

**State of New Mexico**  
**LEGISLATIVE EDUCATION STUDY COMMITTEE**

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**MINUTES**  
**LESC MEETING**  
**NOVEMBER 14, 2007**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on November 14, 2007, at 9:00 a.m., State Capitol, Room 307, Santa Fe, New Mexico.

The following LESC members were present:

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

The following LESC advisory members were present:

Representatives Ray Begaye, Nathan P. Cote, Mary Helen Garcia, Thomas A. Garcia, John A. Heaton, Rhonda S. King, Sheryl M. Williams Stapleton, Jim R. Trujillo, and Teresa A. Zanetti; and Senators Mark Boitano, Dianna J. Duran, Lynda M. Lovejoy and Mary Kay Papen.

Also in attendance was Representative Andrew J. Barreras.

**<> Approval of Agenda**

Upon a motion by Representative Swisstack, seconded by Representative Hall, the committee unanimously approved the agenda as presented.

**THE AMERICAN DIPLOMA PROJECT AND HIGH SCHOOL ASSESSMENTS**

Ms. Pamela Herman, LESC staff, introduced Dr. Catherine Cross Maple, Deputy Secretary, Learning and Accountability, Public Education Department (PED), to provide the committee with a report on the status of planning for changes in the New Mexico high school assessment system. She noted that Mr. Carlos Martinez, Assistant Secretary for Assessment and Accountability, PED, and Dr. Elizabeth Gutierrez, Director, Policy Development and P-20 Programs, Higher Education Department (HED), were available and also present to answer questions.

Ms. Herman explained that her report included several attachments that would be referred to during her presentation. She stated that as part of its statutory mandate regarding teacher education programs, the LESC, since at least 1998, has studied education reform issues that bear upon the creation of an integrated preschool through college (P-20) system for public education. In 2003, Ms. Herman stated that the LESC endorsed and the Legislature passed a comprehensive package of measures to restructure and reform the New Mexico system of public education. A key provision in the reform bill, she said, was a new section in the *Public School Code*, which required that high school curricula and end-of-course tests be aligned with the placement tests administered by two- and four-year public postsecondary institutions.

Ms. Herman, in providing a brief history on how the state is attempting to align the tests, said that in the 2005 legislative interim the LESC convened a 60-member Work Group on College/Workplace Readiness and High School Redesign to guarantee meaningful involvement of representatives of public schools, higher education, tribal educators, education organizations, parents, and the business community. As a part of the study, Ms. Herman said, the LESC and the work group heard a presentation by a representative of Achieve, Inc. regarding the American Diploma Project (ADP), which is a national initiative to increase the value of the high school diploma by engaging states in raising the rigor of their high school standards, assessments, and curriculum. The LESC and the work group, she said, recommended that New Mexico join the ADP Network to expedite attainment of the goal of alignment between secondary and postsecondary standards by taking advantage of the experience, formal process, and technical assistance provided by Achieve, Inc. In September 2006, the Governor sent a letter to the president of Achieve, Inc. stating that New Mexico intended to collaborate with the ADP Network. To support the actual work of the alignment, Ms. Herman said the Legislature appropriated \$50,000 to the LESC to participate in the ADP Network to formally align New Mexico's high school standards and assessments with college and career expectations.

By joining the ADP Network, Ms. Herman said, New Mexico became one of 30 states who will participate in ADP's mission to help raise academic standards, improve assessments and strengthen accountability to prepare all young people for postsecondary education, work, and citizenship. She said that in joining the ADP Network, states must commit to the following actions:

1. align high school standards and assessments with the knowledge and skills required for success after high school;
2. require all high school graduates to take challenging courses that actually prepare them for life after high school;
3. streamline the assessment system so that the tests students take in high school can also serve as readiness tests for college and work; and
4. hold high schools accountable for graduating students who are ready for college or careers, and hold postsecondary institutions accountable for students' success once enrolled, based on the development of a statewide longitudinal P-20 student data system.

Ms. Herman reported on the status of each of the four commitments and stated that New Mexico was well on its way to meeting these actions.

In conclusion, Ms. Herman gave the following policy options:

- The LESC has heard testimony regarding the need for timely, accurate, comprehensive, and secure data systems to make ongoing evaluation of publicly funded education programs possible, and to hold institutions and agencies in each part of the system accountable for student success. To ensure that policymakers have access to the uniform, consistent, and reliable accountability data they need, the LESC may wish to consider including HED and public postsecondary institutions, as well as PED, in a legislative proposal to codify the requirements for a comprehensive data warehouse.
- At the level of leadership and coordination, the participation of New Mexico educators in the ADP Network is producing a new mutual understanding about expectations of students at high schools and postsecondary institutions. To encourage such understanding and further dialogue among educators statewide, the LESC may wish to consider endorsing legislation that would require two- and four-year institutions of higher education to report to school districts annually regarding the outcomes of students enrolling from those districts.

Dr. Cross Maple stated that the *High School Redesign Act of 2007* (SB 561) specifies a three-pronged approach to the assessment of New Mexico's high school age students with targeted implementation beginning in school year 2008-2009. Charged with the responsibility to develop the assessment system, Dr. Cross Maple said PED assigned the implementation planning to the HED/PED P-20 Alignment Task Force, comprised of representatives from HED, PED, LESC, universities, public schools, and business. She said that to expedite planning and development, PED requested technical assistance from the Southwest Comprehensive Center to help inform and guide the task force about effective practices from other states and to provide expert knowledge.

Dr. Cross Maple reported that the task force has developed an assessment framework and began the implementation planning. She stated the first step of the task force was to reach consensus about the primary features of the three-prong assessment system, which has guided development of the framework. She said the primary features is the key to understanding the basis for the framework and are as follows:

- serves all high school age students who have different end goals in their education careers;
- supports the P-20 alignment process and is valued by students, K-12 community high school education, and business;
- meets legislative mandates (state and federal) and builds political consensus;
- produces results that drive professional development in support of teaching and learning;
- motivates crucially supportive instruction at grade 9, high stakes accountability at grade 10, and transition to careers and the workforce at grade 11;
- is coherent, consistent and non-redundant; and
- is feasible in terms of political implications, cost, teacher, and student burdens to the educational system.

Dr. Cross Maple presented the descriptive features of the high school assessment system which will include the following components:

- Grade 9: locally administered diagnostic assessment (high school readiness), with its purpose to provide tools and data for teachers to support instruction, and for administrators to monitor student progress. She said it uses 8<sup>th</sup> grade standards-based assessment results, online assessment, and is taken three times a year with immediate feedback.
- Grade 10: state administered standards-based assessment (college readiness) with its purpose to measure student mastery of high school content standards. She said it moves 9<sup>th</sup> and 11<sup>th</sup> grades standards-based assessment to the 10<sup>th</sup> grade, has high-stakes accountability, and results will count toward high school graduation;
- Grade 11: locally administered workplace portfolio (workplace readiness/postsecondary readiness) whose purpose is to assess student readiness for postsecondary education and the workplace. She said it allows for students to have different paths for different career goals; is aligned to New Mexico's Career Clusters; has an electronic portfolio, a standard format and customized content. The test will count for demonstration of high school demonstration skills and will include multiple measures.

In conclusion, Dr. Cross Maple said that the next steps for the task force include: determining cost estimates; developing descriptions of key features and defining terms; reaching consensus about workplace soft skills; describing how the portfolio can address graduation requirements and identifying the approach for determining cut scores for graduation and for high stakes accountability.

Representative Miera recognized Dr. Gutierrez, who concurred with what was previously said by Ms. Herman and Dr. Cross Maple adding that the three entities have to ensure that what is being done is relative to the student and is in the student's best interest.

### **Committee Discussion:**

In response to a committee member's question about the roadblocks and hurdles that need to be overcome to meet these challenges, Dr. Cross Maple said that in terms of road blocks, the idea of a system rather than separate assessments is a challenge, and funding will be needed to implement this system. She added that public awareness is also important as well as engagement of the community – parents and students, at a level of knowledge where they will understand how the assessment process will serve them. She emphasized the need for a massive outreach to the communities to make this shift. Dr. Gutierrez added that the challenge is to better connect the high school competencies with college placement. She said the chief academic officers and the higher education community believe that the later the student is exposed to the assessment, the better the student will be ready for placement.

Representative Miera emphasized that the bottom line to a seamless system is one data warehouse between the public education system and the higher education system. He said this is not negotiable, and it is the only way to speak with one voice in education with one computer providing the information.

In response to a committee member's question of where the students seeking vocational education careers fit in the scheme of things, Dr. Cross Maple said the vocational aspect of this assessment process will begin with the ninth grade student as a result of the student's placement test. She emphasized that the workplace skills are essentially the same skills as those that are required for entrance into postsecondary institutions. On this same point, Dr. Rindone said Mr. Larry Langley, President and CEO, New Mexico Business Roundtable for Educational Excellence, has been involved in this process, and his organization has held a series of focus group meetings involving New Mexico employers from business and industry to determine the entry-level skills required for high growth, high paying jobs in the state, and which are tied to the state's seven career clusters with the WorkKeys workplace readiness assessment.

In response to a committee member's concern that Navajo children have very few choices other than entering the military service because of the expense to attend postsecondary institutions and because they have few vocational courses to prepare the student for the workforce, Dr. Cross Maple referred to her report stating that the first primary feature in the three-prong approach to the high school assessment system is to serve ALL high school-age students who have different end goals in their education careers. She said there are multiple measures that can be used to ensure students are ready for the workplace, which include workplace readiness assessments such as WorkKeys, industry certification, licensure, and the National Academy Foundation.

In response to a committee member's question of how the state will know if a student is college ready or in need of a portfolio, Dr. Cross Maple said that the 9<sup>th</sup> grade assessment is an important readiness piece, and that student's achievement will guide that student's progress.

In response to a committee member's questions if there is an alternative assessment method planned other than an electronic portfolio and if the electronic portfolio will be available at the school site, Mr. Martinez stated that the most cost effective assessment for 9<sup>th</sup> grade would be the diagnostic assessment as it is secure in that it keeps the information and is efficient in that it does not require a technical infrastructure. Dr. Cross Maple added that when the electronic portfolio is available, it is anticipated to be at the school site of those having internet access, will be available for handicapped students that are unable to enter the required information electronically, and an alternative method will be devised to accomplish this.

In response to a committee member's questions about the estimated cost for the portfolio, Dr. Cross Maple said the estimated cost is in the process of being determined, and predicts it will be reasonable.

In response to a committee member's questions whether the plan allows for a student to change career paths after being assessed and has already decided on a particular career path, Dr. Cross Maple said the high school assessment portfolio provides options and changes that lead to a balanced system. A brief discussion ensued on certified and apprenticeship programs which are in place to assist the student that is interested in a vocational trade and the need for flexibility to allow this to occur.

In response to a committee member's question whether the 11<sup>th</sup> grade test has portions that are aligned to the Academic College Test (ACT) or Scholastic Aptitude Test (SAT), Dr. Cross Maple said the purpose of the 11<sup>th</sup> grade test is to assess student readiness for postsecondary education and the workplace and the predictability to be measured are ACT/SAT, state developed items/tasks, existing workplace readiness assessments, school-based activities, work place performance, end-of-course exams, Advanced Placement exam scores, leadership/management skills, and grades/transcripts.

