



NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE



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# Update on *Martinez-Yazzie* Lawsuit and Outcomes

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**Sunny Liu**

Principal Fiscal Analyst

Legislative Finance Committee

**John Sena**

Deputy Director

Legislative Education Study Committee

# The *Martinez-Yazzie* Lawsuit

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The New Mexico constitution requires that...

*“A uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state shall be established and maintained.”*

*- Constitution of the State of New Mexico, Article XII, Section 1*

On February 14, 2019, First Judicial District Court Judge Sarah M. Singleton ordered the state to:

*“...take immediate steps, by no later than April 15, 2019, to ensure that New Mexico schools have the resources necessary to give at-risk students the opportunity to obtain a uniform and sufficient education that prepares them for college and career.”*

*“In entering an injunction, however, the Court does not want to ignore the deference that should be given the legislature and the executive branches and wishes to give them an opportunity to create a funding system that will meet the constitutional requirements.”*

# The *Martinez-Yazzie* Lawsuit

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In 2014, plaintiffs alleged New Mexico was not meeting constitutional obligations to provide sufficient funding and programming for at-risk public school students.

In 2019, the District Court ruled:

- **Inputs** (funding/programming) are inadequate,
- **Outputs** (student outcomes) are “dismal,” therefore
- **Funding and Oversight** are insufficient.

In 2020, the court also noted the lack of access to Internet, devices, and IT support during school closures caused substantial harm to at-risk students.

## Key Findings

**Achievement Gaps** between at-risk students and their peers in test scores, graduation rates, and college remediation rates.

**Lack of Funds** for programs and resources that can close the achievement gap, such as high quality teachers, appropriate curricula, and extended learning time programs.

**Lack of Oversight** by the Public Education Department to ensure schools spent funds on evidence-based programs for at-risk students.

# Inadequate Inputs

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The Court identified the following educational inputs as inadequate in 2018:

**1. Programs and funding designed to support at-risk students including:**

- a) Quality, full-day prekindergarten
- b) K-3 Plus extended school year programs
- c) Afterschool, summer school, and extended learning time programs
- d) Smaller class sizes
- e) Research-based reading programs
- f) Counselors, social workers, and other non-instructional staff

**2. Funding for English learners**

**3. Implementation of the Indian Education Act**

**4. Programs to ensure college and career readiness**

**5. Quality instruction, leadership, and related issues**

**6. Instructional materials accessible to all students**

# Injunctive Relief for At-Risk Students

As injunctive relief, the plaintiffs requested:

- 1. A comprehensive statewide plan and timetable that includes:**
  - a) Provision of services, resources, and supports for all students
  - b) Steps to provide evidence-based programs and services
  - c) Steps to comply with the Indian Education Act and serve Native American ELL students
  - d) Steps to recruit, train, and retain teachers
- 2. Implementation of the plan**
- 3. Sufficient funding and a revised formula**
- 4. Monitoring and measurement of plan implementation**
- 5. An effective system of accountability and enforcement**

## At-Risk Students

The Court also noted the following student groups had historically been deprived of an adequate education:

- English Language Learners
- Native American Students
- Economically Disadvantaged Students
- Students with Disabilities

# Proposed Remedies in 2018

## Legislature should:

- Fund prekindergarten, K-3 Plus, reading interventions, extended learning time, and evidence-based programs
- Provide instructional materials, technology, curricula, and transportation
- Improve teacher pay, preparation, certification, and working conditions
- Close formula loopholes and increase at-risk student formula funding

## PED should:

- Develop a statewide plan and timetable for compliance, develop curriculum standards, and monitor student performance
- Ensure schools budget funds toward evidence-based programs that support at-risk students
- Enforce provisions of the Bilingual Multicultural, Indian, and Hispanic education acts
- Refine evaluation systems and provide technical assistance and training

## Schools should:

- Expend funds for evidence-based academic and social supports for at-risk students
- Monitor student outcomes and provide interventions to close achievement gaps
- Recruit and retain staff to meet student learning needs
- Implement tribal consultation, as appropriate
- Provide professional development and training to school staff

# Court Findings and State Responses

Court Finding	Legislative Action	Executive Action	Local Outcomes
Overall funding is insufficient	<b>Funding increase</b> FY19: \$2.8 billion FY25: \$4.4 billion (58%)	0.5% LGPF distribution	\$500 million in K-5 Plus and ELTP reversions \$383 million increase in operational cash
At-risk students do not receive 25% to 50% more funding	<b>At-risk index increase</b> FY19: 0.106 (8.7%) FY24: 0.330 (21.8%) <b>Family income index</b>	<b>Monitoring at-risk spending rate</b> FY21: \$124 million (42%) FY23: \$199 million (62%)	<b>At-risk student achievement gaps</b> FY23 Reading: 16% - 32% FY23 Math: 13% - 25%
English learners lack appropriate programs, curriculum, and materials	BMEA study	BMEA reports Updating language tests for licensure Biliteracy supports in structured literacy	<b>BMEP participation</b> FY19: 19,837 (38.2%) ELLs FY23: 21,937 (38.4%) ELLs

