

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

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D. Pauline Rindone, Ph.D., Director
Frances R. Maestas, Deputy Director

MINUTES
LESC MEETING
MONDAY, JANUARY 15, 2007

Senator Cynthia Nava, Chair, called the Legislative Education Study Committee (LESC) meeting to order on January 15, 2007, at 12:20 p.m., State Capitol, Room 317, Santa Fe, New Mexico.

The following LESC members were present:

Senators Cynthia Nava, Chair, Gay G. Kernan, Mary Kay Papen, and William E. Sharer; and Representatives Rick Miera, Vice Chair, Joni Marie Gutierrez, Dianne Miller Hamilton, Mimi Stewart, Thomas E. Swisstack, and W.C. "Dub" Williams.

The following LESC advisory members were present:

Senators Vernon D. Asbill, Mark Boitano, Carlos R. Cisneros, Mary Jane M. Garcia, and John Pinto; and Representatives Ray Begaye, Roberto "Bobby" J. Gonzales, Jimmie C. Hall, John A. Heaton, Sheryl M. Williams Stapleton, and Richard D. Vigil.

<> Approval of Agenda

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

PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE

Senator Nava recognized Ms. Paula Tackett, Director, Legislative Council Service (LCS), for an overview of the recommendations of the Public School Capital Outlay Oversight Task Force (PSCOOTF) for consideration by the 2007 Legislature. Ms. Tackett noted that Mr. Gary Carlson, LCS staff member and drafter of the PSCOOTF-endorsed legislation, was also in attendance for committee discussion and questions.

As background, Ms. Tackett reported that the 2005 Legislature amended the *Public School Capital Outlay Act* to establish the PSCOOTF as a permanent oversight task force to continue to build upon the progress made by similar task forces during previous years. The duties of the PSCOOTF, she stated, are to monitor the overall progress of bringing all public schools up to the statewide adequacy standards; to monitor the progress and effectiveness of the public school

capital outlay program; to monitor the existing permanent revenue streams to ensure that they continue to provide adequate funding; and to oversee the work of the Public School Capital Outlay Council (PSCOC) and the Public School Facilities Authority (PSFA). In addition, Ms. Tackett noted, the PSCOOTF was required to appoint an advisory committee to study the feasibility of implementing a long-range planning process to facilitate interaction between charter schools and their respective school districts on issues relating to facility needs.

While on the subject of charter schools, Ms. Tackett reported that in the 2006 interim the PSCOOTF formed a charter schools subcommittee to comply with charter school legislation enacted in 2006 that required the PSCOOTF, in consultation with the PSCOC, the Public Education Department (PED), and the PSFA, to study provisions in statute governing the funding of charter school capital outlay facilities, transportation costs, and other capital outlay issues concerning charter schools. She reported that, through a series of three interim meetings, the subcommittee heard testimony from a wide variety of presenters, discussed numerous aspects of the capital and transportation needs of charter schools, and reviewed a number of bill drafts.

Ms. Tackett outlined the PSCOOTF recommendations for the 2007 legislative session by reviewing the major provisions addressed in six separate pieces of legislation. She indicated, however, that the majority of the recommendations are contained in one comprehensive “omnibus” bill which, among its provisions, amends several sections of current law to:

- exempt school construction projects costing \$200,000, or less, from approval by the PSFA;
- allow offsets from future project awards for direct legislative appropriations to be reduced by 50 percent if the appropriation is for a project that ranks in the top 150 projects statewide;
- allow grant assistance for school districts to purchase privately owned facilities that are already in use by the district under certain conditions;
- provide, under certain conditions, a mechanism for projects to be funded above the statewide adequacy standards for districts that otherwise would not have the local resources to exceed the adequacy standards;
- increase the lease payment allocation to school districts and charter schools from \$600 to \$700 per MEM and allow lease payment assistance funds to be used to finance lease-purchase agreements;
- extend the deadlines for correcting infrastructure deficiencies in public schools statewide;
- increase the state guarantee in the *Public School Capital Improvements Act* (2.0 mill levy) from \$60 to \$70 per unit per mill;
- allow a local school board to request authorization from district voters for an additional one mill levy for a term not to exceed six years;
- extend the maximum allowable time for imposition of a tax from five to six years; and
- allow HB 33 revenues to be used for facility maintenance and project maintenance software, project oversight and district personnel.

