



**Report  
to  
The LEGISLATIVE FINANCE COMMITTEE**



Public Education Department  
Eastern New Mexico School Districts  
May 8, 2014

**Report #14-05**

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May 8, 2014

Ms. Hanna Skandera, Secretary- Designate  
Public Education Department  
Jerry Apodaca Education Building  
300 Don Gaspar  
Santa Fe, NM 87501

Dear Ms. Skandera:

On behalf of the Legislative Finance Committee (Committee), I am pleased to transmit the *Eastern School Districts Evaluation*. The evaluation review team assessed governance, resource allocation, and student performance in Estancia, Moriarty-Edgewood, San Jon, Santa Rosa, Tucumcari, and Vaughn. The report will be presented to the Committee on May 8, 2014. Exit conferences were conducted with each district as well as the Public Education Department to discuss the contents of the report. The Committee would like a plan to address the recommendations within this report within 30 days from the date of the hearing.

I believe this report addresses issues the Committee asked us to review and hope New Mexico's public schools benefit from our efforts. We very much appreciate the cooperation and assistance we received from your staff.

Sincerely,

A handwritten signature in black ink that reads "David Abbey".

David Abbey, Director

MM/DA:jl

cc: Representative Luciano "Lucky" Varela, Chairman, LFC  
Senator John Arthur Smith, Vice-Chairman, LFC  
Mr. Audie Brown, Superintendent, Estancia Municipal Schools  
Mr. Tom Sullivan, Superintendent, Moriarty-Edgewood Schools  
Mr. Colin Taylor, Superintendent, San Jon Municipal Schools  
Mr. Ted Hern, Superintendent, Santa Rosa Consolidated Schools  
Mr. Aaron McKinney, Superintendent, Tucumcari Public Schools  
Dr. Susan Wilkinson-Davis, Superintendent, Vaughn Municipal Schools

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## Eastern districts included in this evaluation:

- Estancia
- Moriarty-Edgewood
- San Jon
- Santa Rosa
- Tucumcari
- Vaughn

## New Mexico School District Enrollment, FY14

Total School District Enrollment	Number of School Districts
<100	7
100-200	12
201-500	19
501-1,000	12
1,001-2,000	10
2,001-5,000	14
5,000-10,000	8
10,000+	7

Source: Final Funded, 40<sup>th</sup> Day

**Santa Rosa could save as much as \$480 thousand annually by reconfiguring its facilities.**

## School Grades, FY13

	A	B	C	D	F
Estancia	1	0	3	2	0
Moriarty	1	4	2	1	0
Santa Rosa	1	0	2	2	0
San Jon	0	1	2	0	0
Tucumcari	1	1	1	0	0
Vaughn	0	1	0	1	0

Source: PED

**While in the last decade student enrollment increased 6 percent statewide, in 72 of the 89 districts, enrollment decreased by an average of 23 percent, or 21 thousand students.**

The six eastern school districts chosen for this evaluation share three things in common with much of New Mexico and the United States: they are small, they are expensive to operate, and student performance often lags behind desired results. This report focused on funding and operational issues unique to micro and small school districts and found high costs per student in districts with fewer than 2,000 students, the size of two-thirds of New Mexico's districts. While statewide the average amount generated per-student through the public education funding formula was \$7,300 in FY14, in several eastern school districts that amount exceeded \$12 thousand per student, excluding emergency supplemental funds. Large percentages of students are still not reading or performing math on grade level, resulting in many students who graduate from high school needing remedial courses in college. Though the state heavily subsidizes small district infrastructure, higher spending is not achieving significantly better outcomes for students.

Declining enrollments across the state create unique challenges to manage resources strategically. Similar to the national trend of urban migration, New Mexico's student enrollment dropped in 72 school districts in the last decade. As school districts get smaller, the percentage of funds spent on instruction shrinks. The likelihood of rural New Mexico's continued population decline will place increased pressure on the state's fiscal resources. In response, districts like Moriarty-Edgewood and Santa Rosa are reconfiguring facilities to optimize efficiency.

Additionally, while New Mexico's funding formula includes numerous adjustments to offset the lack of economies of scale associated with both small schools as well as small districts, many school districts chronically rely upon emergency supplemental funds. In some cases, this appears to create incentives to spend higher amounts per student and the Public Education Department (PED) has limited authority to control these expenditures. Strategically merging resources could direct a greater percentage of funds toward improving instructional outcomes. In one example, combining the central office services of three micro districts would allow these districts to redirect enough funds to send every student to school for an extra 25 days.

Finally, even though the state spends more per student in these school districts and class sizes are small, students perform no better than those in bigger school districts. In particular, a large achievement gap between English-language learners (ELL) and their peers persists. An analysis of bilingual education in these eastern school districts highlights several issues noted in previous Legislative Finance Committee (LFC) evaluations, including uneven identification rates, low percentages of students achieving English-language proficiency levels, and minimal oversight from the PED.

This is the fifth Legislative Finance Committee school district-based evaluation. Given the goals of improving student performance while containing costs, the LFC is continuing the practice of reviewing the operations of selected school districts in New Mexico to identify best practices and ensure efficient and effective use of public funds.



### Eastern District Enrollment Decreases, FY01 to FY14

District	Mem FY01	Mem FY14	% Change
Moriarty-Edgewood	4,542	2,843	-37%
San Jon	189	133	-30%
Santa Rosa	835	631	-24%
Tucumcari	1,306	1,017	-22%
Estancia	951	814	-14%
<b>Statewide</b>	<b>312,134</b>	<b>330,857</b>	<b>6%</b>

Source: LFC Analysis of Final Funded

***Had per-student funding remained flat from FY06 to FY13 in Santa Rosa, revenue for FY15 would be \$870 thousand less than FY06 revenue.***

***After one year of operating a four-day school week, the Las Vegas City School Board voted to return to a five-day school week in FY14.***

### Excess Capacity in Eastern School Districts, FY13

District	Students	Total District Student Capacity
Santa Rosa	630	1,606
Vaughn	105	224
Estancia	818	1,495
San Jon	132	225
Moriarty-Edgewood	2,910	4,264
Tucumcari	1,032	1,461

Source: PSFA

***Moriarty-Edgewood's seven elementary and middle schools are currently at 39 percent of capacity.***

***As enrollment and revenues have dropped, Moriarty-Edgewood eliminated 36 percent of all certified, classified, and administrative staff between FY01 and FY14.***

## KEY FINDINGS

**Declining enrollments across the state challenge districts to manage resources strategically.** Although in the last decade student enrollment increased 6 percent statewide, most school districts have experienced massive enrollment declines. Between FY01 and FY14, statewide enrollment increased by 19 thousand students, from 312 thousand to 331 thousand.

Between FY06 and FY14, average enrollment declined by more than 10 percent among these eastern school districts. During this time, the student population shifted to charter schools as well as urban centers, including, Rio Rancho, Albuquerque, and Hobbs.

As predicted by previous LFC evaluations, increases to the unit value decreased incentives for districts to make significant expenditure adjustments more in alignment with declines in enrollment. Despite statewide spending reductions during the recession, the unit value increased by 25 percent from \$3,444 in FY06 to \$4,006 in FY15.

***As enrollments decline, school districts are forced to manage resources strategically.*** Many school districts, such as Tucumcari, San Jon, Vaughn, Dora, Cimarron, and Logan, have shifted to extended-day, four-day school weeks in an attempt to save money. Cost-savings, however, appear minimal with no measurable impact on student outcomes.

A second option for savings lies in the significant amount of under-used classroom space across the state. In FY13 the state had enough excess capacity for an additional 63 thousand students. While micro or small districts are frequently housed in a single facility, many others have the potential to combine facilities to reduce overhead costs

Moriarty-Edgewood, for example, has experienced a 42 percent drop in enrollment since FY00, and the decrease is projected to continue at 1.7 percent per year until approximately 2025. The district's facility capacity is 4,271 students, compared with its current enrollment of 2,758 students.

Based on a combination of declining enrollment as well as reductions in the unit value between FY09 and FY13, Moriarty-Edgewood's operating budget dropped 23 percent, from a high of \$25 million in FY09 to \$19 million in FY14. The Moriarty-Edgewood school board approved a plan to close two elementary schools and move all sixth graders into the two middle schools in FY15. The Public Education Department denied Moriarty-Edgewood's school closure application.

***Similarly, Santa Rosa has extensive excess space which is costly to maintain, operate, and provide sufficient staff to support the needed educational programs.*** The district's facilities master plan recommends consolidating the three in-town schools into two facilities and developing a new grade alignment with Santa Rosa Middle school as a grade K-5 elementary school and Santa Rosa High School as a combined middle and high school. This reconfiguration would reduce Santa Rosa's footprint 60 thousand square feet and save \$360 thousand to \$480 thousand per year.

***Based on estimated costs to maintain facilities of \$6 to \$8 per square foot, Santa Rosa's reconfiguration could save between \$360 thousand to \$480 thousand per year.***

***State as well as national data shows scale efficiencies being maximized in districts with 2,000 or more students.***

***In FY14, New Mexico awarded \$76.8 million as a result of at-risk units, as compared to \$99 million as a result of small-size adjustments statewide.***

***In Estancia, two of the elementary schools generating small size adjustments are located adjacent to one another on the same property, but the district reports plans to consolidate these schools in the next few years.***

**Sample Micro District Total  
Program Cost per Student,  
FY14**

Lake Arthur	\$10,792
Maxwell	\$11,791
San Jon	\$11,569
Springer	\$12,000
Vaughn	\$12,057

Source: LFC files

***Medium-sized districts expend, on average, 63 percent on instruction, whereas small and micro districts expend 59 percent, on average on instruction.***

***Operating single-grade classes in eastern school districts results in average elementary school class sizes ranging from six to 12 students, significantly smaller than state class size limits.***

**State policies and funding mechanisms encourage inefficiencies in small school districts that may direct resources away from students.** Of the 50 school districts in the eastern part of the state, 20 have student populations of less than 350. Micro school districts in New Mexico generate revenues in excess of \$13 thousand per student through the state's funding formula. Though the state heavily subsidizes small school district infrastructure, school districts expending considerable amounts per student are not achieving significantly better outcomes for students, as this report later details.

***Many eastern school districts receive a high portion of formula funds through small school and district size adjustments.*** In FY13, school districts with fewer than 350 students received, on average, 34 percent of total program costs from units generated by small size adjustments. Small eastern cohort school districts generate an average of 20 percent of total program costs through small size adjustments.

***Spending per student is much higher in small school districts and administrative and operational costs make up a greater proportion of expenditures.*** In FY13, a cohort of five micro school districts, each with total enrollments of roughly 110 students, expended over \$10 thousand per student for instruction and nearly \$3,000 per student for school and district-level administrative costs. In contrast, a cohort of medium-sized districts, each with roughly 2,000 students, expended only \$5,000 per student for instruction and \$1,000 per student for school and district-level administrative costs.

***Many eastern school districts have increasingly relied upon emergency supplemental funding, which will likely continue even with the addition of a micro-district component in the funding formula.*** Since FY08, PED has distributed an average of \$9 million in emergency supplemental funds to school districts annually. For most micro school districts, emergency supplemental funds are the second-largest source of revenue. For example, in FY13, 28 percent of Lake Arthur's operational revenue, \$555 thousand of \$2 million, came from emergency supplemental funds.

Access to emergency supplemental funds might lead to inefficient staffing decisions that do not result in improved student outcomes. For example, school districts receiving emergency supplemental funds tend to have lower student-to-teacher ratios and more administrators. Even with the addition of a micro-district size adjustment, many districts will likely continue to rely upon emergency supplemental funding.

***New Mexico does not presently provide incentives to encourage small school districts to operate more efficiently, target greater resources to the classroom, or consolidate.*** Historically, New Mexico has experienced several periods of school district consolidation, reflecting national trends. Between 1950 and 1970, the number of school districts in the state decreased dramatically through consolidation. Such consolidation mirrors a century-long trend toward fewer school districts: between 1942 and 2012, the number of independent school districts in the U.S. shrank nearly 90

***National consolidation efforts were inspired by the advantages of reducing the ratio of administrators to teachers and improving school efficiency, providing specialized instruction, and improving facilities while reducing costs.***

***With \$700 thousand, a consolidated school district could buy:***

- ***25 additional instructional days for every student in the district;***
- ***10 social workers, interventionists, instructional coaches, or level III elective teachers; or***
- ***25 thousand hours of afterschool tutoring***

***The Washington State Institute for Public Policy concluded in the early grades, the long-term benefits of reducing class size consistently exceed the costs; in the upper grades, however, costs may often exceed benefits.***

percent, from 108 thousand to 13 thousand, while school attendance doubled. Several states have recently initiated consolidation legislation and studies.

The rapid expansion of charter schools, funded as small school districts, dilutes resources and sends conflicting signals on state efforts to optimize efficiency. From FY01 to FY14, enrollment in charter schools increased 702 percent, from 2,597 students to 21 thousand students at 95 charter schools. In FY14, the state's 95 charter schools accounted for 35 percent of the state's small school size adjustment units, generating \$28 million in revenue for charter schools.

***Consolidating central administrative functions of micro school districts in New Mexico could address capacity issues, allow more spending on instruction, and reduce the need for emergency supplemental appropriations.*** Whereas administrative costs of micro school districts tend to average over 10 percent of expenditures, that amount drops to 5 percent in small school districts. Combining the operational expenditures of three typical micro school districts results in a \$6.5 million budget. By consolidating central administrative functions based on the configuration of a typical small school district, these three districts would need to spend \$700 thousand less annually on administrative overhead costs, allowing higher amounts for instruction and support services to directly benefit students.

Statewide, the LFC estimates by consolidating central administrative functions of 89 school districts into 52 school districts, \$8.3 million could be redirected to instruction and services for students or eliminate the need for emergency supplemental funds if the funding levels in these school districts remained the same.

**Even with smaller-than-average class sizes, academic outcomes in eastern school districts are generally similar to the rest of the state.** The impact of class size reductions on student success is varied and inconclusive. Much of the effect of class-size reduction policy relies on implementation. For example, if class size reductions are not accomplished with highly effective teachers, potential gains are lost.

For New Mexico's eastern school districts, the total number of students divided by the total number of teachers tends to be lower than the statewide average of 12.2. These low student-teacher ratios, however, do not appear to be associated with significantly better student outcomes. In FY13, for example, Vaughn's student-teacher ratio was 7.1, but only 18 percent of its students were proficient in math. In reading, Estancia's 44 percent proficiency rate is similarly below the state average of 51 percent, with a student-teacher ratio of 10.3.

***Eastern school districts tend to have higher graduation rates than statewide averages but are not preparing more college-ready students.*** In FY13, five of the six school districts included in this evaluation reported graduation rates exceeding the statewide average of 70 percent. However, college remediation rates in eastern districts are similar to statewide averages.



**Student-Teacher Ratios,  
FY12**

(Students per 1 Teacher)

Lake Arthur	3.8
Maxwell	4.2
San Jon	5.6
Springer	7.8
Vaughn	7.1
Estancia	10.3
Loving	12.6
Pecos	13.5
Santa Rosa	11.2
Tularosa	11.7
Artesia	13.8
Dexter	12.5
Moriarty	13.2
Ruidoso	15.5
Tucumcari	13.2
<b>Statewide</b>	<b>12.2</b>

Source: PED

***Moriarty-Edgewood's in-state college remediation rate is 48 percent; Tucumcari's is 53 percent; and Estancia, Vaughn, Santa Rosa, and San Jon cumulatively had a remediation rate of 67 percent.***

*The state's bilingual program lacks accountability, does not require school districts to service ELLs, and few students receiving bilingual services attain English-language proficiency.* In FY14, 17 percent of New Mexico's students participated in bilingual multicultural education programs, and 63 of the state's school districts operated bilingual or Title III programs. As previous LFC evaluations noted, each district develops its own home language survey and differences in the surveys likely contribute to over-identification in some districts. For example, while all six eastern districts have significant Hispanic populations, Estancia identifies no students for bilingual services, while Santa Rosa identifies 86 percent of its students.

Given the unevenness in the process for identifying students for bilingual programs as well as the variability in services provided, oversight is critical to maintain program integrity and quality. As noted in the 2011 LFC program evaluation of the state's funding formula, at its current rate, PED was only scheduled to audit each district's bilingual program every 17 years.

*Hispanic and Native American students participating in a bilingual and multicultural education program slightly outperform students in those subgroups who do not participate in a bilingual program.* In FY13, 24 percent of ELL Hispanic students receiving bilingual education services were proficient in reading, compared with 19 percent of ELL Hispanic students not receiving bilingual education services. However, a large achievement gap persists, as 52 percent of non-ELL Hispanic students were proficient.

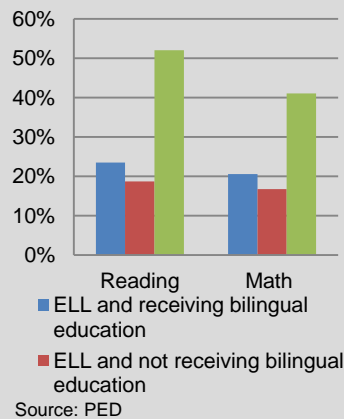
*As noted in previous LFC evaluations, teaching quality is the strongest school-based approach to improving student outcomes.* Between FY13 and FY15, the Legislature appropriated \$9.3 million to PED to implement a new teacher evaluation system. Preliminary outcomes of the observation component of that new system are nearly identical to those under the previous version.