In response to a committee member's question if a student who reaches a certain cut off score on the 10<sup>th</sup> grade test would need to take the entrance test to college, Dr. Gutierrez said that the methods of placement in higher institutions vary; however, it may be that the process may be able to minimize the burden on the student and use whatever indicators are available to help the student advance into a postsecondary institution.

In response to a committee member's question directed to Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, if the school districts have looked at the issue of high stakes testing at 10<sup>th</sup> grade, Mr. Sullivan said the superintendents are looking at the entire process, and the timeline may be a hurdle because school districts do not want to rush with this evaluation and not do it well.

A committee member expressed concern about the poor advice given to students graduating from high school and going into college and suggested legislation to develop a better advisement process in the public schools.

### **NORTHERN NETWORK PERFORMANCE-BASED COMPENSATION PROGRAM**

Representative Miera recognized Mr. Carlos Atencio, Executive Director, Northern New Mexico Network (NNMN), who provided a report on the Northern New Mexico Network Performance-based Compensation Program (NNMPBCP), a research study which is ongoing in a collaborative of four school districts, whose representatives were also introduced: Dr. David Cockerham, Superintendent, Española Public Schools; Mr. Secundino "Nino" Esquibel, Principal and Counselor, Springer High School, Springer Municipal Schools; Ms. Jaynee Burchard, Superintendent, Des Moines Municipal Schools, and Mr. Damon Brown, Des Moines Municipal Schools Board Member.

In explaining the program, Mr. Atencio said Performance-based Compensation (PBC) is a system that rewards teachers, principals, and educational assistants for improved student performance and for acquisition and application of improved skills and knowledge. He said that, the Northern New Mexico Network for Rural Education represents 28 northern New Mexico school districts and encompasses 75 schools with a total of 14,190 students and 1,247 teachers and received a grant from the US Department of Education (USDE) in the amount of \$7.6 million to research whether or not PBC can be used to increase student achievement. The first school year (2006-2007) was a planning year with no grant funds expended. In school year two (2007-2008), Mr. Atencio said approximately \$1.0 million in grant funds are available; in school year three (2008-2009), approximately \$1.4 million are available; in school year four (2009-2010), approximately \$1.5 million are available; and in school year five (2010-2011), funds are \$382,500. He said there is a great reduction in funds available in the final grant year because in the fifth year districts are expected to pick up 75 percent of the incentive cost of approximately \$1.1 million. Mr. Atencio said the NNMPBCP is the only project in New Mexico funded for research on performance-based compensation.

The expected outcomes, Mr. Atencio pointed out, include: improvement of student achievement as a result of increased teacher and principal effectiveness; reformation of teacher and principal compensation systems to reward them for increases in student achievement; increase in the number and quality of teachers serving poor, minority and disadvantaged students in hard-to-staff schools and subject areas, and creation of an interlocking system to support student achievement and teacher and principal performance in rural, northern New Mexico high-need schools.

Mr. Atencio said implementation planning was accomplished in year one by leadership teams made up of principals, teachers, and staff in the four districts. He said the school districts are allocated grant funds proportionate to the percentage of each district's teacher and principal population with the combined population of the four districts in the same personnel categories. Beginning in school year 2007-2008, Mr. Atencio said incentive compensation will be distributed to: personnel, based on student achievement gains for the entire school, a teacher, based on student achievement gains for the class, and teachers, based on student achievement gains for targeted student subgroups.

If teachers and principals meet all incentive criteria, Mr. Atencio said each of them could receive an annual bonus of \$2,434.05 in year two and \$3,669.06 in year five. He said educational assistants are to receive incentives at one-fourth of the rate applied to principals and teachers. If all personnel do not meet the incentive targets, he said unallocated money could be used for recruitment bonuses for teachers in hard-to-staff content areas and to provide incentives to proven teachers willing to teach in low-performing schools.

Mr. Atencio said performance criteria include student performance on two levels: school-wide and the teacher level. He said student achievement is measured by the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) which are designed to assess growth up to four times per year. He said the NWEA MAP assessment is expected to provide data to increase the validity of assessing teacher and principal impact. School personnel eligible to participate are:

- classroom teachers who are appropriately licensed, that meet the *No Child Left Behind* (NCLB) highly qualified criteria, and that provide direct instruction to students 100 percent of the time;
- principals who are on full-time contracts, that meet state licensure requirements and that service in the capacity of principal a minimum of 50 percent of the time;
- supplemental service providers who are licensed and meet NCLB highly qualified criteria and that provide direct instruction to students at least 51 percent of the time; and
- educational assistants that meet licensure requirements and assist eligible teachers or supplemental service providers.

Mr. Atencio said that individual compensation incentives will be awarded in two categories – student achievement and skills and knowledge of qualifying staff. He said the student achievement incentive in year two will be based on New Mexico Standards Based Assessment results and will be awarded upon the state's verification of results in late August/early September. In years three, four, and five, he said the student achievement incentive portion will be based on the short-cycle assessment (NWEA MAP), which will allow awarding the achievement portion in June. He said the skills and knowledge portion of the award will be made bi-annually – January and June.

### **Committee Discussion:**

In response to a committee member's question of how teachers receive the monetary incentive on the point of student achievement and that the entire school would receive the incentive – good teachers as well as bad teachers, Mr. Atencio further explained that the initial decision was that this performance-based program would begin on a school-wide basis, and then the school-wide incentive amount would diminish and the individual teacher incentive would go up.

In response to a committee member's question if labor unions are involved in this program, Mr. Atencio said one union in Española is involved.

In response to a committee member's question of how the NNMN plans to differentiate between teachers doing a good job and teachers not doing a good job, since it is more difficult for a good teacher to improve student achievement by 90 percent if he/she is already doing a good job than it would be for a bad teacher to improve student achievement by 90 percent when previously that teacher's students were underachieving, Mr. Atencio said the teacher who has the high scores, could take on some challenges in order to further student achievement.

In response to a committee member's questions if the NWEA measures are aligned with the New Mexico Educational Standards and if the results will be able to be used to measure academic progress in New Mexico, Mr. Atencio explained that NWEA is a short-cycle assessment (a growth model) aligned to the New Mexico Educational Standards and is designed to assess growth in student achievement up to four times a year, which will measure academic progress in New Mexico. He added that the data received from NWEA is computer based and the results are immediately available to teachers for assistance in planning instruction change; whereas, the results from the state-based assessment are generally received late and therefore cannot be used to change the structure of instruction. Mr. Atencio added that the NWEA assessment software will allow teachers to set a target for each student based on individual progress, and although not perfect, NWEA MAP is the closest thing found to assess teacher impact on students.

In response to a committee member's question of who funded the Northern Network Performance-based Program and how much was allocated, Mr. Atencio said that approximately \$7.6 million over a five-year period came from the USDE and the program is one of 16 initial grantees.

In response to a committee member's question of who is eligible to participate, Mr. Atencio said classroom teachers that are appropriately licensed, who meet NCLB highly qualified criteria, and that provide direct instruction to students 100 percent of the time, and principals who are on full-time contracts that meet state licensure requirements and that serve in the capacity of principal a minimum of 50 percent of the time.

In response to a committee member's question if allocations per district were available for years prior to 2007, Mr. Atencio said that the first school year (2006-2007) was a planning year with no grant funds expended.

In response to a committee member's question of what would happen if, in the fifth year of the study, a district is unable to pick up the 75 percent incentive cost (\$1,147,500), Mr. Atencio said that the NNMN will be convening a seminar (using national figures of states that have already encountered this problem) in order to establish different options to be used by school districts encountering this dilemma.

In response to a committee member's question of PBC continuity after the study is complete, Mr. Atencio said that allowing statewide districts the option to adopt PBC could be accomplished through inclusion in the state public school funding formula or through the annual legislative appropriation for teacher increases. He added that using the appropriations process for teacher increases, the appropriation could be divided into two portions – one for a cost of living increase, and one for performance incentives.

In conclusion, Mr. Atencio said he would welcome an invitation from LESC to report on the progress of the study.

## DIRECTOR'S REPORT

### *a. Approval of LESC Minutes for September 2007*

Upon a motion by Representative Hall, seconded by Representative Swisstack, the LESC Minutes for September 2007 were unanimously approved.

### *b. Approval of LESC Financial Report for September 2007*

Upon a motion by Representative Gonzales, seconded by Representative Swisstack, the LESC Financial Report for September 2007 was unanimously approved.

### *c. Correspondence*

Dr. Rindone reviewed several items of correspondence included in the committee members' notebooks, adding that these items are also included in the permanent file in the LESC office.

### *d. Written Report: Summer Food Service Programs, SM 7*

Dr. Rindone said that in 2007, the Legislature passed Senate Memorial 7, which requested that the Children, Youth and Families Department (CYFD) and the Public Education Department (PED), in conjunction with the New Mexico Task Force to End Hunger, to prepare a survey on the feasibility of a summer food service program with a completion date for each school district of no later than September 1, 2007. The memorial further requested that each eligible school district study the feasibility of summer food service programs for New Mexico students, and that the departments present their findings to the Governor and the appropriate legislative committee no later than October 30, 2007. In response to this memorial, Dr. Rindone stated that PED submitted a report highlighting the findings of the survey and the feasibility study as requested in the memorial. She said the report includes descriptions of two programs – one operated by CYFD and one by PED, which serves lunch to children during the summer. A copy of this report will be forwarded to the sponsor of the bill.

## **THREE-TIERED EDUCATOR LICENSURE AND EVALUATION SYSTEM: LESC/LFC/OEA REVIEW**

Dr. David Harrell, LESC staff, introduced three presenters joining him: Ms. Eilani Gerstner, LESC staff; Mr. Charles Sallee, Program Evaluation Manager, Legislative Finance Committee (LFC); and Dr. Peter Winograd, Director, Office of Education Accountability (OEA), at the Department of Finance and Administration. Dr. Harrell also acknowledged Dr. Catherine Cross Maple, Deputy Secretary, Learning and Accountability, Public Education Department (PED), and Dr. Mary Rose CdeBaca, Assistant Secretary, Educator Quality Division, PED, who were available for questions.

Dr. Harrell said that the report that committee members had just received, *New Mexico's Three-Tiered Teacher Licensure System: Current Results & Future Challenges*, was the product of a collaboration among staff from LFC, OEA, and LESC, which began with an initial meeting in early May 2007. To supplement information being gathered from other sources, Dr. Harrell said, the first major effort was to compose the questions for an extensive survey of school districts and

charter schools as a follow up to a similar survey disseminated in 2001. Designed to gather information on the effect of the three-tiered licensure system on teacher quality, recruitment, retention, and on student achievement from the perspectives of these school administrators, this survey provided much of the data contained in the report.

Dr. Harrell then explained the two major review objectives of the report:

1. examine the impact of the Three-Tiered Teacher Licensure System on the recruitment and retention of high-quality teachers; and
2. explore the impact of the Three-Tiered Teacher Licensure System on schools and student academic achievement.

