




B i t e - S i z e

 The general fund consensus revenue estimate presented in December 2023 shows estimated recurring revenues for FY24 are \$12.8 billion, up \$156.9 million from the August 2023 estimate. Revenue growth is expected to shrink to 2.2 percent in FY25, however, before returning to more typical growth of over 3 percent in FY27 and beyond.

 For FY25, the Public Education Department (PED) requested \$4.4 billion for public school support, an increase of \$276 million, or 6.7 percent, from FY24. In addition, the department requested \$592 million in nonrecurring appropriations, most of which it requested be sourced from the general fund.

 Recent LESC staff analysis has looks at the achievement gap in an intersectional way. Spring 2023 reading assessment results, for example, show a 3.5 percent proficiency rate for a student who is economically disadvantaged, has a disability, and is an English learner.



i n f o r m E D

a publication of the Legislative Education Study Committee

Representative G. Andrés Romero, Chair / Senator William P. Soules, Vice Chair / Gwen Perea Warniment, Director / December 2023

From the Chair

As we approach the upcoming legislative session, I am pleased to present the budgetary recommendations crafted by LESC after a productive interim working closely with educators, support staff, and administration representatives across the state. At the core of our proposals is the understanding that effective education policy must be supported by a robust budget to meet the needs and aspirations of our educational stakeholders.

To address the critical issue of recruiting and retaining a skilled educator workforce, LESC proposes a 6 percent overall increase for school personnel. Further, we advocate for a \$30 thousand minimum salary for all school personnel. These initiatives are crucial to recognizing and valuing the dedication of our educators who are fostering a conducive and productive environment for quality education.

Recognizing the growing importance of career and technical education, LESC recommends a \$45 million investment in this sector. This funding aims to provide students with real and practical hands-on experiences that align with potential job opportunities. We believe this investment will contribute significantly to holistic development of our students, preparing them for success in both academic and vocational pursuits.

In response to the expressed desires of school districts, LESC also proposes allocating \$30 million for "Educational Innovations." This fund will serve as additional financial assistance for districts to expand and enhance innovative programming, reinforcing student learning in the classroom. We believe nurturing creativity and implementing new educational approaches will contribute to a more dynamic and effective learning environment for our students.

These are but a few budgetary initiatives we are working on. As we move forward into the legislative session, we hope that you, the education community, will consider and support these budgetary recommendations. Together, we can ensure our education system is adequately funded and equipped to meet the diverse needs of our state's students and educators.

Ensuring Responsive School Funding

A legislative body's approach to funding its public schools often reflects its broad policy goals around student achievement and educator wellbeing. Incentives, as well as disincentives, are established to build a foundation upon which a legislative body can make sustainable and measurable progress toward its collective policy goals. Doing so effectively, however, often requires the unique needs of students be centered in ways that promote fairness in allocations, transparency in funding, and flexibility in how dollars are leveraged at the local level.

New Mexico, like several other states, has historically leveraged a student-based approach to funding its public schools, with the goal of equalizing educational opportunity throughout the state. Since its inception in 1974, the state equalization guarantee (SEG) has remained largely unchanged in its foundational approach to identifying and responding to student need. But as student need has evolved, so too has the SEG, with the Legislature having enacted approximately 92 statutory revisions to the formula's components.

As New Mexico continues to grapple with the ramifications of the *Martinez-Yazzie* consolidated lawsuit, there is a critical need to ensure the SEG remains adequately responsive to the unique and evolving needs of all students. By preserving and strengthening the foundational premise of the SEG, the Legislature could make measurable progress in improving student outcomes, as evidenced by California's recent transition to a student-based framework for funding its public schools. Research indicates California's targeted formulaic investments in reducing disparities in student achievement had a positive impact on reading and math achievement, grade repetition, high school graduation and college readiness, and suspensions and expulsions. Achieving similar results in New Mexico may require revisions to the SEG.

LESC staff convened a working group during the 2023 interim to assess whether the formula remains adequately responsive to the diverse and evolving needs of students. In completing this review, the working group considered the methodology of each component,

(continued on back)

High School Start Times: Considering the Research and Complexities

A growing body of research has shed light on the potential benefits of adjusting high school start times to better align with teenagers' natural sleep patterns. While the idea to start school no earlier than 8:30 a.m. has gained traction—and is now required statewide in two states (California and Florida), as well as across Albuquerque Public Schools—implementing such changes is far from a straightforward task.

During the 2023 interim, LESC staff embarked on a study of this issue as directed by House Memorial 56, signed during the 2023 legislative session.

