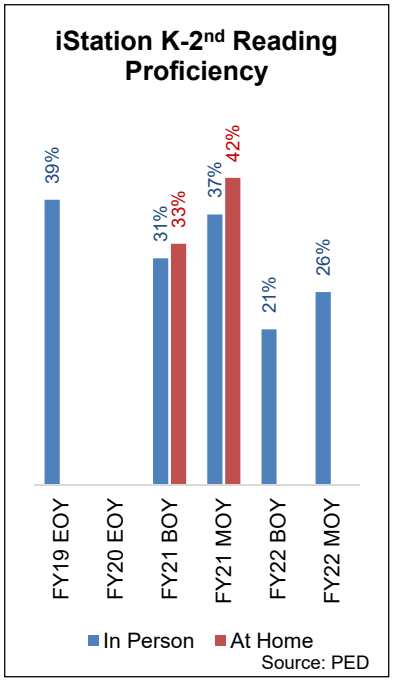
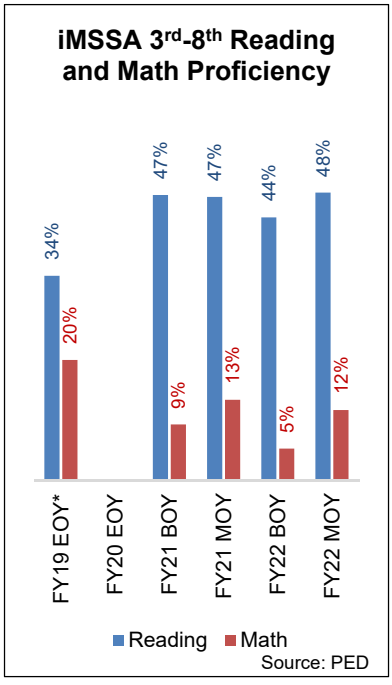
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Public Education Department
Third Quarter, Fiscal Year 2022

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No



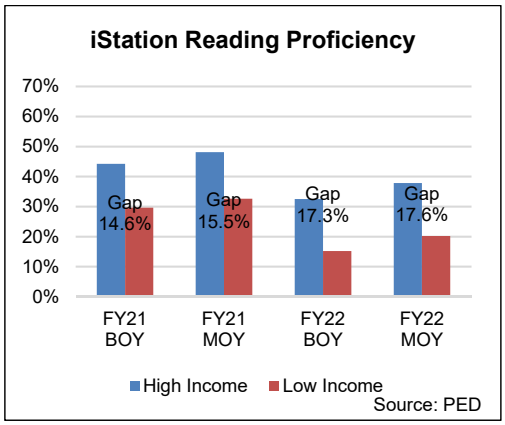


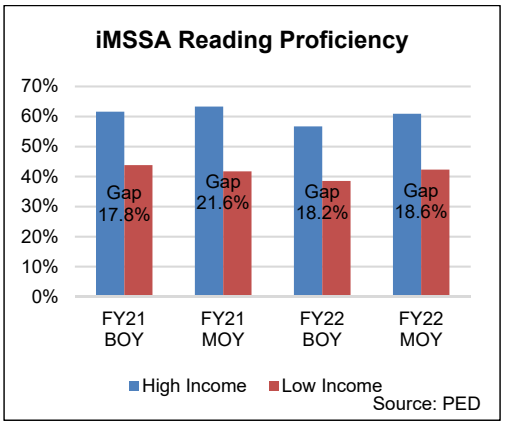
Public Schools

Student Achievement

The transition to New Mexico's new standardized reading and math assessment, or MSSA, has hampered the state's ability to measure the impact of Covid-19 disruptions to the classroom. The previous PARCC test indicated FY19 student reading and math proficiency rates were 34 percent and 20 percent, respectively; however, interim MSSA, or iMSSA, scores suggest FY21 reading and math proficiency is 48 percent and 12 percent, respectively. Although lacking in comparability with PARCC, the transition to iMSSA will help inform teacher practice and state decisions moving forward.

The Public Education Department's (PED) iStation and iMSSA tests show some student growth in math and reading scores during FY21 and FY22. However, only 38 percent of third through eighth graders participated in the optional iMSSA test. As such, the results are not representative of all New Mexico students. Still, both datasets show trends of unfinished learning over the summer, as fewer students were "on target" for reading and math in the beginning-of-year (BOY) assessments.





More troubling, the pandemic has worsened achievement levels for both low-income and high-income students and widened the achievement gap. Middle-of-year (MOY) student performance for FY22 remains below FY21 MOY achievement, with larger gaps in earlier grade levels.

