

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

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Roberto "Bobby" J. Gonzales  
Jimmie C. Hall  
Mimi Stewart  
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**ADVISORY**

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John Pinto  
William E. Sharer

**MINUTES**  
**LESC MEETING**  
**June 9-11, 2008**

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

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Monday, June 9, 2008 at 9:16 a.m., John Milne Community Board Room, Albuquerque, New Mexico.

The following LESC members were present:

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

The following LESC advisory members were present:

Representatives Andrew J. Barreras, Ray Begaye, Nora Espinoza, Mary Helen Garcia, John A. Heaton, Sheryl M. Williams Stapleton, Jim R. Trujillo, and Teresa A. Zanetti; and Senators Dianna J. Duran, Lynda M. Lovejoy, Howie C. Morales, and William E. Sharer.

Also in attendance was Representative Richard D. Vigil.

◇ **Approval of Agenda**

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

◇ **Welcome and Introductions**

Chairman Miera recognized the following individuals who welcomed the committee to Albuquerque: Ms. Mary Lee Martin, President, Albuquerque Public Schools Board (APS), and Mr. Eddie Soto, Associate Superintendent for Secondary Education, APS, who represented both Mr. Winston Brooks, the newly appointed Superintendent, and Ms. Linda Sink, the Interim Superintendent, who were not in attendance. Ms. Martin introduced local board secretary, Ms. Dolores Griego, and Mr. Soto introduced the APS leadership team. Also welcoming the committee was Dr. Viola E. Florez, Interim Provost and Executive Vice President for Academic Affairs, University of New Mexico.

## PROPOSED PUBLIC SCHOOL FUNDING FORMULA CALCULATIONS

### *a. Review of Group 3 Calculations*

Dr. Kathleen Forrer, LESC staff, explained that, for the 2008 interim, all 89 school districts, plus a representative group of 14 charter schools, have been invited to work with the LESC to examine the potential impact on school district programs and student achievement of the new public school funding formula that was proposed during the 2008 legislative session. She stated that, in order to facilitate this effort, the districts have been grouped according to student membership and scheduled to attend one of six LESC interim meetings. However, she indicated, in an effort to secure broad representation, the charter schools were chosen in conjunction with the New Mexico Coalition for Charter Schools on the basis of their geographic location and grade-level configuration (elementary, middle, and high school).

Noting that three groups of districts, as well as the group of charter schools, would be discussing the proposed funding formula with the committee during the current meeting in Albuquerque, Dr. Forrer directed the committee's attention to documents behind tab 1 in their notebooks. She explained that, in addition to a mock-up of the 2008 legislation provided by the Legislative Council Service (LCS), there was a table indicating where all of the data used in the district and charter school calculators had been derived and two graphic representations: one comparing the current public school funding formula with the proposed funding formula for school districts; and the other indicating the differences between the proposed funding formula for school districts and the proposed funding formula for charter schools. In addition, she said, there were four sets of documents, one for each group presenting, and that each set included a summary spreadsheet comparing the potential fiscal impact of the proposed funding formula on all of the districts or charter schools in a particular group; copies of the individual calculators for the districts or charter schools in that group; and a copy of the letter sent to the districts and charter schools prior to the meeting both inviting them to participate and posing questions to which they had been asked to respond as a means of facilitating the discussions.

Noting that the charter schools were scheduled to make their presentation on Tuesday morning, Dr. Forrer stated that all three groups of school districts scheduled for the current LESC meeting would present to the committee on Monday. The groups were:

Group 3		Group 2		Group 1	
District	Enrollment	District	Enrollment	District	Enrollment
Corona	89.5	Belen	4,764.0	Albuquerque	87,226.5
Jemez Valley	315.5	Bernalillo	3,189.5	Los Lunas	8,623.0
Magdalena	436.0	Estancia	1,017.0	Rio Rancho	14,828.0
Mountainair	351.5	Moriarty	3,811.5		
Quemado	188.0	Socorro	1,757.0		

Prior to each presentation by the school districts, Dr. Forrer reviewed with the committee the summary spreadsheet, which was based on the individual calculators for each district in that group. Noting that Group 3 included districts with budgeted enrollments for school year 2007-2008 ranging from a high of 436.0 in Magdalena to a low of 89.5 in Corona, she explained that the overall adjustment factor for this group of districts as a whole was high because the proposed funding formula reflects the fact that the per-student cost in a small school district is higher than

in a district with an enrollment closer to the statewide average of approximately 3,532. She added that the overall adjustment factor, which is a composite adjustment based on student need and district size, ranged from a high of 3.614 for Corona to a low of 2.352 for Magdalena. In addition, she pointed out that all five districts have a high poverty rate, ranging from 63 percent in Corona to 87.3 percent in Mountainair, which also serves to increase their overall adjustment factor. Dr. Forrer also indicated that, because the current public school funding formula does not always distribute sufficient funds to small districts, two of the five districts in Group 3 had been allowed by the Public Education Department (PED) to budget emergency supplemental funds for operational purposes in FY 08.

***b. Committee and Group 3 Discussion***

Speaking in support of the proposed public school funding formula, the school districts in Group 3 cited the following additions to current programs and services that they would like to implement, given sufficient funding:

- enough counselors and nurses to meet the needs of all students, not just special needs students (one superintendent noted that even in a small district, one person “can’t do it all”);
- a certified librarian;
- full implementation of Response to Intervention, which superintendents believe will reduce the need to place students in special education programs;
- a home-school liaison who speaks Navajo;
- programs for gifted students;
- maintenance or expansion of Reading First programs after the grant period ends;
- enhanced access to online courses for advanced academic subjects, such as trigonometry, and for additional electives; and
- specialists in reading and math, particularly at the elementary level.

The superintendents in Group 3 also indicated that the proposed funding formula, as they understood it, would enable them to operate their districts without relying on emergency supplemental funding. However, they also noted that, even with additional funding, attracting qualified math and science teachers to remote rural districts will remain difficult. And they explained the need for continuing support for the Regional Education Cooperatives, which provide services to rural areas, such as special education ancillary personnel, that would be difficult if not impossible for the districts to secure on their own.

***c. Review of Group 2 Calculations***

Dr. Forrer explained that Group 2 included school districts with budgeted enrollments for school year 2007-2008 ranging from a high of 4,764.0 in Belen to a low of 1,017.0 in Estancia. The larger enrollments in these districts, she noted, were reflected in somewhat lower overall adjustment factors, which ranged from a high of 1.901 in Estancia to a low of 1.525 in Moriarty. Dr. Forrer added that, although size is an important contributor to the magnitude of the overall adjustment factor, the indicators of need, particularly poverty, are also major contributors, as is a high share of high school enrollment. Thus, although Estancia has the lowest percentage of poverty among the five districts in the group (46.2 percent), the district has the highest proportion of students in high school (43.2 percent).