For charter schools, Ms. Tackett explained, the “omnibus” bill included provisions to:

- require the state share of a state-chartered charter school to be the same as that of the school district in which the state-chartered school is located;
- require that the offset calculation of a school district exclude appropriations for non-operating purposes to a state-chartered charter school under certain conditions;
- allow a school district to lease available space to a charter school under certain conditions;
- require, upon the termination of the charter of a state-chartered charter school, that a facility financed from general obligation bonds issued by the local board revert to the local board rather than the state;

- allow for the approval or renewal of a charter school that is housed in a building that meets PSCOC adequacy standards and is being leased under a lease-purchase arrangement;
- allow charter schools to be recipients of revenue produced through ad valorem tax levies;
- require future resolutions for a tax imposition submitted to qualified voters by a district to contain the capital needs of locally chartered and state-chartered charter schools located within a district and extend from five years to six years the maximum allowable time for imposition of a tax by a district; and
- require that, the proportionate revenue for a charter school from a property tax be distributed directly to a charter school and be determined based on the enrollment of the charter school to the total district enrollment under certain conditions.

The remaining legislation containing the PSCOOTF recommendations, Ms. Tackett noted, includes:

- an appropriation bill to:
 - correct serious deficiencies in educational technology and replace obsolete computers in public schools statewide;
 - fund the PSCOC roof repair and replacement initiative for an additional three years;
 - purchase and install portable facilities to be lent to school districts with a demonstrable need; and
 - correct deficiencies at the New Mexico School for the Blind and Visually Impaired and the New Mexico School for the Deaf;
- a “public school facility opportunity fund” bill to establish a program and provide grant assistance to school districts that would not be able to afford school facilities that exceed the statewide adequacy standards;
- a “state-chartered charter schools capital funding bill” to establish a procedure for state-chartered charter schools to obtain funding for the local match required to receive PSCOC grant assistance;
- a bill to amend current provisions of the *Public School Code* to authorize and require local school boards to consider the needs of charter schools before they adopt a resolution proposing the issuance of bonds; and
- legislation to amend the *Procurement Code* to allow a “construction manager at risk” to serve as the general contractor for a project and also provide preconstruction services and construction management.

Because drafted copies of the bills were not available, the committee did not endorse any particular piece of legislation; however, the committee did express its support of the work of the PSCOOTF.

Committee Discussion:

In response to a committee member’s question whether a state-chartered charter school is considered a local education agency (LEA), Ms. Tackett stated that, because a state-chartered charter school would have its own board of finance, it would be considered a separate LEA.

In response to a committee member’s concern about conflicts that could arise between the state-chartered charter schools and LEAs because they will be considered separate entities yet share tax bond proceeds, Ms. Tackett stated that provisions in the “omnibus” bill would require future resolutions for a tax imposition submitted by a district to qualified voters to outline the capital needs of the district and of the locally chartered and state-chartered charter schools located within the district.

In response to a committee member's question whether provisions in the public school facility opportunity bill would raise property taxes, Ms. Tackett indicated that an increase in property tax was not among the revenue sources for the fund. She explained that the bill provides four funding sources for the Public School Facility Opportunity Fund: (1) the distribution of a gross receipts tax revenue equal to 2.0 percent of the taxable receipts attributable to public school construction statewide; (2) an allocation at the end of each of the next five fiscal years of one-half of unexpended agency and fund balances that would otherwise revert to the General Fund; (3) an amendment of the capital projects acts of 2003 through 2006 to direct unspent capital projects appropriations that would otherwise revert to the General Fund; and (4) a transfer of 2.0 percent of all direct legislative appropriations for school construction.