Budget: $14,531.9 / **FTE: 285.2**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
4th grade reading proficiency†	No Report	52.8%	34%	49.2%	No Report	58.9%	Y
8th grade reading proficiency†	No Report	42.5%	34%	34.3%	No Report	38%	Y
4th grade math proficiency†	No Report	16.4%	34%	4%	No Report	8.7%	R
8th grade math proficiency†	No Report	18.8%	34%	5.8%	No Report	11.1%	R
High school graduation rate	76.9%	76.8%	75%	Reported Annually			Y
Program Rating	R	Y					Y

†FY21 and FY22 proficiencies are not representative samples, given only 38 percent of all students voluntarily participated in testing.

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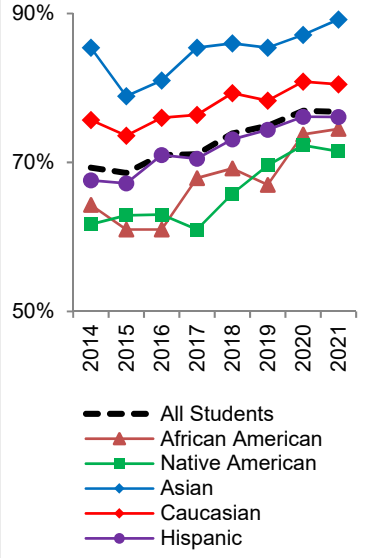

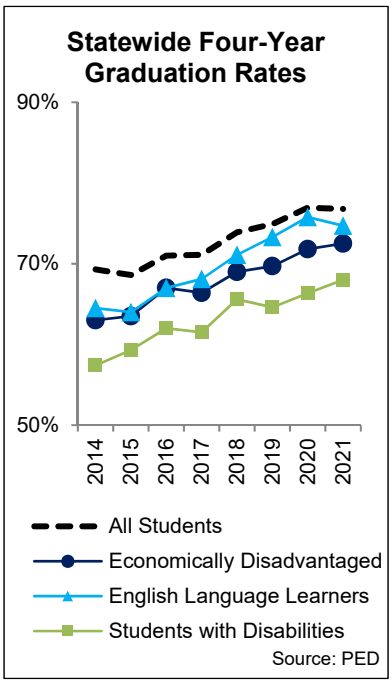

***Martinez- Yazzie* Action Plan**
Written input on PED's Draft Action Plan may be sent to draft.actionplan@state.nm.us.

Graduation Rates

In spite of mixed student achievement, the 4-year high school graduation rate remained relatively flat at 76.8 percent for the class of 2021. Low-income, special education, Black, and Asian students showed marginal improvements in graduation rates from the prior year; however, Native American, English learner, and White student graduation rates fell slightly. Hispanic student graduation rates, which represent the largest student demographic, remained the same. Although New Mexico's graduation rate has grown in recent years, the state's college-going rate has declined, falling to 54 percent in 2020.

New Mexico joins several other states that experienced a dip in high school graduation rates in 2021; however, the national graduation rate for 2021 is 85.3 percent—consistently higher than New Mexico's average. PED and schools relaxed certain graduation requirements during the pandemic, likely contributing to the graduation rate amidst significant lost instructional time. A recent report from ACT found high school seniors' grade point averages (GPA) increased by 0.19 grade points between 2020 and 2021 while ACT composite test scores decreased by 1.23 points over the same period. The report noted GPAs grew faster between 2018 and 2021, and highlighted evidence of grade inflation with a greater degree of inflation for Black students.

Public Education Department

PED recently published a draft action plan to address the *Martinez-Yazzie* lawsuit, providing targets for educator workforce conditions, student performance, extended learning time (ELT) participation, early literacy training, and internet connectivity. Notable targets included a 50 percent increase in reading and math achievement rates for at-risk students by FY26, 90 percent high school graduation rate by 2027, and 50 percent increase in new teacher retention rates by FY26. PED's target for ELT participation was only 85 percent participation by FY27—equivalent to the current state equalization guarantee (SEG) funding level. The K-5 Plus participation target was 50 percent of low-income students by FY27, despite sufficient SEG funding to cover nearly all low-income elementary students.

PED is still collecting feedback on the draft action plan. Proposed performance measures in the plan could be added to the department's Accountability in Government Act performance framework and reflected in LFC's quarterly reporting. The department should consider adding more concrete detail on corrective actions within the draft plan, particularly PED's interventions and supports for low-performing districts or schools.

Budget: $14,531.9 **FTE: 285.2**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Students funded in K-5 Plus Schools	15,949	14,242	N/A*	8,699	8,334	8,334	R
Students in K-5 Plus pilots	5,518	1,825	N/A*	4,412	4,742	4,842	G
Students funded in Extended Learning Time programs	83,293	141,622	N/A*	142,656	139,067	138,922	Y
Average days to process federal reimbursements	31	40	24	19	24	No Report	R
Data validation audits of funding formula	12	24	35	2	18	0	R
Program Rating	R	R					R

*Measure is classified as explanatory and does not have a target.