#### ***d. Committee and Group 2 Discussion***

In general, the school districts in Group 2 concentrated their remarks regarding the proposed funding formula on how they would expend any additional funds to improve and/or expand academic and support programs for students. Among the topics of discussion were:

- restoring both social worker and instructor positions;
- expanding the Reading First program to schools not meeting the federal requirements;
- adopting research-based instructional programs that address state standards;
- adding instructional resources, especially instructional coaches, including special education coaches;
- expanding vocational and alternative programs that keep high school students engaged in learning;
- embedding math and reading in the vocational program;
- expanding and improving technology;
- providing job-embedded professional development that teaches teachers how to differentiate instruction to accommodate student diversity;
- providing additional teacher-student contact time;
- adding specialists in art and music;
- providing more family support, including counselors and social workers;
- expanding elementary physical education programs to include more students;
- adding instructional days and lengthening instructional days;
- expanding dual credit opportunities;
- adding after-school programs; and
- expanding programs for gifted students.

#### ***e. Review of Group 1 Calculations***

Dr. Forrer stated that Group 1 included the largest district in the state, Albuquerque Public Schools (APS), with a 2007-2008 budgeted enrollment of 87,226.5. Although the other two districts in this group are large by New Mexico standards, their budgeted enrollments are well below that of Albuquerque: 14,828.0 for Rio Rancho and 8,623.0 for Los Lunas. Dr. Forrer explained that, although the overall adjustment factors for these districts reflected the increase in size, they also reflected differences in need, particularly with regard to the percentage of English language learners (ELL), ranging from a high of 16.3 percent in Albuquerque to a low of 4.7 percent in Rio Rancho; and with regard to mobility, ranging from a high of 36.6 percent in Albuquerque to a low of 18.3 percent in Los Lunas, with Rio Rancho at 20.5 percent. In addition, Dr. Forrer said, American Institutes for Research (AIR), the contractor on the funding formula study, had found that, although large districts evidence economies of scale greater than do small and mid-size districts, the trend is slightly reversed for a very large district. Thus, of the three districts in Group 1, Albuquerque has the highest overall adjustment factor of 1.505, and Rio Rancho has the lowest overall adjustment factor of 1.359.

#### ***f. Committee and Group 1 Discussion***

Representing APS, Ms. Gina Hickman, Chief Financial Officer, and Mr. Eddie Soto, Associate Superintendent for High Schools, explained that the district is in transition and that a new superintendent, Mr. Winston Brooks, has just assumed his duties. Chairman Miera suggested that the district's presentation be rescheduled at a later date to allow Mr. Brooks time to become familiar with both the current and proposed funding formulas.

Speaking in favor of the proposed funding formula, the remaining two districts in Group 1, Rio Rancho and Los Lunas, stressed how they would use any additional funds to meet students needs, including:

- continuing to implement successful programs for which federal and state grants will no longer be available;
- adding more instructional coaches and content specialists;
- providing additional enrichment programs;
- providing summer programs for students who need extra academic support;
- expanding AVID (Advancement Via Individual Determination), a program that helps prepare “average” students for college;
- expanding physical education programs;
- attacking the dropout problem; and
- building capacity to better educate all students.

To conclude their remarks, both Rio Rancho and Los Lunas—districts experiencing and anticipating future enrollment growth—indicated that the projected increase in funding associated with the proposed funding formula would not enable them to meet all of their districts’ needs but would enable them to do more than they are able to do at present.

There being no further committee discussion, Chairman Miera, with the consensus of the committee, recessed the meeting at 4:53 p.m.

**MINUTES  
LESC MEETING  
TUESDAY, JUNE 10, 2008**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Tuesday, June 10, 2008, at 9: 09 a.m., John Milne Community Board Room, Albuquerque, New Mexico.

The following LESL members were present:

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

The following LESL advisory members were present:

Representatives Andrew J. Barreras, Ray Begaye, Nora Espinoza, Mary Helen Garcia, Sheryl Williams Stapleton, and Jim R. Trujillo; and Senators Mark Boitano, Dianna J. Duran, Lynda M. Lovejoy, Howie C. Morales, and William E. Sharer.

Also in attendance was Representative Richard D. Vigil.

**PROPOSED PUBLIC SCHOOL FUNDING FORMULA CALCULATIONS (continued)**

***g. Review of Group 4 Charter School Calculations***

Prior to the presentation by the charter schools, Dr. Forrer outlined the differences between the proposed public school funding formula for school districts and the proposed public school funding formula for charter schools. Although the two versions of the formula are fundamentally the same and include the same need factors, Dr. Forrer said, there are two major distinctions: (1) the base per-student cost is higher for charter schools (\$6,907) than for school districts (\$5,106); and (2) although the special education formula adjustment for school districts is census-based (16 percent), the adjustment for charter schools is based on the actual percentage of students receiving special education services. Dr. Forrer explained that the actual percentage of students in charter schools identified as in need of special education services ranges from 0.0 percent to nearly 100 percent, while the range among school districts is much smaller. She added that the 16 percent census rate used for districts is the 2006-2007 statewide average identification rate of students who are required by the federal *Individuals with Disabilities Education Improvement Act of 2004* (IDEA) to have an individualized education program.

Dr. Forrer noted that the charter schools present at the meeting and ready to participate ranged in 2007-2008 budgeted enrollment from 57.5 at Walatowa High Charter School at Jemez Pueblo to 449.0 at Turquoise Trail Charter School in Santa Fe. In all, nine schools discussed the proposed funding formula with the committee:

<b>Group 4*</b>		
<b>Charter School/Location</b>	<b>Enrollment</b>	<b>Grades</b>
Creative Education Prep Institute 1, Albuquerque	174.0	9-12
Deming Cesar Chavez Community Charter School, Deming	106.0	9-12
Digital Arts and Technology Academy, Albuquerque	379.5	9-12
Mosaic Academy, Aztec	118.5	K-7
Nuestros Valores Charter High School, Albuquerque	113.0	9-12
Southwest Secondary Learning Center, Albuquerque	251.5	7-12
Taos Charter School, Taos	202.5	K-8
Turquoise Trail Charter, Santa Fe	449.0	K-6
Walatowa High Charter School, Jemez Pueblo	57.5	9-12
*Five other schools were invited to participate in the discussion but were unable to attend the meeting: Aldo Leopold High School, Silver City; El Camino Real Charter, Albuquerque; Middle College High School, Gallup; Rio Gallinas School, West Las Vegas; and Sidney Gutierrez Middle School, Roswell.		

In reviewing the charter school comparison spreadsheet with the committee, Dr. Forrer noted that the overall adjustment factors for the schools in attendance ranged from a low of 0.991 for Mosaic Academy to a high of 2.298 for Nuestros Valores Charter High School. Dr. Forrer explained that, in addition to size, the need factors and the grade-level composition had a major impact on the overall adjustment factor. With regard to poverty, she said, Mosaic Academy's rate was reported in the Student Teacher Accountability Reporting System (STARS) as 0.0 percent, whereas the rate for Nuestros Valores was reported as 99.2 percent. In addition, she noted, the formula provides more funding to schools at the high school level: Mosaic Academy is an elementary school. She explained that grade composition generally does not play as strong a role in the calculation of a school district's overall adjustment factor because all school districts include kindergarten through grade 12.