## KEY RECOMMENDATIONS

The Legislature should:

- Create statute basing school reconfiguration decisions on financial impact and educational benefits;
- Modify size adjustments in the funding formula to reflect actual differences in costs related to school and district size;
- Increase PED's authority to establish standards prioritizing school district spending within certain functions;
- Require PED to develop guidelines for how school districts qualify for emergency supplemental funds;
- Develop financial incentives for school districts consolidating administrative services resulting in cost-savings or reallocation of resources to instruction; and
- Commission a panel to recommend redistricting to at least 2,000 students per school district, with exceptions for extreme geographic, demographic, and transportation obstacles.

### Hispanic SBA Proficiency, FY13



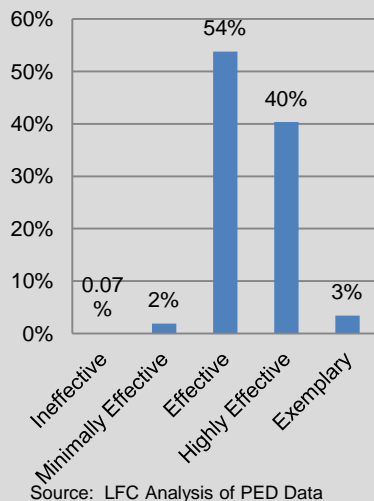
The Public Education Department should:

- Tie emergency supplemental awards to annual academic and financial performance;
- Increase district reporting and accountability for academic improvements for English-language learners.

The PED and Public School Capital Outlay Council should develop criteria for school districts to determine when it is appropriate to close or consolidate schools based on available space.

***Of the eastern districts, Santa Rosa's last bilingual audit was in 2007; the date of the last bilingual audit for Moriarty-Edgewood, Tucumcari, or Vaughn is unclear.***

### Eastern School District Teacher Observations, March 2014

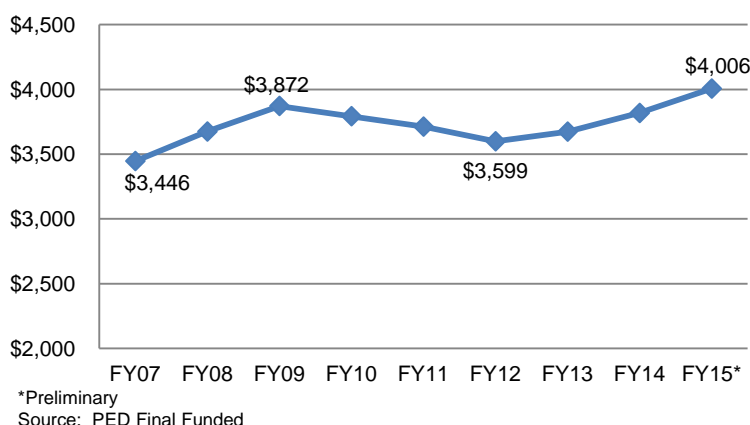


## BACKGROUND INFORMATION

**Funding.** In FY15, the Legislature prioritized funding for public education, increasing recurring general fund appropriations by \$148 million or 5.8 percent. The total recurring public education appropriation of \$2.72 billion in FY15 makes up 44 percent of the state’s recurring general fund appropriations. School districts also receive over \$300 million annually from the federal government for educational services for low-income families, English-language learners, and students with disabilities.

The general fund appropriation in FY15 to the state equalization guarantee (SEG) increased by \$119 million or 5.1 percent. From the recession-low of \$3,599 in FY12, the preliminary FY15 unit value increased to \$4,006.

**Chart 1. Unit Value History, FY07-FY15**



Finally, the Legislature increased “below-the-line” funding 55 percent from FY14 to \$107 million or 3.9 percent of total public education spending.

**Table 1. Largest Special Appropriations, FY14**  
(in millions)

Program	Funding
Pre-K	\$19
K-3+	\$21
Reads to Lead	\$15
Teacher and administrator evaluation system	\$5
Educator preparation, recruitment and retention	\$7
Intervention in low-performing schools	\$11

Source: GAA

Given that public school districts receive a significant portion of the state’s appropriations, the Legislative Finance Committee is continuing the practice of evaluating the operations of selected school districts in New Mexico to identify best practices and ensure efficient and effective use of public funds.

**Selection of School Districts.** Fifty of the 89 school districts in New Mexico are located in the eastern part of the state. Selection criteria used to identify Estancia Municipal Schools (Estancia), Moriarty-Edgewood School District (Moriarty-Edgewood), San Jon Municipal Schools (San Jon), Santa Rosa Consolidated Schools (Santa Rosa), Tucumcari Public Schools (Tucumcari), and Vaughn Municipal Schools (Vaughn) for this evaluation included:

- Diverse student populations, including English-language learners, socio-economic status, and ethnicity;
- District size and geographical proximity; and
- Funding issues, including categorical appropriations and emergency supplemental funding.

**Table 2. Demographics of Selected Eastern Districts, FY14**

District	Number of Students	Program Cost per Student	District Grade	Special Education (including gifted)	Bilingual	FRL	Caucasian (non-Hispanic)	Hispanic	Native American
Estancia	814	\$8,890	C	18%	0%	77%	45%	51%	1%
Moriarty-Edgewood	2,843	\$6,853	B	17%	6%	58%	58%	41%	2%
San Jon	133	\$11,569	C	17%	0%	63%	63%	35%	2%
Santa Rosa	631	\$9,386	C	13%	86%	81%	5%	91%	1%
Tucumcari	1017	\$8,192	B	16%	2%	83%	30%	64%	1%
Vaughn	108	\$12,057	C	13%	47%	79%	9%	90%	0%
<b>Statewide</b>	<b>330,635</b>	<b>\$7,300</b>	<b>C</b>	<b>18%</b>	<b>17%</b>	<b>66%</b>	<b>26%</b>	<b>59%</b>	<b>10%</b>

Source: PED

For each school district, peer groups were created based on size and geographical proximity.

**Table 3. Eastern District Peer Groups**

Micro Districts < 200 students	Small Districts 200–1,000 students	Medium Districts 1,000–3,500 students
Lake Arthur	<b>Estancia</b>	Artesia
Maxwell	Loving	Dexter
<b>San Jon</b>	Pecos	<b>Moriarty-Edgewood</b>
Springer	<b>Santa Rosa</b>	Ruidoso
<b>Vaughn</b>	Tularosa	<b>Tucumcari</b>

Source: LFC

**Previous evaluations.** This evaluation is the fifth in a series of district-based evaluations. The 2007 LFC evaluation of Albuquerque Public Schools (APS) found the following:

- Teachers and instructional support staff were absent 136,352 days, 9 percent of the time;
- APS used substitute teachers to teach 20,771 core courses; and
- APS did not plan professional development outside of the school year.

The 2008 LFC evaluation of the Rio Rancho Public Schools revealed that while the school district was properly run and the majority of students in Rio Rancho performed well on state standardized tests, low-income and other special needs students lagged behind their peers and were gaining fast enough to close the gap. Furthermore, financial resources and more qualified teachers were not always aligned at schools with the highest concentration of low-income students. The audit also found Rio Rancho was not disadvantaged by the funding formula because of its enrollment growth.

The 2009 LFC evaluation of five medium size districts, Aztec, Bernalillo, Bloomfield, Las Vegas City, and West Las Vegas, included the following findings:

- From FY05 to FY09, the five districts had net spending increases of \$18 million, 15 percent across all funds, excluding capital outlay, from \$122 million to \$140 million;
- Poor financial management practices and flawed accounting systems unnecessarily exposed the districts to fraud, waste, and abuse; and
- In general, the districts were making slow improvements in student performance but more work was needed, particularly for Native American students.

Finally, a 2011 LFC audit of Gadsden, Deming, and Hatch concluded the at-risk index does not fully cover the additional costs of educating the state's most needy students. These districts serve some of New Mexico's most disadvantaged students but generate some of the lowest per student funding through the state's funding formula.

Similar to previous reviews, this evaluation compared governance, resource allocation, and student performance in six eastern school districts.

**Estancia Municipal Schools**  
**Audie Brown, Superintendent**



Estancia Municipal Schools is located in Torrance County and has a poverty level 10 percent higher than the national average. The school district consists of three elementary, one middle, one alternative, and one high school. In FY13 the school district received a “C” grade, and five out of its six schools received below a “C” grade. Estancia’s FY13 graduation rate was 63 percent, and its average attendance rate for the last three years was 93 percent.

**Table 4. Student Demographics, FY13**

<b>Total Enrollment: 818</b>	<b>Number</b>	<b>Percent</b>	<b>Statewide</b>
Caucasian	313	40%	26%
Hispanic	464	60%	59%
Native American	0	0%	10%
African-American	0	0%	2%
Economically disadvantaged	705	86%	67%
English-language learners	24	3%	16%
Special Education w/out gifted	124	15%	14%

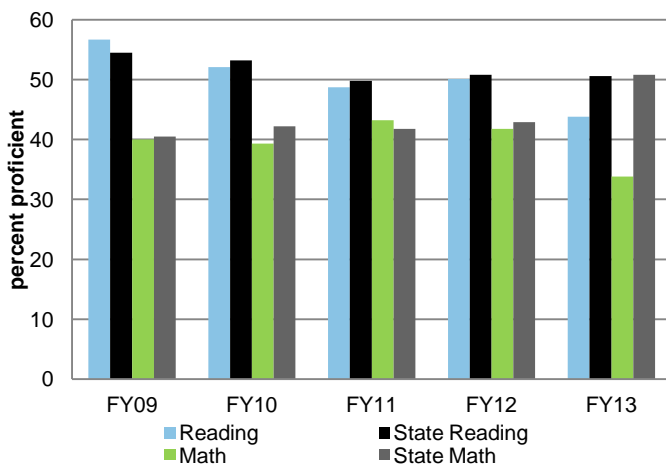
Source: PED Dashboard

**Table 5. Selected Combined Expenditures  
All Funding Sources, FY13**  
(in thousands)

<b>Function</b>	<b>Amount</b>	<b>%Total</b>
Instruction	\$4,794	58%
Student Support	\$983	12%
Instructional Support	\$321	4%
General Administration	\$321	4%
School Administration	\$561	7%
Central Services	\$221	3%
Opt./Maintenance	\$1,038	13%
<b>Total</b>	<b>\$8,239</b>	<b>100%</b>

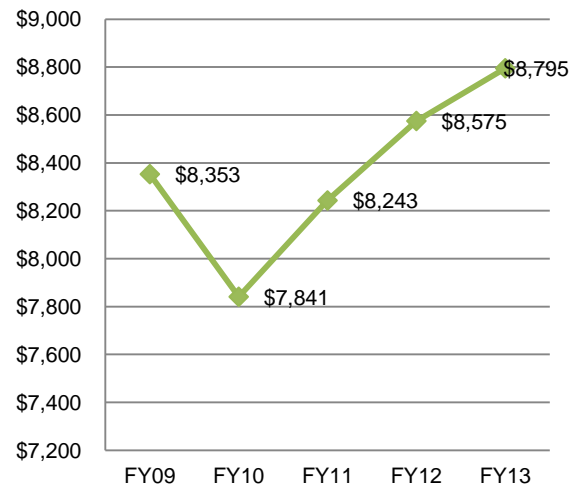
Source: PED

**Chart 2. SBA Proficient and Above  
FY09 - FY13**



Source: PED

**Chart 3. Operational Expenditures  
Per Pupil FY09-FY13**



Source: PED

**Moriarty Edgewood School District**  
**Tom Sullivan, Superintendent**



Moriarty-Edgewood Municipal Schools is located in Torrance County and has a poverty level 10 percent higher than the national average. The school district consists of five elementary, two middle, and one high school. In FY13 the school district received a “C” grade, and three of its eight schools received below a “C” grade. Moriarty-Edgewood’s FY13 graduation rate was 92 percent, and its average attendance rate for the last three years was 93 percent.

**Table 6. Student Demographics, FY13**

Total Enrollment: 2910	Number	Percent	Statewide
Caucasian	1498	53%	26%
Hispanic	1270	45%	59%
Native American	42	1.5%	10%
African-American	14	.5%	2%
Economically disadvantaged	1723	57%	67%
English-language learners	154	5%	16%
Special Education w/out gifted	390	13%	14%

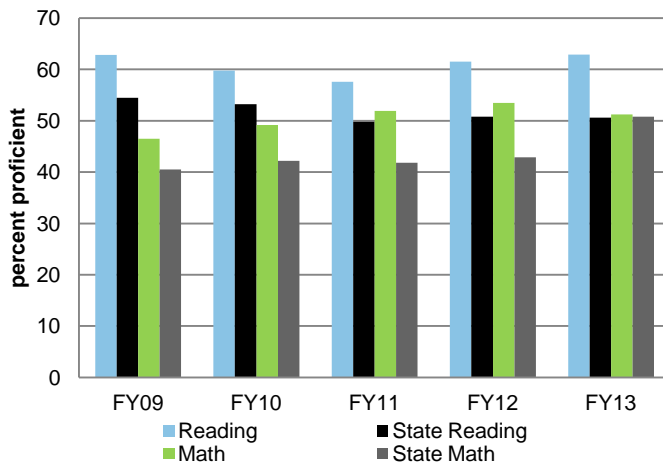
Source: PED Dashboard

**Table 7. Selected Combined Expenditures, All Funding Sources, FY13**  
(in thousands)

Function	Amount	%Total
Instruction	\$14,415	60%
Student Support	\$3,068	13%
Instructional Support	\$624	3%
General Administration	\$963	4%
School Administration	\$1,294	5%
Central Services	\$546	2%
Opt./Maintenance	\$3,174	12%
<b>Total</b>	<b>\$24,084</b>	<b>100%</b>

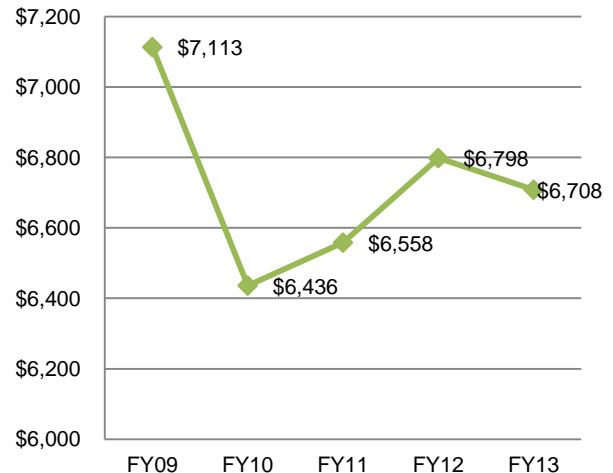
Source: PED

**Chart 4. SBA Proficient and Above FY09 - FY13**



Source: PED

**Chart 5. Operational Expenditures Per Pupil FY09-FY13**



Source: PED



**San Jon Municipal School**  
Colin Taylor, Superintendent



San Jon Municipal Schools is located in Quay County and has a poverty level 3 percent higher than the national average. The school district consists of one elementary school, one middle school, and one high school. In FY13 the school district received a “C” grade, and two of its three schools received below a “C” grade. San Jon’s FY13 graduation rate was 91 percent, and its average attendance rate for the last three years was 98 percent.

**Table 8. Student Demographics, FY13**

Total Enrollment: 132	Number	Percent	Statewide
Caucasian	68	62%	26%
Hispanic	41	38%	59%
Native American	0	0%	10%
African-American	0	0%	2%
Economically disadvantaged	83	63%	67%
English-language learners	0	0%	16%
Special Education w/out gifted	21	16%	14%

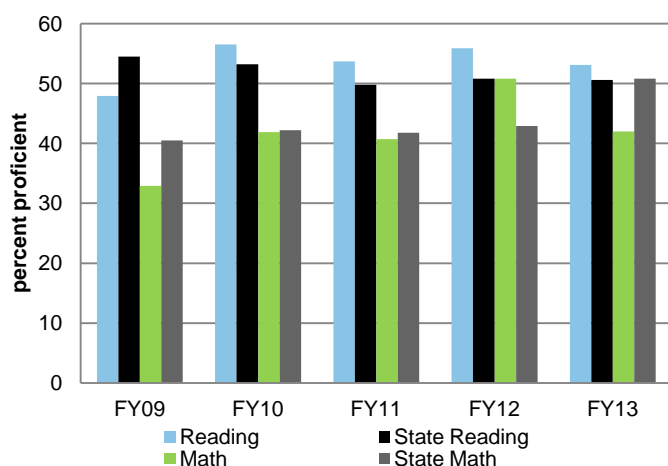
Source: PED Dashboard

**Table 9. Selected Combined Expenditures All Funding Sources, FY13**  
(in thousands)

Function	Amount	%Total
Instruction	\$996	58%
Student Support	\$77	4%
Instructional Support	\$43	3%
General Administration	\$208	12%
School Administration	\$0	0%
Central Services	\$75	4%
Opt./Maintenance	\$322	19%
<b>Total</b>	<b>\$1,721</b>	<b>100%</b>

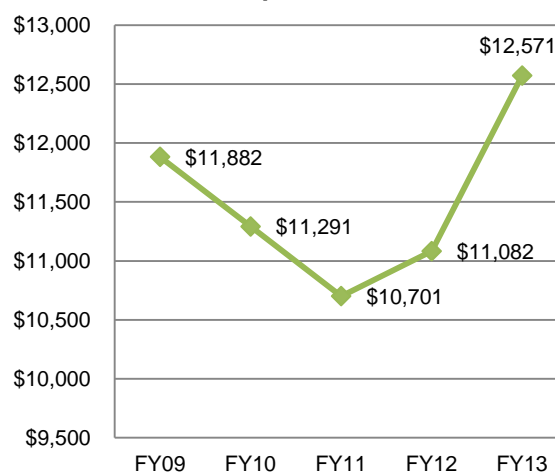
Source: PED

**Chart 6. SBA Proficient and Above FY09 - FY13**



Source: PED

**Chart 7. Operational Expenditures Per Pupil FY09-FY13**



Source: PED

**Santa Rosa Consolidated Schools**  
**Ted Hern, Superintendent**



Santa Rosa Municipal Schools is located in Guadalupe County and has a poverty level 9 percent higher than the national average. The school district consists of two elementary, two middle, and one high school. In FY13 the school district received a “C” grade, and four of its five schools received below a “C” grade. Santa Rosa’s FY13 graduation rate was 87 percent, and its average attendance rate for the last three years was 95 percent.