In response to a committee member's question relating to the sources of funding for the state-chartered charter schools capital funding bill, Mr. Carlson reported that the bill authorizes the New Mexico Finance Authority to issue a maximum of \$20.0 million in charter school bonds and includes four sources of funding to pay off the bonds: (1) the proportionate state distribution under the *Public School Capital Improvements Act* (SB 9) attributable to the student membership in the state-chartered charter school; (2) the portion of proceeds from all future SB 9 mill levies attributable to the student membership of the state-chartered charter school; (3) authorization for an additional SB 9 mill, with voter approval, with the proportionate amount attributable to the student membership in the state-chartered charter school; and (4) gross receipts revenue for any remaining amount of debt not covered by the three previous sources.

EDUCATION-RELATED ISSUES FOR THE 2007 LEGISLATIVE SESSION

a. Additional Public School Support Recommendations

Directing the committee's attention to the table in their folders, Dr. Rindone briefly reviewed the FY 08 public school support recommendations that the committee had approved in December. She noted that a number of the initial cost estimates had been updated based on new data, including the amount needed to cover the .75 percent increase in the employer's contribution to the Educational Retirement Board (from approximately \$13.7 million to approximately \$14.5 million) and the amount needed to fund the first year of a four year phase-in for elementary physical education (from approximately \$6.6 million to \$8.0 million).

Dr. Rindone noted that, in addition to the revised estimates, the following items remained for consideration by the committee:

1. funding for an additional 0.1 percent increase in the employer's contribution to the Educational Retirement Fund (ERF) for FY 08 (Noting that all of their estimates had been based on a projected salary increase of 5.0 percent, actuaries for the Educational Retirement Board stated in a letter to the Board's acting director that there would be a need for an additional contribution to the Fund if the 7.0 percent salary increase recommended by the LESC was implemented by the Legislature.);
2. funding to transport Kindergarten Plus students during the extended, or "Plus," portion of the school year (\$336,600);
3. increased funding for the Teacher Professional Development Fund (from \$2.5 million as approved in December to a proposed \$3.5 million);

4. funding for the New Mexico Cyber Academy/IDEAL totaling \$10.75 million (\$800,000 to the Public Education Department (PED) and \$9.95 million to the Higher Education Department [HED]);
5. additional funding for college and workplace readiness and high school redesign initiatives totaling approximately \$22.5 million (\$75,000 to LESC for participation in the American Diploma Project; \$12.6 million to PED for the Middle and High School Literacy Initiative/Public School Reading Proficiency Fund and for Professional Development Release Time; and \$9.85 million to HED for various programs, including Career Cluster curricula development, marketing and outreach, and teacher preparation field experience); and
6. funding to implement data sharing between PED and HED based on a common student identification numbering system totaling nearly \$1.4 million (\$680,000 to PED and \$680,000 to HED).

Committee Discussion:

Chairman Nava's request that \$400,000 to PED be added to the proposed funding for the New Mexico Cyber Academy/IDEAL for support for school districts was adopted by consensus of the committee.

Noting the success of the current Kindergarten Plus Program, which extends the kindergarten year by 40 additional days for participating students, Representative Stewart suggested that the school year be increased by three days for all children. After some discussion, the committee agreed that the addition of five instructional days would provide an even greater opportunity for increased student achievement. On a motion by Representative Stewart, seconded by Representative Gutierrez and with a roll call vote requested and taken, the committee voted unanimously (with Representative Miera absent for this vote) to endorse legislation that would increase the school year by an additional five instructional days.

On a motion by Representative Stewart, seconded by Representative Gutierrez, the committee voted unanimously that the recommended funding for Kindergarten-3 Plus be increased from the \$2.0 million approved at the December 2006 LESC meeting to \$8.0 million.

On a motion by Representative Stewart, seconded by Representative Swisstack, the committee voted unanimously to approve the revisions to the public school support recommendations for FY 08 as outlined by Dr. Rindone and further amended by the committee with the exception of funding for an additional 0.1 percent increase in the employer's contribution to the ERF.

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

Dr. Rindone directed the committee's attention to a packet of potential legislation for approval. She stated that, at the December 2006 LESC meeting, the committee voted to endorse draft legislation presented at the meeting, which was now contained in its final form in committee members' folders. She said that at the December meeting the committee requested draft legislation on additional items, and she directed the members' attention to the packet that contained these items.