Dr. Forrer stated that, unlike most school districts, a few charter schools might lose substantial funding under the proposed funding formula. For example, the calculation for Mosaic Academy indicates a 26.4 percent decrease in program cost. However, Dr. Forrer added, if Mosaic Academy reports its actual poverty data, that decrease will be reduced or potentially eliminated. On that point, committee members noted that, including Mosaic Academy, five of the nine charter schools present had a reported poverty rate of 0.0 percent. One of the five schools, Deming Cesar Chavez Community Charter School, explained that, although its actual poverty rate is close to 100 percent, the school district includes the charter school's students in the district's free and reduced-fee lunch count because the district provides the meals.

With regard to the potential impact of the proposed funding formula on their operations, the charter schools that would receive stable or increased funding expressed a variety of needs, including additional counselors, social workers, bilingually endorsed staff, a full-time nurse, more resources to serve gifted students, and reading and math interventionists.

#### *h. Committee and Group 4 Discussion*

All four groups were asked by the committee if the data used in the calculators appeared accurate. Among the issues cited by the small districts in response were (1) insufficient technical expertise within the district; and (2) a lack of clarity regarding what obligations might be attached to reporting certain information, such as the percentage of students identified as English language learners (ELL). All four groups noted problems ensuring that the data submitted to STARS are valid. Charter schools indicated a particular problem in this regard because of the Public Education Department (PED) requirement that all of their data be submitted through the chartering school district.

Most of the charter schools stated that the STARS data used in the formula calculation did not accurately reflect the needs of their schools. In addition, several charter schools explained that they did not report the number of students eligible for free and reduced-price lunches either because they did not participate in the program or because the district provided the meals and included the charter school's students in the district's count.

The committee also asked all four groups whether the Educational Plan for Student Success (EPSS) is the most appropriate means of ensuring accountability with regard to the proposed funding formula. The responses were mixed. Although some superintendents and charter school administrators indicated that the EPSS would be appropriate, some stated that it was too narrowly focused to accurately reflect all services, particularly non-academic services such as health care, that were important to student success.

Senator Asbill requested that PED provide, on a by-district basis, the percentage of special education students as defined in the federal IDEA.

Representative Stewart requested that Legislative Finance Committee (LFC) staff update and validate the information provided in its *Review of Selected Operations of APS: October 26, 2007* regarding the percentage of time that teachers in APS are absent from work.

Representative Miera requested that PED examine the feasibility of having locally chartered charter schools submit data directly to STARS rather than through their chartering district and to report its recommendations to the committee by December 2008.

## DIRECTOR'S REPORT

### *a. Approval of LESC Financial Report for April 2008*

On a motion by Representative Swisstack, seconded by Representative Gonzales, the committee unanimously approved the LESC Financial Report for April 2008.

### *b. Correspondence*

Dr. Rindone reviewed several items of correspondence included in the committee members' notebooks, adding that these items are also available in the LESC permanent files. Included in the correspondence items, she stated, is a letter from the LESC to Mr. Joe Guillen, Executive Director, New Mexico School Boards Association, congratulating the association on its 50<sup>th</sup> anniversary.

Dr. Rindone reported that, in response to the committee's request for fuel cost information at each LESC meeting, Mr. Gilbert Perea, Assistant Secretary, Program Support and Student Transportation Division, Public Education Department (PED), submitted a letter indicating that, as of June 5, 2008, the FY 08 appropriation for school bus fuel is under-funded by approximately \$1.8 million and that a shortfall of over \$1.3 million is projected for FY 09. Referring to a memorandum from LESC staff on school transportation fuel costs, Dr. Rindone outlined the criteria used to determine a dollar amount for fuel costs. In reviewing the FY 08 and FY 09 fuel cost appropriations, she noted that the FY 08 average wholesale cost of diesel has increased from \$1.97 per gallon to \$2.96 per gallon as of June 5, 2008. Attachments to the LESC staff memorandum, Dr. Rindone stated, included supplemental and emergency transportation funding by district for FY 08.

Referring the committee to a memorandum relating to the LESC Subcommittee on Accountability and the Educational Plan for Student Success (EPSS), Dr. Rindone reported that, at the request of the LESC Chair and Vice Chair, the subcommittee had been formed to examine the use of the EPSS or an alternate document to measure the impact of dollars generated by the proposed funding formula on school programs and student achievement. The first meeting of the subcommittee, she noted, is scheduled for June 11 immediately following the LESC interim meeting.

To conclude, Chairman Miera provided the committee with a memorandum outlining changes to the LESC annual leave policy. He explained that the proposed changes would, subject to the availability of monies, allow LESC staff to sell a maximum of 120 hours of annual leave accrued in excess of 600 hours at the end of the fiscal year. He noted that exempt employees of the Governor and the Legislative Finance Committee have a similar policy. On a motion by Senator Nava, seconded by Representative Gonzales, the committee unanimously approved the changes to the LESC annual leave policy.

## **COLLEGE AND UNIVERSITY PRESENTATIONS: P-20 PARTNERSHIPS WITH SCHOOL DISTRICTS**

Ms. Pamela Herman, LESC staff, introduced a panel of representatives from the five public postsecondary institutions in central New Mexico to describe their P-20 partnerships with local school districts. Panelists were Dr. Katharine Winograd, President, Central New Mexico Community College (CNM), in Albuquerque; Dr. Peter S. Gerity, Vice President for Academic Affairs, and Dr. Peter Scholle, Director and State Geologist, NM Bureau of Mines and Mineral Resources, New Mexico Institution of Mining and Technology (NM Tech), in Socorro; Dr. Jeffrey Hamley, President, Southwestern Indian Polytechnic Institute (SIPI), in Albuquerque; Dr. Viola Florez, Interim Provost, University of New Mexico (UNM), in Albuquerque; and Dr. Reinaldo Garcia, Dean of Instruction, UNM-Valencia Campus, in Los Lunas.

Ms. Herman said that, to determine if and to what extent postsecondary institutions and local school districts communicate and coordinate their efforts to prepare students for college-level work and the workforce, the committee included in its 2008 Interim Workplan a series of hearings at its interim meetings with representatives of two- and four-year public postsecondary institutions in each region of the state to discuss their P-20 partnerships with local school districts to improve student success. Institutional representatives were asked to discuss the goals of their initiatives, the strategies they use, the challenges they have faced, their evaluation of the initiatives, and any data that have been gathered showing results to date.

Each of the five representatives described an array of P-20 initiatives that varied according to their institution's mission, size, and geographic reach. They explained that the goals of their P-20 partnerships were, in general, to develop seamless transitions from public schools to postsecondary study; to improve student recruitment, retention, and graduation rates; and to increase the diversity of their enrollment and the educational success of underrepresented minority groups. They also pointed to P-20 partnerships as a facet of higher education's contribution to public service and the state's economic growth.

The partnerships that the panel members described operate at a variety of levels, including college courses and college preparation for high school students, professional preparation and training for educators, data-sharing and curriculum alignment with local school districts, and cooperative inter-collegiate efforts among postsecondary institutions.