In addition, Dr. Harrell continued, the report addresses three related topics: (1) the process of submitting and reviewing the professional development dossier (PDD); (2) teacher professional development; and (3) school leadership.

Next, Dr. Harrell noted the various parts of the report, from the executive summary to the copy of the survey, and reviewed highlights of Chapter One, which provides background to and an overview of the three-tiered system. One of the features of the comprehensive public school reform legislation enacted in 2003, the three-tiered system was intended to address a teacher shortage that had been identified in the late 1990s and to enhance student achievement. The law, Dr. Harrell continued, describes this licensure framework as “a progressive career system in which licensees are required to demonstrate increased competencies and undertake increased duties as they progress through the licensure levels.”

Dr. Harrell then outlined the process and requirements for advancement from one licensure level to the next, with particular attention to the PDD. Perhaps the most innovative component of New Mexico’s Three-Tiered Teacher Licensure System, the PDD is a collection of the teacher’s classroom data (lesson descriptions, handouts, student work, video and audio recordings, and photos) organized into five strands – Instruction, Student Learning, Professional Learning, Verification, and Evaluation. The first three strands incorporate the nine core teacher competencies, and they are to be evaluated by two outside reviewers; the other two indicate the superintendent’s verification that the dossier is indeed the teacher’s own work and the superintendent’s recommendation for advancement. Dr. Harrell noted that the entire PDD process is conducted online.

Finally, Dr. Harrell suggested that the committee keep three points in mind as the presentation on the evaluation of the impact of the three-tiered system proceeds:

1. that the purposes of the system were to ensure student success and to address the teacher shortage;
2. that only a small percentage of teachers at both Level 2 and Level 3 have reached that level since the implementation of the PDD process; and
3. that it will be difficult to isolate the effects of the three-tiered system in particular because so many other initiatives and factors are likely to affect the outcomes being examined.

Dr. Winograd described highlights of Chapter 2 of the report regarding recruitment and retention of teachers. Overall, he said, a comparison of the survey results from 2001 and 2007 show that the Three-tiered Teacher Licensure System has improved the retention of teachers, particularly for teachers in their first year of teaching. Among other findings, Dr. Winograd noted that:

- while the number of students remained stable, the number of teachers increased in the last seven years;
- there was a 20 percent drop in the number of teachers who resigned in the last seven years;
- the percentage of teachers on waivers has declined from approximately 10 percent to approximately 1.0 percent in the last seven years; and
- approximately 64 percent of district officials responding to the 2007 survey felt that the Three-tiered Teacher Licensure System has helped with recruiting and retaining teachers but that there are still challenges finding teachers in particular areas such as bilingual education, math, science, and special education.

Regarding the topic of Chapter 3, impact of the Three-tiered Teacher Licensure System on schools and student academic achievement, Ms. Gerstner noted that, while the system addresses student achievement, the focus is more on describing or documenting it through the PDD than providing consequences for teachers dependent on the achievement of their students, nor does the system provide a means to link teacher quality with school performance or student achievement. Ms. Gerstner said that even if such a link were possible, it would not necessarily reflect on the three-tiered system because, as the study showed, only approximately 11 percent of New Mexico's teachers have earned their licenses through the full system, including the PDD.

One means of providing such a link, Ms. Gerstner continued, is an approach called the value-added model, which uses the change in individual student's test scores over several years to evaluate the effectiveness of the students' teachers. Ms. Gerstner discussed benefits of this approach as it is being employed in several other states and explained several practical, technical, and ethical issues that must be addressed before such an approach can be considered in New Mexico. She also noted a caution in this chapter of the report: that not every quality of an effective teacher lends itself to quantitative measurement; and she called attention to the questions raised in the report about certain teacher credentials – the master's degree and certification by the National Board for Professional Teaching Standards – as well as the kind and amount of assistance that teachers receive from their districts in preparing their PDDs. Ms. Gerstner concluded that it will take more time and more data to obtain an accurate measure of the impact of the three-tiered system on student achievement.

Mr. Sallee reviewed highlights of Chapter 4, which focuses on PED's administration of the teacher licensure process and the PDD. Generally, he said, the PDD process works efficiently, from online submission and payment by teachers to online reviews. However, the laws and PED contracts governing the collection and spending of PDD fees collected from teachers need modification to allow PED to continue this process but within the normal practices governing state finances. More specifically, Mr. Sallee continued, the evaluation found that PED:

- relies heavily on outside contractors – the Institute for Professional Development at the University of New Mexico and a private business called VisionLink – to administer the PDD process, spending approximately \$550,000 in FY 07;

- has delegated the collection and spending of an additional \$700,000 in teacher licensing fees to VisionLink, which is outside the appropriations process and statutory authority;
- does not collect licensing application fees from teachers seeking advancement to Level 2 or Level 3, and, as such, does not deposit these fees into the Educator Licensure Fund per statute; and
- has contractually allowed its contractor to collect and spend fees on behalf of the state.

Even if PED appropriately deposited application fees collected from teachers, Mr. Sallee further explained, the department would not have funding available to pay the PDD reviewers because state law allows money in the fund to be used only for the educator background check program. Mr. Sallee then outlined several recommendations to resolve the issues related to PED's oversight of the PDD process and provisions for the Educator Licensure Fund.

Mr. Sallee continued the presentation with a review of Chapter 5, professional development. Although the three-tiered system requires teachers to demonstrate increased competency to qualify for significant increases in compensation and although teaching standards, or competencies, differentiate expectations for beginning, professional, and master level teachers, New Mexico has not fully aligned its policy of improving teacher quality through the Three-tiered Teacher Licensure System with spending on professional development. For one thing, despite the development of a professional development framework, PED has yet to fully implement a process to evaluate local district plans or their effectiveness for funding purposes. For another thing, districts do not receive ongoing data about which competencies teachers find most difficult as they prepare their PDDs.

Mr. Sallee also alluded to an LESC staff report, *Professional Development* (October 2007), which found that the state lacks comprehensive information on professional development spending, both at PED and at the local school district level. In particular, Mr. Sallee continued, PED has struggled to compile an accurate accounting of spending on professional development by the agency, on which activities and whether those activities meet its own criteria for high-quality programs. Likewise, accounting for professional development spending at the local level proves difficult, especially under the state's new accounting system. For example, multiple contract costs are imbedded in a single budget code, making it difficult to determine the amounts in contracts that support vendor-provided training.

To address these issues, Mr. Sallee said, the report recommends that PED compile and report annually to OEA, LESC, and LFC on professional development spending by the department with both federal and state funds and explain whether that spending meets its own guidelines for high-quality professional development. A related recommendation, Mr. Sallee added, is that the state's chart of accounts be amended to require local districts to report contracted professional development across functions, not just instruction.

Dr. Winograd concluded the presentation with a review of Chapter 6, which deals with the challenges of school leadership. In New Mexico and the country as a whole, he said, increased focus on improving learning for all students has heightened the need for effective school leaders in addition to the need for high-quality teachers. National attention has also focused on the need to redefine school leaders' roles, authority, and skill sets to meet the challenges facing today's schools. The need is especially critical in New Mexico, which faces the challenge of having approximately 47 percent of its 800 schools at some stage of the school improvement framework.

Also in New Mexico, Dr. Winograd continued, previous work by OEA indicates that many schools have experienced high rates of principal turnover and that the quality and quantity of applicants for principals has decreased, although legislation enacted in 2007 may ameliorate these issues through increased pay. Through other legislation from 2007, New Mexico has taken steps to expand the potential principal labor pool by allowing counselors and college professors to qualify for school administrator licenses under certain circumstances; and Senate Joint Memorial 15, *School Administrator Licensure Pathways*, called for a study of alternative licensure pathways for school administrators.

Among the other findings in the report, Dr. Winograd said that:

- New Mexico requires more years of classroom experience for prospective school administrators than any other state;
- while survey respondents believe that principals need teaching experience (in fact, approximately 54 percent felt that the current requirement of seven years of classroom experience is necessary to produce a high-quality principal), some expressed concern over the limited number of quality applicants in their areas; and
- New Mexico also faces challenges with retaining superintendents in that approximately 76 percent of school districts have experienced at least one change in superintendents since 2003.

To address these issues, Dr. Winograd said the report recommended the creation of a systematic plan for the recruitment, preparation, mentoring, evaluation, professional development, and support for school principals and other school leaders.

### **Committee Discussion:**

In response to a committee member's question about the effect of burnout (rather than pay issues) on teachers' motivation, Dr. Winograd said that teacher burnout has been a national issue for many years. He also directed the committee to Chapter 1 of the report, which emphasizes the need, expressed in statute, to improve the job satisfaction of quality teachers and to elevate the teaching profession by shifting to a professional educator licensing and salary system as a means of recruiting and retaining the highest quality teachers in New Mexico.

In response to a committee member's question of how much is being spent per teacher on professional development, Mr. Sallee said that as the report revealed, more information is needed to answer that question, and Dr. Winograd noted the report's recommendation for more detailed collection and reporting of professional development expenditures.

In response to a committee member's question on teacher turnover, Dr. Winograd said that the figures for new teacher turnover vary across the nation depending on the characteristics of the school district; however, credible estimates indicate that approximately 33 percent of teachers leave after the first three years and that approximately 50 percent of teachers leave after the first five years. He said it is important that New Mexico continue to monitor the retention of new teachers and find ways to keep talented individuals in the profession.

Finally, a committee member reminded the committee that, although PED has developed a professional development framework, the department has yet to fully implement a process to evaluate local district plans or their effectiveness for funding purposes. This committee member

further observed that there are 89 districts and 89 different Educational Plans for Student Success and that what is needed in one school district may not necessarily be needed in another, suggesting that local control by school districts should be sustained. Mr. Sallee agreed.

### **PUBLIC SCHOOL FUNDING FORMULA STUDY TASK FORCE: PRELIMINARY REPORT**

Representative Miera recognized Representative Mimi Stewart, Co-chair of the Public School Funding Formula Study Task Force (PSFFSTF), who presented a preliminary report of the findings of the task force. Representative Stewart introduced Mr. Dick Pool, Co-chair of the task force and Superintendent, Silver Consolidated Schools, and Representative Brian K. Moore and Mr. Mike Phipps, Superintendent, Artesia Public Schools, who are members of the task force.

Representative Stewart said the PSFFSTF is nearing completion of a three-year effort to define and support a sufficient public education. She said that in response to its request for proposals (RFP), the task force selected the American Institutes for Research (AIR) to study the state's funding formula and to make recommendations for changes. Representative Stewart described the process used by AIR to determine sufficiency including the use of Professional Judgment Panels (PJP) who proposed resources to meet goals and the Project Advisory Panel (PAP) who reviewed and refined the PJP's deliberations. She said the RFP questions were: What is the cost of a sufficient K-12 educational program, and how should the state distribute these resources to meet the needs of New Mexico's diverse districts, schools, and students? She said AIR has now finished its study and recommends a simplified formula that takes into account:

- student needs (poverty, English language learners, special education, and mobility);
- differential costs across elementary, middle, and high schools, including alternative and charter schools; and
- school and district size.

