staff, to brief the committee on the Dual Credit Program and Innovative Digital Education and Learning-New Mexico (IDEAL-NM), respectively.

a. Dual Credit Program: Participation of Tribal Colleges and Secondary Schools

Mr. Force began by stating that, in 2010, legislation was enacted to amend, effective July 10, 2010, provisions relating to the state's dual credit program to include Bureau of Indian Education (BIE) high schools and tribal colleges.

Subsequently, Mr. Force said, the Public Education Department (PED) revised department rules to:

- expand the definition of “district” to “Local Education Agency” (LEA) to include BIE high schools; and
- include “tribal colleges” in the formal definition of postsecondary institution.

He added that both state law and agency rules require the use of a uniform master agreement that includes:

- a requirement to waive tuition and general fees for high school students participating in the dual credit program;
- a requirement that BIE high schools pay for the cost of textbooks; and
- an appendix that lists:
 - the courses approved for dual credit between the two schools; and
 - the current course code information in the Student Teacher Accountability Reporting System (STARS) at PED.

Mr. Force stated that, while the amendments to law and rule resulting from the passage of the 2010 legislation included BIE high schools and tribal colleges within the broad purview of the dual credit program, the provisions did not address unique student ID numbers and other reporting requirements. However, he said that according to representatives from HED and PED, the issue has been noted; and in an effort to help resolve the situation, HED is seeking a College Access Challenge Grant to help fund implementation of a system to track students from BIE high schools.

Another issue that Mr. Force identified was credit for tuition waivers. According to Mr. Force, HED staff explained that, because tribal colleges are not funded through the higher education funding formula, a different method for reimbursing tribal colleges that waive tuition for dual credit students is necessary. Currently, he said that there is no mechanism for the reimbursement of tribal colleges.

Regarding transportation, Mr. Force stated that, according to PED rule and the uniform master agreement, the student is responsible for transportation to the location of the dual credit course. He cited one high school administrator who pointed out that many BIE schools are located in rural areas. For that reason, transportation to and from a postsecondary school with which a student’s high school has an agreement may be quite problematic, both practically and financially.

Finally, Mr. Force noted the PED rule that established the Dual Credit Council, a six-member group that hears appeals from secondary or postsecondary schools and considers issues not covered by the rules. Other provisions in the rule require:

- the cabinet secretaries of HED and PED to appoint individuals to serve on the council;
- the council to consist of an equal number of HED and PED staff with the council chairs alternating between the departments every two years;

- the council to administer an appeals process for LEAs, including school districts and BIE high schools, and postsecondary institutions to address issues outside the scope of the uniform master agreement; and
- the council to issue recommendations to the department secretaries on issues not addressed in the agreement, which the secretaries of HED and PED act upon jointly.

Mr. Serna testified that HED is reviewing the laws and rules that address data collection from BIE schools and tribal colleges. With regards to reimbursing or refunding waived tuition, Mr. Serna said there is no mechanism right now for funding tribal colleges, only a state aid approach. He added that another factor will be the new higher education funding formula, which will not fund money based on tuition credits.

Mr. Walters testified that HED does have memoranda of understanding with some tribal colleges and added that HED hopes to fill four of five vacant positions in the P-20 data warehouse soon.

Committee Discussion

In response to a committee member who asked whether HED had a tribal liaison, Mr. Walters replied that the position will move from exempt to classified and that for now the duties are assigned to the legal counsel and to Mr. Serna.

Regarding the STARS course code, a committee member emphasized that students' credits must be protected and the unique ID must be more broadly applied. Mr. Serna agreed, noting that the dual credit legislation had no appropriation even though HED estimated it would cost \$200,000 to reimburse tribal college tuition. He added that the cost is likely to be higher when high schools undergo redesign because dual credit is a popular choice.

In response to a committee member's concern about the transportation burden of some BIE students, Mr. Serna stated that rural schools will have opportunities for distance learning, although technology access issues will have to be addressed.

In response to several committee member questions about dual credit funding, Mr. Walters replied that HED is still developing changes to its funding formula so that it is based on course completion rather than enrollment and that the department will present its findings to the Legislative Finance Committee on October 15. He added that dual credit policy may focus on grades 11 and 12.

The Chair suggested asking the Dual Credit Council to produce recommendations to change the dual credit law by addressing the unique student ID number, noting that courses will have to be entered into STARS on a case-by-case basis for now. Another committee member agreed, suggesting that ID number and tracking report issues can be included in the master agreements between secondary and postsecondary institutions.

A committee member commented that Navajo Tech had offered a dual credit course in culinary arts at the college's expense and suggested that the Dual Credit Council develop uniform criteria for tribal colleges for reimbursement of tuition waivers. This committee member added that tribal

colleges still benefit even if they waive tuition because more funding is possible with increased enrollment.

One committee member questioned the prospect of not funding dual credit for grades 9 and 10, noting that some career fields at the community college level need to start as early as grade 9.

In response to a committee member's question about agency rules, Mr. Walters replied that, rather than promulgate identical rules, HED has deferred to the rules promulgated by PED. He added that HED and PED are working with BIE schools and all must move forward collectively to make the program workable. Last, Mr. Walters said that HED can provide the Legislature with cost estimates.

A committee member requested that LESC staff determine the per-student funding for BIE schools and colleges compared to state funding for other New Mexico students.

A committee member requested that HED provide the number of students who take and complete dual credit courses.

b. IDEAL-NM

The Chair recognized Mr. van Moorsel, LESC staff, for an update on the PED and HED budgets for IDEAL-NM and the New Mexico Cyber Academy. Mr. van Moorsel provided the same testimony as he had done the previous day with the Secretary of Public Education present.