The most common types of partnerships described by the panel were dual credit and other programs that give high school students an opportunity either to begin earning college credit while still in high school, or to improve their preparation for postsecondary work. The representatives described a variety of dual credit programs, including the following:

Dual Credit Program		Description	# of District Partners	Enrollment
CNM	Dual Credit	Academic and career technical courses; a pilot online dual credit program to offer a financial literacy course in fall 2008.	8	06-07 approx. 1000
	Articulated Credit Program	HS courses that faculty have determined fully articulate with CNM courses; student may petition for retroactive credit after CNM admission	5	06-07 approx. 50
	College & Career-bound Program	Concurrent enrollment for home school and other students who do not receive HS credit	0	06-07 approx. 200
	Early College Academy	APS STEM Career Academy located on CNM campus; allows students to earn AA within 1 year of HS graduation	1	07-08 approx. 125
NM Tech	Dual Credit Program	Academic, mostly STEM, courses via electronic and onsite delivery	2	not provided
SIPI	College & Career Transitions Initiative	Pre-engineering, geospatial information technology, opticianry, environmental science	1	not provided
UNM Main Campus	Dual Credit Program	Lower division courses not offered at CNM	2	07-08 @ 50 students
UNM Valencia Campus	On Campus Dual Credit	Regularly scheduled lower division college courses	2	07-08 @ 154 students
	On Site Dual Credit	Offered at HS sites	2	07-08 @ 61 students
	Online Academic Dual Credit	Algebra, biology, calculus, chemistry, computer science, English, psychology, Spanish	5	07-08 @ 355 students
	CTE Dual Credit	Selected career-technical courses	7	07-08 @ 278 students

In addition to dual credit programs, panel members outlined programs geared toward improving the preparation of high school students for college and careers or enriching their secondary school experience. Examples include the following:

- CNM shares its career technical facilities with several area high schools;
- NM Tech has used a \$50,000 legislative appropriation to pilot pre-college courses that use a case-based learning model to improve student preparation in physics, chemistry, and math;
- NM Tech offers summer mini-courses for high school students in the Science, Technology, Engineering & Math (STEM) topics such as atmospheric physics and petroleum engineering;
- the NM Tech Consulting Scientist Program provides visiting researchers in “cutting-edge” subjects for classroom visits;
- NM Tech houses the state Bureau of Mines and Mineral Resources, which provides education about aquifer mapping to schools and citizen groups throughout the state;

- SIPI has a federal grant to provide Talent Search and Upward Bound programs for American Indian students in Bernalillo, Zuni, Cuba, Laguna/Acoma, and other regional secondary schools;
- UNM, CNM, and local school districts have developed “2+2+2” articulation agreements that provide seamless pathways beginning with dual credit programs in high school, through associate and bachelor’s degree programs at the college level;
- UNM main campus houses the Engaging Latino Communities for Education (ENLACE) program, a statewide program that uses community-based strategies to improve the college readiness of at-risk, first-generation, and minority students;
- UNM main campus offers several service learning programs for undergraduates who tutor and mentor students in public middle and high schools;
- UNM-Valencia partners with the New Mexico Math, Engineering and Science Achievement Program to host campus visits for college-level science demonstrations; and
- UNM-Valencia conducts COMPASS college placement testing at Belen, Los Lunas, Socorro and Valencia high schools and hosts workshops for students and parents on college preparation and financial aid.

The panel also described partnership projects in which faculty members work to align high school and freshman year course curricula, and administrators share and analyze data regarding student preparation and postsecondary outcomes. Other initiatives include teacher preparation programs providing field experiences and student teacher placements in local classrooms; college faculty providing teacher professional development, particularly in STEM fields; and college personnel offering practical training for school counselors and cooperating with school districts in student advisement.

### **Committee and Institutions of Higher Education Discussion:**

In response to a committee member’s question regarding how the federal *Family Educational Rights and Privacy Act* (FERPA) affects data-sharing agreements between institutions and school districts, Dr. Winograd said that, to comply with FERPA, CNM must negotiate separate legal agreements with each institution and district annually, and that CNM supports efforts of the LESC and the Legislature to mandate the implementation of an integrated statewide P-20 longitudinal data system that all districts and institutions can use.

In response to a committee member’s question regarding how many entering NM Tech freshmen take remedial courses, Dr. Gerity said that, up until school year 2005-2006, the remediation rate was about 40 percent; however, thanks to dual enrollment and improved freshman programs such as new math curricula, that rate is down to approximately 20 percent.

In response to a committee member’s question regarding the interest of New Mexico students in the field of hydrology and geology, Dr. Scholle said that NM Tech has one of the top-rated hydrology departments in the United States, and that New Mexico students do have a reasonable level of interest in the field. He indicated that the Bureau of Mines and Mineral Resources at New Mexico Tech is funded by a line item in the New Mexico Tech budget.

In response to a committee member’s question regarding whether small tribal colleges like SIPI are participating in the statewide P-20 longitudinal data system, Dr. Hamley stated that, SIPI does not use the Banner data system designed for larger institutions; however, he added that

because many SIPI students are New Mexicans who will transfer to state four-year colleges, SIPI signed a data-sharing agreement with the Higher Education Department (HED) in 2007 and is finding ways to share its data cost effectively and in keeping with its federal charter.

In response to a committee member's question regarding the advisement that college freshmen receive, Dr. Florez said that more and more students who enter UNM have no idea what they want to do. She explained that, for the most part, advisement about course selection occurs during orientation prior to the start of the freshman year and that career-oriented counseling is provided by academic departments later, in the sophomore and succeeding years.

There being no further questions from the committee, the Chairman thanked all of the panelists for their testimony and for their efforts to bridge the gap between higher education and the public schools.

There being no further committee discussion, Chairman Miera, with the consensus of the committee, recessed the meeting at 4:19 p.m.

**MINUTES  
LESC MEETING  
WEDNESDAY, JUNE 11, 2008**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Wednesday, June 11, 2008 at 9:13 a.m., John Milne Community Board Room, Albuquerque, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Roberto "Bobby" J. Gonzales, Jimmie C. Hall, Mimi Stewart, and Thomas E. Swisstack; 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, Nora Espinoza, Mary Helen Garcia, Sheryl Williams Stapleton, and Teresa A. Zanetti; and Senators Mark Boitano, Dianna J. Duran, John Pinto, and William E. Sharer.

Also in attendance was Representative Richard D. Vigil.

Chairman Miera recognized Dr. Catherine Cross Maple, Deputy Secretary, Learning and Accountability, Public Education Department, who, at the request of Governor Bill Richardson, presented Senator Cynthia Nava, in her role of Superintendent, Gadsden Independent Schools, a Certificate of Performance Excellence for her school district's participation in Strengthening Quality in Schools (SQS) Baldrige pilot district and for her outstanding leadership and dedication in continuous leadership efforts in her school district. This Certificate of Performance Excellence was announced at an event of the New Mexico Governor's Business Executives of Education, which Senator Nava was unable to attend.

## LAND GRANT PERMANENT FUND: ROYALTIES AND CONTRIBUTIONS

Dr. Kathleen Forrer, LESC staff, introduced Mr. Patrick H. Lyons, Commissioner of Public Lands, to provide an overview of the Land Grant Permanent Fund, including royalties and contributions to the fund. Assisting Mr. Lyons in his presentation were Mr. Jerry King, Assistant Commissioner, and Ms. Della Gutierrez, Assistant Commissioner.