# Court Findings and State Responses

Court Finding	Legislative Action	Executive Action	Local Outcomes
State has not met provisions of the Indian Education Act	<p><b>Funding increase</b> FY19: \$2.5 million FY25: \$20.5 million</p> <p><b>No Impact Aid credit</b></p> <p><b>NALC pay equity</b></p>	<p>Tribal consultations</p> <p>Native language teacher initiatives</p>	<p><b>Native language fluency</b></p> <p>FY19: 247 students (5%) FY22: 434 students (10%)</p>
At-risk students lack access to K-3 Plus, out-of-school time (OST), and extended learning time programs	<p><b>More instruction</b> FY19: 990-1,080 hours FY24: 1,140 hours</p> <p><b>More recurring funds</b> FY25: \$312 million</p>	<p>180-Day Rule</p> <p>K-12 Plus OST</p> <p>Calendar monitoring</p>	<p><b>Average school days</b></p> <p>FY18: 175.6 days FY24: 182.8 days</p>
At-risk students lack access to quality, full-day prekindergarten	<p><b>Established ECECD</b></p> <p><b>Funding increase</b> FY19: \$282.1 million FY25: \$709.4 million</p>	<p>3-year-old services</p> <p>Extended-day services</p> <p>Full-day Pre-K</p>	<p><b>Pre-K enrollment</b></p> <p>FY19: 9,769 students FY23: 15,152 students</p>



# Court Findings and State Responses

Court Finding	Legislative Action	Executive Action	Local Outcomes
At-risk students are not college nor career ready	<p><b>Career Technical Education</b>  FY19: \$1.5 million  FY25: \$45 million</p> <p><b>New graduation requirements</b></p>	<p>Innovation Zones</p> <p>NextGen CTE</p> <p>Work-based learning and internships</p>	<p><b>At-risk student achievement gaps</b>  FY23 Graduation: 2% - 8%</p>
At-risk students lack access to research-based reading programs	<p><b>Early literacy funds</b>  FY19: \$8.8 million  FY25: \$87 million</p>	<p>K-8 science of reading training</p> <p>Literacy Institute</p>	<p><b>Teachers completing LETRS training</b>  FY22: 8,998 teachers</p>
PED programs are not working at scale	<p><b>GRO Fund</b></p> <p><b>Funding increase</b>  FY19: \$98 million  FY25: \$339 million</p>	<p>New agency research division</p>	<p>Reported struggle with grant and RFR processes</p>

# Court Findings and State Responses

Court Finding	Legislative Action	Executive Action	Local Outcomes
Schools are not meeting class size requirements	<b>Sunset of blanket class size waivers</b> Class size study	Individual class size waivers	<b>Average class sizes</b> Elementary: 16.5 – 18.2 Secondary: 16.4 – 21.3
At-risk students lack high quality teachers	<b>Average teacher pay</b> FY19: \$47,826 (#49) FY23: \$63,580 (#22) <b>Educator preparation</b> FY25: \$40 million	Revised teacher evaluations and licensure advancement Educator clinical practice initiatives	<b>Teacher vacancies</b> 2019: 644 teachers 2023: 751 teachers
PED has failed to monitor and ensure spending on at-risk students	<b>New data systems</b> <b>Agency budget</b> FY19: \$11.2 million FY25: \$23.9 million	<b>Increased staffing</b> FY19: 211 FTE FY25: 312 FTE	<b>At-risk funds spent on at-risk services</b> FY20: 75.4% FY23: 23%

# Court Findings and State Responses

Court Finding	Legislative Action	Executive Action	Local Outcomes
Instructional materials need more funding and oversight	<b>Funding increase</b> FY17: \$20.7 million FY25: \$55.0 million	Monitoring for high quality, evidence-based instructional materials and expenditures	<b>FY23 SEG spending</b> Appropriation: \$43 million Expenditure: \$17.7 million
Transportation funding is deficient	<b>Funding increase</b> FY19: \$100 million FY25: \$134 million  <b>No density factor</b> <b>Transportation study</b>	Emergency fuel allocation  New rurality factor	Reported bus driver shortages  FY25 transportation reallocations
Technology funding is deficient	<b>Nonrecurring funds</b> FY23: \$10 million  <b>Broadband and SEN</b> FY25: \$35 million	Allocating and monitoring \$1.5 billion in ESSER funds	<b>FY23 student access</b> High-speed Internet: 60% Digital devices: 84%