LESC staff found numerous studies have indicated adolescents experience a shift in their circadian rhythms during puberty, making it difficult for them to fall asleep before 10:00-11:00 p.m. As a result, the early morning start times at many high schools can lead to sleep deprivation among students, impacting

their academic performance, mental health, and overall wellbeing. Many leading health organizations have established clear recommendations for high schools to establish a school start time of no earlier than 8:30 a.m.

Those in favor of later start times argue that pushing the first bell to a later hour could positively affect students' attention spans, memory, and overall cognitive function. However, the road to implementing such changes is fraught with complexities, including transportation logistics, staffing concerns, and the impact on families' needs.

LESC staff found one significant challenge is the intricate web of school bus schedules. Shifting high school start times might necessitate adjustments to the entire district's transportation plan. This ripple effect poses a considerable hurdle, with districts having to carefully analyze and restructure transportation

routes. Staffing is another pivotal factor. Adjusting start times may require renegotiating contracts with teachers, support staff, and other school personnel. Parents and families, too, play a crucial role in this equation. Many families rely on the current school schedule to synchronize drop-off and pick-up times with their work commitments. A later start time could complicate childcare arrangements, extracurricular activities, students work options, and parents' ability to balance professional and family responsibilities. Moreover, community engagement is essential in the decision-making process. While research underscores the potential benefits of shifting high school start times to accommodate teenagers' sleep patterns, the practical implementation of such changes is multifaceted.

LESC staff will share more at a hearing on December 13.

Responsive School Funding

(continued from front)

the findings of prior formula reviews, and quantitative information on the distributional impact of each component. The working group found that while maintaining the underlying student-based philosophy of the formula is critical in preserving its responsiveness to student need, there may also be opportunities to strengthen the formula's capacity to distribute state funds equitably, effectively, and in a well-targeted way.

LESC staff will present a report on the SEG review at the LESC's December 13 hearing.

FY23 Actual Revenues and Expenditures for Special Education Programs for Select Districts

School District	Demographics			State Operational Funds		
	Total Enrollment	Spec. Educ. Enrollment	Percent Spec. Educ.	Spec. Educ. SEG Funds Generated	Operational Spending on Spec. Educ.	Operational Spending Ratio
Largest School Districts						
ALBUQUERQUE	71,461	18,451	26%	\$177,171,464	\$191,562,425	108%
LAS CRUCES	23,111	4,641	20%	\$43,895,315	\$42,094,001	96%
RIO RANCHO	16,779	4,216	25%	\$41,557,365	\$34,991,548	84%
GADSDEN	12,193	2,246	18%	\$22,336,856	\$20,747,607	93%
GALLUP	11,750	2,186	19%	\$17,464,354	\$17,777,491	102%
SANTA FE	11,191	2,463	22%	\$21,113,898	\$21,853,016	104%
Smallest School Districts						
VAUGHN	54	15	27%	\$236,915	\$225,098	95%
HOUSE	63	14	21%	\$144,966	\$159,624	110%
ROY	66	7	10%	\$70,688	\$166,472	236%
CORONA	70	16	23%	\$217,863	\$225,373	103%
WAGON MOUND	74	10	14%	\$117,629	\$101,043	86%
DES MOINES	87	18	20%	\$131,712	\$179,680	136%

Source: LESC Analysis of OBMS Data

Special Education Spending Patterns

LESC staff analysis of operating budget management system (OBMS) data found that of the \$612.2 million in state revenue local education agencies (LEAs) received through the SEG in FY23, LEAs reported spending \$568.1, or 93 percent, on special education expenditures. Of the \$96.7 million in federal funds LEAs received in FY23, LEAs reported spending \$105.5 million, or 109 percent, on special education. This means in FY23, of the \$709 million generated by special education students in both state and federal funds, LEAs reported spending \$673.6 million, or 95 percent, on special education services.

It appears there is no relationship between the size of a school district and its special education spending patterns. As shown above, the five largest school districts have overall spending ratios ranging from 90 to 112 percent. The five smallest school districts have overall spending ratios ranging from 104 to 237 percent.

LESC staff will be discussing special education expenditures in a hearing on December 15, as part of a presentation of a full report on LESC staff's 2023 interim work on special education.

informED

December 2023

Published monthly in the interim by the Legislative Education Study Committee
325 Don Gaspar, Suite 100
Santa Fe, NM 87501
(505) 986-4591

<https://www.nmlegis.gov/Entity/LESC/Default>

Jessica Hathaway Editor
Marit Andrews Contributing Editor