

## B i t e - S i z e

 The Public Education Department's Indian Education Division has purchased 700 wireless Internet "hot spots" for residences on the Navajo Nation, along with 6,300 Chromebooks for Native American students statewide. More than 100 mobile hot spots will also be placed statewide in teacher housing, chapter houses, and shared spaced on tribal land. PED is working with pueblos and tribes statewide to install equipment and train students and staff.

 The Public Education Department has preliminary permission to take credit for federal Impact Aid payments in FY21, contingent on technical changes to the calculation. However, the U.S. Education Department still must hear from several districts that contend the state has no right to deduct any amount from the state distribution to districts that receive the aid. Earlier this year, USDE notified the state it's prior method was flawed and the state could not take credit for any Impact Aid in FY20.

 The Board of Finance recently confirmed \$53.4 million in unanticipated supplemental severance tax bond revenue has been made available for Public School Capital Outlay Council projects for the budget year that started July 1. Until this announcement, PSCOC's financial plan did not anticipate any revenue would be available from the June bond sale.



# i n f o r m E D

a publication of the Legislative Education Study Committee

Representative Christine Trujillo, Chair / Senator Mimi Stewart, Vice Chair / Rachel S. Gudgel, Director / July 2020

### From the Chairwoman

### Strange Days

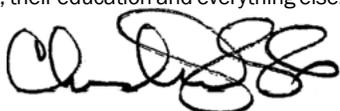
The coronavirus-triggered shut-down of physical classrooms has thrown into sharp relief the importance of the role of public schools in children's lives and community well-being. That multifaceted, complex, nuanced role is why it is so hard to determine if, when, and how schools kids should head back to the classroom.

Even if it were just an education question, it would be difficult. The Legislative Finance Committee and organizations nationally have found students lost months, and possibly a year, of learning when classrooms closed. Inaccessible Internet was a factor but so was the learning curve forced on teachers and the simple inappropriateness of trying to teach 8-year-olds science through a screen. The impact was worse on children already struggling, a particularly significant finding in a state under a court order to close the achievement gap.

Indeed, if the loss was just educational, that would be enough. But it's more than that. The American Academy of Pediatrics is recommending that schools reopen in the fall, with safety plans in place, because "schools are fundamental to child and adolescent development and well-being and provide ... academic instruction, social and emotional skills, safety, reliable nutrition, physical/speech and mental health therapy, and opportunities for physical activity." Further, it argues, closed schools make it difficult "to identify and address important learning deficits as well as child and adolescent physical or sexual abuse, substance use, depression, and suicidal ideation."

It is unclear from national and international studies how easily children transmit COVID-19, but the data is not promising in New Mexico, where the percentage of cases among children has been at least twice as high as that in other regions.

Our schools did as good a job as possible when they had to turn on a dime. Teaching from a distance – engaging young minds from a distance – is a very different job than teaching in a classroom. Now the schools – with guidance from the state, the Centers for Disease Control and Prevention, the American Academy of Pediatrics, and others – need to use this time to develop a strong plan to take the best care of our kids, their education and everything else.



## Plans Reflect Lessons

Guidance from the Public Education Department on reopening schools suggests the state agency is trying to address weaknesses in the continuous learning plans adopted hurriedly when schools shut down in the spring, LESC analysis indicates.

PED's new remote education guidelines – the department did not require schools to submit education plans for in-school or hybrid approaches – require school districts and charter schools to describe how they will handle grading, attendance, student engagement and participation, the use of high-quality instructional materials, and access to devices and Internet connections, LESC staff reports in a brief prepared for the committee's July meeting.

LESC is scheduled to discuss the spring shutdown of schools at 9 a.m. on July 16 and public school plans for the fall at 9 a.m. on July 17.

The department's guidelines also include specific sections on programming for at-risk students and extended learning time – most students lost months of learning time last school year – and schools must provide a number of "assurances" for remote learning, including assuring teachers are conducting wellness checks and implementing schoolwide social-emotional curriculum.

When schools shut down on short notice in mid-March because of the COVID-19 pandemic, New Mexico educators faced challenges teaching outside the brick-and-mortar setting, the brief says, and the state waived requirements designed to ensure students are engaged in education, including rules on attendance, instructional time, standardized assessments, and teacher evaluations.

The department's goal was to extend "flexibility and grace" to students and families, but PED's reluctance to provide more prescriptive guidance led to wide variation in the development and implementation of the continuous learning plans produced by school districts and charter schools.

Only 37 percent of school districts developed plans to gauge student attendance and only 8 percent made it a requirement. While teachers reported being unable to reach one in five students, schools that required attendance had better student engagement, regardless of student income status.