As part of her introduction, Dr. Forrer said that, during the 2008 legislative session, two joint resolutions were introduced that, had they passed, would have allowed the voters to determine if additional funds from the Land Grant Permanent Fund should be distributed to the public schools. House Joint Resolution 8, she said, would have temporarily increased the annual distributions to all fund beneficiaries from FY 09 through FY 19, and Senate Joint Resolution 18 would have distributed an additional \$500.0 million among all fund beneficiaries in FY 09.

Mr. Lyons began his presentation with a brief reference to the historical role of the State Land Office (SLO) “to maximize revenues for New Mexico’s public schools while safeguarding and preserving one of our state’s most valuable assets” – millions of acres of land and minerals held in trust for the public schools and other beneficiaries. Mr. Lyons also reviewed federal legislation from the 19<sup>th</sup> and early 20<sup>th</sup> centuries that provided school land grants in New Mexico, and he enumerated the beneficiaries of the trust, which include not only public schools but also several universities, state-supported schools, hospitals, penal institutions, and, since 1949, the State Parks Division.

The SLO, Mr. Lyons continued, derives revenue from both renewable resources, such as rentals, rights-of-way, and interest, and from non-renewable resources, such as royalties and land sale proceeds. The revenue from renewable resources goes into the Land Maintenance Fund. Three percent of the money in that fund pays operating expenses, and 97 percent is distributed to the beneficiaries. The revenue from non-renewable resources goes into the Land Grant Permanent Fund for the trust beneficiaries. The public schools receive their funds through the General Fund, whereas all other beneficiaries receive payments directly. From FY 03 through FY 07, total distributions from the Land Maintenance Fund have been almost \$238.0 million and from the Land Grant Permanent Fund almost \$2.0 billion.

Mr. Lyons provided revenue amounts derived from what he called the three key sources of income at the SLO: energy production, including oil, gas, and minerals as well as forms of renewable energy, such as wind and solar; agricultural leases; and economic development activity (small and large-scale businesses, as well as industrial and residential activities). In some cases, Mr. Lyons said, the revenues have doubled or tripled; and, overall, the SLO revenues have increased 94 percent since 2003.

Addressing the Land Grant Permanent Fund in particular, Mr. Lyons said that the current value, \$11.0 billion, is almost entirely the product of revenues generated by the SLO and that the oil and gas industry funds 99 percent of this fund. As provided by the constitutional amendment adopted in 2003, which established a temporary additional distribution to fund educational reform, 5.8 percent of the five-year average market value is to be distributed to the fund’s beneficiaries from FY 05 through FY 12; and 5.5 percent is to be distributed from FY 13 through FY 16. However, in FY 17 the distribution reverts to the base 5.0 percent. If the proposed public school funding formula is adopted, Mr. Lyons added, he would recommend keeping the distribution rate at 5.8 percent.

Mr. Lyons concluded his presentation with a review of the outreach programs and other initiatives of the SLO:

- The Land for Schools Initiative, through which 500 acres of trust lands, valued at nearly \$15.0 million, have been transferred to several public school districts – Albuquerque Public Schools, Rio Rancho Public Schools, Gallup-McKinley County Public Schools, and Las Cruces Public Schools – the School for the Blind and Visually Impaired, and the University of New Mexico;
- The Education and Outreach Program, which is intended to increase awareness of the SLO’s responsibilities and to offer teachers and students opportunities to interact with nature;
- Outdoor Classrooms, which teach such subjects as archaeology, botany, ecology, and wildlife habitat improvement;
- Education Easements, which are access permits issued to teachers that provide 10-acre tracts of trust lands in any county where teachers can teach their own curriculum in outdoor classrooms;
- Tailgate Classrooms, which are 30-minute presentations that SLO staff and other experts offer to rotating groups of students;
- The Rolling River, which is a transportable model that teaches students about water dynamics and the effect of vegetation, terrain, structures, weather, and pollution on water flow;
- River Angels, which is a program that engages students in river restoration projects that remove trash, reshape riverbanks, remove non-native vegetation, and plant native trees and shrubs;
- Rangeland Ecological Services Program and Candidate Species Conservation Program, which together promote conservation, restore rangeland, address at-risk habitats, and engage public school students in research and project implementation;
- Computers for Kids, which is a recycling program through which the SLO donates computers to public schools every two years (240 computers to 27 public schools since 2003); and
- Adult Education Opportunities, which is an expansion of the SLO’s education outreach program to provide adults with organized tours of archeological sites, so far in Rio Arriba and Santa Fe counties.

#### **Committee Discussion:**

In response to questions from the Chair about the amount or proportion of revenues generated by the SLO that actually benefits public education, Mr. Lyons and Mr. King reviewed the distribution process, through which funds for the public schools are deposited into the General Fund. Using the income from rentals and bonuses as an example, Mr. Lyons said that, of the \$226.0 million generated during the past five years, approximately 84 percent went into the General Fund for K-12 education and approximately 16 percent was paid directly to the other beneficiaries. Mr. Lyons and Mr. King added that the SLO produces the revenue but has no say in how funds are expended.

Also in response to questions from the Chair, as well as questions from another committee member, Mr. King said that the Statewide Human Resources Accounting and Management Reporting System (SHARE) program has affected distributions from the funds that the SLO

administers. Ms. Gutierrez explained that the SLO earns overnight interest on its funds. Before SHARE, she said, the State Treasurer handled the funds and there were monthly interest transfers to the SLO. Since SHARE, however, the Department of Finance and Administration has handled the funds, and in FY 07 some \$5.0 million in interest earned was not transferred to the SLO until the end of the fiscal year. This belated transfer, she continued, delayed the distribution to the beneficiaries and created the possibility that they may be unable to expend the funds before the end of the fiscal year and before the funds revert to the General Fund.

Mr. Lyons added that the SLO is investigating this arrangement.

In response to a follow-up question about beneficiaries required to revert unexpended funds, Ms. Gutierrez said that the universities are not required to revert unexpended funds. Dr. Forrer added that, once the State Equalization Guarantee is distributed to the school districts, those funds remain with the districts; the only funds that may revert are those that the Public Education Department (PED) has not distributed.

The Chair asked whether there was a mandate that revenue from royalties go to benefit public education. In response, Mr. Lyons said that the enabling act requires that the funds generated by oil and gas royalties be deposited in the Land Grant Permanent Fund; revenue from rentals, bonuses, and other sources goes directly to the beneficiaries, except for the funds intended for K-12 education, which go into the General Fund in the absence of a statute directing otherwise. Mr. Paul Aguilar, an analyst with the Legislative Finance Committee (LFC), pointed out that funds for education go into the Common Schools Fund, which is a sub-fund of the General Fund, and that the LFC receives a monthly accounting from the SLO.

Committee members then began to question whether public education is being funded at the proper level, especially considering the increased revenues that the SLO has reported and the implications of the proposed funding formula, and whether other expenses, Medicaid in particular, have consumed some of the funding that should have gone to education. Noting that the General Fund dollars for education have been declining each year and that the Land Grant Permanent Fund revenue has been increasing each year, one committee member suggested that, contrary to the promise made in connection with the constitutional amendment, the state has been supplanting rather than supplementing General Fund revenue with Land Grant revenue. The issue is more political than fiscal, this member said. The Chair concurred, noting that virtually every member of the Legislature had campaigned as a champion of education but that many members' votes and actions did not fulfill that promise.