**Table 11. Student Demographics, FY13**

<b>Total Enrollment: 630</b>	<b>Number</b>	<b>Percent</b>	<b>Statewide</b>
Caucasian	13	2%	26%
Hispanic	617	98%	59%
Native American	0	0%	10%
African-American	0	0%	2%
Economically disadvantaged	629	100%	67%
English-language learners	27	4%	16%
Special Education w/out gifted	71	11%	14%

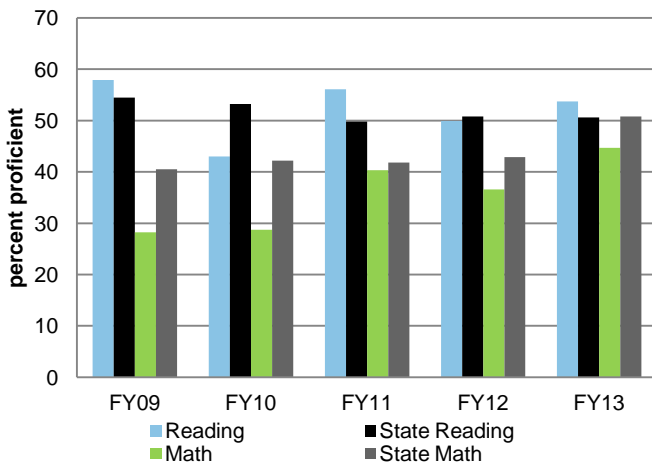
Source: PED Dashboard

**Table 12. Selected Combined Expenditures All Funding Sources, FY13**  
(in thousands)

<b>Function</b>	<b>Amount</b>	<b>%Total</b>
Instruction	\$3,960	54%
Student Support	\$983	13%
Instructional Support	\$321	4%
General Administration	\$289	8%
School Administration	\$610	8%
Central Services	\$162	2%
Opt./Maintenance	\$983	13%
<b>Total</b>	<b>\$7,308</b>	<b>100%</b>

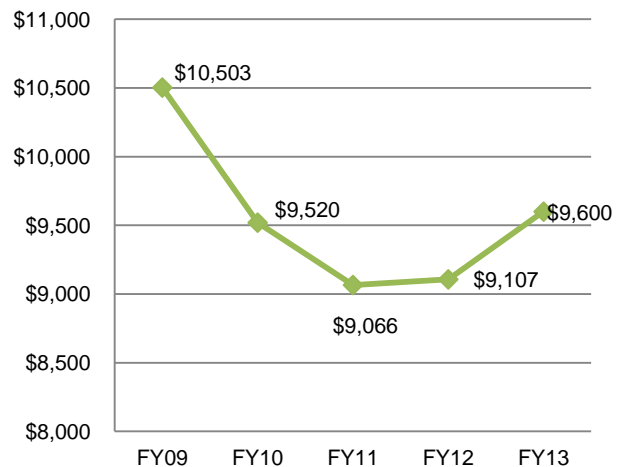
Source: PED

**Chart 8. SBA Proficient and Above FY09 - FY13**



Source: PED

**Chart 9. Operational Expenditures Per Pupil FY09-FY13**



Source: PED

**Tucumcari Schools**  
**Aaron McKinney, Superintendent**



Tucumcari Municipal Schools is located in Quay County and has a poverty level 3 percent higher than the national average. The school district consists of one elementary, one middle, and one high school. In FY13 the school district received a “B” grade, and one of its three schools received below a “C” grade. Tucumcari’s FY13 graduation rate was 75 percent, and its average attendance rate for the last three years was 97 percent.

**Table 13. Student Demographics, FY13**

Total Enrollment: 630	Number	Percent	Statewide
Caucasian	13	2%	26%
Hispanic	627	98%	59%
Native American	0	0%	10%
African-American	0	0%	2%
Economically disadvantaged	629	100%	67%
English-language learners	27	4%	16%
Special Education w/out gifted	71	11%	14%

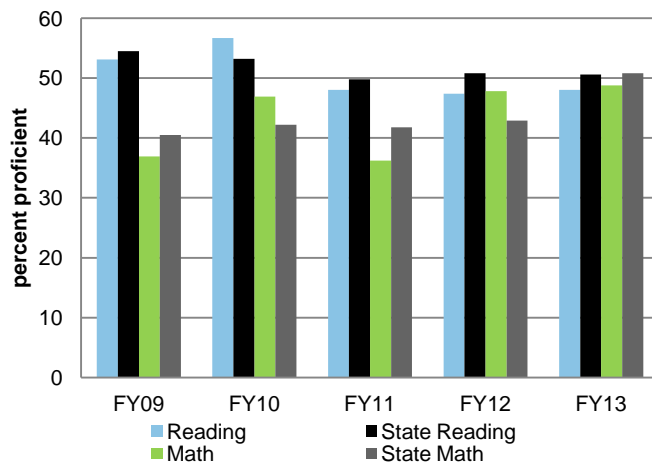
Source: PED Dashboard

**Table 14. Selected Combined Expenditures All Funding Sources, FY13**  
(in thousands)

Function	Amount	%Total
Instruction	\$5,798	63%
Student Support	\$983	11%
Instructional Support	\$321	4%
General Administration	\$210	2%
School Administration	\$561	6%
Central Services	\$221	2%
Opt./Maintenance	\$1,038	11%
<b>Total</b>	<b>\$9,132</b>	<b>100%</b>

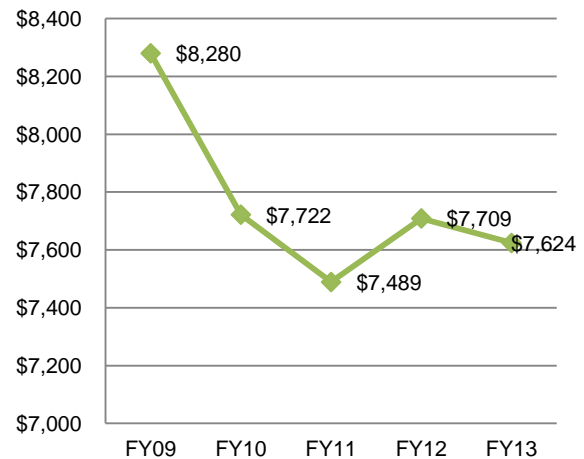
Source: PED Stat Books

**Chart 10. SBA Proficient and Above FY09 - FY13**



Source: PED

**Chart 11. Operational Expenditures Per Pupil FY09-FY13**



Source: PED

**Vaughn Municipal Schools**  
**Dr. Susan Wilkinson-Davis, Superintendent**



Vaughn Municipal Schools is located in Guadalupe County and has a poverty level 9 percent higher than the national average. The school district consists of one elementary and one high school. In FY13 the school district received a “C” grade, and one of its two schools received below a “C” grade. Vaughn’s graduation rate was 75 percent and its average attendance rate for the last three years was 95 percent.

**Table 15. Student Demographics, FY13**

Total Enrollment: 105	Number	Percent	Statewide
Caucasian	0	0%	26%
Hispanic	105	100%	59%
Native American	0	0%	10%
African-American	0	0%	2%
Economically disadvantaged	105	100%	67%
English-language learners	22	21%	16%
Special Education w/out gifted	0	0%	14%

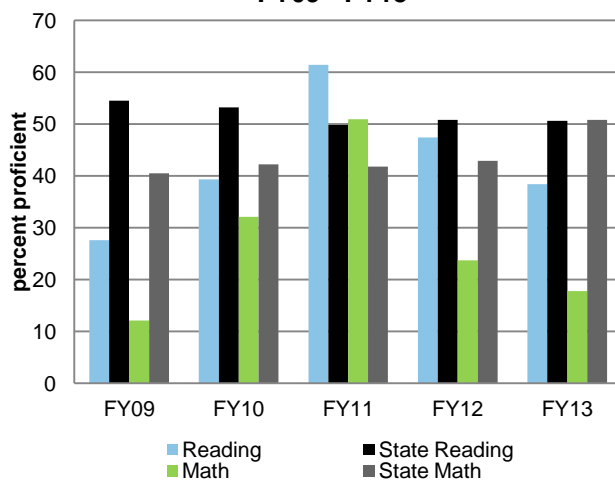
Source: PED Dashboard

**Table 16. Selected Combined Expenditures All Funding Sources, FY13**  
(in thousands)

Function	Amount	%Total
Instruction	\$1,157	59%
Student Support	\$165	8%
Instructional Support	\$13	1%
General Administration	\$153	8%
School Administration	\$96	5%
Central Services	\$122	6%
Opt./Maintenance	\$257	13%
<b>Total</b>	<b>\$1,963</b>	<b>100%</b>

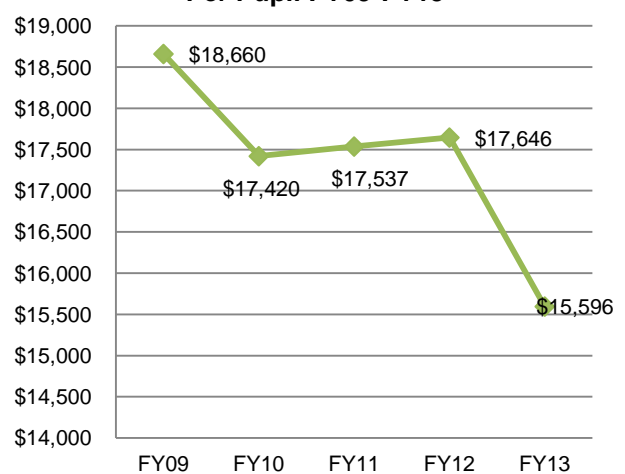
Source: PED Stat Books

**Chart 12. SBA Proficient and Above, FY09 - FY13**



Source: PED

**Chart 13. Operational Expenditures Per Pupil FY09-FY13**



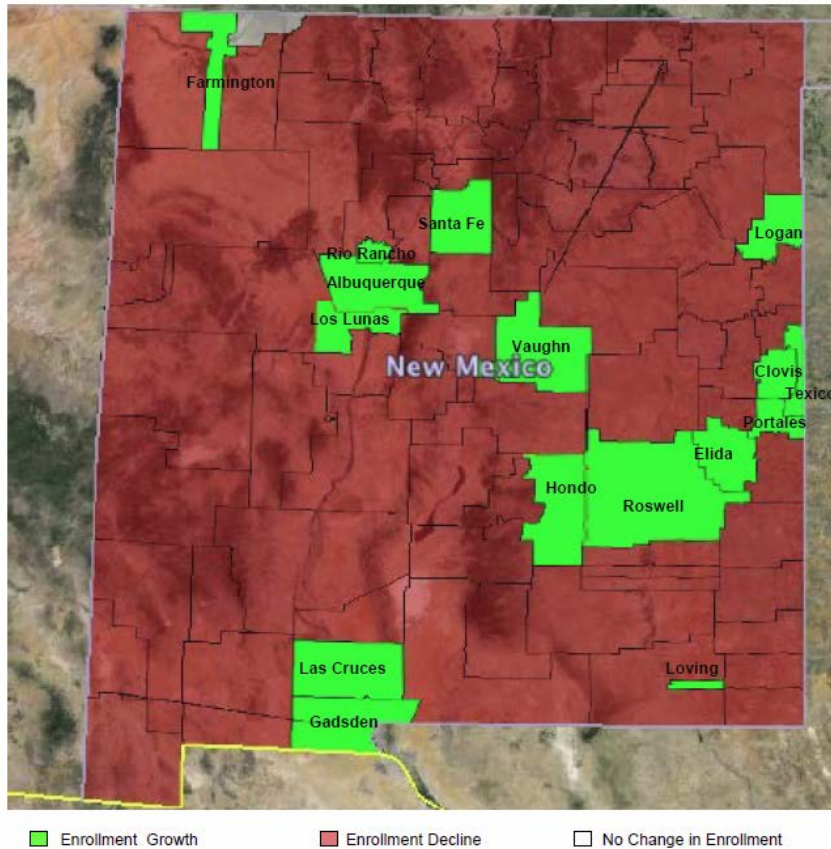
Source: PED

## FINDINGS AND RECOMMENDATIONS

### DECLINING ENROLLMENTS ACROSS THE STATE CHALLENGE DISTRICTS TO MANAGE RESOURCES STRATEGICALLY

Although in the last decade student enrollment increased 6 percent statewide, most school districts have experienced massive enrollment declines. Between FY01 and FY14, statewide enrollment increased by 19 thousand students, from 312 thousand to 331 thousand. In 72 of the 89 districts, however, enrollment decreased by an average of 23 percent, representing a total loss of 21 thousand students. Rural districts had the greatest decreases, including Roy at 65 percent, Wagon Mound at 63 percent, and House at 60 percent (**Appendix C**).

Figure 1. School District Enrollment Growth, SY01-14



Source: LFC analysis

With the exception of Vaughn, from FY01 to FY14 enrollment in the eastern school districts in this evaluation decreased. Between FY06 and FY14, average enrollment declined by more than 10 percent among the eastern school districts.

**Table 17. Eastern School District MEM Decreases  
FY01 to FY14**

District	FY01 MEM	FY14 MEM	Enrollment Change	Percent Change
Moriarty-Edgewood	4,542	2,843	-1,699	-37%
San Jon	189	133	-56	-30%
Santa Rosa	835	631	-204	-24%
Tucumcari	1,306	1,017	-290	-22%
Estancia	951	814	-137	-14%
<b>Statewide</b>	<b>312,134</b>	<b>330,857</b>	<b>18,722</b>	<b>6%</b>

Source: LFC analysis of Final Funded

During this time, the student population shifted to charter schools as well as urban centers, including, Rio Rancho, Albuquerque, and Hobbs.

**Table 18. Enrollment Increases  
FY01 to FY14**

District	FY01 MEM	FY14 MEM	Enrollment Change	Percent Change
Albuquerque	82,034	86,662	4,628	6%
Farmington	9,953	10,619	666	7%
Gadsden	12,379	13,773	1,394	11%
Las Cruces	21,315	24,023	2,708	13%
Hobbs	7,506	8,948	1,442	19%
Rio Rancho	9,670	16,712	7,042	73%
Charters	2,597	20,815	18,218	702%
<b>Statewide</b>	<b>312,134</b>	<b>330,857</b>	<b>18,722</b>	<b>6%</b>

Source: LFC analysis of Final Funded

*During the recession, nearly all school districts in this evaluation cut instructional expenditures.* As the unit value and enrollment declined, districts reduced expenditures. With the exception of Vaughn, which increased instructional expenditures by 20 percent between FY09 and FY14, the eastern school districts in this evaluation cut instructional expenditures (**Appendix D**).

Also, all six school districts reduced support services, while only Santa Rosa, San Jon, and Vaughn reduced general administration expenditures. Except for Estancia, all of the districts reduced school administration expenditures, and San Jon completely eliminated spending in this function by cutting the single principal position in the district. Now, school principal functions are performed by the San Jon superintendent.

**Table 19. Selected Expenditure Changes  
FY09 to FY14**

Operational Funds	Moriarty-Edgewood	Tucumcari	Estancia	Santa Rosa	San Jon	Vaughn
Instruction	-19%	-12%	-15%	-5%	-14%	20%
Support Services- Students	-5%	13%	-3%	-2%	-50%	-52%
Support Services- Instruction	-34%	-29%	15%	-37%	6%	-58%
General Administration	9%	0%	3%	-40%	-5%	-13%
School Administration	-10%	-39%	7%	-9%	-100%	5%
Central Services	-15%	18%	-13%	-2%	6%	-3%
Operation and Maintenance of Plant	-8%	-12%	-17%	-10%	-5%	-22%
<b>Total</b>	<b>-15%</b>	<b>-11%</b>	<b>-11%</b>	<b>-9%</b>	<b>-16%</b>	<b>-5%</b>

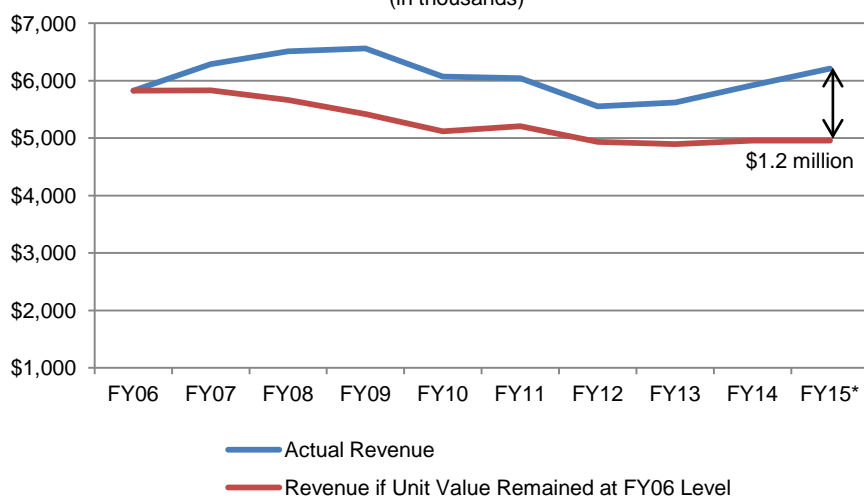
Source: LFC analysis of PED Files

As predicted by previous LFC evaluations, increases to the unit value decreased incentives for districts to make expenditure adjustments more in alignment with declines in enrollment. Despite statewide spending reductions during the recession, the unit value increased by 25 percent from \$3,444 in FY06 to \$4,006 in FY15. Federal stimulus funds, \$234 million in FY10 and FY11, partially insulated school districts from statewide reductions.