The Chair next recognized Mr. Walters, who confirmed that the approximately \$1.36 million IDEAL-NM contract with Blackboard, Inc. would be paid for in three parts, including:

- \$500,000 in federal *American Recovery and Reinvestment Act of 2009* Government Services Funds;
- \$450,000 from the HED agency budget; and
- the remainder paid by higher education institutions that used Blackboard through the HED contract. HED notes that it will establish a fee schedule for the use of Blackboard by these institutions.

NEW MEXICO LEGISLATIVE LOTTERY SCHOLARSHIP PROGRAM AND FUND

The Chair recognized Mr. Kevin Force, LESC staff, to brief the committee on the Legislative Lottery Scholarship Program and Fund.

Mr. Force noted that the following attachments in the staff report have been updated based on discussion with staff of the Higher Education Department (HED):

- Attachment 1, *Lottery Sustainability Models*, which are graphs illustrating the effects of tuition increases on the fund's expenditures, revenues, and balance; and

- Attachment 2, *Legislative Lottery Scholarship Sustainability, NM-HED Model*, which is a table expressing the effects of 5.0 percent, 7.0 percent, and 9.0 percent tuition increases on the fund in dollar amounts, including projections through FY 14.

According to Mr. Force, attachments 1 and 2 show that the scholarship fund balance would fall sharply with a tuition increase of only 5.0 percent, with greater increases hastening the insolvency of the fund prior to FY 14.

He added that Attachment 3, *FY 11 to FY 12 Tuition and Fees Comparison*, shows increases in tuition at individual institutions, averages for various categories of schools, and the statewide average.

a. *Solvency of Legislative Lottery Scholarship Fund*

The Chair recognized Mr. Tom Romero, Chief Executive Officer of the New Mexico Lottery Authority (NMLA), for a presentation on the solvency of the Legislative Lottery Scholarship Fund.

Mr. Romero began by announcing that the lottery will deliver approximately \$41.3 million, or 30.5 percent of the lottery's gross revenues, to the program for FY 11. He added that, while this was the second highest net revenue year in the history of the lottery, it fell short of the scholarship revenue goal due to a shortfall of \$10.5 million in ticket sales.

Alluding to the past four years, Mr. Romero noted that ticket sales have been down, or flat, for a variety of reasons, including:

- the economic recession and prolonged recovery;
- loss of retailers that went out of business; and
- increasing food and gas prices.

Despite these setbacks, Mr. Romero emphasized that net revenues for the scholarship program have increased both in dollars and percentage due to strict fiscal discipline and severe cost-cutting that included reduced advertising and frozen staff wages.

Since NMLA cannot continue to cut its way to higher revenues, Mr. Romero explained that steps were taken in the past two fiscal years to stabilize sales, including development of the "Whatchagonnado" branding campaign, acquisition of 60 new stores, and launch of a social medial strategy to reach younger players.

Next, Mr. Romero presented the five-year forecast based on NMLA's FY 12 budget. He asserted that NMLA anticipates flat gross and net revenues, with a sales forecast of \$136.4 million and revenue forecast of \$41.0 million, which would be equal to 30 percent of revenues.

Finally, Mr. Romero referred to data compiled by HED showing that students attending college on Legislative Lottery Scholarships have an average graduation rate of 60 percent compared to an overall graduation rate of 42 percent for all New Mexico students completing a bachelor's degree within six years. He emphasized that this difference has been a compelling message to help

NMLA engage with players, noting that people from all walks of life believe they have a personal stake in the lottery's success.

b. Impacts of the Legislative Lottery Scholarship Program to Institutions and on Institutional Outcomes

The Chair recognized Dr. Terry Babbitt, Associate Vice President of Enrollment Management at the University of New Mexico (UNM), to give a presentation on the lottery's impacts on institutions.

According to Dr. Babbitt, lottery scholarship recipients account for 38 percent of the total undergraduate population at UNM. Of these students, he noted that:

- their median family income was \$55,133;
- 64 percent of them applied for federal aid; and
- 36 percent of them qualified for the Pell Grant.

Dr. Babbitt also reported that lottery scholarships account for 11.1 percent of overall aid to students.

In regard to institutional outcomes, Dr. Babbitt stated that the six-year graduation rate of lottery scholarship recipients at UNM is 58 percent, compared to an overall graduation rate of 43.6 percent. For high-need (Pell-eligible) students, the graduation rate was at 48 percent with the lottery scholarship and only 18 percent without it.

Committee Discussion

A committee member asked what would happen if the amount of lottery tuition was frozen at its current level. Dr. Babbitt replied that it would have a substantial impact on needier students, especially with reduced Pell Grants. He added that it may require students to take out more loans and compel more of them to stay in New Mexico. Dr. Babbitt also said that, even if the scholarship amount remained frozen, it would still benefit students; and he suggested looking at a need-based allocation.

In response to a committee member's question regarding the number of retailers no longer selling lottery tickets, Mr. Romero replied that last year the lottery authority acquired approximately 60 new retailers and lost approximately the same number.

When asked his thoughts about keeping tuition flat or limiting increases for lottery students, Dr. Babbitt replied that UNM has worked on proposals with the lottery study committee and found that increasing the merit requirements per number of hours or grade point average (GPA) has a disproportionate effect on needier students. To address need, he suggested a review of expected family contributions, which could still allow middle-income students to benefit.

A committee member asked whether there was an increase in college enrollment of high school graduates not going into the work force due to the lack of jobs. Ms. Karen Kennedy, Director of Financial Aid, HED, acknowledged that there were increases in two-year enrollment.