Differences in school practices, coupled with a lack of preparation and the "digital divide" – the inability of some students to connect electronically because of a lack of devices or Internet access – led to lost learning time and likely continued on back

# Public School Budget Reduction Smaller than Most

Action during the special legislative session in June will mean public schools will get slightly less in formula funds in FY21 than they did in the fiscal year that ended June 30, but overall schools took a softer hit than other areas of state government.

The FY21 general fund appropriation to the state equalization guarantee, the pool of money distributed to schools through a funding formula, is about 0.7 percent less than in FY20.

However, the public school share of total recurring general fund appropriations increased slightly from the FY21 budget plan approved in February, from 44.9 percent to 45.5 percent, because total public school reductions were proportionally smaller than their share of the total budget.

The COVID-19 pandemic and a precipitous drop in oil prices forced Legislators back to Santa Fe in June to address a looming unconstitutional deficit for FY20 and revenue shortfalls for FY21.

The revenue forecast for FY21 fell

## Plans Reflect Lessons

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widened the achievement gap between low-income students and their more affluent peers, research indicates.

PED guidelines for reopening schools in the fall prioritize the health and safety of students and staff, maximize safe in-person learning opportunities, and are based on science and data.

Depending on whether the virus is increasing or decreasing in severity in an area, school districts will remain closed and all instruction will be delivered remotely, schools will reopen at 50 percent to allow for social distancing and some instruction will be delivered remotely, or schools will fully reopen with social distancing and other safety practices in place.

\$2 billion between February and June, requiring a rewrite of the budget to align spending with revenues. At the same time, while reserves were adequate to cover the relatively small FY20 deficit, immediate legislative action was needed to pull the money from a restricted fund to ensure the state didn't overspend, which is prohibited by the state constitution.

While the state's appropriation to the state equalization guarantee shrank by less than a percent, the amount available to distribute to school districts and charter schools could be down by more if the U.S. Education Department limits or eliminates the credit the state can take for Impact Aid, federal payments to schools impacted by federally connected students, like tribal members and the children of military families.

The state has been allowed to deduct from its distribution of state dollars an amount equal to a portion of the Impact Aid received by a district or charter school, but federal regulators in an April decision, under appeal, eliminated the credit for FY20. Some districts continue to challenge the right of the state to take any credit in FY21.

The Legislature set aside \$31 million to cover the cost of any lost credit. The pool of money available to all districts will shrink depending on the final federal decision.

Legislative action during the special

session also reduced the pay increase for school employees, from 4 percent in the original FY21 budget to 1 percent and eliminated the increase for school administrators and managers.

Concerned the smaller increases would not offset increased health insurance costs, legislators adopted language limiting how much a school district or charter school can pay for group health insurance premium increases.

As a result, the Public Schools Insurance Authority, which covers all but the Albuquerque Public Schools, will need to reduce previously approved health insurance premium increases. The Legislature also limited increases for the self-insured Albuquerque Public Schools.

The Legislature also cut the original appropriation for the K-5 Plus extended school year program by a third, from \$120 million to \$80 million. Schools only applied for \$22 million of the funds in FY20, and few schools are likely to launch new programs during the public health emergency.

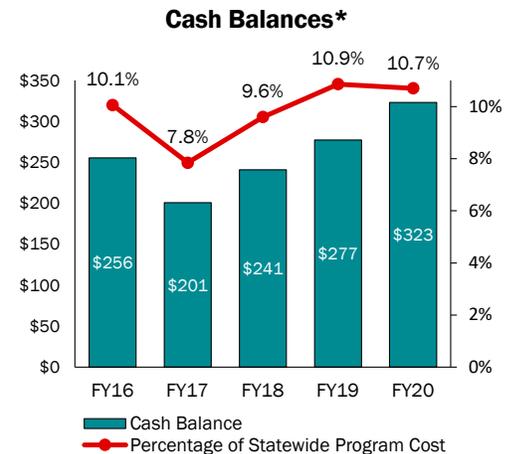
However, in response to concerns about learning time lost when schools moved to distance learning in the spring, special session action funds 10 additional school days for districts that apply and requires formal notification to legislative committees and the Public Education Department from those that do not.

## Schools Hold \$323 Million in Reserves

School districts and charter schools hold more cash reserves than ever before, with a total of \$323 million in operational fund cash balances at the end of FY20, according to PED-approved budgets. This is an increase of \$46 million from the end of FY19, or more than 10 percent of the \$411 million increase appropriated to public schools for FY20.

As part of legislation to ensure the state remained solvent in FY17, the state took credit for \$40.1 million in school cash balances, leading to an overall reduction in balances between FY16 and FY17. But over the last three fiscal years, school district and charter school cash reserves have increased by \$122.4 million.

As a percentage of program cost – the amount the Legislature assumes schools need to operate – cash balances increased from 7.8 percent in FY17 to 10.7 percent at the end of FY20.



\*Based on school district and charter school budgets, including cash designated by the school district or charter school as restricted. Audited cash balances tend to be higher than budgeted.

Source: PED

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