Representative Stewart, Co-chair of the Public School Funding Formula Task Force, said that the task force had proposed a joint resolution (HJR 8, 2008) that would have set the rate of distribution from the Land Grant Permanent Fund at 6.5 percent through FY 19 and reduced it to 5.0 percent thereafter, based on a conservative estimate of earnings. This plan, she said, would generate revenue for public education without raising taxes and it would have only a small effect on the long-term growth of the fund, which is one of the strongest in the country. This plan, Representative Stewart added, also raises the question of just how large the fund must be before more of the revenues are used to provide sufficient funding for public schools.

In response, another committee member cautioned that, given the volatility of the market and the effects of inflation, the state cannot count on a consistent rate of growth; and another said that a distribution in excess of 5.0 percent risks a decrease in the fund balance. This same committee member also noted that, if the balance in the Land Grant Permanent Fund reached \$70.0 billion,

then public schools could be funded at sufficiency on the interest alone. His main concern, however, is that all additional money intended for education actually benefit education. The Chair concurred, adding that the base amount of funding should be considered just that—the base; any additional funding should be above that amount, not be counted against it.

In response to a committee member's question about causes of the decline in oil and gas revenues, Mr. Lyons cited the decline in the price of natural gas and frequent opposition to infrastructure projects that would increase the production of oil and gas. One example, he said, is Otero Mesa, on the border with Texas. Whereas opposition in New Mexico has prevented drilling on the New Mexico side, Texas has been drilling on its side and earning revenue as a result. There are leases for drilling on the New Mexico side, Mr. Lyons added, but they will be expiring soon and statute prohibits extending them. In response to a related question from another committee member, Mr. Lyons said that 60 percent of the land on Otero Mesa is federally owned, 20 percent privately owned, and 20 percent state-owned.

In response to a committee member's question regarding how many drilling rigs have left New Mexico due to restrictions on drilling permits and other obstacles to production, such as the Oil and Gas Proceeds Withholding Tax, Mr. Lyons said that seven drilling rigs have left New Mexico. The committee member noted that each one represents a loss of several million dollars in revenue each year and that it is costly and time-consuming to bring them back.

In response to a committee member's question about investments, Mr. Lyons said that the State Treasurer makes the short-term, 24-hour investments and that the State Investment Council makes all other investments from the Land Grant Permanent Fund.

One committee member asked about the potential leases to produce solar energy. In response, Mr. Lyons noted the prediction of a recent solar energy conference in San Diego, California that, within the next 25 years, solar energy will be one of the biggest growth industries along the border of Mexico and the United States. More specifically, Mr. Lyons cited a recent meeting in Las Cruces with a large solar company that is considering a business lease of 30,000 acres of state trust lands outside of Deming as the location of a solar farm. The SLO, he added, is currently processing two other business leases for a limited number of acres to begin other solar energy projects.

In response to a committee member's question about partnerships with the national laboratories, Mr. Lyons said that he is unsure what work the labs are doing on renewable energy but that the SLO is investigating the possibility of partnering with the Bureau of Land Management to install solar panels in a buffer zone near Kirtland Air Force Base.

In response to several questions from a committee member about grazing fees, Mr. Dennis Garcia, Deputy Land Commissioner, explained that the current policy stems from a lawsuit filed against a previous land commissioner who tried to raise grazing fees arbitrarily. Now the SLO uses figures from the National Agricultural Statistics to determine fees for the 3,400 agricultural leases that the office maintains. Most of these leases, Mr. Garcia continued, are for five years duration, after which they can be renegotiated. The two indices that drive the formula are cattle prices and the forage value of the land. During droughts, Mr. Garcia added, the fee formula increases because there is more demand for a limited amount of forage.

Alluding to a discussion of wind energy in SLO's annual report for 2007, a committee member asked whether New Mexico has the infrastructure to utilize wind energy the way other states, such as Texas, do. Mr. Lyons said that New Mexico's capacity is limited now because, unlike Texas, the state lacks sufficient transmission systems to deliver wind energy from the remote areas where it is generated to the urban areas where it is needed. One of the biggest obstacles, Mr. Lyons added, is obtaining the rights of way to install transmission lines.

Finally, in response to a question from a committee member, Mr. Lyons said that the recent change to the Prudent Investor Rule as a guide for investments helped diversify SLO's portfolio and helped mitigate the effects of downturns in the market.

Representative Espinoza requested that LFC staff provide a report on the revenues deposited to and the disbursements made from the Common School Fund within the General Fund.

### **STATUTORILY CREATED FUNDS**

Mr. Peter van Moorsel, LESC staff, provided the committee with a summary of a staff report on selected statutorily created funds. Mr. van Moorsel explained that, in order to provide school districts with funding for specific programs, the Legislature has created separate categorical funds with specific criteria and formulas for distribution. He noted that, during the 2007 interim, the LESC requested that the workplan for the 2008 interim include a review of some of these funds, with particular attention to: (1) the purpose of the funds; (2) the appropriation history of the funds; and (3) the distribution of funds, as well as any other significant issues.

Mr. van Moorsel noted that the report addressed those statutorily created funds that are administered by the Public Education Department (PED) and are intended to support public education in some way. He added that the report addressed only state appropriations made to those funds or for other related initiatives and that federal appropriations, as well as public school capital outlay funds, would be addressed in separate reports later in the interim.

Mr. van Moorsel stated that a significant issue discovered during the staff review of the funds was a pattern of delayed distributions from some of the funds examined, particularly those for which PED requires school districts to request funds on a reimbursement basis. He added that it was difficult to determine a consistent cause for these delays; however, both PED and school districts provided some reasons:

- In some cases, district requests for reimbursement had not been processed in a timely manner. For example, some districts reported that they had yet to receive reimbursement for funds expended, despite having submitted the request as many as six months before.
- In other cases, districts seemed slow to request reimbursement. For example, many districts that were contacted reported that they had submitted requests for reimbursement as late as the first week in June for the fiscal year ending June 30. Mr. van Moorsel stated that PED echoed this concern, adding that this was the primary reason for the large encumbrances and small expenditures for some of the funds.

- In the case of the Educational Technology Fund, school districts were not being notified of a portion of their allocation from the fund, which resulted in large balance as of October 0 2007. Mr. van Moorsel reported that, according to PED, this problem has since been resolved.

To address this pattern of delayed disbursements, Mr. van Moorsel said the committee may wish to request that PED, in collaboration with a representative sample of school districts and charter schools, review the statutory provisions, administrative rules, and department policies applicable to each of the funds that the department administers, identify those that have been subject to delayed disbursements or other fiscal concerns, and recommend administrative remedies as needed.