In response to a committee member's question regarding remedial courses, Dr. Babbitt replied that the lottery scholarship does cover them. However, he explained that the first college semester is the qualifying semester for the lottery scholarship and most remedial courses are taken during the first semester under the bridge scholarship or a funding source other than the lottery scholarship. Dr. Babbitt also testified that UNM allows up to three remedial courses but that they do not count toward graduation hours. He also responded to a committee member who asked whether the state is paying for courses that do not count toward students' graduation requirements by stating that none of the 128 hours required for graduation include remedial courses; but students who need remediation must do the coursework in order to graduate.

In response to a committee member's question regarding the *College Affordability Act*, Ms. Kennedy replied that it is still in law but that the balance in the *College Affordability Fund* has decreased because of the state budget deficit (\$15.0 million was taken from the fund to meet the 2011 budget in HB 2). She also noted that the current balance is approximately \$12.0 million and that the state still disburses approximately \$2.0 million annually, as it has in the past.

A committee member asked which institution of higher education (IHE) has the highest percentage of lottery recipients, and Ms. Kennedy answered that UNM and the New Mexico State University have the highest and nearly the same percentage.

Regarding a committee member's question whether lottery scholarship recipients must show citizenship, Ms. Kennedy replied that students must have a New Mexico high school diploma or General Educational Development and noted that some home school students receive diplomas from out of state.

In response to a committee member's question about the bridge scholarship, Dr. Babbitt replied that IHEs have funded that scholarship since 1997, and he added that UNM has been asked by the Legislature to apply the bridge scholarship also at the back end to help students complete their degree.

Responding to a committee member who asked about purchases or sales of lottery tickets by Native Americans, Mr. Romero replied that the lottery authority has no such numbers or demographic data regarding players, but that he believes that five or six casinos sell lottery tickets.

In regards to a committee member's question about the lottery authority staff, Mr. Romero stated that he and his staff are not state employees, though the authority is owned by the state, answerable to the Legislature, and reviewed by the Legislative Finance Committee. He added that the NMLA board is reimbursed for expenses but not paid.

In response to a committee member who asked how many UNM freshmen on the bridge scholarship take remedial classes, Dr. Babbitt stated that the figure is around 35 percent.

A committee member asked Mr. Romero whether the NMLA owns or leases its facility and Mr. Romero replied that the NMLA lease contract will expire in about 18 months. The committee member suggested that NMLA should look into using a facility already owned by the state to save money.

Ms. Frances Ramírez-Maestas, LESC Director, observed that the committee could revisit options to preserve the lottery fund (tiered levels of support per GPA, need, or other factors) presented in a previous report but cautioned that Senator Michael Sanchez's staff must be kept informed of any discussions. She added that the Legislative Education Study Network could be a good resource to investigate what other states have considered.

A committee member requested that HED provide a written data-based analysis to offer alternative solutions to fix solvency issues with the Legislative Lottery Scholarship Fund.

A committee member requested that HED provide cohort information and remediation costs for lottery scholarship recipients.

A committee member requested that NMLA explain why the lottery paid out 54.3 percent in prizes, which is more than the statutory requirement of 50 percent.

2010 LESC SCHOOL FINANCE WORK GROUP OUTCOMES

a. Revision of the Public School Accounting and Budgeting Manual of Procedures

The Chair recognized Mr. Craig Johnson, LESC staff, to brief the committee on the timeline of events involved in the update of the *Public School Accounting and Budgeting Manual of Procedures* and to provide an overview of the new and improved manual.

For background purposes, Mr. Johnson stated that the School Finance Work Group created by the LESC reviewed the *Public School Accounting and Budgeting Manual of Procedures* (manual) and determined that many of the 22 sections of the manual had not been updated since the 1990s. He said the work group agreed that updating the manual would be an extensive project best assigned to an expert in school business management who had worked in the public schools. Referring to his staff report, Mr. Johnson provided a timeline of events between July 2010 and April 2011, which included the selection of Ms. Caron Snow and Ms. Leslie Smith as contractors to revise the manual and the receipt of \$50,000 from the New Mexico Public Schools Insurance Authority (NMPSIA) to fund the project.

Mr. Johnson testified that the new manual is the result of a cooperative effort among the contractors, the LESC School Finance Work Group, NMPSIA, the Public Education Department (PED) staff, and LESC staff. He added that the contractors agreed upon a process to develop, review, and approve each section of the new manual.

The updated manual, Mr. Johnson noted, serves as a guiding document to help all school districts and charter schools understand and comply with applicable laws and current financial reporting requirements. If the guidance provided for in the new manual is properly followed, the revised manual will:

- increase the likelihood of accurate financial reporting;
- strengthen internal controls;

- reduce waste, fraud, and abuse; and
- help school boards and administrators be more effective stewards of public resources.

Mr. Johnson added that the improvements in the new manual include:

- greater detail regarding proper internal controls;
- additional guidance on complying with financial, federal, or special audits;
- common audit findings and tips to avoid them;
- an updated section on recent statutory changes regarding requirements for audit subcommittees and potential sanctions if audits are not completed timely;
- guidance on best practices associated with cash controls, purchasing, and inventory management;
- additional instructions on how to use the Uniform Chart of Accounts;
- additional clarity on the proper use of capital funds; and
- a more consistent, easy-to-use format.

In addition to the improvements listed above, he said the new manual includes practical tools, including risk/control assessment tools that school business managers and program administrators can use to evaluate specific operations and identify areas for improvement. Mr. Johnson noted that there is no such thing as a final manual; this one is a living document designed to incorporate changes in law or rule. Finally, he said that members of the work group will receive a CD version of the new manual for review and indicated that the manual can be used to assist school boards in their financial oversight duties.