Representative Stewart said the final sufficiency estimates include the school-level resources necessary to deliver a sufficient instructional program to all students, support for central district administration, maintenance and operations, ancillary services, and funding to allow hiring of highly qualified staff. The overall recommendations, Representative Stewart said, are to increase state funding by 13 to 15 percent (\$294.0 to \$326.0 million in FY 07 dollars and school year 2006-2007 demographics) and to adopt a new simplified funding formula.

In funding special education services, Representative Stewart said AIR was asked to analyze and evaluate the weight for services for students in need of special education, including gifted students. In setting the context for the recommendation, Representative Stewart said that in school year 2005-2006, New Mexico had an identification rate of 16 percent for special education students, which was higher than the national average of 14 percent. She said that these rates exhibit a fairly wide range across the 89 school districts, with a low of 6.0 percent to a high of 31 percent. She said that the PSFFSTF recommends that special education be funded using a single, overall weight rather than three separate weights corresponding to the A, B, C, and D categories, using census-based funding versus funding on actual special education identifications; and establishing a contingency fund for high-need/high-cost students.

In training and experience, Representative Stewart said the recommendations are to replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ), which complements the Three-tiered Licensure System; and recalibrate to reflect qualifications built into the cost estimates and adjust to reflect the percent expended on ISQ-eligible staff. In growth and decline, Representative Stewart said, the PAP recommends funding based on the maximum of this year's enrollment versus last year's enrollment and to provide separate support to fund new schools.

Regarding revenue sources, Representative Stewart said the task force looked at several possible revenue sources, and the task force members recommended others for consideration. She said the task force agreed to the following:

- mandatory combined or mandatory consolidated reporting for corporate income tax (\$40.0 million for FY 09 to \$59.0 million in FY 13);
- equalization of school tax rate for oil and CO<sup>2</sup> with gas (\$33.0 million in FY 09, \$29.0 million in FY 13);
- repeal of oil and gas royalty deduction paid for production on state and federal land for school tax only (approximately \$45.0 to \$50.0 million per year); and
- repeal of yield control for the school one-half mill levy (\$5.0 million to the General Fund (75 percent credit) and \$2.0 million to schools in FY 09; increases to \$6.0 million and \$2.0 million in FY 13.

In addition, Representative Stewart said that, at its January 2008 meeting, the task force will consider other funding options, including:

- a constitutional amendment to distribute 6.0 percent of the land grant permanent fund income (includes repeal of the existing sunset on increased distribution) (\$17.0 million in FY 10, and \$63.0 million as of FY 13);
- a constitutional amendment to increase one-third property tax valuation to 40 percent; make statutory adjustments; state takes credit for 25 percent as is done currently (\$168.0 million in FY 10, \$237.0 million in FY 13);
- increase state share of gross receipts tax and compensation tax by one-eighth, one-fourth, or one-half (using one-half, \$244.0 million in FY 09, \$282 million in FY 13); and
- repeal of other loopholes in tax code (not estimated).

As a recap of the merits of the suggested funding formula, Representative Stewart said the formula is:

- simple - The suggested funding formula avoids unnecessary complexity by focusing directly on the factors associated with pupil need and scale;
- fair - The proposed formula promotes and preserves strict (vertical) funding equity across districts;
- safe - The formula makes use of adjustment factors that are largely beyond a district's control and thus minimizes incentive to "chase funding;" and
- comprehensive - Most of the unit adjustments in the current funding formula are either accounted for in the sufficient base per-pupil cost or contained explicitly in the suggested formula.

Superintendent Pool commended Representative Stewart for her leadership on this task force. He said he represents a middle size school district and unless it gets additional resources, his school district will remain stagnant.

Representative Moore expressed concern about the emergency supplemental funding and how it works. He said he was involved with the task force deliberations from the beginning and would not have given a nickel for the process six months ago; however, now he can see its benefits and is happy to cosponsor the legislation with Representative Stewart.

Superintendent Phipps thanked the committee and assured them of the progress this task force has made. He said the task force came up with some excellent ways to help the small schools, English language learners (ELL), and how to address the poverty in New Mexico and its effect on student learning. He stated that the task force has almost unanimously agreed on the first four recommendations for revenue sources (listed above); however, on the last four, there were issues with different points of view and questions about where to get the funding.

### **Committee Discussion:**

In response to a committee member's question if the Zuni lawsuit presented any challenges, Representative Stewart said the task force took this issue into consideration, and Impact Aid districts will get increased funding because they are all high poverty.

In response to a committee member's question whether the public was asked, in the town hall meetings that were held, if they want to invest in education and if they support a tax increase, Representative Stewart said she did not recall if the public was asked these questions; however, she thinks the public will support the new funding formula.

In response to a committee member's question if the students in corrections are considered in the formula, Representative Stewart said that corrections is not currently part of the current funding formula and although the teachers are given the same raises as public school teachers, the task force did not consider corrections in the new formula.

In response to a committee member's question if there is additional money for teachers that are in schools with a high percentage of ELL students and have a high poverty rate, Representative Stewart said that a long discussion was held on this issue and consequently a stipend of \$250 to \$3,000 using ELL funds will be provided rather than putting a factor in the formula.

In response to a committee member's question if the Public School Funding Formula will improve student achievement, Representative Stewart said that student achievement begins with the local school board; however, a simplified formula as suggested by AIR, will take many things into account that should improve student achievement, such as student needs, differential costs, and school and district size.

In response to a committee member's question if there is a way to show the funding formula will provide more money to teachers, Representative Stewart said the formula does not address compensation. It deals with programmatic elements in the school. Superintendent Phipps said that compensation to teachers was not looked at in working on this formula, adding that the dollars are not for compensation; however, the dollars will compensate the teachers for the additional instructional days.

In response to a committee member's question if the task force considered the savings to the taxpayer in the amount spent on correctional institutions and the low return they get for their money versus the high return for quality education, Representative Stewart said they would try to include data in subsequent presentations, that would show the investment returns of instituting a new formula with sufficient funding.

In response to a committee member's question of how often a study on the funding formula will be needed, being that so much was spent on this study, Representative Stewart said the task force is suggesting that a study be done every eight to 10 years.

A lengthy discussion was held on local control and the advantages of this simplified formula, which will increase state funding significantly by 13 to 15 percent, and on the advantages of additional instructional days.

With the consensus of the committee, Representative Miera recessed the LESC meeting at 4:42 p.m.

**MINUTES  
LESC MEETING  
NOVEMBER 15, 2007**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on November 15, 2007 at 9:02 a.m., State Capitol, Room 307, Santa Fe, New Mexico.

The following LESC members were present:

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

The following LESC advisory members were present:

Representatives Ray Begaye, Nathan P. Cote, Mary Helen Garcia, Thomas A. Garcia, John A. Heaton, Jim R. Trujillo, and Teresa A. Zanetti; and Senators Mark Boitano, Dianna J. Duran, Mary Kay Papen, and John Pinto.

Also in attendance was Representative Andrew J. Barreras.

**PUBLIC EDUCATION DEPARTMENT (PED) BUDGET REQUEST FOR FY 09**

Dr. Kathleen Forrer, LESC staff, introduced Dr. Veronica C. García, Secretary of Public Education, and Mr. Don Moya, Deputy Cabinet Secretary, Finance and Operations, Public Education Department (PED) to review PED's FY 09 budget request. Dr. Forrer noted that several PED staff members were also present and available to respond to questions.

Dr. Forrer said that current statute requires state agencies to submit their budget requests to the State Budget Division, Department of Finance and Administration (DFA), for the following fiscal year no later than September 1 of the current fiscal year. She said, however, the requests submitted on September 1 do not necessarily reflect the Governor's budget recommendations that must be submitted to the Legislative Finance Committee (LFC) and to every legislator prior to the session in January. Every year, Dr. Forrer stated, the State Budget Division issues written directives that state agencies must follow in preparing their budget requests for the succeeding fiscal year. She said the *Appropriation Request Instructions: Fiscal Year 2009*, directs agencies to keep their FY 09 General Fund budget requests flat with exceptions that are outlined in her report.

Dr. Forrer said that Table 1 of her report includes PED's actual revenue, expenditures, and full-time equivalent (FTE) staff positions for FY 06 and FY 07; the department's appropriated revenue expenditures, and full-time equivalent staff positions for FY 08; and the department's approved FY 08 operating budget. She said the table also includes PED's base and expansion budget requests for FY 09 as submitted to DFA on September 1 and revised on November 8, 2007.

Unfortunately, Dr. Forrer said that in FY 07, PED's expenditures exceeded its total revenues by an estimated \$586,400. In documentation provided by PED on November 9, she said PED indicates that the actual difference may be less than the \$586,400 shown in the table due to receivables that are not reflected in the un-audited numbers.

Dr. Forrer said that in accordance with the exceptions allowed by DFA, PED's General Fund base request for FY 09 exceeds its FY 08 approved operating budget by approximately \$2.96 million. She said that, according to PED, in determining the base amount, PED assumed no staff vacancies; therefore, the \$17.9 million in requested General Fund revenue includes no vacancy savings. In addition, she said the base request includes \$934,600 to cover increases in General Services Department (GSD) fee assessments; \$115,000 to cover additional salary costs incurred as the result of staff position reviews; \$150,000 for increased travel; \$90,000 for staff technology needs; \$90,000 for "unfunded agency needs"; and \$50,000 for cell phones. She said the base request also includes approximately \$9.2 million in additional federal revenues. Overall, PED's FY 09 base request includes a total increase of \$12.1 million in revenue from all funding sources over the department's FY 08 budgeted revenues.

Prior to the Secretary of Education providing PED's budget request for FY 09, Representative Miera referred to an article from the Albuquerque Journal titled "Cash + Facilities Does Not = Better Education." The article asks two questions: (1) Will students get a better education than they're getting now, at \$3,600 per student in a relocated portable with a gym that doubles as the cafeteria? and (2) Where will all that extra cash come from? Representative Miera said earlier a good presentation was heard about the funding formula and the committee examined some opportunities. He said, in his opinion, "Let us qualify and verify that any money that is spent on education is worth every penny." Representative Miera said more auditors are needed at PED's Office of the Inspector General, and would like to move ahead with the Student Teacher Accountability Reporting System (STARS) and not wait for the federal government to give New Mexico the money. In finalizing his remarks about the editorial, Representative Miera said that public education is good in New Mexico, and if it means an audit, we have nothing to hide.

In reference to the newspaper article, Dr. García said that those on the committee know that when she talks about accountability, it is not what an auditor would look at, but what are sufficient programs and local control and the balancing of the public school budget. She said they have a top caliber inspector general who investigates fraud and potential fraud.

Dr. García said to put the PED budget request in some perspective, PED requested 40 FTEs last year and they received four. In addressing the PED's expansion request for FY 09, Dr. García said it includes an additional \$2.6 million in General Fund revenue, an additional \$14,300 in federal revenue, and an additional \$177,200 in other state funds. She said PED proposes to use the increased revenues to cover the cost of adding an additional 12 FTE permanent positions, two FTE term positions, and reclassifying seven term positions as permanent.