Similar to the trend described in the 2009 LFC evaluation of five medium-sized school districts, these per student funding increases offset enrollment declines, reducing the need for school districts to significantly cut costs and improve efficiency. For example, had per-student funding remained flat from FY06 to FY15 in Santa Rosa, revenue for FY15 would be \$870 thousand less than FY06 revenue.



**Chart 13. Impact of Increased Unit Value in Santa Rosa School District, FY06-FY15**  
(in thousands)



Source: LFC analysis

**As enrollments decline, school districts are forced to manage resources strategically.** Many school districts, such as Tucumcari, San Jon, Vaughn, Dora, Cimarron, and Logan, have shifted to extended-day, four-day school weeks in an attempt to save money. Cost-savings, however, appear minimal with no measurable impact on student outcomes. The Education Commission of the States similarly reports that districts that have moved to a four-day week experience actual savings of between 0.4 percent and 2.5 percent. Sometimes, however, savings within this range can be important for school districts, and national studies suggest that a four-day week does not harm student performance (*Anderson & Walker, 2013; Sagness & Salzman, 1993*).

Areas typically identified for savings are transportation, operations of facilities, and food service activities. However, neither San Jon nor Tucumcari expended significantly less in these categories than districts of similar size that operate under five-day week schedules, though Tucumcari does expend slightly less on student transportation than districts in its size cohort. Additionally, most districts remain open and in operation on the non-teaching day, reducing operation and maintenance savings.

**Table 20. Expenditures per Student FY13**

	San Jon	Vaughn	Lake Arthur	Maxwell	Springer
Operations and Maintenance	\$2,780	\$2,206	\$2,338	\$2,015	\$1,900
Student Transportation	\$1,369	\$494	\$1,507	\$827	\$1,033
Food Services	\$789	\$888	\$1,047	\$763	\$864
	Tucumcari	Moriarty	Artesia	Dexter	Ruidoso
Operations and Maintenance	\$1,104	\$994	\$771	\$953	\$960
Student Transportation	\$362	\$530	\$358	\$579	\$422
Food Services	\$568	\$424	\$405	\$759	\$452

Source: PED Stat Books

Las Vegas City Schools also did not experience savings from a four-day school week. In 2012, the Las Vegas City School District decided to transition to a four-day school week, reporting that the proposed schedule would reduce transportation expenditures by 20 percent and allow the school district to host professional development on Fridays. After one year, the Las Vegas City School Board voted to return to a five-day school week in FY14. Analysis suggests the school district did not expend considerably less on maintenance, transportation, or food services when operating according to a four-day week schedule.

**Table 21. Las Vegas City School District Actual Expenditures  
FY12 - FY13**  
(in thousands)

	<b>Students</b>	<b>Operations and Maintenance</b>	<b>Transportation</b>	<b>Food Services</b>
FY12 (five-day week)	1,864	\$2,690	\$750	\$679
FY13 (four-day week)	1,787	\$2,674	\$718	\$713
<b>Difference</b>	<b>-77</b>	<b>-\$16</b>	<b>-\$32</b>	<b>\$34</b>

Source: LFC Analysis of PED Stat Books

*A second option for savings lies in the significant amount of under-used classroom space across the state.* The administrative code defines guidelines for cumulative classroom net square feet minimums per student. Based on these standards and not including portables, in FY13 the state had enough excess capacity for an additional 63 thousand students. While many micro or small school districts are housed in a single facility, many others have the potential to combine facilities to reduce overhead costs (**Appendix E**).

**Table 22. Districts with the Greatest Amount of Excess  
Capacity, FY13**

<b>District</b>	<b>K-12 Enrollment</b>	<b>Total District Student Capacity</b>	<b>Difference</b>	<b>Difference as % of Total</b>
Wagon Mound	75	418	343	82%
Carrizozo	139	635	496	78%
Mosquero	42	176	134	76%
Grady	98	409	311	76%
Springer	142	570	428	75%
Corona	75	272	197	72%
Reserve	154	532	378	71%
House	63	207	144	70%
Elida	133	431	298	69%
Mountainair	279	859	580	68%
Des Moines	86	256	170	66%
<b>Statewide</b>	<b>314,823</b>	<b>377,762</b>	<b>62,939</b>	<b>17%</b>

Source: PSFA

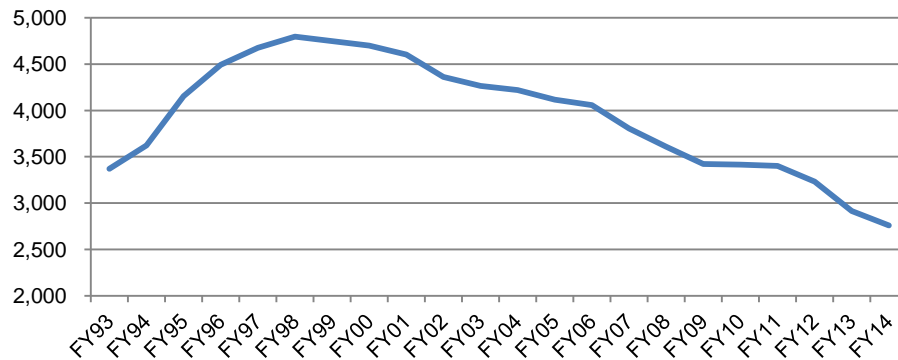
Similarly, all of the eastern school districts in this evaluation have excess classroom capacity; the potential for reconfiguring schools in Moriarty-Edgewood and Santa Rosa is considered in the following sections.

**Table 23. Excess Capacity in Eastern School Districts, FY13**

District	K-12 Enrollment	Total District Student Capacity	Difference	Difference as % of Total
Santa Rosa	630	1,606	976	61%
Vaughn	105	224	119	53%
Estancia	818	1,495	677	45%
San Jon	132	225	93	41%
Moriarty-Edgewood	2,910	4,264	1,354	32%
Tucumcari	1,032	1,461	429	29%

Source: PSFA

**Since FY00, Moriarty-Edgewood enrollment dropped 42 percent and forced reduced spending.** From 1992 to 1998, Moriarty-Edgewood's enrollment increased 1,436 students, peaking at 4,806 students in 1998 for an average annual increase of 6.1 percent. In contrast, from 2000 to 2014, the district's average annual rate of decline was -3.7 percent. Current enrollment is approximately the same as in 1990. Based on historic enrollment trends from FY07 to FY13, enrollment is projected to continue to decrease 1.7 percent per year until approximately 2025.

**Chart 14. Moriarty-Edgewood Enrollment FY93 to FY14**

Source: PED

**Moriarty-Edgewood facilities are under-utilized but in relatively good repair.** According to the district's 2013 five-year facility master plan, Moriarty-Edgewood has 744 thousand square feet of permanent school facilities and 34 thousand square feet of portable facilities. The district's current enrollment capacity is 4,271 students, compared with its current enrollment of 2,758 students. The district's seven elementary and middle schools are currently at 39 percent of capacity.

**Table 24. Moriarty-Edgewood Excess K-8 Capacity FY14**

	FY14 Enrollment	Total Capacity	Excess Capacity	Percent of Capacity	Projected Reconfigured Enrollment	Percent Reconfigured Capacity
Edgewood ES	213	476	263	45%	NA	NA
Moriarty ES	344	560	216	61%	422	75%
Mountainview ES	309	658	349	47%	NA	NA
Route 66 ES	208	504	296	41%	489	97%
South Mountain ES	250	350	100	71%	349	100%
Edgewood MS	262	555	293	47%	365	66%
Moriarty MS	210	300	90	70%	298	99%
<b>Total</b>	<b>1,796</b>	<b>3,403</b>	<b>1,607</b>	<b>53%</b>	<b>1,625</b>	<b>72%</b>

Source: Moriarty-Edgewood

Currently, many wings within elementary schools are unused or are assigned to special program use, such as student support services and federal programs. District-wide, 12 percent of classrooms are repurposed for these special uses, with a high of 28 percent at South Mountain Elementary.

New Mexico's Public School Facilities Authority (PSFA) ranks each school building in the state and assigns a weighted condition index value (wNMCI), a composite value derived from the cost of physical and programmatic deficiencies as related to the replacement cost of the facilities. Schools with a higher wNMCI receive funding priority and the Public School Capital Outlay Council has considered those ranked within the top 100 for matching funds for renovation or replacement. Based on wNMCI rankings, Moriarty-Edgewood's school facilities are in good to excellent condition.

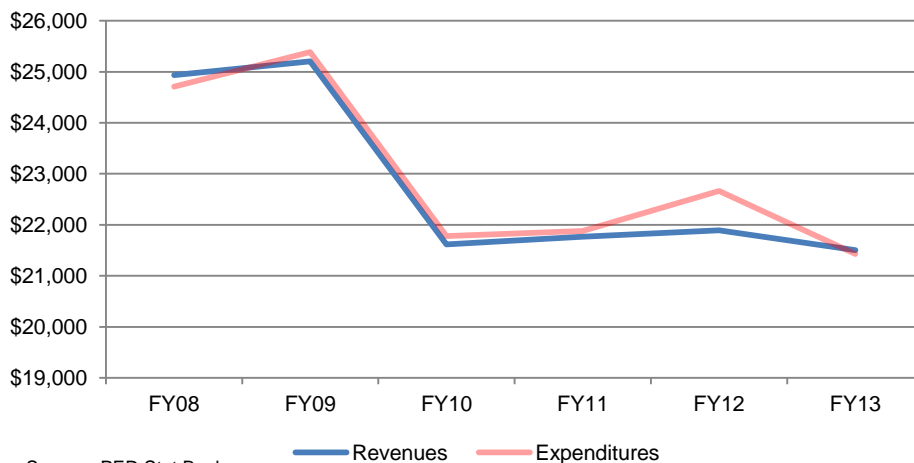
**Table 25. Moriarty-Edgewood Facility Rankings  
January 2013**

School	Ranking	wNMCI	Gross Square Feet
Moriarty HS	230	25%	254,012
Moriarty ES	253	24%	65,435
Edgewood ES	289	23%	57,900
Mountainview ES	385	18%	67,809
Route 66 ES	454	14%	54,680
South Mountain ES	476	13%	43,174
Edgewood MS	603	5%	14,817
Moriarty MS	729	0%	66,672

Source: PSFA

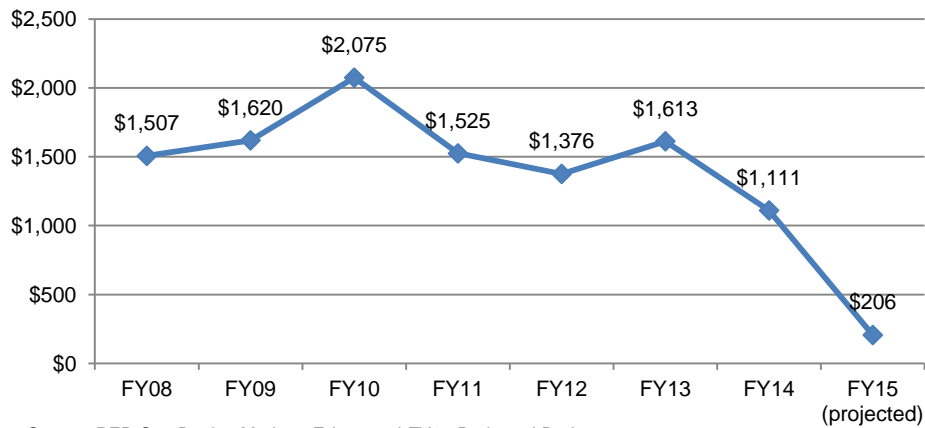
***Moriarty-Edgewood faces budget challenges as a result of its declining enrollment.*** Based on a combination of declining enrollment as well as reductions in the unit value between FY09 and FY13, Moriarty-Edgewood's operating budget dropped 23 percent, from a high of \$25 million in FY09 to \$19 million in FY14. Between FY10 and FY14 total revenue in Moriarty declined from \$42.2 million to \$37.7 million and total expenditures declined from \$43.3 million to \$33.5 million.

**Chart 15. Moriarty-Edgewood Revenues and Expenditures**  
(in thousands)



Moriarty-Edgewood decreased its cash balances from \$2.1 million in FY10 to a projected beginning balance of \$206 thousand in FY15.

**Chart 16. Moriarty-Edgewood Beginning-of-Year Cash Balances, FY08-FY15**  
(in thousands)



As enrollment and revenues have dropped, the district eliminated 36 percent of all certified, classified, and administrative staff between FY01 and FY14.

**Table 26. Moriarty-Edgewood Enrollment and Staffing Reductions, FY01 and FY14**

	FY01	FY14	Total Decrease	Percent Decrease
Students	4,603	2,758	1,845	40%
Certified Staff	287	167	120	42%
<b>Total Employees</b>	<b>514</b>	<b>327</b>	<b>187</b>	<b>36%</b>

Source: PED Stat Books

Additional spending reductions were required in FY14, as Moriarty-Edgewood's FY14 budgeted expenditures, \$20.8 million were \$2.1 million less than its FY13 actual expenditures, \$22.9 million. The district identified \$1.3 million in savings by shifting elementary technology and physical education teaching responsibilities to educational assistants; reducing salaries through two staff furlough days; and eliminating the alternative high school, the at-risk program at the middle school, summer school, high school electives, school nurses, and health assistants. Moriarty-Edgewood planned to use \$700 thousand in cash reserves in FY14 and to carry \$206 thousand over to FY15.

***The Moriarty-Edgewood school board has considered numerous options to address longer-term implications of decreasing revenues.*** Based upon long-term declining enrollment projections outlined in the district's five-year facilities master plan, a superintendent's advisory council began considering several options in early 2013, including eliminating additional programs, reconfiguring grade levels, reducing utilities costs, modifying transportation operations, reducing stipends, eliminating intra-district travel for staff, moving to a four-day school week, and repurposing school sites.

The board reviewed options at its October 2013 and November 2013 public work sessions as well as two special public meetings in December 2013. At its regular December 2013 meeting, the Moriarty-Edgewood school board approved a plan to close two elementary schools, Mountainview and Edgewood, and move all sixth graders into the two middle schools in FY15.

Reasons stated for the decision to close the two elementary schools included estimated fiscal savings of \$600 thousand, primarily from the salaries and benefits of administrative and support staff. Additionally, the school district estimated additional savings of \$540 thousand from reducing nine certified teaching positions.

**Table 27. Moriarty-Edgewood Estimated Savings per School Closure, FY15**

Costs	Mountainview Elementary	Edgewood Elementary	Route 66 Elementary	South Mountain Elementary	Total
Personnel	\$238,690	\$229,259	\$217,475	\$205,670	\$891,094
Utilities	\$92,093	\$44,481	\$72,939	\$45,472	\$254,985
<b>Total</b>	<b>\$330,783</b>	<b>\$273,740</b>	<b>\$290,414</b>	<b>\$251,142</b>	<b>\$1,146,079</b>

Source: Moriarty-Edgewood

Also, by having more students at fewer schools, the district projects improving pupil-to-teacher ratios from 21.3 in FY14 to 18.4 in FY15. Finally, the district anticipates avoiding single classrooms per grade level or multi-aged classrooms, instead allowing for multiple classrooms at each grade level with greater collaboration.

***PED denied Moriarty-Edgewood's school closure application.*** In January 2014, Moriarty-Edgewood submitted its "Re-organization of Grade Levels/Establishing and Closing Schools" waiver to the PED. In February 2014, PED denied Moriarty-Edgewood's request for the following reasons:

- 1) Failure to outline the educational benefits of closing the schools;
- 2) Lack of community involvement; and
- 3) Little or no evidence of financial difficulties.

The process for opening or closing a school is outlined in 6.29.1.9(F) NMAC:

Any change in a school district or charter school's organizational pattern, including the establishment or closing of a school, shall have the secretary's approval prior to implementation. Requests for change shall be submitted using the department's organization of grade levels and establishing/closing school waiver request form. This form shall include: ...local board policy requirement and approval, if required; date of board approval; statement of applicable district or charter school policy and rationale for request. The waiver request shall outline the expected educational benefits.

From FY03 to July 2013, 66 districts submitted "Re-organization of Grade Levels/Establishing and Closing Schools" waivers. The PED approved 65 of those waivers. The only rejection was Española's 2007 request to open an alternative school which the PED considered a program, rather than a new school. Many of the waivers were submitted to open new schools or reconfigure grade levels within existing schools. The following approved waivers, however, were to close schools because of declining enrollment: Clovis, 2006; Jemez Mountain, 2005; Mesa Vista, 2004; Gallup-McKinley, 2004; and Farmington, 2004.

**Similarly, Santa Rosa's current facility configuration does not appear sustainable.** Santa Rosa is also in the process of determining how to best use its resources in an era of declining enrollments. According to the U.S. Census Bureau, the population of Santa Rosa has remained between 2,744 in 2000 and 2,848 in 2010. Whereas the total population has been stable for the past decade, the number of persons under 18 dropped from 31 percent in 1990 to 22 percent in 2010.

This flat, aging demographic has resulted in a 24 percent enrollment decrease from 835 students in FY01 to 631 students in FY14. Much of the change is at the high school, dropping 32 percent from 246 students in FY03 to 168 students in FY13. As stated in Santa Rosa's FY13 five-year facilities master plan, the district's enrollment is projected to remain stable until FY18 and then decline to 601 students by FY23.