Next, the Chair recognized Ms. Caron Snow and Ms. Leslie Smith, the contractors who developed the new manual, to provide the committee with an overview. Ms. Smith stated that among its new features the manual contains:

- practical tips;
- new formats;
- guidance on waste, fraud, and abuse; and
- budget planning, preparation, and maintenance techniques aligned with strategies.

Ms. Smith also noted that the document contains 21 supplements and a new section containing samples of:

- presentations and illustrations;
- reports – mandatory and optional;
- reports for governing boards;
- sample forms useful for daily operations; and
- risk assessment tools for selected areas.

Committee Discussion

A committee member suggested that the manual should have a separate section to assist school board members with financial oversight for use as a “how-to” manual. In response, Mr. Joe

Guillen, Executive Director, New Mexico School Boards Association (NMSBA), said NMSBA provided an outline of what such a document would look like a year ago and thought it would be in the scope of work, but discovered later that there was not enough money to include it in the contract.

Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, asked whether the manual includes guidance for superintendent oversight of school business officials (SBOs), and Ms. Snow replied that the manual addresses the issue but not in great detail.

Mr. Steve Burrell, Director, School Budget and Finance Analysis Bureau, PED, recommended that guides for school board members and superintendents be separate documents because the intent of this manual is to focus on SBOs. He added that PED is willing to look at all possibilities.

In response to a committee member's question about the legal status of the manual, Mr. Johnson replied that an attorney has not examined the manual but that it has been examined by experienced professionals. Mr. Evan Blackstone, Chief of Staff, New Mexico Office of the State Auditor (OSA), added that OSA is interested in reviewing certain sections of the manual.

Responding to a committee member's question regarding changes in administrative officials, Mr. Johnson replied that the manual addresses segregation of duties, succession planning, and records retention.

A committee member emphasized that the section on transportation be reviewed in detail to prevent abuses in future.

In response to a committee member's question as to whether the product is a finished one, Mr. Burrell replied that it is an official PED document that will be posted on the agency website. He also asserted that PED will seek input from school districts so that training can begin. Mr. Burrell added that the agency has taken steps to adopt the document and is now considering who else should review it before its release to the public. Ms. Eilani Gerstner, LESC staff, noted that many members of the work group had expressed interest in reviewing the manual before it is put into final form.

In response to a committee member's question regarding input from the New Mexico Association of School Business Officials (NMASBO), Ms. Terry Dean, Executive Director of NMASBO, replied that the contractors worked directly with many school districts and that much of NMASBO's training material is in this manual. She added that NMASBO is poised to distribute the new manual at its next conference on September 28-30, 2011.

The Chair agreed to a committee member suggestion to place a review of the manual on LESC's agenda next year.

b. Responses to January 2011 Letters from the LESC to PED and Other Entities

The Chair recognized Ms. Eilani Gerstner, LESC staff, for a presentation on the responses to letters sent out by the LESC in January.

Referring to her staff report, Ms. Gerstner said that included in the recommendations of the work group and approved by the LESC were requests sent on January 17, 2011 to PED, OSA, and NMASBO. Her staff report includes a summary of those requests and the responses received to date from each agency.

Ms. Gerstner stated that the LESC sent two letters to PED requesting that:

1. the department change rules relating to school board member and charter school governing body member training to require 10 hours of mandatory training, five of which shall be focused on the financial and audit responsibilities of boards and governing bodies; and
2. PED include confirmation on the school budget questionnaire that school districts and charter schools have established SBO succession planning as part of the internal control process.

Regarding the first request, Ms. Gerstner referred the committee to Attachment 1, a letter from the Secretary-designate of Public Education to the Chairman of the LESC indicating the department needed to be “thoughtful and consider all the implications regarding such a rule change,” and that PED would conclude the school budget process “before undertaking rule changes related to preparing school board members for critical oversight.” The Chairman’s response, Ms. Gerstner added, is included as Attachment 2 to the report and notes that the letter from PED “does not indicate whether or when the department intends to implement the requested rule change.”

Ms. Gerstner said that, while a review of the 2011-2012 school budget questionnaire indicates that the second request was met, as of the publication of this staff report the LESC has not received a formal response from PED regarding that request.

The letter to OSA, Ms. Gerstner continued, asked the office to investigate:

- whether the state audit rule could be amended to allow certain school districts to submit their financial audits on December 15, rather than on November 15; and
- the feasibility of allowing locally and state-chartered charter schools to have a separate audit from their authorizers.

Ms. Gerstner included OSA’s response to the LESC’s request in her report as Attachment 3. Referring to the OSA letter, she noted that changes in the Audit Rule now allow all agencies to submit auditor recommendations on May 1 rather than June 2. Additionally, Ms. Gerstner said that agencies may now submit their audit contracts at the same time as their auditor recommendations. She emphasized that these two changes extend the timeline for agencies, including school districts, to complete the audit process.

Finally, Ms. Gerstner mentioned that the LESC requested that NMASBO develop courses that count toward required annual Certified Public Accountant (CPA) training. NMASBO’s response, which Ms. Gerstner included as Attachment 4 in the report, describes the availability of courses offered by organizations that satisfy CPA training.

Ms. Gerstner indicated that OSA would continue to study the question of allowing school districts to submit their audits on December 15, noting that the Audit Rule currently requires all executive

and legislative state agencies, district courts and district attorney offices to submit their audit reports by December 15.