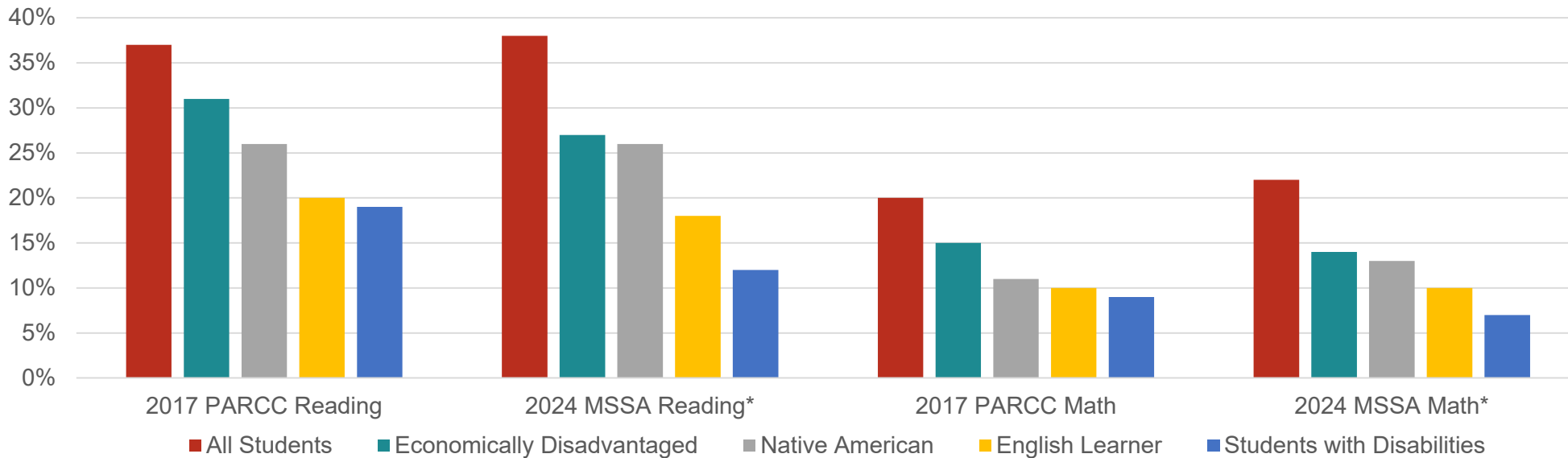
# Court Findings and State Responses

Court Finding	Legislative Action	Executive Action	Local Outcomes
Schools lack adequate mental health and support staff	<b>At-risk funding increase</b> FY19: \$124 million FY24: \$376 million	<b>Faculty endowments</b> <b>Loan repayment</b> FY21: 144 requests FY24: 1,122 requests	<b>Medicaid BH providers</b> 2019: 3,220 providers 2023: 4,555 providers
Districts must maintain cash balances to address shortfalls	None	None	<b>Cash balance increase</b> FY19: \$273 million (10%) FY25: \$656 million (16%)
Funding formula components are being manipulated	<b>Age cap at 22</b> <b>Size adjustment limits</b> FY19: 27,607 units FY24: 23,423 units	Teacher cost index audits	Reported budget shortfalls from program unit losses

# Dismal Outputs

The Court used NAEP and PARCC test scores, high school graduation rates, and college remediation rates to determine the adequacy of the state's educational system. Since the ruling, achievement gaps remain, and the state maintains its last place ranking nationwide.