Of the 12 new permanent positions, Dr. García said PED proposed to pay for three positions – a financial coordinator, an education administrator, and an administrative support position – from revenue derived from state-chartered charter schools. She said the current statute states that PED's Charter Schools Division “may withhold and use two percent of the school-generated program cost for its administrative support of a charter school.” She said that based on the assumption that all positions are authorized, PED estimates available revenue at approximately \$204,000.

Dr. García said PED is requesting that the four positions dedicated to the implementation and maintenance of STARS be reclassified from term to permanent. She said in the past, these positions have been funded through special data processing appropriations. She said PED is also requesting that the \$1.4 million in contractual services for STARS and for the Operating Budget Management System (OBMS) be moved into the agency's operating budget.

The other three positions PED is requesting to be reclassified from term to permanent, Dr. García said, are in the Coordinated School and Family Support Bureau. She said they are currently being funded with federal Title IV (21<sup>st</sup> Century Schools) and Title V (Innovative Programs) grants. She said that based on the President's budget request for federal fiscal year 2008, Title IV funds to New Mexico will decrease significantly and Title V will not be funded.

Dr. García said the remaining positions being required by PED are a paralegal (term) to assist with educator ethics issues; an operations manager (term) to oversee the operations of the Educator Ethics Bureau and to establish a tracking and management system; three educator administrators (permanent) for the Assessment and Evaluation Bureau; a research analyst (permanent) and an administrative support position (permanent) for the Academic Growth and Analysis Bureau; two education administrators (permanent) to support the “Governor's High School Redesign” initiative; an executive secretary (permanent) for the Program Support and Student Transportation Division; and an executive secretary (permanent) for the Indian Education Division.

In PED's November 6, 2007 vacancy report, Dr. García said the department indicated an overall vacancy rate of 17.5 percent. She said of the 56 vacant positions, 20 are state-funded, 22 are federally funded, and 14 are funded from both state and federal revenue sources. She said the total number of FTE positions at PED is 320.8.

Referring to deficiency and supplemental appropriation requests, Mr. Moya said DFA notes that such requests should reconcile to agency audit reports. He said PED is requesting a deficiency appropriation of \$62,000 to cover outstanding invoices from prior years for charges assessed by GSD: \$44,000 for GSD Information Services Division and \$18,000 for GSD Motor Pool. He said some of these charges date back to FY 04.

Mr. Moya said PED is requesting two supplemental appropriations totaling approximately \$3.2 million: (1) to cover increased fuel costs for school-owned transportation operations, PED is requesting \$1,633.1 million; and (2) requesting \$1,527.0 million to contract with American Institutes for Research (AIR) to develop and maintain the New Mexico Alternate Performance Assessment (NMAPA) and to provide professional development regarding NMAPA. He noted that this second appropriation request will be a recurring expenditure that will be addressed in the agency's Public School Support request that will be presented to the LESC in December.

In explaining the higher rate in the amount of federal funds, Mr. Moya said that PED put a freeze on spending in June 2007 and since then have not filled any positions, thus delaying the filling of federal fund positions, which are hard to fill because they are term positions, not permanent.

Dr. García thanked the committee for its support.

### **Committee Discussion:**

In response to a committee member's question of how many FTEs were requested for other state fund expansions – charter schools and educator ethics, Dr. García said five, explaining that this is not money but budget authority.

In response to a committee member's question of how many FTEs are requested for charter schools, Dr. García said one, but there is the potential for 13, as there are 12 applications that will be considered for potential charter schools.

In response to a committee member's question of how many FTEs are requested for the Public Education Commission (PEC), Dr. García said one for administrative support for this office to provide support for additional duties related to the state charter school authorization process.

In response to a committee member's question of what is the total amount of PED's expansion request for charter schools and educator ethics, Mr. Moya said \$207,600.

In response to a committee member's question regarding diesel fuel costs, Mr. Perea said fuel will have to be funded at \$1.97 a gallon. On this same point, the committee member asked if the \$1.6 million requested for FY 08 in the supplemental appropriation request will be sufficient until June, Mr. Perea said it will keep the state level at the average price as fuel continues to escalate. Mr. Paul Aguilar, Principal Analyst, LFC, said that the LFC has spoken to PED regarding the gas situation and are including assignment of \$1.97 per gallon – \$2.47 where it actually is. He said LFC has asked their economists to come up with consensus cost estimates to be used for the remainder of FY 08 in order to go forward to FY 09.

A lengthy discussion ensued about STARS and the training of personnel and the specific district reports that are needed to inform districts and teachers so the information can be used to help students. Included in this conversation was the importance of collecting and disseminating data on poverty, English language learners, and proper identification of special education students, as well as accountability for the system.

In response to a committee member's question for the Secretary of Education to elaborate on the Educator Ethics Bureau, Dr. García said that schools have the responsibility to report misconduct to law enforcement, and they are obligated to advise PED of such reports. Because of the 2007 educator ethics legislation that was enacted, the level of reporting has become more evident, and consequently, there is a lot of work for this bureau to do. She said the funding for this bureau comes from the licensure fees. On this same point, a committee member asked if background checks are done on school personnel. Dr. García said there are background checks for licensed employees, school bus drivers, and new employees hired in school districts; however, if there was odd behavior by an individual, but that person was never charged, nothing shows up on the background check. She said background checks give people a false sense of security. She said that everyone must be cognizant that bad behavior by adults exists and although PED reports the names to a national data base for checking of backgrounds, not all school districts do that. She said the ethics law does not allow confidentiality agreements; however, other states may still have confidentiality laws and if these adults come into New Mexico, the state must be vigilant that children are supervised and that everyone is alert. As a whole, Dr. García said New Mexico has approximately 25,000 licensed teachers out there that are ethical, but if there is one that is not, it is one too many.

In response to a committee member's question how regional education cooperatives (RECs) fit in the overall structure of PED and if they must enforce the educator ethics law, Dr. García said RECs are attached to PED, but have their own governing boards made up of superintendents. She said funds are being looked at for REC financial support to help enforce the educator ethics bill. On the same point, a committee member asked who is responsible for RECs, Dr. García said they have their own audits and answer to PED and to their own governing boards. Mr. Moya said the RECs have mostly relied on federal funds. Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, said the RECs are a member of his organization and share their concern about the shift of federal money and how RECs can be utilized, so they are going to ask for legislative support to be administratively attached to PED but be able to look at incurring a financial stream to get some relief from the state level to maintain those services in the communities.

In response to a committee member's question of why there has been a change in federal funding for RECs, Dr. Catherine Cross Maple, Deputy Secretary, Learning and Accountability, PED, said in terms of federal funds and changes seen, they have gone to a prescriptive performance-based way of getting the funds. She said RECs must align the federal budget for the *Individuals with Disabilities Education Act* (IDEA), Part B monies, where historically they have been funded. She explained that what PED has done for school year 2007-2008 is to provide federal dollars to RECs, but PED will not be able to fund them in future years because the US Department of Education (USDE) has changed the requirements of how to expend and budget the IDEA money. Dr. Garcia said they are still working with the Governor to establish their budget request, and there will be a request for the RECs; however, the only way to help them is through General Fund dollars.

In response to a committee member's question if the RECs are connected to the Statewide Human Resources Accounting and Management Reporting System (SHARE), Mr. Moya said they are not, stating that they use their own accounting system. He noted that one of the positions requested will be for a person to work with the RECs to possibly be able to standardize their operations for more accountability.

Representative Miera asked Dr. García what she thought about the statement in the staff brief as a policy option to consider recommending that the Legislature appropriate additional funding and two FTE staff members to enable the Office of the Inspector General to conduct additional membership and training and experience audits in FY 09 and subsequent fiscal years. She said that all of her requests are top priority and agrees that this office does tremendous work.

## **ALBUQUERQUE PUBLIC SCHOOLS FUNDING: LFC REVIEW**

Ms. Frances Maestas, LESC staff, introduced Mr. Manu Patel, Deputy Director for Program Evaluations, and Ms. Usha Shannon, Program Evaluator II, Legislative Finance Committee (LFC) staff, to provide a report on the LFC Review of the Albuquerque Public Schools (APS). Also, Ms. Maestas introduced Dr. Elizabeth Everitt, Superintendent, APS, and Mr. Tom Savage, Deputy Superintendent, APS, to respond to the LFC audit report.

Ms. Maestas reported that during the 2007 interim, the LFC performance auditors conducted a review of APS to address a number of financial and performance issues related to the following memorials that were passed by the 2007 Legislature:

- SJM 59, *Albuquerque Public Schools Audit*, requesting an audit of APS to determine the district's classification of expenditures in the public school chart of accounts and the amount of the district's budget for administration and in direct instruction;
- SM 37, *Albuquerque School District Audit*, requesting an examination of the district's use of state and federal funds for schools with high dropout rates and other indicators of large at-risk student populations; and
- SJM 19, *Study Teacher Attendance & Substitutes*, requesting an examination of the use of substitute teachers and options for improving teacher attendance in the classroom.

Ms. Maestas stated the LFC review also included an examination of the district's special education funding through the Public School Funding Formula (referred to as "related service funding" in the LFC review report) and the actuarial health of the district's self-insured benefits and risk programs (referred to as "health insurance and risk insurance funds). Ms. Maestas outlined the four major parts of the LFC report: (1) Related Services; (2) Use of Substitute Teachers; (3) Health Insurance and Risk Insurance Funds; and (4) the Impact of Funding on Student Performance.

Mr. Patel and Ms. Shannon provided the committee a report entitled, *Albuquerque Public Schools: Review of Selected Operations of Albuquerque Public Schools, October 26, 2007*, and they summarized the findings and recommendations for each area as follows:

### **Related Services Funding**

For the purpose of calculating program units through the Public School Funding Formula, current law states that special education students, including gifted students and students with disabilities, are classified as A, B, C, or D level depending on the intensity of services required. Special education students are counted first in grade level for basic education programs, then with an additional cost differential.

## **Findings:**

The LFC auditors indicate that:

- provisions in law do not clearly define or delineate which ancillary personnel are eligible providers for the purpose of generating special education funding through the Public School Funding Formula;
- a review of APS special education funding beginning in FY 02 reveals a decrease in special education students but an increase in formula funding, predominantly in FY 07 and FY 08, because of an increase in full-time equivalent (FTE) ancillary personnel, particularly speech language pathologists;
- for FY 05 to FY 08, the number of special education students in APS, excluding charter schools, has decreased by approximately 2.9 percent; however, the number of ancillary personnel increased by approximately 16.6 percent;
- “In addition to funding fully licensed ancillary FTEs, the state funds physical therapy and occupational therapy assistants and speech language apprentices at 25 units per FTE, although these staff are not permitted to carry caseloads but may only work under the direct supervision of fully certified ancillary service and diagnostic service providers”; and
- as a result of these findings, “growth in funded units and staff has outpaced [special education] students.”