In regards to the question of whether charter schools can have a separate audit from their authorizers, Ms. Gerstner indicated that, although the current Audit Rule requires that charters be component units of their authorizers, new Government Accounting Standards Board standards effective June 2012 may affect this requirement. She said OSA recommends that all charters and their authorizers analyze their relationships when the new standards become effective to see whether the charter schools need to be reported in their authorizer's audit as component units.

Committee Discussion

The Chair asked whether a charter school audit finding reflects on the parent district, and Mr. Blackstone replied yes; but there is a chance, he added, that under the new rule the charter school will not be a component unit. He added that this will be determined on a case-by-case basis, which PED should examine closely.

Next, the Chair asked whether lateness is an issue. Mr. Blackstone replied that OSA is making changes to expedite the process and he noted that since then 35 districts have submitted audits early. He also noted that having charter schools as component units can be problematic for districts if documents are late in arriving to OSA, a circumstance that administrative changes allowing more time to prepare audits may help mitigate.

There being no further business, the Chair thanked the presenters, and the committee recessed at 3:05 p.m.

MINUTES LESC MEETING JULY 27, 2011

Representative Rick Miera, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 9:10 a.m. on Wednesday, July 27, in Room 307 of the State Capitol, Santa Fe, New Mexico.

The following LESG members were present:

Representatives Rick Miera, Chair, Nora Espinoza, Mary Helen Garcia, Jimmie C. Hall, and Dennis J. Roch; and Senators Mary Jane M. García and Lynda M. Lovejoy.

The following LESG advisory members were present:

Representatives Alonzo Baldonado, Ray Begaye, Eleanor Chávez, Tim D. Lewis, and Sheryl Williams Stapleton; and Senators Vernon D. Asbill, John Pinto, and Sander Rue.

DIRECTOR'S REPORT

a. Approval of LESC Financial Reports for April 2011 and May 2011

On a motion by Representative Hall, seconded by Senator García, the LESC approved the LESC financial reports for April 2011 and May 2011.

b. Approval of LESC Minutes

On a motion by Senator Lovejoy, seconded by Representative Garcia, the LESC approved the minutes of the meeting in May 2011.

c. Proposed Rulemaking

Ms. Frances Ramírez-Maestas, Director, LESC, sent letters (dated June 10, 2011) on behalf of the LESC to Secretary-designate of Public Education Hanna Skandera and Cabinet Secretary of Higher Education José Z. Garcia requesting that the agencies notify the LESC in writing at least 30 days prior to any public hearing regarding the adoption, amendment, or repeal of any rules in their agency.

d. Committee Requests

Charter School Audits – Additional Data

The Chair recognized Mr. Craig Johnson, LESC staff, who stated that during the June 2011 interim meeting of the LESC a committee member asked for additional information about the charter schools that were recently audited by the Public Education Department (PED). Specifically, he said the member requested the date that each charter school opened, whether it was a state-chartered or locally chartered school, and the city in which the charter school was located.

Mr. Johnson stated that PED provided the requested information, which is included in the spreadsheet attached to the staff memo.

Nature and Contents of the Armed Services Vocational Aptitude Battery

Mr. Kevin Force, LESC staff, stated that during the June 2011 interim meeting of the LESC, Dr. Peter Winograd presented a study about the twelfth grade in New Mexico. In that presentation, he said, Dr. Winograd indicated that, according to a 2010 study, 23 percent of US high school graduates could not pass the Armed Services Vocational Aptitude Battery (ASVAB) for acceptance into the US Army, whereas 28 percent of New Mexico graduates do not pass the exam. In the discussion following the presentation, Mr. Force noted that one committee member expressed concern over the comparatively high rate of failure of New Mexico graduates who attempt the ASVAB, and another requested greater detail about what the examination comprises. To respond to that request, Mr. Force, prepared a staff memo with three attachments.

According to Mr. Force, the exams are composed of several tests that are designed to measure aptitude in four domains: Verbal, Math, Science and Technical, and Spatial (see Attachment 1, *ASVAB Sample Questions*). He then explained that each ASVAB subtest is scored and a “final ability estimate” is calculated based on the applicant’s answers as well as any potential penalty for unanswered items or incorrect guesses, depending upon which version of the ASVAB the examinee took.

According to Mr. Force, all examinees also receive a score for the Armed Forces Qualification Test (AFQT), which is based on the standard scores for the four subtests that examine one’s abilities in the Math and Verbal domains: Arithmetic Reasoning, Math Reasoning, Word Knowledge, and Paragraph Comprehension.

Finally, Mr. Force said that performance on all of the ASVAB subtests is used to determine an applicant’s best job in military service, whereas the AFQT score is used to determine eligibility for enlistment in the various branches of the US military.

Public Education Department Application for Funds from the Federal Striving Readers Comprehensive Literacy Program

Ms. Pamela Herman, LESC staff, stated that in November 2010, the US Department of Education (USDE) informed LESC staff that PED had been awarded a \$150,000 formula grant to assemble a state literacy team and to develop a comprehensive state literacy plan for submission to USDE for a larger discretionary grant under the Striving Readers Comprehensive Literacy Program.

At the May 2011 meeting of the LESC, Secretary-designate of Public Education Skandera informed the committee that PED had applied for a \$15.0 million, five-year grant from Striving Readers Comprehensive Literacy Program. The Secretary-designate told the committee that PED expected to hear in August 2011 whether the application was funded.