Mr. van Moorsel referred the committee to two attachments: the first depicting the history of legislative appropriations to the funds in the report; and the second depicting the PED budgets for these funds, expenditures, and encumbrances from the funds. Mr. van Moorsel then reported the significant issues found during the review of the following categorical funds in current law:

- Family and Youth Resource Fund: An issue raised during the 2007 interim regarding eligibility for *Family and Youth Resource Act* (FYRA) funding remains an issue in 2008. In some instances, programs funded in previous years had lost their funding for FY 08 because their student populations no longer met the 80 percent Free and Reduced-fee Lunch (FRL) eligibility requirement. The student demographics in those schools were essentially unchanged and therefore still in a position to benefit from FYRA services. Mr. van Moorsel reminded the committee that in the 2007 interim the LESC had endorsed legislation (that did not pass) to allow a public school or a group of public schools that has received a grant to establish a FYRA program to continue to be eligible for funding if its percentage of FRL program eligibility drops below 80 percent, so long as it maintains a three-year average of 80 percent or more. He said the committee may wish to endorse such legislation again.
- Indian Education Fund: Of the \$6.5 million budgeted for expenditure from the fund for FY 08, nearly \$2.1 million remained unexpended or unencumbered. Mr. van Moorsel reported that testimony to the LESC in previous interims has indicated that PED has retained large cash balances in the Indian Education Fund, indicating that the needs identified in the act are possibly not being addressed.
- Teacher Professional Development Fund: An LESC staff report from the 2007 interim reported that the process for entering into contracts or interagency agreements for legislative appropriations had improved since 2005, when teacher professional development funds were sometimes not encumbered until almost halfway through the fiscal year. The report added, however, that the process still often takes three or four months and that, consequently, professional development contracts were not in place and funds were not available prior to the start of the school year, when teacher training activities are often scheduled.

Mr. van Moorsel reported that in order to improve the contract process PED instituted several agency-wide training sessions, began using intergovernmental agreements, and implemented a contract tracking system. He stated that an examination of the PED budget report for the fund found that \$1.3 million had been expended and \$1.3 million had been encumbered, leaving \$132,000 undistributed. This budget report, Mr. van Moorsel stated, showed that the process implemented by PED to improve the contract process appeared to be working.

- Mathematics and Science Proficiency Fund: PED has not yet developed rules for the distribution of money in the fund. Mr. van Moorsel stated that it would seem prudent to have a rule in place in anticipation of funding rather than to receive funding without the benefit of a rule for distributing the funds. Furthermore, given the similarities between the recent appropriations for summer science, math, and reading institutes and the statutory purposes of the Mathematics and Science Proficiency Fund, Mr. van Moorsel stated that the committee may wish to consider:
  - recommending that future appropriations for these institutes be made to the Mathematics and Science Proficiency Fund;
  - amending statute to include reading institutes in the purpose of the fund; and
  - encouraging PED to draft a rule in anticipation of future appropriations to the fund.
- Reading Materials Fund: Of the approximately \$670,000 budgeted for expenditure from the fund in FY 08, as of June 4, 2008, PED had expended only \$18,772. According to PED, not every district that has been awarded funds had requested to be reimbursed in the full amount of the district's allocation from the fund.

Mr. van Moorsel stated that LESC staff contacted school districts that received Reading Materials Fund allocations to determine whether the funds were being expended. He explained that school districts provided varying accounts: some had received timely reimbursements, some had not been reimbursed despite submitting reimbursement requests as many as three months earlier, and other districts had not yet submitted the requests, or had done so only recently.

- Charter Schools Stimulus Fund: According to PED, the FY 09 distribution of money from the fund would not be determined until the number of approved charter schools is known. Mr. van Moorsel stated that 29 groups have submitted letters of intent to form charter schools, and 28 of those 29 have indicated that they are considering applying to the Public Education Commission (PEC).
- New School Development Fund: Although the purpose of the New School Development Fund includes "equipment and operating costs," the 2008 appropriation made from the Public School Capital Outlay Fund includes language specifying that the funds may be used only for "equipment and other non-operating costs." Mr. van Moorsel added that the PED Capital Outlay Bureau would work with the Public School Facilities Authority (PSFA) to develop criteria for distribution of money from the fund before the end of FY 08.
- Instructional Material Fund: The 2008 Legislature designated \$1.3 million of the FY 09 appropriation to the Instructional Material Fund to offset the costs faced by school districts to pay for dual credit textbooks and course supplies for school year 2008-2009. Mr. van Moorsel explained that, because the \$1.3 million is part of the appropriation to the Instructional Material Fund, it is subject to the same distribution as the rest of the money in the fund, meaning that it may benefit students in private schools and Adult Basic Education (ABE) centers, who are not eligible for the dual credit program, and students in school districts and charter schools that are not yet participating in the dual credit program.

Mr. van Moorsel stated that, to address this issue, the LESC has formed a work group to study the actual costs of textbooks and course supplies for students taking dual credit courses and to determine a method for distributing state funds for this purpose. He further explained that the work group would report its findings and recommendations at the September LESC meeting.

- School Library Material Fund: Mr. van Moorsel said that the LESC staff review had identified no significant issues regarding the fund, which has distribution criteria similar to the Instructional Material Fund.
- Educational Technology Fund: During the 2007 interim, staff reported to the LESC that PED was not notifying school districts of their final allocation from the fund, resulting in a large fund balance. Mr. van Moorsel reported that, according to PED, the issue had been resolved and the department would issue award letters to school districts for the undistributed allocations. The subsequent fund distributions would result in a reduction in the fund balance.
- Educational Technology Deficiency Correction Fund: Mr. van Moorsel reported that the staff review found two issues regarding this fund:
  - The review contains a large balance. Of the \$4.3 million budgeted for expenditure in FY 08, only approximately \$370,000 had been expended. Mr. van Moorsel stated that, according to PED, districts had been notified of their allocations but had not yet requested to be reimbursed from the fund, resulting in the large fund balance. He added that LESC staff contacted several of the districts that received allocations from the fund. Some districts responded that they had not yet requested reimbursement from the fund, as they had not yet expended any money on educational technology. However, several districts did report outstanding reimbursement requests.
  - Current law requires that, for 2009 and subsequent years, an independent third party must verify the initial school district self-assessment of the outstanding educational technology deficiencies within a school district. Mr. van Moorsel stated that, according to PED, the department has no available resources to contract with an independent third party to verify the assessment as required by the *Technology for Education Act*. Instead, PED requests that superintendents sign an assurance document as a means of verifying districts' technology needs.

Finally, Mr. van Moorsel reported finding no significant issues about any of these three funds: Schools in Need of Improvement Fund; Incentives for School Improvement Fund; and State-Support Reserve Fund.

#### **Committee Discussion:**

In response to a committee member's question regarding the unexpended balance in the Reading Materials Fund, Mr. Don Moya, Deputy Secretary, Finance and Operations, PED, stated that the department had recently received \$577,000 in requests for reimbursement for reading materials. Mr. Moya added that processing these reimbursements would significantly reduce the balance in the fund. He reported that PED would make processing these requests a priority.

In response to a committee member's question whether delays in submitting and processing reimbursement requests result from difficulties with the Statewide Human Resources Accounting and Management Reporting System (SHARE), Mr. Moya said that there were initially problems with SHARE but that current problems with processing reimbursement requests result from difficulty in tracking the funds. He explained that a large amount of work is required to track, document, and verify the large volume of awards and appropriations, as well as districts' requests for reimbursement, and that this volume has resulted in delays in expending the funds.