## **Recommendations:**

Among its recommendations, the LFC auditors recommend that:

- current statute be amended to define which FTE ancillary personnel are eligible to generate funding through the Public School Funding Formula;
- the Public Education Department (PED) be required to revise rule in accordance with the amended statute and to establish and implement processes for the review and validation of special education position codes and other funding data;
- trends in related service FTE be considered in the development of the [public school support] recommendations of the Legislature and the Executive; and
- approximately \$2.7 million be recovered from APS as over-funding for FY 08 and reverted to the General Fund.

## **Use of Substitute Teachers**

In response to SJM 19, *Study Teacher Attendance & Substitutes*, the LFC review addressed issues related to the use of substitute teachers and options for improving teacher attendance in the classroom addressed in SJM 19, including substitute teacher qualifications, availability, salary and benefits, length of duty, and parental notification.

## **Findings:**

Among their findings, the LFC auditors indicate that the district:

- requires all substitute teachers to be licensed by PED and to possess a minimum of 60 college hours or an Associate Degree;
- manages its substitute teacher hiring and placements through its Office of Substitute Services, which maintains an automated system with at least 1,200 available substitute teachers; however, selection of a substitute is the prerogative of the school principal;
- maintains a substitute salary schedule that in school year 2006-2007 paid from approximately \$52 to over \$81 on a daily basis for short-term substitutes; long-term substitutes are paid the current daily rate plus an extra hour after four days;
- reports that data are not available for the average length of duty; and
- send a form letter to parents whenever a long-term substitute is utilized.

LFC staff further reviewed the district's use of substitutes for instructional personnel teaching core classes and attending professional development activities and found that in 2007, APS used substitutes for teachers attending professional development activities during the instructional day.

## **Recommendation:**

The LFC auditors recommend that a study should be conducted to assess the use of substitute teachers on student performance.

## **Health Insurance and Risk Insurance Funds**

In 1986, the New Mexico Public School Insurance Authority (NMPSIA) was created in the *Public School Insurance Authority Act* to serve as a purchasing agency for public school districts, postsecondary educational entities, and charter schools.

Currently, NMPSIA provides health and risk insurance coverage for 88 of New Mexico's public school districts and its 61 charter schools. Current law exempts any school district with a student enrollment in excess of 60,000 students from NMPSIA coverage, which applies only to APS, who has opted to carry its own insurance plans.

The medical plans of both entities are "self-insured" which means that NMPSIA and APS are responsible for the design of the plans and the setting of contributions. The entities set the contribution rates to provide the necessary revenue to pay for the claims its participating members incur. When the projected claims exceed the contributions, the contribution rates have to be increased to cover any deficit; however, if the projected claims do not materialize, additional revenues become available.

## **Findings:**

- in its review of the district's health (or medical) benefit and risk insurance programs, the LFC report states that the district does not maintain separate funds to account for the employee and employer contributions, interest earned, and claims paid;

- with regard to its health benefit programs, the report states, the district:
  - transfers its employees' contributions into several liability accounts but does not match these contributions with the employer's share; does not reconcile payment and distribution reports; and, as a result, implements health and medical insurance premiums recommended by its actuary without considering excess dollars that may be used to reduce any premium increases; and
  - based on an LFC estimate, the report indicates that the district's cumulative health benefits ending fund balance for FY 04 through FY 07 would have been approximately \$24.5 million; and
- for the risk program, the LFC auditors reported that they were unable to estimate fund balances for property/liability and for workers' compensation insurance because the district has not maintained a separate fund to account for these dollars.

**Recommendations:**

Among its recommendations, the LFC review recommends that APS:

- establish insurance policies and procedures;
- transfer insurance balances to a separate fund;
- at the end of each month, require the finance and accounting department and the risk and benefits department to reconcile employee and employer contributions and claims paid; and
- provide to PED, the LESC, and the LFC, selected FY 07 insurance information, including total premiums, insurance enrollment, claims paid, insurance recoveries, fund balances, incurred but not reported claims, and estimated premiums for the next period.

**Impact of Funding on Student Performance**

In response to SJM 59, *Albuquerque Public Schools Audit*, the LFC review report indicates that the district:

- maintains its own accounting system that automatically crosswalks account information with the state's public school chart of accounts and, therefore, properly categorizes expenditures; and
- in FY 07, expended approximately 62.4 percent of its budget in instruction and the remaining 37.6 percent in other functions, including support services (for students, instruction, general administration, and school administration), central services, operations and maintenance of plant, student transportation, food, and community services operations.

**Recommendation:**

The LFC auditors recommend that APS should review and align internal department titles with account names to avoid confusion in the categorization of accounts in the chart of accounts.

And finally, in response to SM 37, *Albuquerque School District Audit*, the LFC performance auditors reviewed:

- the allocation of state and federal funds for low-income, bilingual, and special education students in select schools in the district and found that for FY 06 and FY 07, high-poverty schools did not spend all of (Title I) federal funds received to improve student success;
- the administration of standards-based assessments and found that students are tested in late February or early March of the school year; however, test results are not available until the beginning of the next school year;
- teacher qualifications and found no direct relationship between student results for determining adequate yearly progress and a teacher's licensure, educational level, or experience;
- operational funds for direct instruction should be increased to enable schools to address the needs of high-risk students;
- the impact of teacher experience and qualifications on student performance should be studied;
- PED should ensure that standards-based assessment test results are provided to schools and teachers at least three weeks before the start of the next school year in order for teachers to review test results and to determine services needed by students; and
- PED should consider printing a newsletter highlighting best practices in schools and creating networks between schools to help in improving student services.

Regarding related services funding, Dr. Everitt stated that APS uses the same funding formula as other districts in the state. She said that APS discovered a double-counting error in the funds requested from PED, and APS will refund one-half of 1.0 percent of their budget as a result. Mr. Savage explained that to make up for these funds in the current year, APS will use a multi-strategy approach by looking at their professional development funds to see if they are in a position to revert substitute dollars, and some activities may include freezing some positions until the end of the school year. He said this will not be an easy task.

Regarding the use of substitutes, Dr. Everitt said APS is looking at incentives to help teachers meet their professional development requirements when students are not present. She also said they have a negotiated agreement with the Albuquerque chapter of the New Mexico Federation of Educational Employees for four additional professional development days and a new math professional development program that is critical. Dr. Everitt said APS attempts to keep certified full-time teachers in all classrooms with students.

Mr. Savage said with regard to the audit report, they are thankful to work with the LFC and will continue to work with the auditors to give a good representation on this audit. Since the audit visits, APS has had a chance to review and make changes. On the insurance finding that APS treats reserves as unrestricted cash, Mr. Savage said that APS has already started to make changes and has set up a separate fund for this purpose. Mr. Savage said reports are now reconciled; they began the year with approximately \$4.0 million in reserves, and they are confident that they are in a position to come to PED and request a zero percent rate increase in health insurance.

Regarding the issue on how much is spent on direct instruction, Dr. Everitt reported that APS schools spent more than 99 percent of Title I funds on student achievement of low-income students. Dr. Everitt said APS is proud of the overall percent spent on direct instruction in relation to other school districts.

### **Committee Discussion:**

In response to a committee member's question regarding the number of APS ancillary staff in relation to the number of special needs students, Superintendent Everitt replied that ancillary staff is hired when a child is in need; they are tied to the individualized education program (IEP). She added that Albuquerque has the majority of special education funding in the state as well as a large proportion of students with disabilities. She said it is hard to acquire ancillary staff, and they are in the process of filling unfilled positions. She said the goal is to use the Response to Intervention so that students will not need to be placed in special education.

In response to a committee member's question regarding the review's recommendation on percentage of funds spent on direct instruction, Superintendent Everitt said that direct instruction at APS is above the state average. Mr. Savage clarified that the state average is 59.99 percent and APS spends 62 percent on direct instruction.

In response to a committee member's question for clarification regarding the four days of professional development, Superintendent Everitt said that the four days are extra days added to the teacher contracts – students are not in school during those days.

In response to a committee member's question related to the number of special needs students that are in Albuquerque and the services that are provided to them, Superintendent Everitt said that parents move to Albuquerque for access to medical services available there. She added that APS teachers are sent into the hospitals and to students' homes to help students keep up with their studies.

In response to a committee member's question on year-round school teacher preference, Superintendent Everitt said that there is a year-round policy available; however, teachers need some time off, and there is no significant difference related to teacher preference in year-round and 10 month schools.

In response to a committee member's question regarding fund balances and reserves related to health and insurance premiums and what the funds are used for, Mr. Savage responded that funds are set aside at a 90 percent confidence level, and if, for example, APS closed its doors today, those funds would cover any employees' insurance costs that may have been incurred up to that point. Mr. Savage added that APS welcomes the opportunity to learn from the LFC, and is also willing to learn from NMPSIA. A committee member said that what is in the reserve is good and cautioned APS against reducing it too much to avoid fund shortages if expenses should suddenly increase.

## NEW MEXICO PARTNERS IN LEARNING

Representative Miera recognized Ms. Kelly Green, Academic Program Manager, Microsoft Corporation, who presented on Microsoft's initiative Partners in Learning. Ms. Green introduced Dr. Jim Holloway, Director, Rural Education Division, Public Education Department (PED) who has led the New Mexico Partners in Learning (NMPIL) initiative.

By way of introduction, Ms. Green stated that Microsoft founded the US Partners in Learning to assist schools with three major goals: Digital literacy for all students, an educated, competitive workforce, and greater quality of life for citizens. She said the NMPIL is a five-year partnership with potential funding from Microsoft for up to \$2.0 million. She said the project is currently in its third year and that four projects have been awarded over \$483,000. Ms. Green stated that NMPIL is aligned to the PED's Rural Revitalization program; to the 21<sup>st</sup> Century Skills; and to New Mexico's career clusters.

Whether state or federal government investors, local businesses, major corporations, or individual donors, Ms. Green said they give funds with the inherent belief that those funds will have an effect on student learning. She said Microsoft believes that a joint engagement or pooling of resources will result in additional investments. Ms. Green presented the following four projects of the NMPIL:

1. Growing Green in Fort Sumner – Fort Sumner Municipal Schools will update and expand its campus greenhouse, eventually creating an effective commercial venture by growing and selling cottonwood seedlings and cactus plants. Fort Sumner is an agricultural community, and injecting real-world, meaningful applications of science, technology, engineering, and mathematics into school instruction will better prepare students for vocational and technical training or local industry opportunities. In addition, the sale of items and the creation of jobs will help stimulate the local economy.
2. 21<sup>st</sup> Century Economic Revitalization Through Home Construction – Loving Municipal Schools will improve the education system and community by introducing and incorporating trade and work-based learning into the high school curriculum; providing hands-on work opportunities; preparing students for trade occupations straight out of high school; and improving the community's housing, setting the foundation for Loving students to remain in the community.
3. Mosquero Media Entrepreneurs – is a “learning and earning” project-based business enterprise incorporated into the Mosquero Municipal Schools' curriculum and has three components of the youth-centered/youth-operated, “It's all about ME” business:
  - a. *Harding County Roundup*, professional county-based newspaper reaching over 400 people;
  - b. *Pirate Productions Media Shop*, meets remote, rural media needs for the county; and
  - c. *Familias de Nuevo Mejico*, Harding County Heritage program that publishes historical events of the county and families interviewed. The program culminates with a county dinner theater.