Student Proficiency Rates

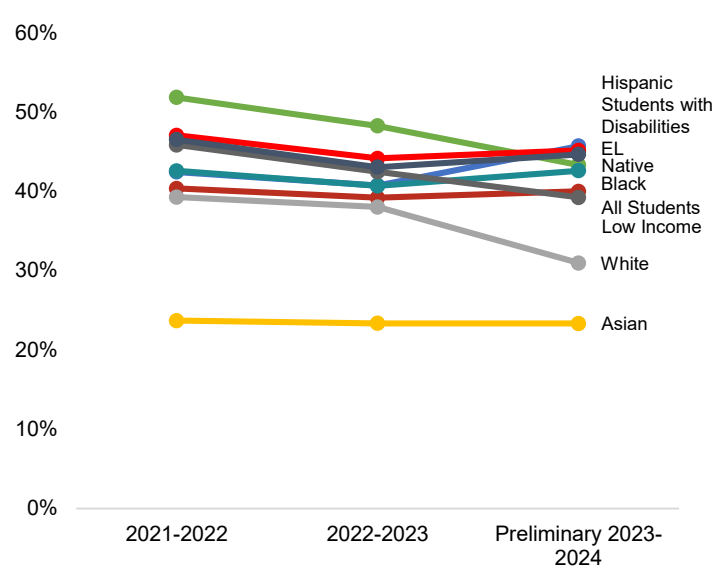


\*Preliminary results  
Source: PED

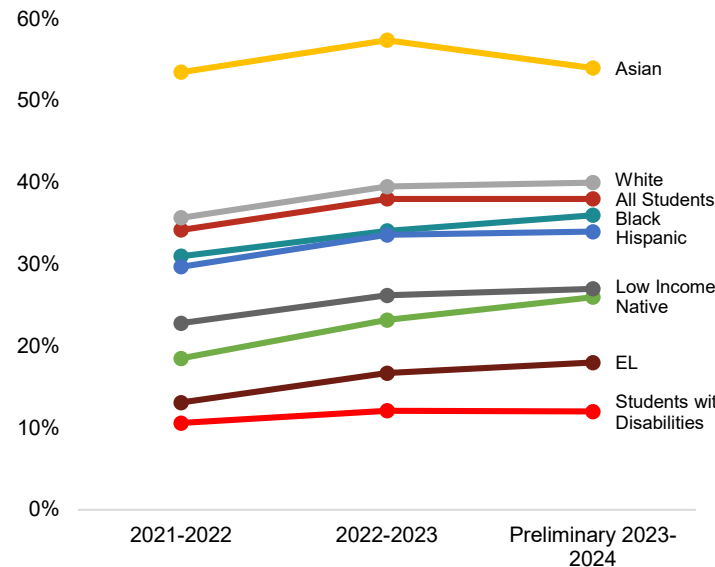
# Other Outputs

While not an explicit output used by the court, student absenteeism has significantly affected academic and social outcomes since the ruling. And while the state is making some progress in improving reading scores, math proficiency rates appear to be declining.