*Santa Rosa has extensive excess space which is costly to maintain, operate, and provide sufficient staff to support the needed educational programs.* The district currently has separate elementary, middle, and high schools in Santa Rosa as well as a newly constructed K-8 school in Anton Chico. Each school has excess capacity compared with its current enrollment and amount of usable space. The middle school has 2.5 times more space per student than the PSFA considers adequate and the high school has nearly four times more per student.

**Table 28. Santa Rosa Square Feet per Student, FY13**

School	FY13 Enrollment	Building Sq. Ft.	Sq. Ft./ Student	PSFA Guideline
Santa Rosa Elementary School	235	55,059	234	139
Santa Rosa Middle School	120	49,700	414	164
Santa Rosa High School	168	107,788	642	168
Rita Marquez/ Anton Chico	114	20,274	178	155

Source: Santa Rosa Facilities Master Plan

Santa Rosa's high school, ranked by PSFA 119<sup>th</sup> statewide, is likely to qualify for matching state funds within the next two years for replacement or renovation to accommodate middle school students.

**Table 29. Santa Rosa Facilities Condition, FY13**

School	Rank	NMCI
Santa Rosa High School	119	30.3%
Santa Rosa Elementary School	261	23.4%
Santa Rosa Middle School	595	5.8%
Rita Marquez/ Anton Chico	712	0.0%

Source: PSFA

*Based on a combination of declining enrollment, declining projections, and low utilization rates, Santa Rosa's facilities master plan identifies a need to create a more efficient configuration of schools.* Creating Santa Rosa's five-year facilities master plan included meetings with a steering committee, two community meetings with questionnaires, and a work session with administrators, steering committee members and representatives from the state. The process considered options to consolidate the three in-town schools into two facilities and ultimately recommended developing a new grade alignment with Santa Rosa Middle school as grade K-5 elementary school and Santa Rosa High School as a combined middle and high school. Details of that plan include:

- Replace older sections of the Santa Rosa High School with a new academic building to serve middle and high school students;
- Remodel Santa Rosa Middle School for elementary use;
- Use a portion of the Santa Rosa Elementary School for central office and early childhood functions, taking the remainder off-line;
- Discontinue use of the current central office facility.

This reconfiguration would reduce Santa Rosa's footprint 60 thousand square feet. Based on estimated costs to maintain facilities of \$6 to \$8 per square foot, the district would save between \$360 thousand to \$480 thousand annually. Additional benefits include improved staffing efficiencies, shifts in transportation costs, and reductions in small school size adjustments.

## **Recommendations**

The Legislature should create statute basing school reconfiguration decisions on financial impact and educational benefits.

The PED and Public School Capital Outlay Council should develop criteria for school districts to determine when it is appropriate to close or consolidate schools based on available space, including:

- A research-based process for conducting a cost-benefit analysis;
- Clear guidelines for ensuring community input; and
- Standards for evaluating educational impacts.

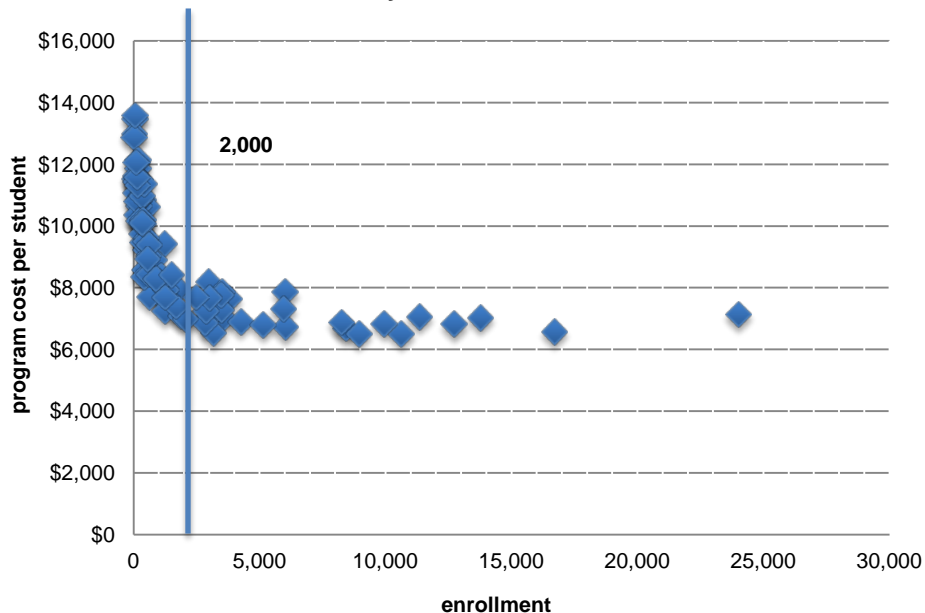
The Public School Capital Outlay Council should continue working to assist school districts in finding the most cost-effective and space-efficient school configurations.

The PED should work with school districts during the budget process to develop five-year revenue and expenditure estimates to inform long range budget plans.

## STATE POLICIES AND FUNDING MECHANISMS ENCOURAGE INEFFICIENCIES IN SMALL SCHOOL DISTRICTS THAT MAY DIRECT RESOURCES AWAY FROM STUDENTS

**The funding formula recognizes the high costs associated with operating small school districts.** Of the 50 school districts in the eastern part of the state, 20 have student populations of less than 350. Micro school districts in New Mexico generate program costs in excess of \$13 thousand per student through the state's funding formula. In contrast, state as well as national data shows scale efficiencies being maximized in districts with 2,000 or more students (*Howley et al, 2011*). Size adjustments in the state's funding formula result in significantly more funding per student in these small, eastern school districts as well as high expenditure levels per student in all categories. Yet even with this additional funding, many eastern school districts have come to rely on additional emergency supplemental funds to maintain annual operating budgets.

**Chart 17. Funding Formula Revenue Generated per Student by District, FY 14**



\* excludes Albuquerque Public Schools at \$7,112 per MEM  
Source: LFC files

***Many eastern school districts receive a high portion of formula funds through small school and district size adjustments.*** Size units, which include adjustments for elementary, junior and senior high schools as well as district size adjustments, are calculated five different ways and are intended to aid small schools and districts in covering the high costs associated with lack of scale efficiencies and the need to spread fixed costs across small student populations. As noted in previous LFC evaluations, the state spends more money to subsidize inefficiently sized districts and charter schools than it does on at-risk students. In FY14, New Mexico awarded \$76.8 million as a result of at-risk units, as compared to \$99 million as a result of small-size adjustments statewide.

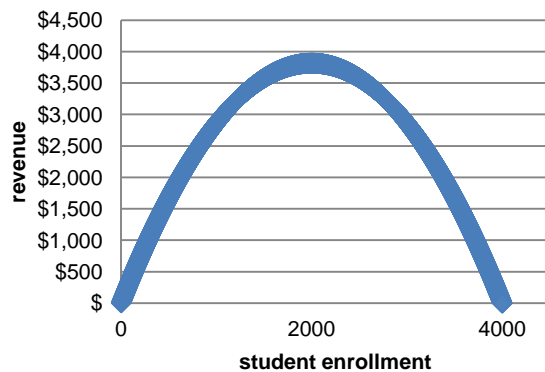
**Table 30. Funding Formula Size Adjustments**

Size Adjustment	Eligibility Size (based on Student Membership)	Size Adjustment Formula
Elementary-Junior High	< 200	$\frac{(200-\text{MEM})}{200} \times 1.0 \times \text{MEM} = \text{Units}$
Senior High	< 200	$\frac{(200-\text{MEM})}{200} \times 2.0 \times \text{MEM} = \text{Units}$
Senior High	< 400	$\frac{(400-\text{MEM})}{400} \times 1.6 \times \text{MEM} = \text{Units}$
District	< 4000	$\frac{(4000-\text{MEM})}{4000} \times 1.0 \times \text{MEM} = \text{Units}$

Source: NMSA 22-8-23

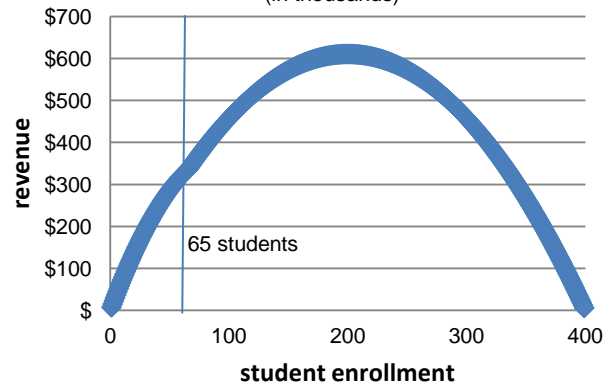
*As calculated through the funding formula, size adjustments benefit middle-sized schools and districts and are disconnected from the cost of administering small schools and districts.* Micro school districts, with student membership under 300, receive a small amount of size adjustments, while districts with closer to 2,000 students receive significantly more units. Similarly, schools with fewer than 100 students receive fewer units than schools with 300 students. Statutorily the high school size calculation which results in the greatest number of units generated will be used to calculate size adjustments. High schools with fewer than 65 students are advantaged by using the < 200 MEM calculation. High schools with more than 65 students generate more revenue by using the <400 MEM calculation.

**Chart 18. Funding Formula Revenue Generated by District Size Adjustments, by Student Enrollment in FY14 Units**  
(in thousands)



Source: LFC analysis

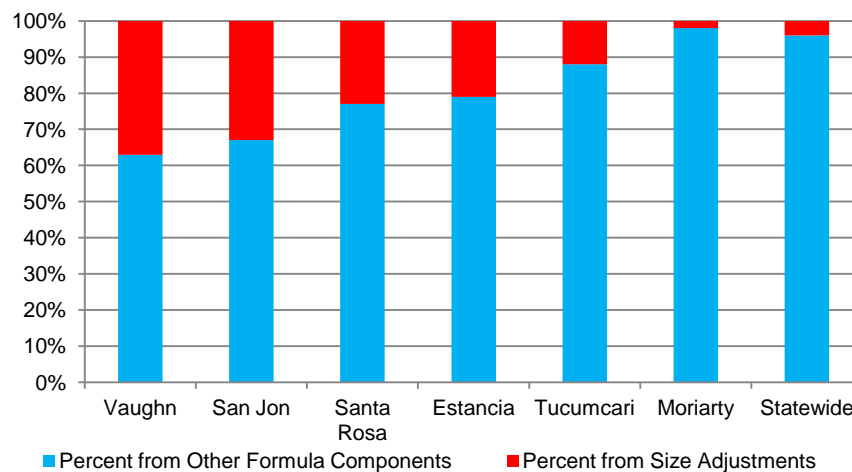
**Chart 19. Funding Formula Revenue Generated by High School Small Size Adjustment Calculation in FY14 Units**  
(in thousands)



Source: LFC analysis

The state's funding formula calculates each school district and charter school's annual program cost, the per-pupil amount allocated to districts through the state's funding formula annually. In FY13, districts with fewer than 350 students received, on average, 34 percent of total program costs from units generated by small size adjustments. Small eastern cohort school districts generate an average of 20 percent of their total program costs through small size adjustments.

**Chart 20. Small Size Adjustments as Percent of Total Formula Revenue, FY14**



Source: Final Funded FY14

In Estancia, two of the elementary schools generating small size adjustments are located adjacent to one another on the same property, but the district reports plans to consolidate these schools in the next few years. In a few of the small eastern school districts, including San Jon, the districts generate small size units for a K-8 school and high school, though these schools are located within the same physical building or campus.

**Overall, program costs per student are considerably higher among small districts.** The FY14 statewide average program cost, the amount of revenue generated per student by the funding formula, is \$7,272. In several eastern school districts program costs exceed \$12 thousand per student, excluding emergency supplemental funds. Though the state heavily subsidizes small district infrastructure, micro school districts expending considerable amounts per student are not achieving significantly better outcomes for students, as this report later details.

**Table 31. Total Program Cost per Student, FY14**

Micro		Small		Medium	
Lake Arthur	\$10,792	Estancia	\$8,890	Artesia	\$7,230
Maxwell	\$11,791	Loving	\$8,535	Dexter	\$7,817
San Jon	\$11,569	Pecos	\$9,327	Moriarty	\$6,853
Springer	\$12,000	Santa Rosa	\$9,386	Ruidoso	\$7,004
Vaughn	\$12,057	Tularosa	\$8,595	Tucumcari	\$8,192

Source: LFC Files

**Spending per student is much higher in small school districts and administrative and operational costs make up a greater proportion of expenditures.** In FY13, a cohort of five micro school districts, which have total enrollments of roughly 110 students, expended over \$10 thousand per student for instruction and nearly \$3,000 per student for school and district-level administrative costs. In contrast, a cohort of medium-sized districts, each with roughly 2,000 students, expended only \$5,000 per student for instruction and \$1,000 per student for school and district-level administrative costs. Medium-sized school districts expend, on average, 63 percent on instruction, whereas small and micro school districts expend 59 percent, on average on instruction. In contrast, small and micro school districts expend slightly more, on average, for operations, and micro school districts tend to expend more on general administration and central services than small and medium-sized school districts.

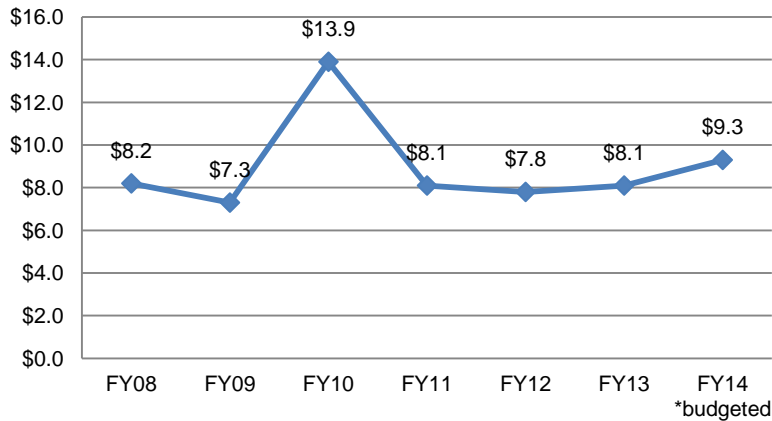
**Table 32. Actual Expenditures per Student, FY13**

	Micro		Small		Medium	
Instruction	\$10,349	59%	\$6,264	59%	\$5,235	63%
Support Services-Students	\$1,621	9%	\$1,109	10%	\$865	10%
Support Services-Instruction	\$336	2%	\$331	3%	\$188	2%
General Administration	\$1,441	8%	\$434	4%	\$296	4%
School Administration	\$640	4%	\$811	8%	\$546	7%
Central Services	\$759	4%	\$275	3%	\$273	3%
Operation and Maintenance	\$2,248	13%	\$1,361	13%	\$956	11%
<b>Total</b>	<b>\$17,394</b>		<b>\$10,585</b>		<b>\$8,359</b>	

Source: PED Stat Books

**Many eastern school districts have increasingly relied upon emergency supplemental funding, which will likely continue even with the addition of a micro-district component in the funding formula.** The Secretary of Education is authorized to make supplemental emergency distributions to districts in financial need. However, to receive these funds, a district must not have cash and invested reserves or other resources equal to 5 percent or more of its operational budget, although not all micro and small school districts have met this criteria. Since FY08, PED distributed an average of \$9 million in emergency supplemental funds to districts annually.

**Chart 21. Total Emergency Supplemental Funds  
Distributed to School Districts, FY08 - FY14**  
(in millions)



Source: PED

In FY14, \$9.3 million was budgeted for emergency supplemental funding for 22 school districts, while the Legislature only appropriated \$8.3 million. The majority of the districts receiving supplemental funds are micro school districts.

**Table 33. Emergency Supplemental Funds, Budgeted FY14**  
(in thousands)

District	Budgeted Emergency Supplemental Fund Total	Emergency Supplemental Funds Per Student	Cash Balance as % of FY13 Operating Budget
Carrizozo	\$385	\$2.84	2.7%
Chama	\$525	\$1.37	0.9%
Cimarron	\$290	\$0.84	3.1%
Corona	\$849	\$11.40	0.4%
Des Moines	\$350	\$3.72	5.0%
Elida	\$190	\$1.46	3.9%
Fort Sumner	\$280	\$0.98	1.4%
Grady	\$478	\$5.22	4.7%
Hondo Valley	\$232	\$1.54	2.0%
House	\$575	\$7.82	1.8%
Lake Arthur	\$400	\$3.00	1.4%
Maxwell	\$483	\$4.66	7.1%
Melrose	\$389	\$1.97	3.0%
Mosquero	\$640	\$16.00	0.2%
Quemado	\$422	\$2.73	1.1%
Reserve	\$473	\$2.99	0.4%
Roy	\$720	\$18.95	4.7%
San Jon	\$145	\$1.09	5.0%
Springer	\$153	\$0.83	0.1%
Vaughn	\$310	\$2.87	3.2%
Wagon Mound	\$830	\$12.97	3.8%
West Las Vegas	\$200	\$0.13	2.6%
<b>Statewide</b>	<b>\$9,319</b>	<b>\$2.03</b>	<b>2.7%</b>

Source: PED



**Micro school districts have historically relied on emergency supplemental funds to support operational functions.** In addition to expending the least per student in FY13, until FY14 San Jon was the only micro school district in the identified cohort not to have received emergency supplemental funding.