In response to a committee member's question how PED ensures accountability for grants for summer reading, math and science institutes, Mr. Moya stated that, although the grant awards are made outside of the Mathematics and Science Proficiency Fund, the department ensures accountability by including terms for reporting and accountability in the professional services contracts entered into by award recipients.

In response to a committee member's question regarding the unexpended balance in the Indian Education Fund, Ms. Barbara Alvarez, Program Manager, Santa Fe Indian Education Bureau, PED, explained that delays in the distribution of money from the fund could be caused by the amount of time it takes to implement programs that support the purposes of the *Indian Education Act*. Ms. Alvarez added that it may take significant amounts of time to (1) draft joint powers agreements (JPAs) between the tribal entity and PED; (2) receive tribal council approval for any programs; and (3) complete the request for reimbursement process.

In response to a committee member's question whether schools and school districts must apply for money in all of the funds, Dr. Rindone stated that some funds are entitlement funds, meaning that dollars from these funds should flow directly to the school districts. She added, however, that there have been occasions when the districts have had to request those funds. She said that the main three entitlement funds are the Instructional Material Fund, the School Library Fund, and the Educational Technology Fund. Dr. Rindone said that some school districts reported that they did not know that they had to request the final 10 percent allocation from the Educational Technology Fund, and that these undistributed amounts contributed to the large balance in that fund.

Dr. Rindone added that awards from some of the other funds are made on a competitive basis, for which PED uses requests for proposals (RFPs), meaning that districts have to apply for those dollars.

In response to a committee member's question regarding the student information PED uses to determine the allocation of funds in the Instructional Material Fund and the Educational Technology Fund, Mr. Moya stated that the allocation of money in both funds is determined using the district's 40<sup>th</sup> day membership.

Mr. Moya stated that PED has made significant efforts to expedite the distribution of money in the funds discussed in the report and to improve the speed with which district reimbursement requests are processed. Describing the workload of the PED staff responsible for these tasks, he explained that 14 PED staff process over \$350.0 million in federal funds each year; and he added that each staff member has to process approximately 120 vouchers each day. Mr. Moya reported that in July PED would begin enabling school districts and charter schools to submit requests for reimbursement online through the Operating Budgeting Management System (OBMS). He added that all school districts would also be submitting their state and federal requests for reimbursement through the web-based online tracking system, potentially making the process more efficient.

Senator Nava requested that PED provide a report on how the department plans to distribute any proceeds from the sale of library bonds, should the bonds be approved by the voters at the November general election. The report should also include information regarding the manner in which proceeds from the library bonds approved in November 2006 were distributed. Representative Mary Helen Garcia requested that PED provide a list of the schools that have been awarded funds from the Incentives for School Improvement Fund for FY 08 and FY 09, including the amount and proposed use of the award.

Chairman Miera requested that LESC staff provide a list of award recipients for summer math and science institutes for FY 08.

## ◊ SUPERINTENDENTS AND COMMUNITY INPUT

### Support of Test Equity for Deaf Teachers

Dr. Sandra Rodriguez, Associate Professor and Chair of Education, College of Santa Fe-Albuquerque, addressed the committee on behalf of deaf and hard-of-hearing teaching candidates who struggle with the New Mexico Teacher Assessments (NMTA). She also provided the committee with a handout entitled "Proposed Resolution: Support of Test Equity for Deaf Teachers," which enumerated many of her concerns. Assisting Dr. Rodriguez were three deaf teachers who had completed teacher preparation programs and who, through an interpreter, described their own experiences with the NMTA: Ms. Kacee Jones, Ms. Alicia M. Gonzales, and Ms. Martina L. Carlson.

Dr. Rodriguez explained that, because many parts of the NMTA presume an awareness of auditory aspects of language, deaf and hard-of-hearing candidates have an inordinately difficult time achieving passing scores. Some applicants, she continued, have taken the NMTA as many as 10 times, spending well over \$1,000 on testing fees. Currently, Dr. Rodriguez added, there are only four licensed deaf teachers employed in New Mexico (none of whom graduated from a New Mexico teacher preparation program); an additional seven candidates have repeatedly failed the NMTA, causing some of them to abandon the profession or to leave the state. Dr. Rodriguez also questioned the validity of the NMTA, asserting that the assessments have not been normed for a deaf population and that there are no data showing a correlation between a state assessment requirement for teacher licensure and the quality of education that students receive.

In the past, Dr. Rodriguez said, the Public Education Department (PED) had added a "safety clause" to the teacher assessments, providing certain accommodations that allowed deaf candidates unable to pass the NMTA to become classroom teachers nonetheless. Her request to the LESC was that this safety clause be reinstated.

Chairman Miera requested PED to review the testing requirements for deaf and hard-of-hearing teachers including the feasibility of restoring or establishing a "safety clause" for those deaf candidates who cannot pass certain portions of the NMTA, and to provide a written report including findings and recommendations to the LESC prior to the 2009 legislative session.

New Mexico Alliance for School-based Health Care

Mr. Howard Spiegelman, Executive Director, New Mexico Alliance for School-based Health Care, noted the increased demand for school-based health centers (SBHCs) throughout the state, particularly in Albuquerque. One of the biggest assets of SBHCs, he said, is that they are located where children are. By providing quality comprehensive primary, behavioral, and preventive services and by employing a multidisciplinary team of providers – nurse practitioners, registered nurses, physician assistants, social workers, physicians, alcohol and drug counselors, and other health professionals – SBHCs help reduce absenteeism and tardiness, in addition to promoting student health and well-being. Mr. Spiegelman concluded his remarks by stating that the alliance has no specific request for the upcoming legislative session, but would like the LESC to continue supporting school-based health clinics.

Chairman Miera requested that Mr. Spiegelman provide the committee with information regarding the benefits of school-based health centers prior to the 2009 legislative session.

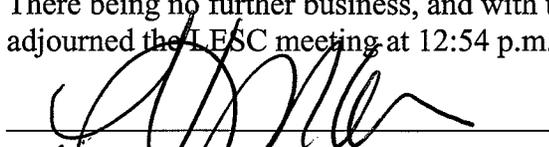
ABQ Educational Assistants Association

Ms. Kathy Chavez, President, Albuquerque Educational Assistants Association, informed the committee that during the 2009 legislative session the teaching assistants will, once again, ask for an increase in their salaries and the creation of a three-tiered licensure system for educational assistants (EAs) like the one for teachers and principals. She also asked that the committee consider EAs during the deliberations on funding for public schools and personnel, and she expressed her support of the proposed funding formula.

Ms. Chavez then introduced Ms. Alicia M. Gonzales. A graduate of Gallaudet University who has been unable to pass the NMTA, Ms. Gonzales works as an educational assistant at Hodgin Elementary School, in Albuquerque Public Schools, making approximately \$13,000 a year. Through an interpreter, Ms. Gonzales explained that she is a deaf single parent with two children and that she works in the hearing impaired program. She described the financial challenges she faces, and, on behalf of all EAs in New Mexico, she reiterated Ms. Chavez's request for an increase in the salaries of educational assistants.

**ADJOURNMENT**

There being no further business, and with the consensus of the committee, Chairman Miera adjourned the LESC meeting at 12:54 p.m.

  
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*September 8, 2008*  
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Chairperson

Date