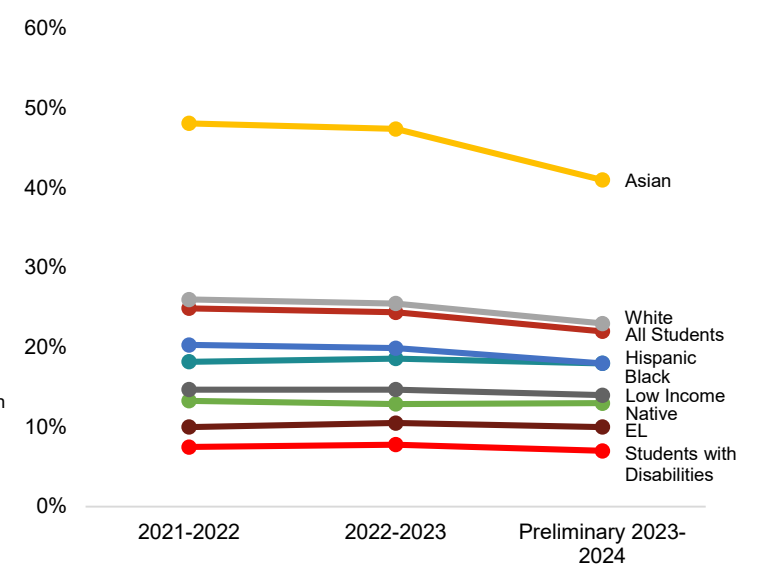
**Chronic Absenteeism Rates**



**Reading Proficiency by Demographic**



**Math Proficiency by Demographic**

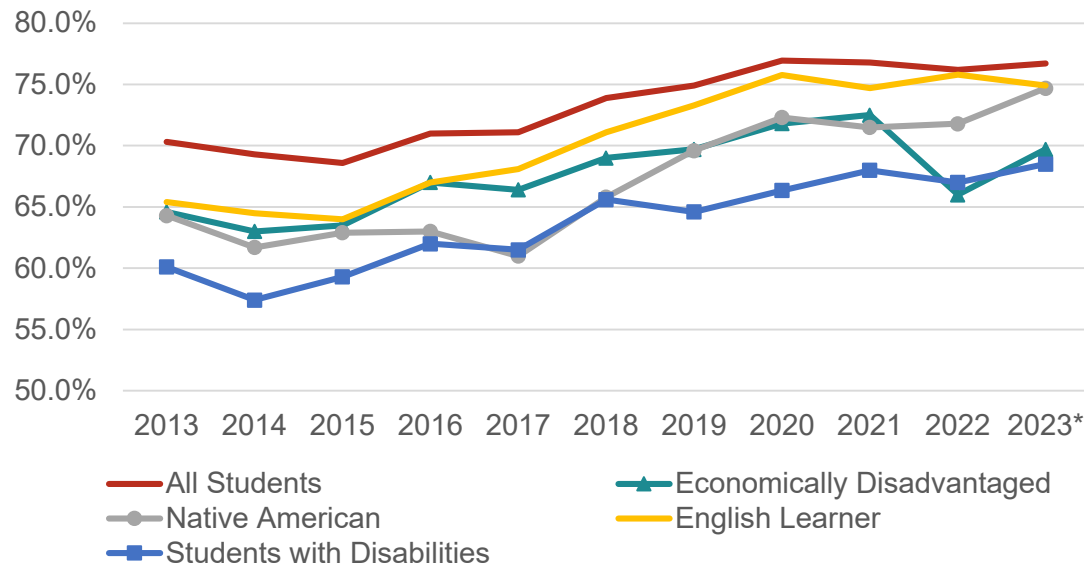


Source: PED

# Possible Improvement

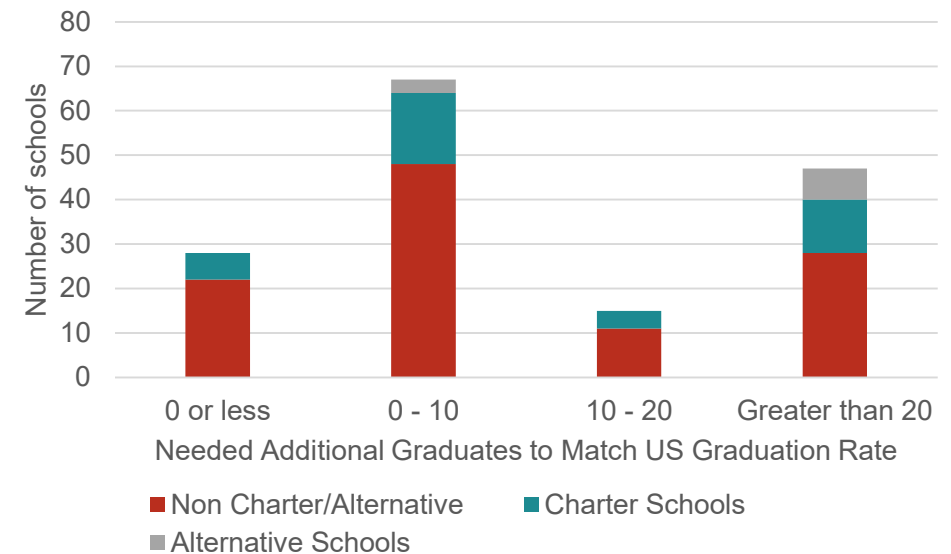
Graduation rates have gone up and college remediation rates have gone down; however, it is unclear how changes in demonstrations of competency and usage of waivers have affected these rates. In 2022, New Mexico would have needed 2,344 more high school graduates to meet the national average.