Ms. Herman added that, in response to a request from the Chair at the June 2011 LESC meeting for a copy of the application, PED has provided a copy of the narrative portion of the proposal, included as an attachment to the staff report.

e. Correspondence

Ms. Ramírez-Maestas reviewed the following items of correspondence, noting that they are retained in the LESC permanent files:

- a letter from the Legislative Finance Committee (LFC) to the Attorney General and State Auditor addressing findings that include procurement violations in the purchase of 2,350 global positioning system (GPS) units from Zonar Systems found during an LFC evaluation of the PED School Transportation Program;
- a letter from the Secretary-designate of Public Education to the LESC Chair and Vice Chair confirming that the department will provide notice to LESC staff at the time the notices of proposed rulemaking are published in the State Register;

- a letter from Representative Espinoza to the Attorney General lending her support to a request from the LFC to investigate recent issues related to public school transportation that may involve violations of state law;
- a letter from the LESC to the Attorney General and State Auditor in support of a request from the LFC to investigate recent issues related to public school transportation that may involve violations of state law;
- a letter to the Secretary-designate of Public Education requesting the department to complete a study of access to public education by students in the northwest quadrant of New Mexico per Senate Memorial 71 from the 2011 legislative session;
- a letter from the LESC to the Secretary-designate of Public Education requesting an explanation of the department's decision to withdraw from the SMARTER Balanced Assessment Consortium and to join the Partnership for Assessment of Readiness for College and Careers;
- a letter to the Secretary-designate of Public Education requesting a response to some teacher licensure issues with accredited teachers who are deaf or hard of hearing; and
- findings of the study on *Student Teaching in the United States Conducted* by the National Council on Teacher Quality, presented by Ms. Pamela Herman, LESC staff.

f. News Releases

Ms. Ramírez-Maestas reviewed the following news articles, noting that they are retained in the LESC permanent files:

- a news release from the *New Mexico Senate* noting that Senator Mary Jane M. García was selected to receive the Reg Weaver Human and Civil Rights Award in Chicago on July 1, 2011;
- an article from the *Albuquerque Journal Online* stating that New Mexico will seek a waiver from the federal *No Child Left Behind Act of 2001* (NCLB);
- a news article from *ED.gov* entitled, “Obama Administration Announces Proposed Requirements for Race to the Top-Early Learning Grants;” and
- a news release from Albuquerque Public Schools (APS) entitled, “APS Students on Alternative Calendar Return July 26,” which notes that Washington Middle School and Cochiti, Duranes, Eugene Field, Mark Twain, Mary Ann Binford, Oñate, and Susie Rayos Marmon elementary schools are on alternative calendars.

STATE REVENUE UPDATE

The Chair recognized Ms. Elisa Walker-Moran, Chief Economist, Legislative Finance Committee (LFC), and Mr. Clinton Turner, Senior Economist, New Mexico Taxation and Revenue Department (TRD), to provide an update on the consensus General Fund revenue estimates.

Ms. Walker-Moran summarized the FY 11 and FY 12 revenue estimates as follows:

- FY 11 recurring revenue exceeds appropriations by \$111 million from the December forecast (including post-session revisions).

- At the end of FY 11, reserves are projected to reach a total of \$367 million, or 7.0 percent of appropriations.
- FY 11 disaster allotments from the Appropriation Contingency Fund increased to \$24.0 million from a projection of \$11.0 million due to recent wildfires. The remaining balance is \$52.7 million, with \$47.1 million dedicated to education spending.
- The July 2011 consensus forecast projects FY 12 revenues to exceed appropriations by \$120.4, with a 9.0 percent reserve ratio. This forecast assumes a continuation of current cost-saving measures.
- Section 13 of the *General Appropriation Act of 2011* authorizes the Governor to transfer up to \$50.0 million from the operating reserve to the appropriation account in FY 11 or FY 12 if revenues are insufficient to meet appropriations.
- Recurring revenue growth is forecast at 9.9 percent in FY 11 and 4.9 percent in FY 12. Roughly one-third of the FY 11 increase is due to revenue enhancement legislation passed in the 2010 sessions. Absent this legislation, FY 11 growth is forecast at 6.1 percent.

Mr. Turner provided the following details of the consensus revenue forecast:

- Gross receipts tax (GRT) was revised upward in response to a higher forecast of wages and salaries, as well as a robust increase in third quarter payments. General Fund distributions were up \$159 million, or 11.5 percent, through April FY 11 compared with the same period last year. A portion of the increase is due to the 1/8 percent tax rate increase and to 5.0 percent growth in the tax base.
- Personal income tax was unchanged from the December estimate.
- Corporate Income Tax was revised downward from the December 2010 estimate due to the higher-than-anticipated film credit refunds but is above the July 2010 estimate.
- Energy-related revenues were increased due to oil prices and volumes that were higher than projected in the December 2010 estimate. Gas prices have been adjusted up slightly from the December forecast.
- Regarding education reversions, the FY 11 appropriation to the State Equalization Guarantee assumed \$59.4 million in credits for local 0.5 mill levy, federal impact aid, and federal forest reserve funds. Actual credits received by the state total \$73.5 million, resulting in an estimated reversion of \$14.1 million to the General Fund.

Finally, Ms. Walker-Moran discussed the FY 13 General Fund expenditure outlook:

- In the post-session fiscal review, LFC staff provided an FY 13 expenditure projection that assumes a generally flat budget from FY 12 with a 4.0 percent increase in Medicaid spending. Based on the July 2011 forecast, new money available for appropriation is estimated at \$367.7 million.
- In 2011, legislation was enacted to require state employees to contribute an additional 1.75 percent to retirement plans. The legislation generated a reduction in FY 12 General Fund expenditures of \$49.7 million. Statute provides that the contribution swap will continue in FY 13 unless the December 2011 forecast projects revenues to be \$100 million above the FY 12 appropriation and estimates 5.0 percent reserves at the end of FY 12. An additional 1.5 percent retirement swap that was passed during the 2009 session will remain in place until FY 14.