4. Student Film Technician Training – Regional Education Cooperative (REC) #2 will provide training for high school students in the seven districts of the Northwest REC #2 consortium. The training, focused on film and movie production, will be delivered through a combination of on-site education at professional facilities and long-distance classroom education provided by college and industry instructors. The instruction will help students develop and hone their technical skills, creating promising applicants who can pursue related employment opportunities in the growing New Mexico movie industry.

Ms. Green said that through legislative appropriations to the Rural Revitalization initiative, each project has been able to leverage Microsoft's funding for additional support in addressing their goals. She provided the estimated percentage increase in funding leveraged through NMPIL. For example, Fort Sumner was able to take \$122,000 and increase it to \$218,000; Loving was able to take \$275,000 of state, federal, and local dollars and leverage those dollars to have a greater impact; Mosquero was able to take \$10,000 and increase it to \$125,000; and REC #2 was able to take \$80,000 and have a great impact on the seven districts in the consortium.

### **Committee Discussion:**

In response to a committee member's question of how Microsoft chose the four projects, Ms. Green said they created a committee to develop a request for applications (RFA), which were sent to 48 legislatively designed rural districts by PED. Dr. Holloway said that after the RFAs were returned and received by the Rural Education Division, the best applicants were asked to present their concepts on how the money would be spent and the four projects mentioned were selected. On this same point, in response to a committee member's question if the applicants that did not get approved are planning to reapply, Ms. Green said the generic overall reason they were not chosen was because they did not gear their RFA to meet the needs of the community and students.

In response to a committee member's question about the Loving project, Ms. Kelly said it was a building trades project through Habitat for Humanity and they had their ground-breaking about a month ago. She said that because housing is scarce in the Loving community, schools worked under the direction of a general contractor to entice families that have left Loving to return.

There being no further questions, Representative Miera thanked the presenters.

## **<> SUPERINTENDENT AND COMMUNITY INPUT**

### **A+ for Energy, BP America**

Representative Miera recognized Ms. Lisa Dator Hough, Regional Director, and Mr. Curtis Thomas, Community Affairs Director, A+ for Energy, BP America. Ms. Hough explained that because BP America believes in energy education and the positive impact an energy-aware student population can have on society, as well as the value of energy education, in 2007 BP America has invested \$500,000 in teachers across the state of New Mexico. Ms. Hough explained BP America founded BP's "A+ for Energy" education program and has awarded \$500,000 in grants and scholarships to teachers in K-12 public, private, and charter schools who submit innovative and inspirational classroom lesson plans. She explained that winning teachers

received an all-inclusive scholarship to attend a three-day training workshop on energy in Albuquerque during the summer that was conducted by the National Energy Education Development Project (NEED), BP's nonprofit energy education partner. The teachers also received a \$400 "science of energy" trunk kit for classroom activities.

Mr. Thomas said New Mexico led the nation in the number of applications received. He said they also received public notice announcements and teamed with community partners to get the word out. He said the plan is to reinstate the program and make it bigger and better than last year. Mr. Thomas asked the committee to help as well by advocating this grant program to their district schools and encouraging them to participate.

### **New Mexico School for the Arts**

Ms. Julia Barnes, Founding Committee Member, New Mexico School for the Arts, provided a handout to the committee titled "Founding Committee: New Mexico School for the Arts." The handout contained a school and outreach overview, national models of artistic and academic success, and information on a charter school application process which was withdrawn prior to the final hearing due to statutory questions raised that can only be answered by the Legislature. She said the founding committee for the New Mexico School for the Arts requests that the LESC endorse legislation again this session to make the statutory changes to establish the New Mexico School for the Arts. Draft legislation proposed by the Founding Committee for the New Mexico School for the Arts was provided, which if enacted would be a new section of the *Public School Code* cited as the *New Mexico School for the Arts Act*. Summarizing the policy decisions regarding the school, Ms. Barnes said the admission criteria (based on promise, aptitude, and passion, with no previous training required) and the outreach program remain substantially unchanged from last session. She said state monies will provide operational costs for the school at the same rates and using the same formulas as used for other public charter schools. Residential costs for the school, she said, will be paid for entirely by the private sector through a combination of scholarships and student payments (based on a sliding scale of ability to pay). Ms. Barnes said new reporting requirements have been added, and nonrecurring startup funding for the school is in the Public Education Department budget being presented to the Legislature under special school projects as a one-time nonrecurring cost.

### **Committee Discussion:**

In response to a committee member's question of what statutory changes are needed to establish the New Mexico School for the Arts, Ms. Barnes said that under existing law, admissions criteria for entry into a public or charter school is not permitted, and the New Mexico School for the Arts is seeking an exemption in statute from certain provisions of the *Charter Schools Act* providing for admissions criteria, providing for room and board fees, and providing for planning and outreach activities.

In response to a committee member's question of where the school will be located, Ms. Barnes said the Santa Fe Indian School and the Santa Fe Community School are being considered as temporary locations until a permanent location is attained.

In response to a committee member's question if an appropriation is attached, Ms. Barnes said it is a nonrecurring appropriation in the amount of \$600,000 to be used as startup dollars.

## **Save the Children**

Dr. Paula Hale, Program Manager, Save the Children, and Mr. Andrew Hysell, Director of State Policy and Advocacy, West Port, Connecticut Save the Children office, distributed a handout titled "Save the Children – New Mexico Rural Literacy Initiative Overview." Mr. Hysell said Save the Children is proud of the work they have done to help children living in poverty. He said an estimated 30 percent of New Mexico children living in rural areas, including Indian reservations, are living in poverty – one in four families with school-aged children. He said 59 percent of fourth graders in New Mexico's rural communities who are eligible for free and reduced-fee lunch programs scored below the basic level of reading achievement on the National Assessment of Reading Programs. Furthermore, he said, quality after-school and summer literacy programs are not available in many New Mexico rural communities to supplement children's learning.

To address this need, Mr. Hysell said Save the Children is partnering with 14 rural New Mexico schools to fight the effects of poverty on children. He said that through their literacy programs, Save the Children is creating a new cohort of children who succeed academically. In addition to the academic success of these children, he said, their partnerships are bringing about positive, sustained change to the economically distressed rural communities.

Dr. Hale said that due to their programmatic and community success as well as their committed investment, Save the Children is looking to maintain their existing 14 programs as well as to build and expand their services to additional schools, where feasible, in rural New Mexico. She said Save the Children implemented their program half-way through school year 2006-2007, providing carryover funds which helped offset the \$500,000 cut of funding from the New Mexico Rural Literacy Initiative grant. Along with their \$500,000 match, she said they were able to continue providing services to the 14 partner schools through the remainder of school year 2007-2008, despite the reduction in the grant.

In conclusion, Mr. Hysell said that Save the Children is requesting a \$1.0 million appropriation from the Legislature, and Save the Children will continue to match and pledge \$500,000 of their own resources as a way to leverage private resources with state dollars. In addition, Mr. Hysell said Save the Children also requests another \$1.0 million to increase their program services to schools serving Spanish-speaking English language learner (ELL) populations.

### **Committee Discussion:**

In response to a committee member's question of how many ELL students they serve, Dr. Hale said well over 75 percent of the students they serve are ELL students.

In response to a committee member's question if instructional materials are provided to all ELL students served by Save the Children, Dr. Hale said they provide instructional materials to all ELL students served by Save the Children, as well as Navajo language speaker students; however, they do not have books for the Pueblo language speaker students.

## **Summer Science Program, Inc.**

Mr. Stephen L. Cotler, Vice-Chairman of the Board, Summer Science Program, Inc. (SSP), said that from Sputnik/Space Age beginnings in 1959, the SSP, affiliated with Caltech, Harvard-Smithsonian, Harvey Mudd, Pomona, Stanford, and UCLA, is one of the world's oldest, most prestigious, and most challenging pre-college science enrichment programs. He said in 2003, with the support of New Mexico Institute of Mining & Technology (NMIMT), SSP expanded to a second campus at NMIMT in Socorro, which also included support from Los Alamos National Laboratory and Sandia National Laboratories.

Mr. Cotler said that the SSP 2008 budget is \$455,000 for 72 students, about \$6,300 for each. He said for six weeks each summer, SSP brings 36 high school science students to each campus – the brightest rising seniors from around the nation and several foreign countries – and provides an intense, college-like experience that inspires them to realize their potential in college and beyond.

In 2007, Mr. Cotler said, SSP requested an appropriation and the Legislature gave them a grant of \$72,000 for up to 12 students, to be administered by NMIMT for New Mexico residents who attend the SSP. In July 2007, he said, after extensive recruiting, six New Mexico students were accepted and five ultimately enrolled. He said the five attendees came from Del Norte High School, Eldorado High School, and Sandia Prep in Albuquerque; Socorro High School, and Las Cruces High School. He said NMIMT transferred \$30,000 to the SSP to cover the costs for these five students. Mr. Cotler said that although generous need-based financial aid is available to all applicants, three years of data show that offering full-tuition scholarships to New Mexicans generates far greater enthusiasm and participation, resulting in significant long-term benefits to the students. Mr. Cotler requested a \$50,000 recurring appropriation to help recruit eight students at \$6,250 each.

### **Committee Discussion:**

In response to a committee member's questions about where the funding came from for the students outside New Mexico and who funds the students from within New Mexico, Mr. Cotler said the Summer Science Program is currently funded by alumni, and for New Mexico students, it was funded from alumni from Sandia and Los Alamos National Laboratories; however, he noted that these two labs have not contributed money in the last few years.

### **Library Media Services/Instructional Materials: Albuquerque Public Schools**

Mr. Omar Durant, Manager, Library Media Services, Instructional Materials, Albuquerque Public Schools (APS), thanked the LESC for its support of all New Mexico libraries through the Library General Obligation (GO) Bond initiatives.

Mr. Durant asked the LESC to again support the inclusion of academic public school and public libraries in the November 2008 statewide General Obligation Bond election. He said the ballot would ask voters to approve a \$40.0 million bond package which will fund the purchase of books and other materials, such as periodicals and electronic databases. He said the 2008 Libraries General Obligation Bond request breaks down as follows:

- \$18.0 million for academic libraries;
- \$10.0 million for publicly funded school libraries/juvenile detention libraries; and
- \$12.0 million for New Mexico public libraries.

Mr. Durant said that New Mexico Task Force for School Libraries also is asking for a \$3.0 million appropriation to the School Library Materials Fund, which was established by the Legislature in 2003. He said this appropriation would help in building and maintaining of an appropriate school collection and to purchase the equivalent of one library book per student per year at an average cost of \$18.78 per book for 326,083 students. Mr. Durant said this amount of funding, in conjunction with the \$1.5 million per year for the two-year life of the General Obligation Bond funds, will go a long way toward the \$6.0 million needed statewide for rebuilding the outdated core collection and maintaining the public school library materials collections.