**High School Graduation Rates**



\*Preliminary data  
Source: PED

**Number of Additional NM Graduates Needed to Match 2022 US Graduation Rate**

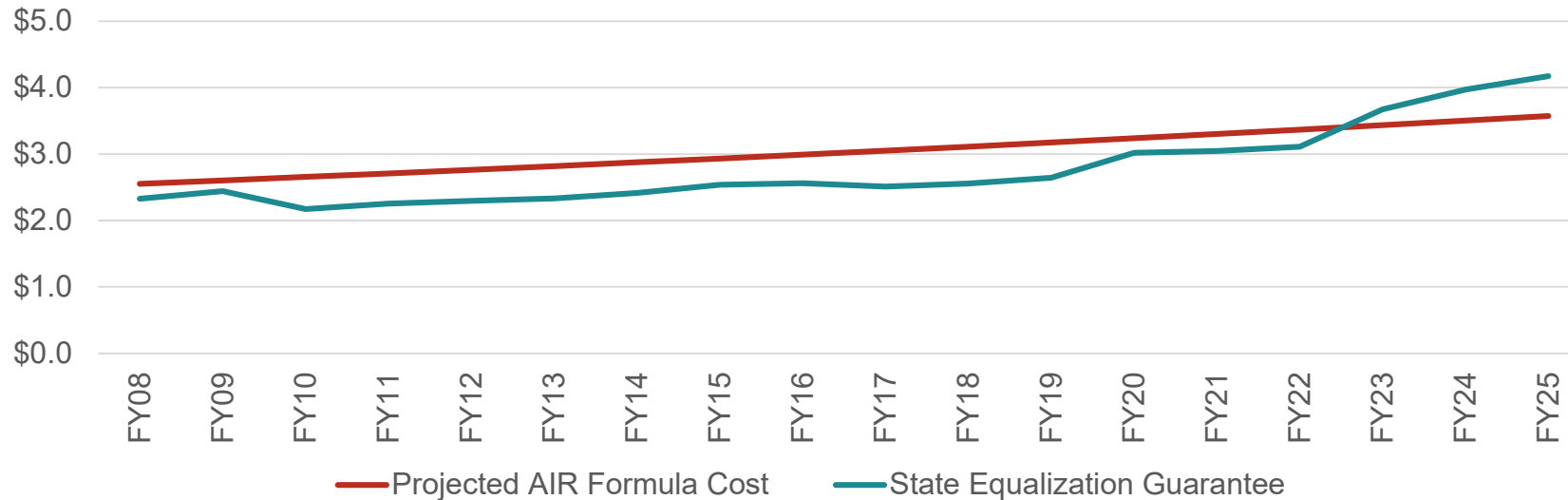


Source: LFC Files

# AIR Benchmarks

New Mexico has exceeded the inflation-adjusted sufficiency costs recommended through the American Institutes of Research (AIR) proposal from 2008. The Court did not endorse the AIR methodology, but it remains a helpful measure of progress in meeting target funding levels.

**AIR Projected Cost to State Equalization Guarantee**  
(in billions)

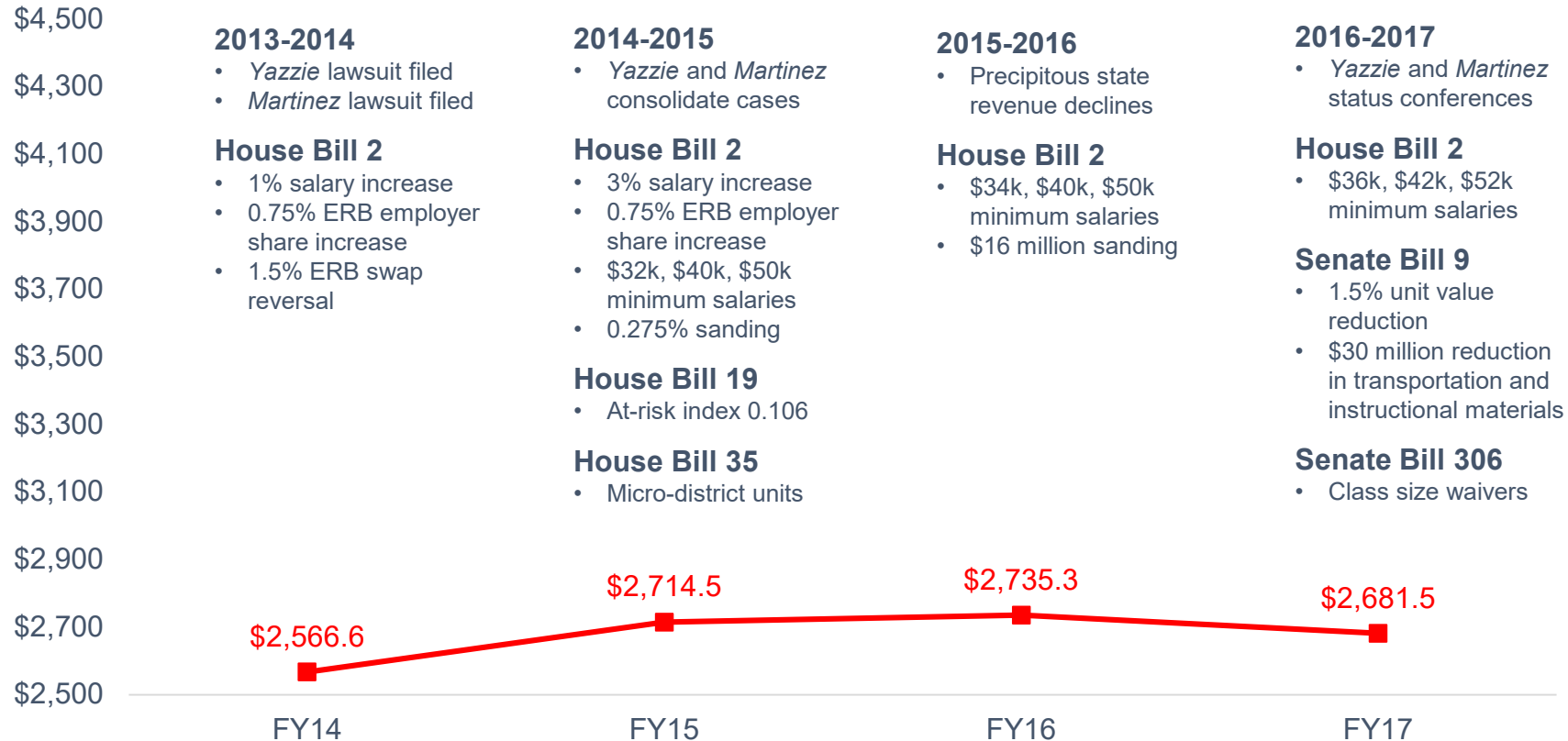


Source: LFC Files



# Martinez-Yazzie Legislative Action

## Enacted Legislation and Recurring Appropriations (in millions)



### 2013-2014

- Yazzie lawsuit filed
- Martinez lawsuit filed

### House Bill 2

- 1% salary increase
- 0.75% ERB employer share increase
- 1.5% ERB swap reversal