- If assumptions in the July 2011 forecast remain the same in the December 2011 forecast, then there will be sufficient revenues to reverse the 1.75 percent increase in employee retirement contribution.
- In FY 13, approximately \$64.4 million will be needed to replace federal funds and other state funds, including \$49.7 million for the retirement swap.
- A \$100.6 million surplus is projected for FY 12, and a \$248.9 million surplus is projected for FY 13.
- If the state loses tobacco settlement funds, \$19.0 million of the surplus could be used to offset this loss. Attachment 7 of the report provides a list of programs that receive tobacco settlement funds.

Committee Discussion

In response to a committee member's question regarding the cigarette tax, Mr. Tom Clifford, Chief Economist, TRD, replied that he was unaware of any negotiations underway and noted that the \$.75 tribal tax seems to be working.

Responding to several questions from a committee member about oil and gas taxes on tribal lands, Mr. Clifford explained that the state credits up to 75 percent if the tribal tax is similar to the state's tax. However, in regards to the school bus fuel tax, he noted that there is no similar credit for diesel fuel; therefore, the buyer is subject to both taxes.

A committee member noted that last session a \$33.0 million appropriation was taken from the tobacco settlement funding for the unemployment fund and asked whether it had an effect on the Attorney General's agreement. Ms. Walker-Moran replied that the appropriation was \$38.0 million for FY 11, adding that she would look into the issue.

In regard to the additional revenue forecast and the employee/employer retirement swap, a committee member noted that the additional 1.75 percent retirement swap could be undone if enough revenue comes in and asked whether the original 1.5 percent will be undone. In reply, Ms. Walker-Moran stated that the swap is in place until 2014 unless the Legislature changes it.

Responding to a committee member who asked whether the film industry is still trying to take advantage of old film credit law, Mr. Turner stated that the companies that had prior signed agreements will be treated under the old law.

Referring to the large exemptions/deductions/credits and their effect on reduced revenues, a committee member asked what considerations are taken when preparing budgets. Mr. Turner responded by noting that items like the food deduction and film credit are calculated separately and rolled into the revenue estimate.

Alluding to news that \$89.0 million in additional revenue was generated from oil and gas, several committee members commented that their constituents do not understand how oil and gas revenues relate to education funding. In reply, Mr. Clifford referred to Appendix Table 2 in the TRD handout and explained that 5.8 percent of the Permanent Fund is distributed for education, per the state constitution. He added that bonus income from State Land Office oil and gas leases goes directly to the Common Schools Fund.

A committee member alluded to the Governor's veto message on two bills that addressed expenditure information. It stated that an Executive Order would be issued to do the same things that the bills proposed to do. Mr. Clifford testified that the Executive Order is under development and cautioned that this is a very complex subject, citing the need to be clear about the difference between deductions that are true tax expenditures and deductions that are designed to avoid double and triple taxation. He added the need to be cautious about burdening the taxpayer and state government as well and cited legislation that proposed reporting that would have crippled TRD's system.

In response to a question from the Chair regarding reduced construction funding, Mr. Peter van Moorsel, LESC staff, said that, for FY 11, funding was \$100 million down, with \$356 to \$383 million projected for FY 12. Ms. Frances Ramirez-Maestas, Director, LESC, added that the Public School Capital Outlay Council will review projects and provide only planning and design money in the first year; then possibly fund actual projects through phases.

The Chair, requested that TRD provide the committee with a three- to four-paragraph statement regarding new revenues and how they will be allocated.

“BREAKING THE SILENCE” CURRICULUM

The Chair recognized Ms. Desiree Woodland and Mr. Jim Ogle from the National Alliance on Mental Illness (NAMI) for a presentation on the “Breaking the Silence” curriculum.

Ms. Woodland began by stating that she has developed several lessons that meet New Mexico health standards. As a former special education teacher, Ms. Woodland said she understands mental illness and the variety of ways in which it can appear. She explained that mental illness ranges from mild to severe, and a majority of those afflicted by mental illness are not violent.

Ms. Woodland testified that her son was diagnosed with schizophrenia and eventually committed suicide. She also noted that mental illness affects one in four students and that suicide prevention measures are more effective when done within the context of addressing mental illness.

Ms. Woodland explained that she is working with NAMI but not asking for money because the funds for the curriculum will come from selling her book (*Breaking the Silence: Teaching the Next Generation About Mental Illness*). She concluded by stating that she plans to visit schools in the Albuquerque Public Schools district to educate not only students but also staff and parents.

Mr. Jim Ogle, President of the NAMI chapter in Albuquerque, testified that he saw the results of a study on the curriculum at a national NAMI convention last year and began to look for a champion to teach it in New Mexico when he found Ms. Woodland. He emphasized that mental illness must be caught at an early stage for effective treatment. Mr. Ogle added that often people are not aware of mental illness until years later although symptoms begin appearing in the teen years and in the 20s. He believes that the curriculum, which has been endorsed at all levels of NAMI, will have its greatest impact a decade from now.

Committee Discussion

A committee member commented that she hopes the curriculum extends to the Native American population. Ms. Woodland concurred and informed the member that she plans to present the curriculum to health teachers.

In response to a committee member who asked if she was working only in New Mexico, Ms. Woodland replied that the curriculum is in all 50 states and in public and private schools. She added that the curriculum is taught at the elementary, middle, and high school levels.