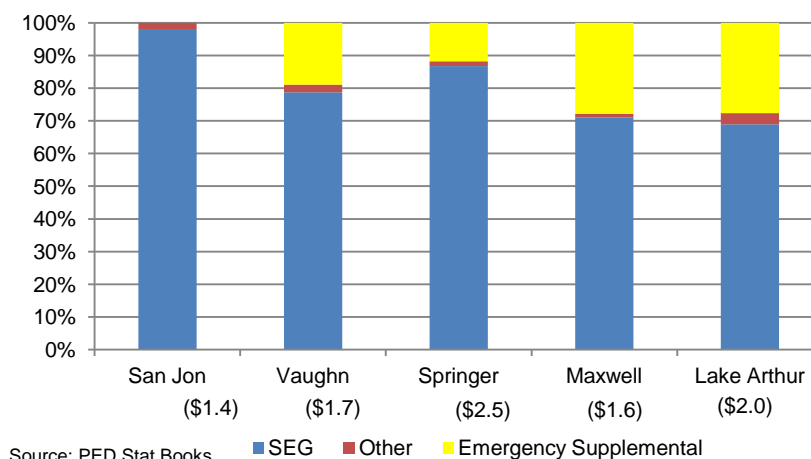
**Table 34. Emergency Supplemental Fund Allocations,  
Micro School District Cohort  
FY09-FY14**  
(in thousands)

	FY09	FY10	FY11	FY12	FY13	FY14 (budgeted)
San Jon	\$0	\$0	\$0	\$0	\$0	\$145
Vaughn	\$436	\$585	\$340	\$517	\$327	\$310
Springer	\$221	\$370	\$125	\$0	\$146	\$153
Maxwell	\$525	\$530	\$465	\$500	\$461	\$483
Lake Arthur	\$680	\$860	\$860	\$812	\$555	\$400

Source: PED Stat Books

For most micro school districts, emergency supplemental funds are the second-largest source of revenue. For example, in FY13, 28 percent of Lake Arthur's operational revenue, \$555 thousand of \$2 million, came from emergency supplemental funds.

**Chart 22. Sources of Operational Revenue, FY13**  
(total revenue in millions)



**Access to emergency supplemental funds might lead to inefficient staffing decisions that do not result in improved student outcomes.** Historically, San Jon, a school district with 116 students, avoided the need for emergency supplemental funds by creating multi-grade classrooms when enrollment made this feasible and choosing not to hire a principal. In contrast, school districts receiving emergency supplemental funds tend to have lower student-to-teacher ratios and more administrator FTE. For example, in FY13, Maxwell, with 90 students, had 0.75 more administrators than San Jon and three more teachers; similarly, Grady, with 101 students, had 0.5 more administrators and five more teachers than San Jon. Faced with combination classrooms of 24 and 35 students in FY14, San Jon budgeted to receive an estimated \$145 thousand in emergency supplemental funds to hire two additional teachers; San Jon's superintendent continues to serve as the school district's only principal.

Operating single-grade classes in eastern school districts results in average elementary school class sizes ranging from six to 12 students, significantly smaller than state class size limits. Research suggests that students in multi-grade classrooms do not appear to learn more or less than their counterparts in single-grade classes (*Mariano & Kirby, 2009*).

**Table 35. Budgeted Staff and Student-Teacher Ratios, FY13**  
(funds in thousands)

	FY13 Formula Funding	Emergency Supplemental	Students	Teacher FTE	Student- Teacher Ratio	Principal FTE	Administrator FTE
Corona	\$874	\$352	76	12.5	6.08	0.55	1.1
Grady	\$1,107	\$560	100.5	15.28	6.58	0.57	1
Lake Arthur	\$1,389	\$555	127.5	17	7.5	1	0.87
Maxwell	\$1,178	\$461	90	13	6.92	0	1.75
San Jon	\$1,394	\$0	116	10.3	11.45	0	0.95
Springer	\$2,173	\$146	190	17.5	10.86	1.62	1
Vaughn	\$1,368	\$327	116.5	14.25	8.18	0.75	1

Source: PED Stat Books

*Even with the addition of a micro district size adjustment, many districts will likely continue to rely upon emergency supplemental funding.* Since FY08, PED has allocated an average of \$9 million in emergency supplemental funds annually. In 2014, House Bill 35, Laws 1975, Chapter 119, Section1, amended the Public School Finance Act, creating a new factor in the public school funding formula to generate units for school districts with fewer than 200 students, provided the school district has implemented practices to reduce scale inefficiencies, including shared service agreements with regional education cooperatives (RECs) or other school districts for non-instructional functions. The General Appropriations Act of 2014 included \$5.8 million for the new units, less than the average amount of emergency supplemental funds allocated in the last five years.

Based on projected FY15 enrollment, 18 school districts will be eligible for additional units. Seven districts will likely receive more revenue through this adjustment than they did in prior years, while the remaining 11 will receive less than their average emergency supplemental funds over the last five years.

**Table 36. Comparison of Micro District Formula  
Adjustments to Historical Emergency Supplemental  
Funds, FY10-14**  
(in thousands)

District	Average Emergency Supplemental Funds	Funds Generated by New Units, FY15 Preliminary Unit Value	Difference Between New Units and Average Funds
Carrizozo	\$150	\$258	\$108
Corona	\$637	\$503	-\$134
Des Moines	\$479	\$425	-\$54
Elida	\$174	\$278	\$104
Grady	\$438	\$435	-\$3
Hondo Valley	\$225	\$198	-\$27
House	\$308	\$507	\$199
Lake Arthur	\$697	\$266	-\$431
Maxwell	\$488	\$386	-\$102
Melrose	\$155	\$9	-\$146
Mosquero	\$507	\$641	\$134
Quemado	\$202	\$181	-\$21
Reserve	\$215	\$168	-\$47
Roy	\$633	\$649	\$16
San Jon	\$29	\$270	\$241
Springer	\$159	\$59	-\$100
Vaughn	\$430	\$369	-\$61
Wagon Mound	\$517	\$545	\$28

Source: LFC analysis

**Cash balances in many eastern school districts have been volatile in recent years.** Cash balances reported by the eastern school districts reflect declines during the recession, with the exception of Estancia, where cash balances increased from FY09 to FY13. In Santa Rosa, cash balances were particularly volatile, declining from 11 percent in FY09 to 1 percent in FY10 and FY11 before increasing to 11 percent in FY12.

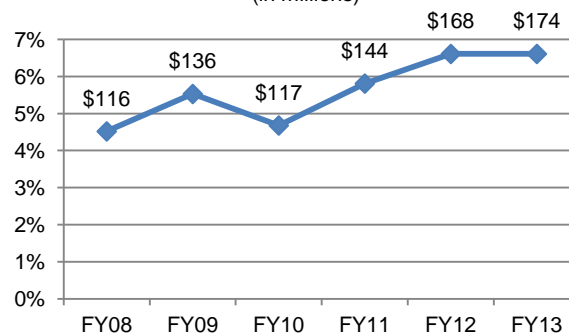
**Table 37. Cash Balance and Total Cash Balance as Percent of Operational Expenditures  
FY09-FY13**  
(in thousands)

District	FY09		FY10		FY11		FY12		FY13	
Estancia	\$1,053	12%	\$1,036	12%	\$1,414	16%	\$1,195	14%	\$1,050	13%
Moriarty	\$2,046	8%	\$1,499	6%	\$1,352	6%	\$1,585	7%	\$1,1083	5%
San Jon	\$147	9%	\$141	8%	\$133	9%	\$141	10%	\$88	5%
Santa Rosa	\$702	11%	\$39	1%	\$63	1%	\$686	11%	\$345	6%
Tucumcari	\$666	8%	\$112	1%	\$540	6%	\$217	3%	\$346	4%
Vaughn	\$287	14%	\$281	14%	\$94	5%	\$167	9%	\$49	3%

Source: PED Stat Books, Operational Fund Unrestricted Cash Balance Reports

Statewide, cash balances dipped in FY10 but increased, overall, from FY09 to FY13.

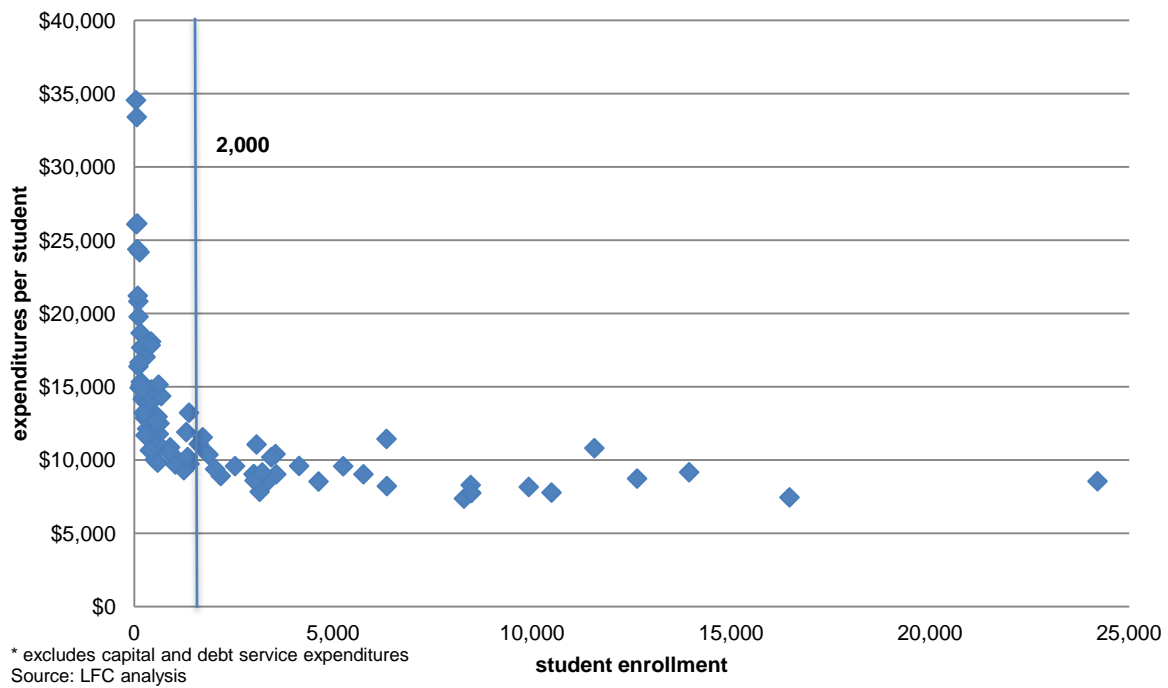
**Chart 23. Statewide Year-End Cash  
Balances as Percent of Operational  
Budget, FY08-FY13**  
(in millions)



Source: PED Stat Books, Operational Fund Cash Balance Report

**New Mexico does not presently provide incentives to encourage small school districts to operate more efficiently, target greater resources to the classroom, or consolidate.** A comparison of expenditures suggests school districts with fewer than 1,000 students expend considerably more per student, but above 2,000 students, spending remains relatively constant. For example in FY12, with 88 thousand students, Albuquerque's spending per student, \$8,283, was very similar to the average per student expenditures of most school districts with roughly 2,000 students.

**Chart 24. Total Expenditures per Student by New Mexico School District FY12\***



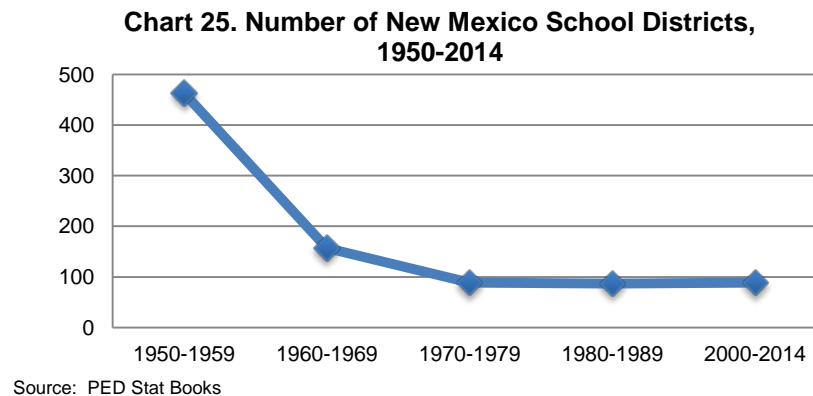
The Center for Education Policy similarly reports the optimal school district enrollment size, taking into account both per-pupil costs and student achievement, is roughly 2,000 students. However, in FY14, 60 of New Mexico's 89 school districts had fewer than 2,000 students. Of these, seven school districts had fewer than one hundred students.

**Table 38. New Mexico School District Enrollment, FY14**

Total School District Enrollment	Number of School Districts
<100	7
100-200	12
201-500	19
501-1,000	12
1,001-2,000	10
2,001-5,000	14
5,000-10,000	8
10,000+	7

Source: Final Funded, 40<sup>th</sup> Day

*Historically, New Mexico has experienced several periods of school district consolidation, reflecting national trends.* Between 1950 and 1970, the number of school districts in the state decreased dramatically through consolidation.



Such consolidation mirrors a century-long trend toward fewer school districts, beginning with the move away from one-room schoolhouses. Between 1942 and 2012, Pew reports the number of independent school districts in the U.S. shrank nearly 90 percent, from 108 thousand to 13 thousand, while school attendance doubled. National consolidation efforts of the twentieth century were inspired by the advantages of reducing the ratio of administrators to teachers and improving school efficiency, providing specialized instruction, and improving facilities while reducing costs (Center for Evaluation and Education Policy, 2010).

During the recent recession, school districts nationally again considered consolidation to improve efficiency, prevent service reductions, and address declining enrollment in rural communities. Consolidation does not always produce cost savings if efforts produce new building construction, additional busing, or higher paying salaries for district administrators. However, several states have recently initiated consolidation legislation and studies. To lessen the blow for communities that decide to consolidate, several states including New York and Kansas, have offered financial incentives to help with transition costs or hold funding levels harmless.

**Table 39. Recent State Consolidation Legislation**

Maine	In 2007, Maine passed consolidation legislation requiring school districts to enroll at least 2,500 students, requiring the state to consolidate from 290 districts to roughly 80 districts. In 2008, the legislature amended the law to allow exceptions for geographic, demographic, and transportation obstacles.
Arkansas	In 2007, the Legislature authorized a transportation study examining length of time and cost of transporting student to consolidated district, isolated districts, and districts with declining enrollment.
Pennsylvania	Creates a commission to study and develop a plan for consolidating the state's 501 school districts to 100 school districts.
Illinois	Stipulates that consolidation of school districts will only be considered if 50 resident voters in the affected area sign a petition.
Wisconsin	Budgeted \$250 thousand in FY07-FY09 for grants of up to \$10 thousand for school district consolidation studies.
Kansas	Enables an appointed state commission to reorganize all K-12 school districts in the state every 10 years so no district has fewer than 10 thousand students.
Vermont	Currently considering legislation that would realign the state's 282 school districts into 30 to 60 districts.

Source: Center for Evaluation and Education Policy

*The rapid expansion of charter schools, funded as small districts, dilutes resources and sends conflicting signals on state efforts to optimize efficiency.* From FY01 to FY14, enrollment in charter schools increased 702 percent, from 2,597 students to 21 thousand students at 95 charter schools. In FY14, 77 charter schools received small size adjustment units and given the location of the majority of charter schools in urban areas, this effectively shifts funds away from rural portions of the state. A 2010 LFC study showed size adjustments result in per-pupil funding 26 percent higher for charters than traditional public schools.

In FY14, the state's 95 charter schools enrolled 6 percent of New Mexico's total student population but accounted for 35 percent of the state's 21 thousand small school size adjustment units. Those 7,383 small school size adjustment units generated \$28 million in revenue for charter schools, 17 percent of charter schools' total state formula funds.

**Struggles to recruit and retain board members, superintendents, and business managers create governance challenges for many small, rural school districts.** New Mexico school boards are responsible for developing and approving a budget, monitoring the implementation of that budget, and overseeing the audit process. Consistent with recommendations from past LFC evaluations, the eastern school districts appear to be receiving regular budget updates; including cash balance reports as well as high-level monthly financial statements. Additionally, through participation in statutorily mandated subcommittees, board members report greater levels of involvement in budget development as well as audit oversight. Board members, however, rely heavily on guidance from superintendents and business managers on financial matters as well as programmatic decisions.

***Challenges to recruiting and retaining highly qualified business managers in some districts have led to fraud, waste, and abuse of public funds.*** San Jon, Moriarty-Edgewood, and Santa Rosa have each retained their current business managers for close to 20 years and benefited from the fiscal stability provided.

In other cases, such as Vaughn, challenges with business managers have led to two recent episodes of financial difficulties. First, in 2001, the department took control of Vaughn's finances because of concerns including fund transfers, issuing warrants, and recording and reporting data. Additionally, in 2012 a former-Vaughn business manager pleaded guilty to felony fraud charges for misspending district funds. The district's current business manager inherited issues with federally reimbursable expenses obligated to state funds as well as non-recoverable advances the district is still repaying.

While the district has instituted proper internal controls, including monthly cash reports and financial statements to the board as well as a board member's signature on each check issued, sustaining a qualified business manager will likely continue to challenge districts such as Vaughn.