### 2014-2015

- Yazzie and Martinez consolidate cases

### House Bill 2

- 3% salary increase
- 0.75% ERB employer share increase
- \$32k, \$40k, \$50k minimum salaries
- 0.275% sanding

### House Bill 19

- At-risk index 0.106

### House Bill 35

- Micro-district units

### 2015-2016

- Precipitous state revenue declines

### House Bill 2

- \$34k, \$40k, \$50k minimum salaries
- \$16 million sanding

### 2016-2017

- Yazzie and Martinez status conferences

### House Bill 2

- \$36k, \$42k, \$52k minimum salaries

### Senate Bill 9

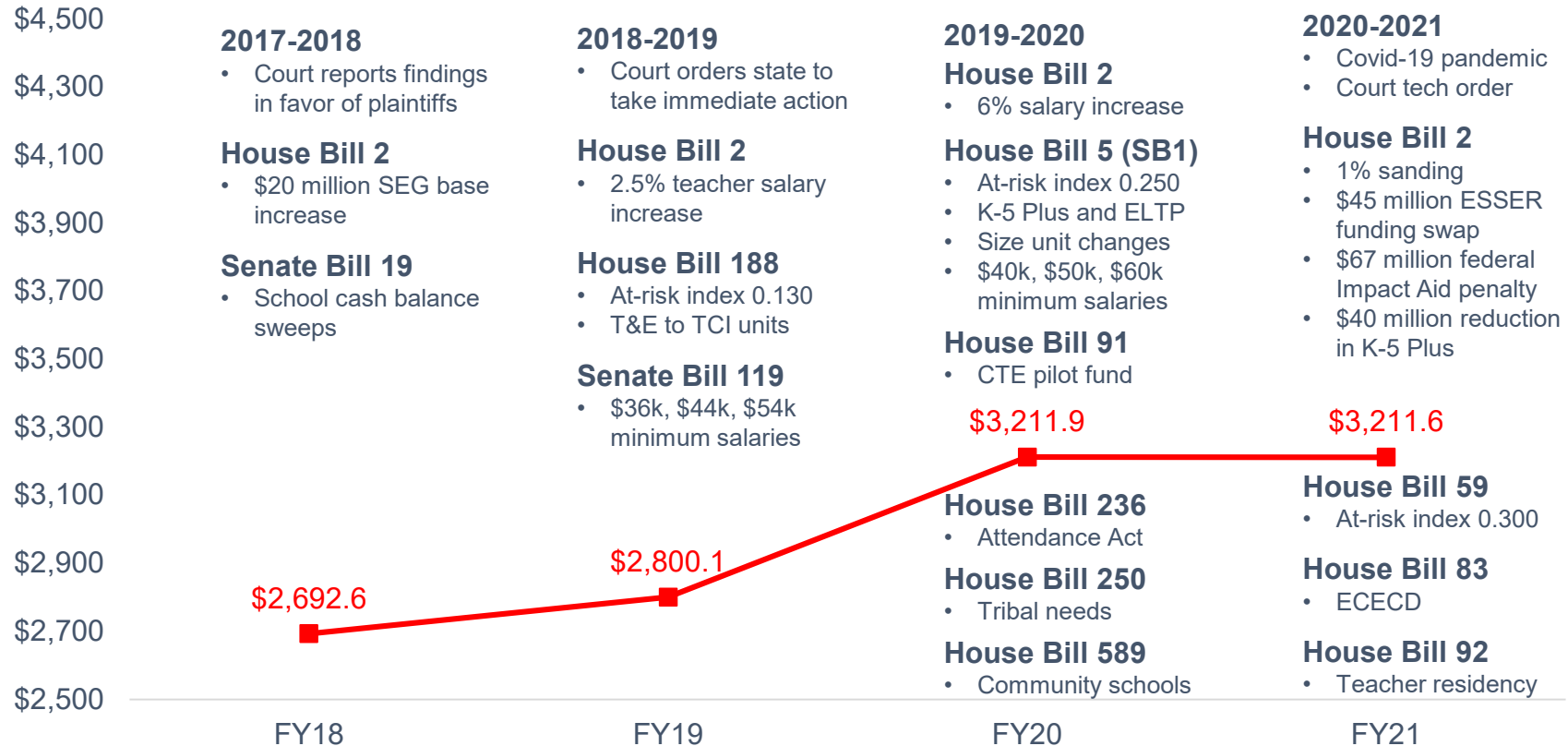
- 1.5% unit value reduction
- \$30 million reduction in transportation and instructional materials