TEACH FOR AMERICA: RESULTS, BEST PRACTICES, AND STATEWIDE GROWTH PLAN

The Chair recognized Mr. Landon Mascareñaz, Executive Director, Teach for America-New Mexico (TFA), and Ms. Pamela Herman, LESC staff, for a presentation on TFA activities and the TFA statewide growth plan.

Ms. Herman identified TFA as a national nonprofit organization that recruits, selects, trains, and supports new teachers. TFA, she said, states that it provides over 110 teachers in northwest New Mexico each year in Central Consolidated Schools, Gallup-McKinley County Public Schools, Zuni Public Schools, and Bureau of Indian Education schools.

To support its work in New Mexico, Ms. Herman explained that TFA has received a total of \$1.3 million since FY 09 from the General Fund for providing contractual services to the Public Education Department (PED). The allocations in the *General Appropriation Act* were made to PED for the Indian Education Fund for “a nonprofit organization that provides teaching support in schools with a high proportion of Native American students.” The allocations have been:

- \$500,000 for FY 09;
- \$400,000 for FY 10; and
- \$400,000 for FY 11.

According to Ms. Herman, TFA states that it recruits recent college graduates, graduate students, and professionals from over 500 colleges and universities and a variety of career backgrounds. She said that corps members make a two-year commitment to their teaching placements. Ms. Herman added that most corps members who do not already have a teaching license pursue alternative paths to teacher licensure during their engagement with TFA.

In the 2011 regular session, Ms. Herman continued, legislation was enacted to amend the *School Personnel Act* to require PED to issue an alternative Level 1 license to a candidate with a baccalaureate degree who has received a passing score on a state-approved subject-area examination in the subject area of instruction related to the license, and who, within two years of beginning teaching, completes a minimum of 12 semester hours in teaching principles in a program approved by PED (SB 361, *Level One Teacher Licensure Alternatives*, or Laws 2011, Chapter 36). Previously, Ms. Herman explained, state law required completion of a minimum of 30 credit hours of undergraduate or graduate study in the subject area of the license. She also

indicated that the change benefits corps members who had been prevented from receiving alternative licenses in New Mexico because they did not meet the 30 credit hour requirement.

Referring to his handout, Mr. Mascareñaz noted that 10 percent of people who enter the TFA program say that education will be their career and that half of the alumni are still teaching. He noted that last year, four TFA teachers led their students to the greatest proficiency gains in the state.

By 2015, Mr. Mascareñaz testified, TFA plans to be the largest statewide education intervention focusing deeply on rural and metropolitan issues. Other goals for 2015 include:

- serving over 15,000 students in New Mexico;
- providing 30 percent of the hires in the highest need districts in the state;
- TFA teachers affecting approximately 8.0 percent of all the free and reduced lunch students in the state of New Mexico; and
- 240 alumni working in the state to support long-term educational change.

Mr. Mascareñaz also summarized TFA expansion plans for the Albuquerque, Las Cruces, and Santa Fe metropolitan areas.

To conclude his presentation Mr. Mascareñaz, on behalf of TFA, requested that the state invest \$6.85 million in effective teachers for the next three years. He emphasized that the vast majority of the operating expenses will go to program-related costs, including the recruitment, selection, training, and professional development of teachers and alumni.

Committee Discussion

Noting the appropriation to TFA through the *Indian Education Act*, some committee members discussed the advantages and disadvantages of giving TFA a separate line item in HB 3 to support the organization's statewide expansion.

Ms. Frances Ramírez-Maestas, LESC Director, conveyed a committee member suggestion that revenues from the tax on the Spaceport, some of which must be used for math and science teachers, may fund TFA to help schools with a shortage in those areas (Sierra and Otero counties in particular). She also commented that the \$400,000 appropriation in the *Indian Education Act* received this year by TFA is subject to annual review and change.

Another committee member advised Mr. Mascareñaz to give his presentation to the Legislative Finance Committee.

NEW MEXICO ART EDUCATION ASSOCIATION (NMAEA)

The Chair recognized Ms. Michelle Lemons, President of the New Mexico Art Education Association (NMAEA), for a presentation on the organization at the request of Senator Sander Rue.

As an art teacher in Albuquerque Public Schools (APS), Ms. Lemons emphasized the value of art in teaching English as a Second Language students. Alluding to her handout, she stated that NMAEA is a 501©3 nonprofit organization created by art educators, for art educators, from across New Mexico. The organization is affiliated with the National Art Education Association (NAEA), which has over 20,000 members from across the country.

Ms. Lemons stated that the mission of NMAEA is to advance and enhance quality art education within New Mexico by offering professional development, leadership, and service opportunities for its members. She added that the organization represents 550 art teachers, 120 members, and approximately 328,000 students.

Ms. Lemons asserted that NMAEA focuses on literacy and the transfer of visual skills to reading.

She believes it is easy for art teachers to bring other content areas into their curriculum, and she noted the variety of careers that involve art, among them entertainment, advertising, planning, engineering, medicine, and science.

Finally, Ms. Lemons mentioned that NMAEA:

- holds two art shows every year in conjunction with APS;
- conducts an annual statewide development conference for K-12 art educators; and
- collaborates with NAEA and the Public Education Department in promoting Youth Art Month to increase art education awareness across the state.

Committee Discussion

The Chair and Senator Rue encouraged members to attend the next A+ for Art event, sponsored by the APS Foundation, to be held on September 9 at the Albuquerque Museum.

OTHER BUSINESS

On a motion by Representative Espinoza, seconded by Representative Hall, the committee voted to hold the August 24-26 LESC meeting in Alamogordo.

ADJOURNMENT

There being no further business, the Chair adjourned the LESC meeting at 11:58 a.m.


_____ Chair

11-15-2011 _____ Date