### **Sundance Educational Consulting, Inc.**

Ms. Christine Becker, President, Sundance Educational Consulting, Inc., presented a proposal to the LESC titled “Raising Student Achievement with Standards-based Tracking.” She said the issue is that of student achievement levels in New Mexico schools. She said during school year 2006-2007, 94 percent of schools in the Gallup area did not make adequate yearly progress (AYP), 66 percent of schools in the Española Public Schools did not make AYP, and 51 percent of charter schools did not make AYP. Her proposal to the committee is to address the stated needs by providing a model program to three school sites in each of the identified school districts for school year 2008-2009 – Gallup-McKinley County Public Schools, Española Public Schools, and charter schools. She said this program is specifically designed to provide support to teachers in raising student achievement thereby assisting those schools to make AYP.

Ms. Becker said the program is the New Mexico Standards-based Student Progress Tracking System and was developed by New Mexico teachers for New Mexico teachers to assist in the monitoring of student progress in language arts and mathematics skills. The program serving as a model, Ms. Becker said, has been tested during school year 2004-2005 and school year 2005-2006 in three Bureau of Education (BIE) schools in New Mexico, all of which made AYP in school year 2005-2006. She said, data collected supports the fact that students whose teachers have used the tracking system gained an average of +25 points on the scaled score of the New Mexico Standards-based Assessment as compared to +16 points for those students whose teachers did not use the tracking system. Ms. Becker requested \$141,000 for the model program at three sites in each of the three targeted districts.

### **After-School Programs**

Mr. Michael Silva and Ms. Linda Jackson, representing the Rio Grande Education Collaborative, addressed the committee to raise awareness for after school programs. Ms. Jackson said that high quality after-school programming helps school districts in many ways. Academically, she said after-school programs help prepare children for the future and help keep students engaged and away from harmful situations. In addition, after-school programs help prepare children for the school day. To support the continuation of after-school programs for all New Mexico children, Mr. Silva said they have seen dramatic success in academic based programs. They know how important after-school programs are for children and so he would like to ask the Legislature to keep these programs on their radar screen when funding for kids. He said the Rio Grande Education Collaborative is a supplemental service provider for the *No Child Left Behind* (NCLB) tutoring. He said that all tutoring to meet NCLB requirements is grant related work and is not taxable.

## **Northern New Mexico Math and Science Academy (MSA)**

Dr. Lorenzo Gonzales, Math & Science Academy (MSA), Los Alamos National Laboratory, and Ms. Carol Brown, MSA, presented a report on the MSA Training Program to the committee at the request of Representative Ben Lujan, Speaker of the House. Referring to a Handout, "MSA Participants 2007-2008," Ms. Brown said five public school districts participated in the Northern New Mexico Math and Science Academy – Chama Valley Independent Schools, Española Public Schools, Mora Independent Schools, Pojoaque Valley Public Schools, and Taos Municipal Schools. She said the total number of teachers currently involved in the Master of Arts in Teaching Math and Science Program is 70. This program, she said, is a partnership program with New Mexico State University (NMSU), noting that 71 teachers have had one, two, or three years of MSA training and have moved from MSA districts, for a total number of 201 teachers who were impacted by the MSA Program from 2000 to 2007.

Ms. Brown provided information of students' proficiency scores in mathematics of two 6<sup>th</sup> and 8<sup>th</sup> grade MSA classrooms for 2005 to 2007. She explained that both classrooms made adequate yearly progress (AYP) in school year 2006-2007; however, Classroom B did not make AYP in school year 2005-2006. She said the teacher in Classroom A holds a Master's of Arts (non-math) and the teacher in Classroom B will complete a Master's of Arts in Teaching Math & Science in December 2007. She noted a steady increase in the percentage of students who are "proficient and above" between 2005 and 2007 for Classroom A, and a dramatic increase between school year 2006-2007 for Classroom B. In conclusion, Ms. Brown said MSA is not asking for money this year, but needs partners.

There being no further discussion and with the consensus of the committee, Representative Miera recessed the LESC meeting at 4:30 p.m.

### **MINUTES LESC MEETING NOVEMBER 16, 2007**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on November 16, 2007, at 9:07 a.m., State Capitol, Santa Fe, New Mexico.

The following LESC members were present:

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

The following LESC advisory members were present:

Representatives Ray Begaye, Nathan P. Cote, Mary Helen Garcia, Thomas A. Garcia, John A. Heaton, Rhonda S. King, Sheryl M. Williams Stapleton, Jim R. Trujillo, and Teresa A. Zanetti; and Senators Dianna J. Duran, Lynda M. Lovejoy, Mary Kay Papen, and John Pinto.

Also in attendance was Representative Andrew J. Barreras.

Representative Miera recognized Ms. Paula Tackett, Director, Legislative Council Service, who was invited to give an update to the committee on Senator Papen's bill (SB 189), which was flawed in the enrolling and engrossing process. A brief explanation of the bill was given by Senator Papen. She said the bill, as amended, had a very wide margin of passage. She said SB 189 related to charter schools conforming the nepotism provisions to those of school districts. She explained that since charter schools are considered public schools, the bill attempted to align the requirements of charter schools with the requirements of public schools. What happened when the bill went through the Senate is that an amendment was placed on the bill; the amendment was removed when it went to the House and then returned to the Senate for concurrence. The Senate concurred; however, when the bill was enrolled and engrossed, it did not reflect any of the action taken by both houses.

In response to a committee member's question of how often a mistake like this happens, Ms. Tackett said, "rarely."

Senator Papen requested that a letter be written to the Governor's Office to accept SB 189 as it happened and not as it was enrolled and engrossed.

### **LESC POTENTIAL LEGISLATION: 2008 LEGISLATIVE SESSION**

Referring committee members to the handout "Legislative Education Study Committee Potential Legislation, 2008 Legislative Session," Dr. D. Pauline Rindone, Director, LESC, said that, with approval of Chair Miera and Vice Chair Nava, LESC staff had developed recommendations for potential legislation for the 2008 legislative session based on the 2007 LESC Interim Workplan.

Representative Miera told the committee that this agenda item was not an action item, but only a determination whether each suggested issue will be drafted for committee consideration at the December meeting, at which time the committee will endorse legislation as well as determine sponsors.

The committee reviewed the proposed items and agreed that legislation be drafted for consideration at the December meeting for the following items:

#### **Data Warehouse**

1. Codify the requirements for a comprehensive P-20 data warehouse (Student Teacher Accountability Reporting System, or STARS) at the Public Education Department that collects, integrates, and reports data from PED, HED, and other agencies.

#### **Dual Credit**

2. Amend statute relating to the student eligibility criteria in the dual credit program (1) to include students at the state-supported schools; and (2) to allow students to take classes for dual credit during the summer term.

## **Early Childhood Education**

3. Send a letter to OEA requesting that the state's contract with the National Institute for Early Education Research (NIEER) require that the New Mexico PreK evaluation report include data disaggregated to permit comparison of programs approved by PED with those approved by CYFD.

## **Educator Quality**

4. Amend the Professional Development Framework to require an annual report from school districts and PED to the LESC and the LFC on all professional development activities from all funding sources, including a summary of evaluation results to ensure program accountability and alignment with state standards.
5. Introduce a memorial requesting that PED make the necessary modifications to the public school uniform chart of accounts to identify and track the costs of providing staff professional development and training.

*By consensus, the committee agreed that items 4 and 5 be combined into one bill.*

6. Introduce legislation to define the professional development dossier (PDD) as a requirement for advancement to Level 2 and to Level 3 in the three-tiered teacher licensure system and to require PED to exercise more oversight of the PDD process, including such components as the selection and training of PDD reviewers and the collection of licensing fees.
7. Amend statute to clarify that money in the Educator Licensure Fund is subject to the annual legislative appropriation process and that the money in the fund may be used to cover costs of licensing educators, including costs associated with evaluating and processing licensing applications and PDDs, conducting background checks, and enforcing educator ethics requirements.
8. Introduce a memorial requesting that LESC, OEA, PED, and HED, in collaboration with institutions of higher education and school districts, develop a plan to enhance the recruitment, preparation, mentoring, evaluation, professional development and support for school principals and other school leaders in order to ensure an adequate supply of effective school leaders.

## **FAMILY AND YOUTH RESOURCE ACT**

9. Amend the *Family and Youth Resource Act* to include a provision to enable a school with a PED-approved program to continue to receive funding regardless of fluctuations in its poverty level, and appropriate additional funds to expand the program.

## **LIBRARY GENERAL OBLIGATION BONDS**

10. Introduce legislation to issue General Obligation Bonds for New Mexico public libraries, public school libraries, other academic libraries, and local juvenile detention facilities statewide to purchase books and other materials (requires voter approval).

## **LITERACY**

11. Appropriate funds to PED to support the Middle and High School Literacy Initiative created in statute in 2007 to provide scientifically based programs to improve reading proficiency of public school students in grades 6 through 12.

## **P-20 INITIATIVE**

12. Introduce legislation to require PED and HED to collaborate and coordinate with higher education and public school personnel and others to develop a system of student advisement in grade 6 through postsecondary education.

*By consensus, the committee agreed that the system of advisement required in the bill should be based on the Next Step Plan process.*

13. Introduce legislation to require public postsecondary institutions to report annually to public high schools on their students regarding freshman year outcomes, including remedial courses taken, total credits earned, grade point averages, and retention from first to second semester.

## **SPECIAL EDUCATION**

14. Amend statute to define the terms “related services” and “related service [ancillary] personnel” in order to clarify which services and personnel may be counted for funding through the Public School Funding Formula by school districts and charter schools.
15. Introduce a memorial requesting PED to report progress to the LESC on the implementation of New Mexico’s Response to Intervention process and dual discrepancy model in grades kindergarten through 3; PED’s deadline for implementation by the public schools is July 1, 2009.
16. Introduce legislation to add a new section relating to the placement of a student in a residential treatment center (RTC) to:
  - a. define “residency” for the purposes of assigning responsibility for the provision of educational services and for the costs of a student residing in an RTC;
  - b. require PED to enter into interagency and interstate agreements for the placement of students in an RTC to ensure consistent standards and procedures statewide; and
  - c. require PED to adopt a rule governing a student residing in an RTC for the purpose of allocating public school funds from the student’s home district or obtaining reimbursement from a student’s home state and for collecting reliable data into STARS.

## **Other Issues Pending Recommendations of the:**

17. Funding Formula Task Force.
18. Truancy Work Group.

## **OTHER REQUESTED LEGISLATION**

In addition to the proposed potential legislation presented, LESC members requested that legislation be drafted for the following items:

19. Representative Stewart requested legislation to authorize the creation of a state-chartered, statewide residential high school for the arts.
  
20. Representative Begaye requested legislation to improve postsecondary educational opportunities for American Indian students by creating a new division within HED; creating a non-reverting American Indian Postsecondary Education Fund; and appropriating funds from the General Fund to HED.

## **ADJOURNMENT**

There being no further business, and with the consensus of the committee, Representative Miera adjourned the LESC meeting at 10:45 a.m.

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Date