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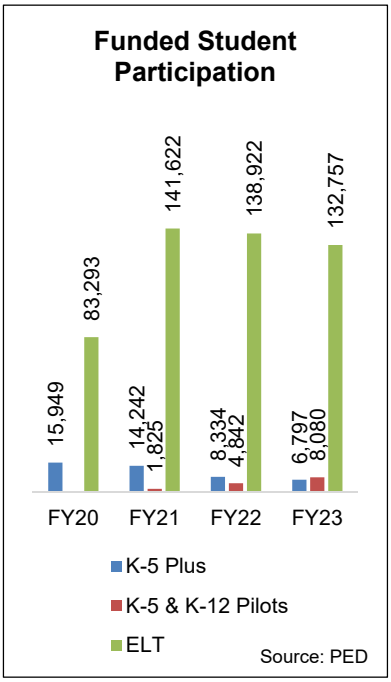
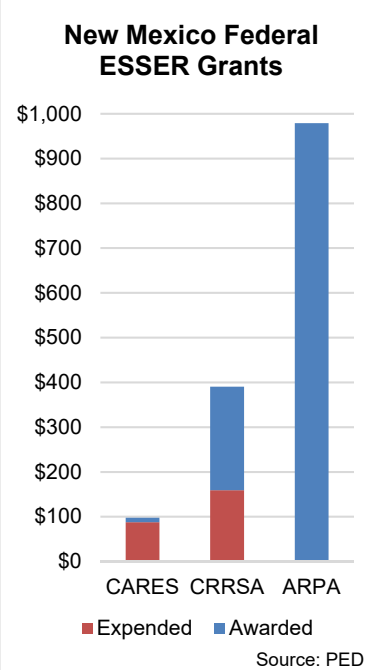




Extended Learning Time

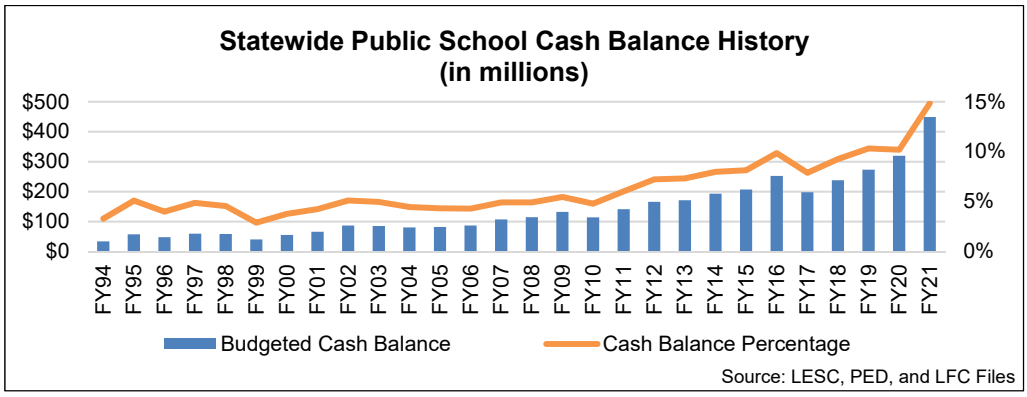
Final funded participation in FY22 for K-5 Plus and ELT stands at 13 thousand students and 138.9 thousand students, respectively—substantially below capacity. As such, the FY22 reversion to the public education reform fund (PERF) is expected to reach $189.2 million. Participation rates in both programs continue to fall, despite re-enrollment of students from Las Cruces (the second largest school district) in ELT for FY23. PED reports projected FY23 enrollment for K-5 Plus is 6,797 students, ELT programs is 132.8 thousand students, and K-12 Plus pilots is 8,080 students. Currently, the estimated FY23 reversion to PERF is $151.8 million.

Despite participating as plaintiffs in the *Martinez-Yazzie* lawsuit, which ordered the state to make K-5 Plus and ELT funding available, several school districts (like Gallup and Santa Fe) have opted out of the programs for FY23. With uneven participation in evidence-based programs statewide and a widening achievement gap, the state should consider requesting a court clarification on whether the Legislature should continue funding ELT programs in spite of low participation or mandate participation for chronically low-performing schools.

School Resources

PED has published an online dashboard to track and report school district and charter school spending on $488 million of the $1.5 billion in federal emergency relief (ESSER) funds for New Mexico educational entities. Schools report spending most of the first round of ESSER funds (CARES) and 40 percent of the second round (CRRSA) of funding. The third and largest round of aid, ARPA, remains mostly unspent and has an expenditure deadline in of September 30, 2024.

A May 2022 U.S. Department of Education letter to the national school superintendents' association suggests the department may consider requests to further extend spending of ARPA up to 18 months. The letter also urged schools to use ARPA dollars to address lost instructional time and student mental health rather than new construction projects.



In addition to federal ESSER funds, New Mexico schools have nearly half a billion dollars in unrestricted cash balances available from FY21. PED recently changed prior guidance prohibiting the use of cash for recurring, operational expenditures (like salaries). These changes could spend down balances but may obligate the state to consider larger, recurring operational costs moving forward.