The committee discussed the following proposed items. The result of committee deliberations and the sponsors for each piece of legislation are noted in italics:

19. **Assessment and Accountability Act Clean-up:** Amend the act to:
- a. distinguish a student's academic proficiency from the adequate yearly progress (AYP) required of schools and school districts; make the school improvement cycle in state law correspond to that in the federal No Child Left Behind (NCLB), both in rankings and in sequential actions; and require a one-year delay in the movement to the next level of the school improvement cycle of a school that makes AYP in the second year of its present ranking; (clean-up)
 - b. allow a public school the option to reopen as a charter school for purposes of school restructuring, as provided in state law and NCLB; and
 - c. require PED to include gender among the demographic categories by which it disaggregates and reports student achievement data. (*Sponsor: Representative Stewart*)

Dr. Rindone explained that items 20 through 30 on the subject of College and Workplace Readiness and High School Redesign were contained in one bill. (*Sponsors: Senator Nava and Representatives Miera and Stapleton*)

20. **American Diploma Project:** Appropriate funds to the LESC to participate in the American Diploma Project Network process to align high school curriculum standards with entry-level college and workplace standards.
21. **Assessments:** Introduce legislation to require PED to review and assess the New Mexico Standards Based Assessment Program and implement the following statutory changes:
- a. eliminate the current New Mexico High School Competency Exam as a graduation requirement and phase in by school year 2010-2011 a new requirement to be administered in grade 11 that includes embedded college readiness indicators; and
 - b. eliminate administration of the current grade 9 standards-based assessment and replace it with a college/workplace readiness assessment system no later than school year 2008-2009. In selecting college/workplace readiness exams, PED shall ensure that they are aligned with state academic standards and postsecondary placement tests.
22. **Career Clusters and P-20 Initiatives:** Appropriate funds:
- a. to HED to partner with PED, the Office of Workforce Training and Development (OWTD), representatives of business, and others, to conduct a marketing and outreach campaign that targets New Mexicans of all ages to create a sense of urgency about completing high school and pursuing postsecondary educational opportunities, emphasizing career clusters;
 - b. to HED to partner with PED, OWTD, trade organizations, and public schools, to develop curricula to support cluster programs in critical areas of unmet need, including agriculture, so that the educational system at the secondary and postsecondary level can respond with meaningful programs to prepare job seekers with necessary skills;
 - c. to HED to partner with the Department of Labor and OWTD to adopt or develop a workforce forecast model that matches projected future worker demand with potential job seekers from educational programs and other sources, grouped by occupation, skill, career cluster, and education, and that results in an internet-based career information delivery system for use by planners, students, counselors, and job seekers;

- d. to HED to partner with the Children, Youth and Families Department and OWTD for a demonstration project to develop and pilot life-skills training for 18- to 21-year-olds who have “aged” out of the foster care system;
 - e. to HED to partner with OWTD for a one-time career readiness certificate demonstration project based on skill areas to pay for student assessment and remedial training; the project will become self-sustaining after year one; and
 - f. to New Mexico State University School of Hotel, Restaurant and Tourism Management to conduct a statewide certification program in culinary arts education for high school students.
23. **Career and Technical Education:** Send a letter requesting consideration by the Public School Funding Formula Task Force to include a factor for career and technical education in the Public School Funding Formula to ensure that programs designed to prepare students for employment as skilled workers in trades in New Mexico are adequately funded.
24. **Graduation Requirements:** Introduce legislation to create the New Mexico Diploma of Excellence, which shall be required for graduation for all students who enter grade 9 beginning in school year 2009-2010, unless a student has written parental permission to earn a less rigorous diploma. The Diploma of Excellence shall require 24 units for graduation, which will: increase mathematics by one unit to include Algebra II; increase science laboratory components from one to two; require two units in a language other than English; and reduce electives from seven and one-half to five and one-half. Implementation of these requirements is dependent on availability of funds.
25. **Higher Education Student ID:** Appropriate funds and amend statute to require HED, in collaboration with public postsecondary institutions, to use a prescribed student identification number for students enrolled in public postsecondary education, add an identifier for those students who enter a teacher preparation program, and require HED to report student data into PED’s student teacher accountability reporting system.
26. **High School Diploma Options:** Introduce legislation to require that, beginning with school year 2008-2009, each school district shall offer, and students shall be required to take, at least one of the following options for expanded courses of study: advanced college placement courses; courses for dual credit offered in cooperation with institutions of higher education; or distance learning courses.
27. **Road to Advanced Placement (AP):**
- a. **Algebra I in Grade 8:** Amend current law to require public schools to offer Algebra I in grade 8 beginning in school year 2008-2009;
 - b. **Middle and High School Literacy Initiative:** Amend statute to create a statewide middle and high school literacy initiative that makes competitive awards to public schools and school districts for implementation of plans that include scientifically based literacy programs that encourage nonfiction writing, teacher professional development, instruction driven by assessment, and a strong program evaluation component. In addition, amend and appropriate funds to the reading proficiency fund for middle and high school reading initiatives; and