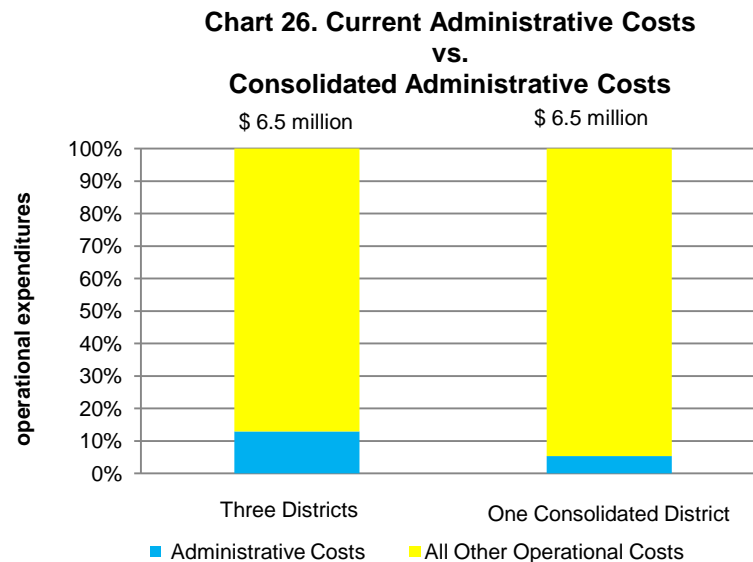
**Consolidating central administrative functions of micro school districts in New Mexico could address capacity issues, allow more spending on instruction, and reduce the need for emergency supplemental appropriations.** Whereas administrative costs of micro school districts tend to average over 10 percent of expenditures, that amount drops to 5 percent in small school districts. Combining the operational expenditures of three typical micro school districts results in a \$6.5 million budget. By consolidating central administrative functions based on the configuration of a typical small school district, these three districts would need to spend \$700 thousand less annually on administrative overhead costs

Redistribution of funds within these districts results in higher amounts available for instruction and support services to directly benefit students. Redirecting these funds away from administrative costs could allow districts to implement or expand programs that could have an impact on student learning, such as targeted interventions, extended school day programs, or enrichment opportunities. Additionally, the estimated overhead savings, \$700 thousand, tends to be more than the combined amounts of emergency supplemental funds, roughly \$600 thousand, received by micro school districts in FY14. Statewide, the LFC estimates by consolidating central administrative functions of 89 school districts into 52 school districts, \$8.3 million could be redirected to instruction and services for students, if the funding levels in these districts remains the same, or eliminate the need for emergency supplemental funds. Because districts

***What could a consolidated district buy with \$700 thousand?***

- 25 additional instructional days for every student in the district
- 10 social workers, interventionists, instructional coaches, or level III elective teachers
- Two additional textbooks for every student in the district
- 25 thousand hours of afterschool tutoring

generate most of their small size adjustments from small schools, not district size, the consolidated district would likely continue to generate similar amounts through the funding formula. In FY14, 86 percent of the size units generated by the districts were for small school size.



Source: LFC analysis

## Recommendations

The Legislature should:

- Modify size adjustments in the funding formula to reflect actual differences in costs related to school and district size;
- Increase PED's authority to establish standards prioritizing school district spending within certain functions, including instruction, through the annual school district budget approval process, including an action plan to eliminate the need for emergency supplemental funds within two years;
- Require PED to develop guidelines for how school districts qualify for emergency supplemental funds, including student-teacher ratios, administrator-teacher ratios, central office staffing levels, grade configurations, and academic and financial performance outcomes;
- Develop financial incentives for school districts consolidating administrative services resulting in cost-savings or reallocation of resources to instruction; and
- Commission a panel to recommend redistricting to at least 2,000 students per school district or use county lines as geographic basis for independent school districts, with exceptions for extreme geographic, demographic, and transportation obstacles. The panel should consider timelines, costs, and potential incentives.

The Public Education Department should:

- Implement administrative or guidance documents consistent with Laws 1975, Chapter 119, Section 1, defining practices to reduce scale inefficiencies, including shared service agreements with regional education cooperatives or school districts for non-instructional functions and distance education, to qualify for micro district adjustment units; and
- Tie emergency supplemental awards to annual academic and financial performance.

## EVEN WITH SMALLER-THAN-AVERAGE CLASS SIZES, ACADEMIC OUTCOMES IN EASTERN SCHOOL DISTRICTS ARE GENERALLY SIMILAR TO THE REST OF THE STATE

**Class sizes and student-teacher ratios in the eastern school districts tend to be below state averages with similar academic outcomes.** The impact of class size reductions on student success is varied and inconclusive. Generally, research indicates large class-size reductions, on the order of magnitude of seven to 10 fewer students per class, can have significant long-term effects on student achievement and other meaningful outcomes. Based on an analysis of 53 research studies, the Washington State Institute for Public Policy concluded in the early grades, the long-term benefits of reducing class size consistently exceed the costs; in the upper grades, however, costs may often exceed benefits. Similarly, positive effects tend to be larger for at-risk students. However, much of the effect of class-size reduction policy relies on implementation—for example, if class size reductions are not accomplished with highly effective teachers, potential gains are lost.

A 2002 report released by the National Bureau of Economic Research estimated a 10 percent reduction in class size would cost New Mexico \$512 per student or a total of \$618 million. Such high costs for inconsistent results call into question the cost effectiveness of class size reductions and expenditures targeted at other issues, such as teacher quality, might produce greater results.

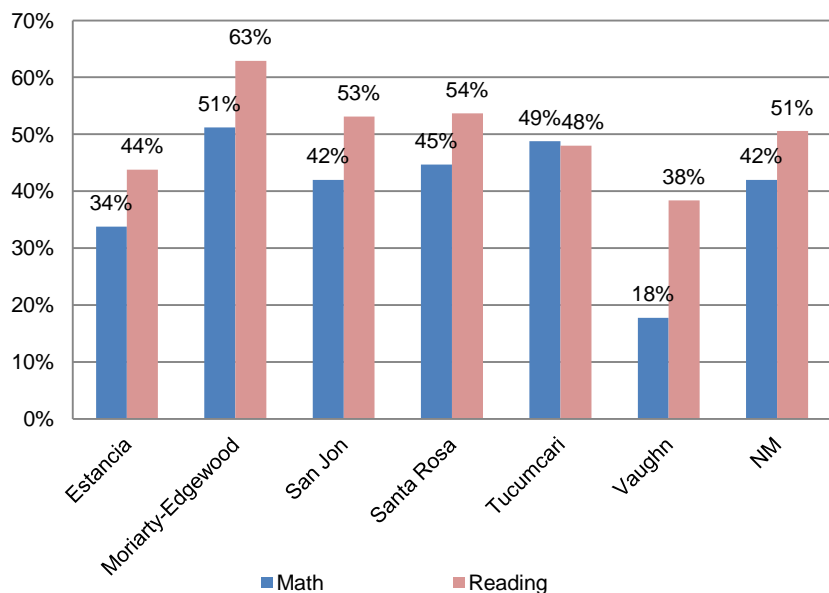
For New Mexico's eastern school districts, the total number of students divided by the total number of teachers tends to be lower than the statewide average of 12.2. These low student-teacher ratios, however, do not appear to be associated with significantly better student outcomes. In FY13, for example, Vaughn's student-teacher ratio was 7.1, but only 18 percent of its students were proficient in math. In reading, Estancia's 44 percent proficiency rate is similarly below the state average of 51 percent, with a student-teacher ratio of 10.3.

**Table 40. FY12 Student-Teacher Ratios, by District**  
(# students per 1 teacher)

Lake Arthur	3.8
Maxwell	4.2
San Jon	5.6
Springer	7.8
Vaughn	7.1
Estancia	10.3
Loving	12.6
Pecos	13.5
Santa Rosa	11.2
Tularosa	11.7
Artesia	13.8
Dexter	12.5
Moriarty	13.2
Ruidoso	15.5
Tucumcari	13.2
<b>Statewide Average</b>	<b>12.2</b>

Source: PED

**Chart 27. SBA Proficiency Rates, FY13**



Source: PED



*School grades in the six school districts are similar to the statewide distribution and show lack of progress for the lowest performing group of students.* Sixteen out of 27, or 60 percent of the schools in this evaluation, received a grade of “C” or below on the state’s grading system compared with 63 percent statewide.

**Table 41. School Grades, FY13**

	A	B	C	D	F	Total Schools
Estancia	1	0	3	2	0	6
Moriarty	1	4	2	1	0	8
Santa Rosa	1	0	2	2	0	5
San Jon	0	1	2	0	0	3
Tucumcari	1	1	1	0	0	3
Vaughn	0	1	0	1	0	2
<b>Statewide</b>	<b>83</b>	<b>226</b>	<b>227</b>	<b>219</b>	<b>82</b>	<b>837</b>

Source: PED

The component measuring growth of a school’s lowest performing students does not effectively differentiate the relative performance of schools. Like nearly every elementary and middle school in the state, most of the schools in the eastern school districts received an “F” on the growth of lowest performing students measure. The 20 middle and elementary schools in the eastern school districts in FY13 received an average of 7.4 out of 20 points; only Tucumcari Elementary received a score above a “D” on this measure, earning a “B” in FY13. Similarly, 97 percent of middle schools and 89 percent of elementary schools statewide received “Fs” in this category.

*Eastern school districts tend to have higher graduation rates than statewide averages but are not preparing more college-ready students.* Small communities, schools, and class sizes likely contribute to improved graduation rates. In FY13, five of the six school districts included in this evaluation reported graduation rates exceeding the statewide average of 70 percent. Only Estancia, with a graduation rate of 63 percent, fell below the state average. However, college remediation rates in eastern districts are similar to statewide averages. While New Mexico’s overall remediation rate for those students who enroll in NM universities and colleges hovers around 50 percent, Moriarty-Edgewood’s remediation rate is 48 percent and Tucumcari’s is 53 percent. Estancia, Vaughn, Santa Rosa, and San Jon, each with fewer than 10 students reported, cumulatively had a remediation rate of 66.5 percent.

### Components of New Mexico School Grades

**Current standing-** How well students performed in the most recent school years.

**School Growth-** How well the school increased grade level performance over the last three years.

**Student Growth of Highest Performing Students-** The growth of the students performing in the top 75 percent of the school are measured over the last three years and compared with the state benchmark.

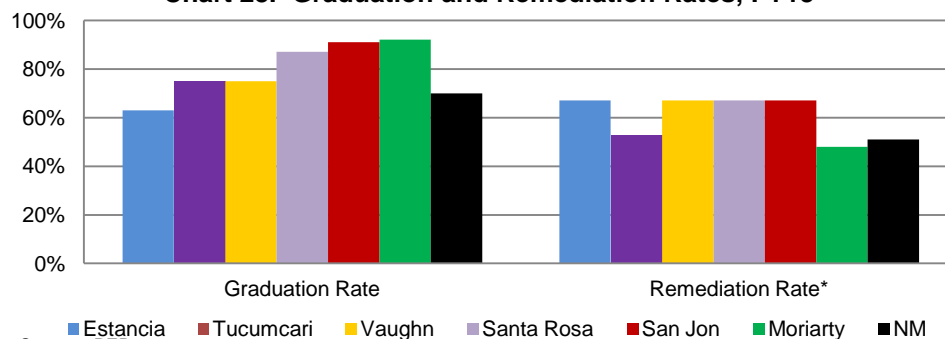
**Student Growth of Lowest Performing Students-** The growth of the students performing in the bottom 25 percent of the school are measured over the last three years and compared with the state benchmark.

**Opportunity to Learn-** How the school facilitates learning, including whether students want to come to school and whether teachers are using recognized instructional methods.

**Bonus Points-** Awarded to schools showing exceptional aptitude for involving students and parents in education, reducing truancy, and promoting extracurricular activities.

Source: PED

**Chart 28. Graduation and Remediation Rates, FY13**



\*Averaged for Estancia, Vaughn, Santa Rosa, and San Jon

**The state's bilingual program lacks accountability, does not require school districts to service ELLs, and few students receiving bilingual services attain English-language proficiency.** All New Mexico school districts with English-language learners are eligible to receive bilingual funds through the state's formula. Bilingual multicultural education programs provide instruction in, and the study of, English and the home language of the students. These programs may also include the delivery of content areas in the home language and English and include the cultural heritage of the child in specific aspects of the curriculum. A program model is the method districts use to provide services and amount of bilingual units generated through the state's funding formula. New Mexico funds five program models consistent with the Bilingual Education Act (1968), the policy from which the English Language Acquisition, Language Enhancement, and Academic Achievement Act (2001) was generated to serve ELL and immigrant students. Also known as Title III, the Act states limited-English proficient students must attain English proficiency and meet the same academic standards as their English-speaking peers in all content areas (**Appendix F**).

New Mexico does not require school districts to provide formal bilingual services nor develop a plan to meet the needs of English-language learners. In FY14, 17 percent of New Mexico's students participated in bilingual multicultural education programs, and 63 of the state's school districts operate bilingual or Title III programs (**Appendix G**). The PED is currently considering ways to ensure school districts better serve ELL students and improve program oversight.

Among the eastern school districts, Moriarty-Edgewood, Santa Rosa, Tucumcari, and Vaughn offer state-funded bilingual programs. Additionally, Moriarty-Edgewood offers a federal Title III program.

**Table 43. Bilingual Programs by District, FY13**

District	Bilingual Multicultural Education Program	Bilingual Students	Total Student Population	Bilingual as % of Total Students
Estancia	None	0	814	0%
Moriarty-Edgewood	Maintenance (2) Enrichment (3)	160	2,843	6%
San Jon	None	0	133	0%
Santa Rosa	Heritage/Indigenous Language (5)	540	631	86%
Tucumcari	Maintenance (2) Enrichment (2) Heritage/Indigenous Language (2)	23	1,017	2%
Vaughn	Maintenance (1) Heritage/Indigenous Language (1)	51	108	47%

Source: Annual Bilingual Report, Final Funded

Funding amounts for each program are based upon the hours of services students receive. For example, one hour of services generates \$341 per student; two hours generates \$667 per student; and three hours generates \$1,001 per student. Title III funds approximately \$70 per student. Statewide, the amount allocated through the funding formula to bilingual education increased from \$33.8 million in FY10 to \$36.5 million in FY14. This increase, however, is attributable to growth in the unit value, as during this same time, the total number of bilingual units decreased from 9,787 to 9,571. In FY13 with 53,599 ELLs and 3,965 immigrant students, the state received \$4 million in federal Title III funding.

**Table 44. Bilingual and Title III Funds**  
(in thousands)

District	Bilingual Students	Bilingual Units, FY14	Bilingual Funds, FY14	Title III Funds, FY14	Total
Estancia	0	0.0	\$0	\$0	\$0
Moriarty-Edgewood	160	17	\$63	\$12	\$75
San Jon	0	0.0	\$0	\$0	\$0
Santa Rosa	540	94	\$357	\$0	\$357
Tucumcari	23	5	\$19	\$0	\$19
Vaughn	51	6	\$24	\$0	\$24
<b>Statewide</b>	<b>55,880</b>	<b>9,571</b>	<b>\$36,518</b>	<b>\$4,047*</b>	<b>\$40,565</b>

Source: Stat Books , PED, MESD \*FY13

*Students are not consistently identified for ELL designation.* Districts use home language surveys to identify students as English-language learners. Along with the type of program provided, results of these surveys determine the number of bilingual units as well as federal Title III funds a district receives.

As previous LFC evaluations noted, each district develops its own home language survey and differences in the surveys likely contribute to over-identification in some districts. For example, while all six eastern districts have significant Hispanic populations, Estancia identifies no students for bilingual services, while Santa Rosa identifies 86 percent of its students (**Appendix H**).

**Table 45. Bilingual Students by District, FY14**

District	Bilingual Students	Number of Hispanic Students	Total Student Population	Bilingual as % of Total Students	Hispanic as % of Total Students
Estancia	0	474	814	0%	58%
Moriarty-Edgewood	160	1,287	2,843	6%	45%
San Jon	0	64	133	0%	48%
Santa Rosa	540	567	631	86%	90%
Tucumcari	23	651	1,017	2%	64%
Vaughn	51	94	108	47%	87%
<b>Statewide</b>	<b>55,891</b>	<b>159,263</b>	<b>330,635</b>	<b>17%</b>	<b>47%</b>

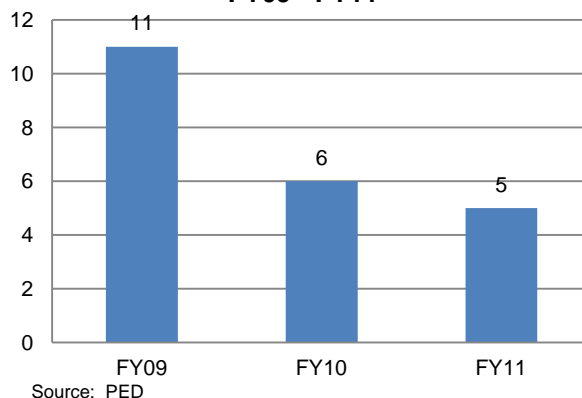
Source: PED

Once identified as an English-language learner through the home language survey and the New Mexico English language placement test, students are assessed annually (ACCESS) to determine language proficiency and eligibility to be exited from ELL services. PED is considering implementing a uniform survey and new regulations for determining bilingual qualification as early as FY16.

*PED's oversight of bilingual programs is insufficient, resulting in inaccurate and inequitable distribution of public resources.* Given the unevenness in the process for identifying students for bilingual programs as well as the variability in services provided, oversight is critical to maintain program integrity and quality. As noted in the 2011 LFC program evaluation of the state's funding formula, however, at its current rate, PED was only scheduled to audit each district's bilingual program every 17 years.

Of the eastern districts, Santa Rosa's last bilingual audit was in 2007; the date of the last bilingual audit for Moriarty-Edgewood, Tucumcari, or Vaughn is unclear.