### Senate Bill 306

- Class size waivers

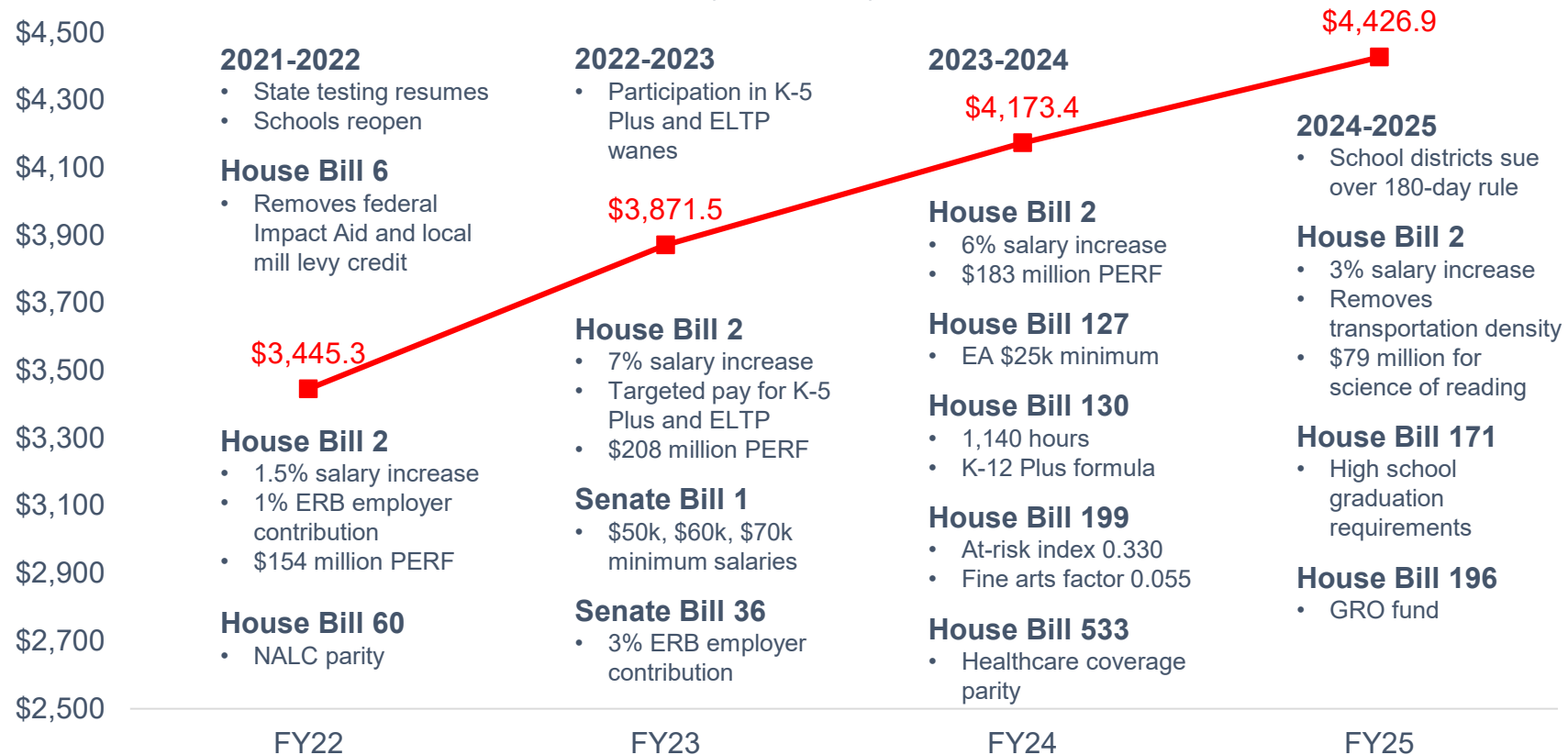
# Martinez-Yazzie Legislative Action

## Enacted Legislation and Recurring Appropriations (in millions)



# Martinez-Yazzie Legislative Action

Legislative Actions and Recurring Appropriations  
(in millions)



# Revisiting Inadequate Inputs

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The Court identified the following educational inputs as inadequate in 2018:

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# Q & A

## Legislative Finance Committee

Sunny Liu, Principal Fiscal Analyst

[Sunny.Liu@nmlegis.gov](mailto:Sunny.Liu@nmlegis.gov)



## Legislative Education Study Committee

John Sena, Deputy Director

[John.Sena@nmlegis.gov](mailto:John.Sena@nmlegis.gov)