- c. **Core Curriculum Framework:** Amend current law and appropriate funds to the Board of Regents of Eastern New Mexico University to establish a core curriculum framework that supports the selection, or development, and implementation of a challenging, sequential curriculum at the K-6 level in public schools to prepare all students for pre-AP and AP courses in grades 7-12.
28. **Teacher Mentorship Program:** Amend the teacher mentorship provision of the *School Personnel Act* to:
- a. require PED to distribute funds for the beginning teacher mentorship program to school districts annually on a per-teacher basis according to the number of beginning teachers on the 40th day of the current year; and
 - b. require each teacher preparation program and each college of arts and sciences to collaborate with high schools to develop a model to provide mentorship services with structured supervision and feedback to each of their graduates who have obtained a teaching position in a public high school, including charter schools; to develop cost estimates; and, by November 1, 2007, to provide the LESC with any recommendations necessary to implement the model.
29. **Teacher Preparation Programs:**
- a. **Teacher Preparation Field Experience:** Amend statute and make an appropriation to increase early field experiences as an educational requirement for teacher licensure to improve the classroom experience of teacher candidates prior to student teaching; to provide training to improve the supervision of cooperating teachers and their administrators; and to establish a model of shared responsibility between the teacher preparation programs and the public schools;
 - b. **Teacher Preparation Data Systems:** Require HED to work with teacher preparation programs and their institutions to maintain a uniform statewide integrated teacher data system to track teacher candidates from pre-entry to post-graduation to benchmark the productivity and accountability of New Mexico's teacher workforce;
 - c. **Scholarships for Student Teaching:** Appropriate funds to HED to establish a need-based scholarship program for students during the student-teaching semester so that more students will complete their field experience; and
 - d. **Alternative Licensure for Specialized Instructors:** Amend the alternative licensure statute to streamline the licensure process to facilitate the licensure of individuals with backgrounds in math, science, and technical fields but no teaching experience who could be hired by school districts to provide expertise in subject areas where shortages exist.
30. **Teacher Professional Development:**
- a. **Professional Development Release Time:** Appropriate funds to PED to provide release time for targeted, site-based teacher professional development to address high-priority needs identified in school districts' and schools' Educational Plans for Student Success and teachers' Professional Development Plans; and
 - b. **School Leadership Turnaround Specialists:** Appropriate funds to PED to train school principals and staff teams to be executive turnaround specialists with expertise in best practices to improve student performance and reduce achievement gaps in low-performing schools.

Charter School Employment Provisions: Amend the *Charter Schools Act* to align the provisions on nepotism and the hiring and firing of employees with those provisions applicable to regular public schools and school districts. (*Sponsor: Senator Papen*)

31. **Dual Credit:** Introduce legislation to define “dual credit” and to establish a uniform method of funding dual credit courses to provide high school students an opportunity to earn college credit prior to high school graduation. (*Sponsor: Senator Nava*)
32. **K-3 Plus:** Introduce legislation and appropriate funds to create the K-3 Plus Pilot Project to provide extended time in kindergarten through grade 3 for students in high-poverty public schools to narrow the achievement gap between disadvantaged students and other students, increase cognitive skills, and lead to higher test scores for all participants. (*Sponsor: Representative Stewart*)
33. **Elementary School Physical Education:** Require that all students in grades K-6 in elementary schools receive physical education each week, to be phased in over a four-year period. (*Sponsors: Senator García and Representative Gutierrez*)
34. **ENLACE:** Appropriate funds to the University of New Mexico (UNM) Board of Regents, the New Mexico State University (NMSU) Board of Regents, and HED (for Santa Fe Community College) for FY 08 to support ENLACE to increase minority participation in higher education. (*Sponsors: Senator Nava and Representative Miera*)
35. **Higher Education Department Act:** Amend the *Higher Education Department Act* to reorganize HED into eight divisions to address the needs of the diverse categories of postsecondary institutions. (*Sponsors: Senator Nava and Representative Heaton*)
36. **Journeys in Film:** Appropriate funds to contract for a program to develop and implement an interdisciplinary global education curriculum focused on 21st Century skills and knowledge for middle school students statewide. (*Sponsors: Senator Nava and Representative Stewart*)
37. **Parenting and School Readiness:** Appropriate funds for a parent involvement and school readiness pilot program for families of children (birth to age three) to teach parents to be full partners in their children’s education. (*Sponsors: Senators Nava and García*)
38. **New Mexico Cyber Academy:** Introduce legislation to create the New Mexico Cyber Academy to function as a collaborative program among PED, HED, the Council for Higher Education Computing Services (CHECS), and the New Mexico Learning Network to provide PED-approved courses for grades 6 through 12 and professional development for teachers, instructional support providers, and school administrators; and make the following appropriations to:
 - a. HED from the Computer Systems Enhancement Fund for infrastructure for a sustainable statewide support system for distance learning in New Mexico;
 - b. HED for program costs associated with the Statewide Cyber Academy, including program administration, information technology services, and maintenance costs;
 - c. PED for program costs associated with the Statewide Cyber Academy, including program administration, professional development, curriculum development, and operating costs;

- d. PED for allocation to Regional Education Cooperatives (RECs) 3, 8, and 9 for a distance learning network to exchange courses and teaching services among their member school districts; and
- e. PED for allocation to Rio Rancho Public Schools for the Rio Rancho Cyber Academy for operations and expansion of course offerings. (*Sponsors: Senator Nava and Representative Miera*)

Senator Nava asked the committee members if they had additional questions or concerns.

Following a review of the list, members of the committee proposed that the LESC also endorse legislation for the following purposes:

Representative Heaton suggested that since the committee had endorsed funding for five additional instructional days in the school year, that a bill be drafted to amend the Public School Finance Act and other sections of law and appropriate funds to increase the minimum number of full instructional days by five, from 180 (or the equivalent) to 185 (or the equivalent), beginning in school year 2007-2008. (Sponsors: Representative Heaton and Senator Nava)

Representative Begaye suggested that the committee support legislation endorsed by the Indian Affairs Committee as follows:

39. Indian Education:

- a. amend the *Indian Education Act* to strengthen its provisions;
- b. appropriate funds for a Native American youth-led peer-to-peer suicide prevention program;
- c. support legislation endorsed by the Indian Affairs Committee appropriating funds to the Department of Health in coordination with the UNM Health Sciences Center to provide increased hours of service by and culturally appropriate training for mental health care providers in school-based health centers at schools with a high proportion of Native American students; and
- d. support the concept to create the American Indian Postsecondary Education Division within HED, to provide for the appointment of a director, to prescribe the duties of the division, to create the American Indian Postsecondary Education Fund, and make appropriations to the fund and HED for operations.

Senator Nava suggested that the committee support the work of the Public School Capital Outlay Oversight Task Force (PSCOOTF), as follows:

40. Charter School Facilities: Pending recommendations of the PSCOOTF; and

41. Public School Capital Outlay Amendments: Pending recommendations of the PSCOOTF.

On a motion by Representative Stewart, seconded by Representative Gutierrez, the committee voted 9 to 1 to endorse or support items 1 through 39 above and the additional items suggested by committee members and to approve proposed sponsors, with Senator Sharer voting in the negative. In explaining his vote, Senator Sharer stated his concern that the comprehensive high school redesign bill should not be in the form of one large bill but be divided into several smaller bills. Senator Kernan indicated the same concern, but voted in favor of the motion.

Senator Nava reminded the committee of a recommendation made at the December 2006 LESC meeting that was deferred pending an audit report of the RECs by the Legislative Finance Committee (LFC), for an appropriation to PED for the purpose of making distributions at the beginning of the fiscal year to RECs for basic operating costs.

At the request of the committee, an interim report on the audit was given by two LFC staff members – Mr. Manu Patel, Deputy Director for Audits, and Mr. Robert Griego, Auditor. Mr. Griego stated that, based on preliminary work, the LFC could confirm that some of the RECs did have a cash flow problem resulting from the federal requirement that districts be reimbursed rather than receive advance funding for expenditures and because of delays in the ability of PED to reimburse the RECs in a timely manner. He suggested that instead of appropriating General Fund revenue on a recurring basis for REC operations, the Legislature consider establishing a revolving fund of approximately \$1.5 million to be used by the RECs for initial fiscal year expenditures and to which they would reimburse the funds upon receipt of federal payments.

Several committee members expressed their concerns about the financial needs of the RECs. Senator Nava asked Mr. Patel to report the final audit findings of the LFC to the House and Senate education committees as soon as possible so that the committees could make appropriate recommendations concerning the following pending item:

42. **Regional Education Cooperatives:** Pending LFC audit results, appropriate funds to PED for the purpose of making distributions to authorized RECs for basic operating costs associated with providing critical direct services to their member school districts at the beginning of the year.

Senator Papen informed the committee of a proposal regarding graduation requirements that she had received from a principal in Las Cruces: that, in order to receive credit for courses taken, students must attend classes at least 90 percent of the time, with the provision that local school boards may identify certain extenuating circumstances such as illness and extracurricular activities. Committee discussion of the proposal raised a number of points, among them: that the proposal addresses both graduation requirements and truancy and attendance issues from a different perspective; that an attendance rate of 90 percent, which would allow a student to miss 18 days in a 180-day school year, may be too low; that state law already requires district-level interventions for a lesser number of absences; that NCLB requires a participation rate of 95 percent on standards-based assessments for determining AYP; and that any attendance-related credit requirement should accommodate credit recovery programs for students who return to school. As there was no bill draft to review, Senator Nava suggested that the committee go on record as having discussed and endorsed the concept.

c. Approval of Draft LESC Report to the 1st Session of the 48th Legislature, 2007

Upon a motion by Representative Stewart, seconded by Representative Gutierrez, the committee unanimously approved the draft of the LESC Report to the 1st Session of the 48th Legislature, 2007, with allowances for staff changes as necessary.

DIRECTOR'S REPORT

a. Approval of LESC Minutes for November 2006

Upon a motion by Representative Stewart, seconded by Senator Papen, the committee unanimously approved the November 2006 LESC Minutes.

b. Approval of LESC Financial Reports for July 2006 through September 2006

Upon a motion by Senator Papen, seconded by Representative Gutierrez, the committee unanimously approved the LESC Financial Reports for July 2006 through September 2006.

c. Correspondence

Dr. Rindone referred the committee to two correspondence items included in the committee notebooks: (1) an opinion of the Attorney General regarding the constitutionality of applying admissions criteria in the establishment of a statewide high school for the arts; and (2) a letter from the New Mexico Independent Community Colleges in support of Innovative Digital Education and Learning (IDEAL) initiatives in New Mexico. Regarding the first item of correspondence, Dr. Rindone explained that the Attorney General opinion was requested by the sponsor of the 2006 legislation, and that, the Attorney General concluded that the Legislature has the authority to create such a school applying admissions criteria without amending the state constitution. This opinion resolves one of the fundamental questions surrounding the proposal for a statewide residential high school for the arts.

ADJOURNMENT

There being no further business, and with the consensus of the committee, Senator Nava adjourned the LESC meeting at 2:45 p.m.

_____ Chairperson

_____ Date