**Chart 29. Bilingual Program Audits, FY09 - FY11**



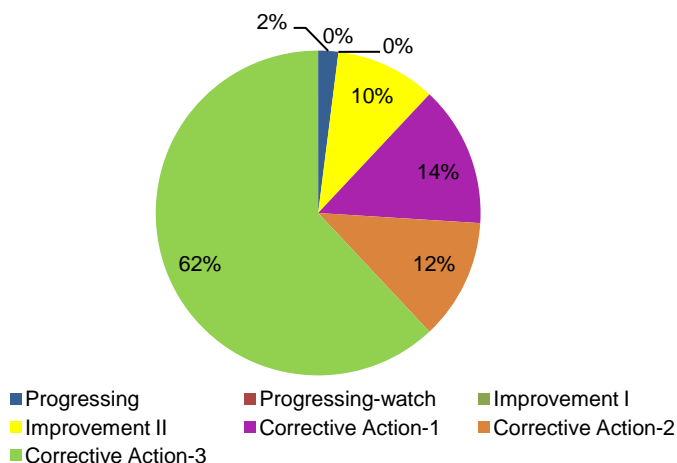
*Of the New Mexico school districts providing bilingual services or receiving Title III funds, most are not producing desired results.* New Mexico school districts receiving Title III funds must show progress on three annual objectives as determined by the federal government. These objectives include:

1. Student progress toward English-language proficiency as measured by ACCESS;
2. Proportion of English-language learners proficient in English as measured by ACCESS; and
3. Proportion of English-language learners proficient on New Mexico's standards-based assessments.

After two consecutive years of failing to meet annual objectives, the PED is obligated to provide technical assistance. After four consecutive years without progress, the school district is required to modify its ELL curriculum and instruction or discontinue the Title III program.

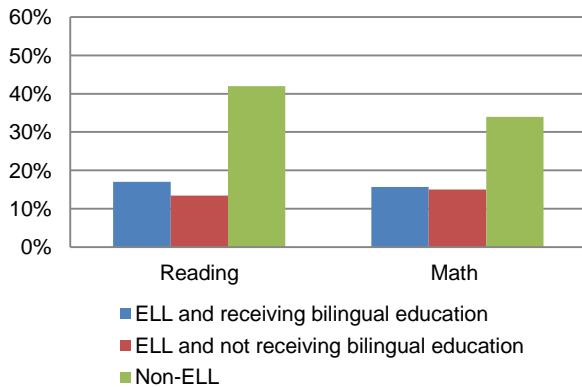
In FY13, 88 percent of Title III school districts were in corrective action, with 98 percent of the school districts not meeting objective three, ELL subgroups scoring proficient in reading and math on the standards-based assessments (SBA). In FY13, however, third grade ELL students' SBA reading scores increased by 7.8 percent, eighth grade scores increased by 5.7 percent and eleventh grade scores increased by 3.8 percent. Moriarty-Edgewood is the only eastern district in this evaluation with a designation and is in its third year of corrective action, meaning it has not passed the annual measurable objectives for six years. Nationally, only 10 states met all three of the state-level objectives in FY09.

**Chart 30. NM Title III Designations, FY13**



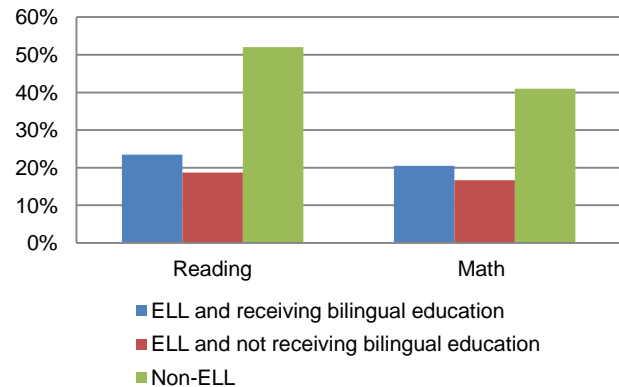
***Hispanic and Native American students participating in a bilingual and multicultural education program slightly outperform students in those subgroups who do not participate in a bilingual program.*** In FY13, 17 percent of ELL Native American students receiving bilingual education services were proficient in reading, compared with 13 percent of ELL Native American students not receiving bilingual education services. Similarly, 24 percent of ELL Hispanic students receiving bilingual education services were proficient in reading, compared with 19 percent of ELL Hispanic students not receiving bilingual education services. However, neither subgroup performed as well as non-ELL peers. Overall, 42 percent of non-ELL Native American students were proficient in reading, and 52 percent of non-ELL Hispanic students were proficient.

**Chart 31. Native American SBA Proficiency, FY13**



Source: PED

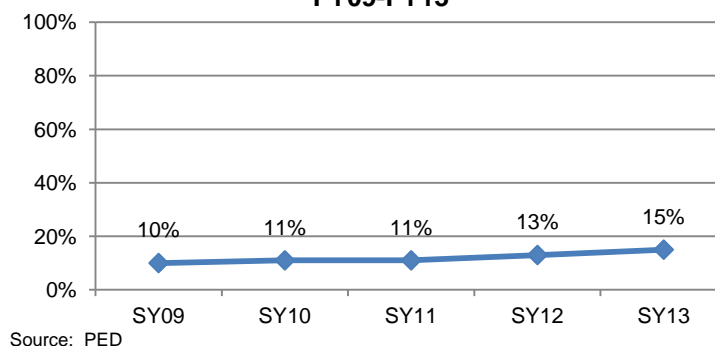
**Chart 32. Hispanic SBA Proficiency, FY13**



Source: PED

PED's FY13 Bilingual and Multicultural Education Report indicated the importance of more growth in the area of English-language proficiency for English-language learners to ensure college and career readiness. In FY13, only 15 percent of the state's ELL population scored at an English-proficient level.

**Chart 33. ELL Students Reaching English Language Proficiency on the ACCESS, FY09-FY13**



Source: PED

**As noted in previous LFC evaluations, teaching quality is the strongest school-based approach to improving student outcomes.** Between FY11 and FY13, based on data from three eastern districts, of 1,005 teachers, 19, or 2 percent, were rated unsatisfactory. Nationally, reform initiatives include more rigorous observations as well as the inclusion of student performance data in annual evaluations. The National Council on Teacher Quality's (NCTQ) *Using Evaluations of Teacher Effectiveness to Inform Policy and Practice* shows teacher evaluation systems in 35 states and Washington, DC require student achievement results be a significant factor in teacher evaluations. Twenty states require teacher evaluation results to be used to inform and shape professional development.

***As a condition of the flexibility waiver from No Child Left Behind, New Mexico developed new teacher and principal evaluation systems.*** In 2013, the PED adopted rules developed according to recommendations released by the department’s New Mexico Teacher Evaluation Advisory Council (NMTEACH) to address teacher and school leader effectiveness. The NMTEACH system includes a more robust observation process; student achievement calculated using value-added scores; and locally adopted multiple measures, such as student surveys, college and career readiness indicators, and school attendance.

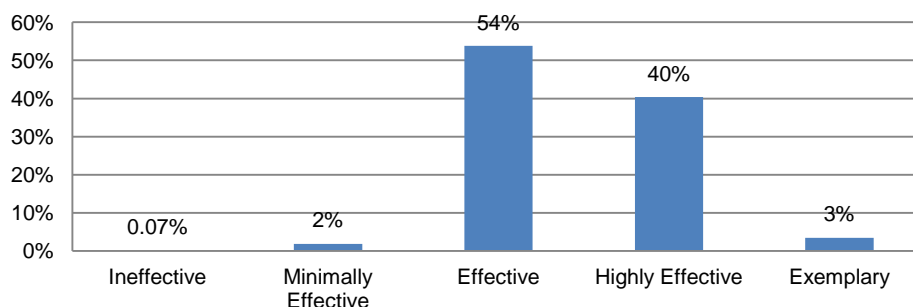
The observation process changed in several ways. First, the framework administrators use to observe and rate teachers is now made up of 22 components within four domains. Second, the rating system expanded from two categories, satisfactory and unsatisfactory, to five: ineffective, minimally effective, effective, highly effective, and exemplary. Finally, the number of observations increased from two to three annually and a new system, Teachscape, was procured for both teachers and administrators to track data from those observations.

Between FY13 and FY15, the Legislature appropriated \$9.3 million to PED to implement the new teacher evaluation system. In FY13, 50 schools in five districts piloted the new evaluation system, including observation protocols, professional development and training, and data collection and reporting. Based on pilot results from FY13, PED reported 80 percent of teachers were rated “effective” or higher on the four observation domains.

Between September 2013 and January 2014, PED hosted five day-long training sessions, facilitated by the Southern Regional Education Board, to train school administrators to use the observation protocol. Additionally, the PED held a series of webinar trainings designed for district leaders and trainer-of-trainers, between September and November 2013. Finally, the PED released two presentations for school districts to use and distribute to train teachers.

***Preliminary outcomes of the observation component of NMTEACH are nearly identical to those under the previous version.*** As of March 2014, the first full year of implementing NMTEACH, the five eastern districts in this evaluation recorded 12 thousand observations in Teachscape. Of those observations, only 2 percent were at the two lowest levels, “ineffective” and “minimally effective”; in contrast, 94 percent were either “effective” or “highly effective.”

**Chart 34. Percent of Observations by Level in Teachscape, March 2014**



Source: LFC Analysis of PED Data

**Nationally, board certified teachers do not tend to exceed the performance of surrounding teachers.** The state’s funding formula provides school districts with 1.5 additional units for nationally board certified teachers. School districts use these additional funds to provide annual stipends of \$5,700. However, national studies do not show significant gains in academic achievement among students of board certified teachers.

Also, national research suggests board certified teachers tend not to be evenly distributed in low-performing schools and tend not to work in schools serving low-income populations (*NBTS, 2007*). Only one-third teach students from low-income families. At-risk and minority students nationally are less likely to be taught by a board certified teacher, and minority candidates are less likely than white counterparts to gain certification (*Goldhaber,*

2003; Humphrey, Koppich & Hough, 2004). Finally, national studies do not show significant gains in academic achievement for students with board certified teachers, although board certified teachers outperform teachers without certification in mentoring and leadership, curriculum design, quality of planning, and classroom management (McColskey & Stronge, 2005).

***Moriarty-Edgewood has the state's highest percentage of board certified teachers.*** Of Moriarty-Edgewood's 191 teachers, 26, or 14 percent, were board certified in FY13. According to district leadership, assignment of teachers is unrelated to board certified status: in FY13, 16 percent of Moriarty-Edgewood's board certified work at the lowest performing schools while 62 percent are at A and B schools.

**Table 46. National Board Certified Teachers by District, FY13**

School District	Certified FTE	Number of NBCT FTE	Percentage of total FTE
Moriarty-Edgewood	191	26	14%
APS	5,710	295	5%
Santa Fe	817	36	4%
Los Alamos	273	11	4%
Gallup	762	23	3%
Bernalillo	218	5	2%
Los Lunas	439	8	2%
Taos	166	3	2%
Grants	224	4	2%
Santa Rosa	56	1	2%
Las Cruces	1,528	1	2%

Source: PED

## Recommendations

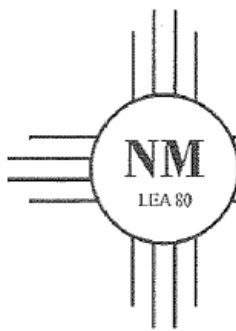
The PED should:

- Increase district reporting and accountability for academic improvements for English-language learners.
- Implement a home language survey for use by all districts and charters that is valid, reliable, and developed in accordance with state and federal guidelines; and
- Structure a bureau to conduct annual funding formula audits, including audits of bilingual units.

<b>AGENCY RESPONSES</b>
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The Public Education Department did not provide a written response prior to publication.





## ESTANCIA MUNICIPAL SCHOOLS

P.O. Box 68 / Estancia, NM 87016

Mr. Audie Brown  
Superintendent

(505) 384-2001  
Fax: (505) 384-2015

May 2, 2014

Dear Members of the Legislative Finance Committee:

I would like to take a moment to commend Ms. Rachel Mercer-Smith and Dr. Madelyn Serna Marmol. Both were accommodating, very professional and willing to truly listen to the comments and experiences of our stakeholders. We found the process to be a worthwhile exercise.

From the outset, I would like to explain to members of the committee, that our district is the only one in the Eastern School District region that has an alternative high school-Estancia Valley Learning Center (EVLC). As a result, our district assessment proficiency as well as graduation rate data tends to be somewhat skewed as the reported information is generally combined with that of EVLC and the other traditional schools within our district. The principal describes EVLC as:

*EVLC is to provide the highest quality array of individual educational services, with the understanding that the learner and the learner's family define the word service. It is our vision to provide coursework that fulfills state requirements, as well as advanced curriculum for those whose goals require it.*

*EVLC provides a setting of flexibility for learners to progress at their own pace to reach their goal of graduation.*

*Students are recommended by the Estancia High School administrative team and other districts within our county. We cater to student's ability ranging from highly gifted to students with disabilities. However, we do not promote EVLC as the appropriate setting for Least Restrictive Environment; we carefully consider the impact of the individual's exceptionality and their potential to access the curriculum in our unique setting. Our higher functioning students are able to move through the program at a faster pace if they choose. We have used multiple data points to determine students' ability and functional ability to enable them to recover credits or to gain credits to catch up to their peers. Our hope is they will be able to return to their schools in the same cohort as their peers.*

Estancia Municipal Schools Board of Education:

Randall Riley – President, Kenneth Lujan – Vice President, Jesus Lucero – Secretary,  
Kendra Otis – Member, Elaine Darnell – Member  
"Good Schools Make Fine Communities Better"

According to the PED School Grade Report Card for 2013, the graduation rate for the 2012 Cohort at Estancia High School is 86.7% and EVLC is 26.4%. Hopefully, this better explains the combined 63% graduation rate under the report's chart for Eastern Schools Graduation Rates, FY13.

As I am sure is the case with sister districts throughout our great state, the Estancia Municipal School District is earnestly striving to provide the best educational opportunity possible to the students we serve. While we have been able to maintain a very healthy cash balance, we have also decided that it was/is necessary for monies to be allocated to support our staff with the application of Professional Learning Communities and implementation of the Common Core State Standards. We knew this task was not going to be easy, therefore, created a Curriculum and Staff Development Department employing a director and two instructional coaches, hence the increase in school administration expenditures. This is a small part of our effort to improve student achievement by increasing the proficiency rate in reading and math.

Additionally, we realize that we have a significant amount of excess classroom capacity available. We are working closely with PSFA to effectively reduce the square footage of building space without adversely affecting the quality of instruction. Plans include the demolition of the Lower Elementary building within the next five years and relocating the staff and students to the Upper Elementary.

I would like to thank each of you for your willingness to look deeper into the data to truly understand what is actually taking place. We realize we must continue to improve despite the continual challenges of declining enrollment and funding. Even so, we are experiencing great successes every day as we continue to strive to work ever closer with our stakeholders. I also thank you for understanding that we are much more than the results of a yearly assessment.

Sincerely,



Audie Brown  
Superintendent

Estancia Municipal Schools Board of Education:

Randol Riley – President, Kenneth Lujan – Vice President, Jesus Lucero – Secretary,  
Kendra Otis – Member, Elaine Darnell – Member  
*"Good Schools Make Fine Communities Better"*

May 5, 2014

Honorable Luciano “Lucky” Varela, Chairman  
Legislative Finance Committee  
325 Don Gaspar, Suite 101  
Santa Fe, New Mexico 87501

Dear Rep. Varela,

Please accept this correspondence on behalf of the Moriarty-Edgewood School District (MESD) in response to a recent financial and performance audit conducted by LFC staff.

First and foremost, I wish to express my appreciation and compliments to the audit team – Michael Weinberg, Rachel Mercer-Smith, and Madelyn Serna-Marmol- for their professionalism and thoroughness. From the entry meeting through the exit conference and during the report editing process, LFC staff have been a pleasure to work with. They took the time to learn things about our schools and community-attending Board meetings and even a community forum- that were then accurately reflected in the final product.

MESD has experienced a rather unique enrollment pattern over the last 40 years, with dramatic increases from the mid-1970’s through the year 2000 of nearly 4000 students, followed by a precipitous decline through the current year of more than 2000 students! Such boom/bust cycles are more commonly associated with communities in the energy producing regions of the state. These fluctuations have presented a wide array of challenges for the District during these times- facility, budget and programmatic in nature.

Throughout these years the one constant has been a school community that consistently produced solid academic results and graduates of the highest quality- doctors, lawyers, engineers, educators, business leaders, government officials and generations of excellent citizens of New Mexico. Some of the student achievement data sets included in this LFC Report should clearly demonstrate a continuation of that tradition.

The school system has always attempted to respond prudently to the challenges cited- working within annual budgetary constraints while also maintaining its focus on the essential needs of the students we are charged with serving. We sincerely believe that the Report you are now reviewing will validate those efforts now, and we can assure you that similar results will continue into the foreseeable future.

Sincerely,



Tom Sullivan, Superintendent MESD

# SANTA ROSA CONSOLIDATED SCHOOLS

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TED HERN, SUPERINTENDENT  
MOISES HERRERA, SPEC. SVCS. DIRECTOR  
YOLETTE GALLEGOS, BUSINESS MANAGER

May 1, 2014

Dear Legislative Finance Committee:

Santa Rosa Consolidated Schools concurs with the Legislative Finance audit findings. Our District would like to thank the LFC audit team for their professionalism, thoughtfulness and attentive approach to adhering to the concerns and challenges confronting our school system. The audit process was comprehensive in outlining the academic, fiscal and demographic matters related to our District.

We would like to emphasize that our District is preemptive in addressing enrollment declines. District enrollment has decreased 24% in the last fourteen years. Average excess building capacity usage school-wide is 43%. Santa Rosa's high school excess capacity usage is 70% prompting the need to reconfigure our schools to a mid/high concept. Estimated savings with the reconfiguration of schools can be up to \$480,000.00. Considering that SRCS is a small-school, economic savings to the district will enhance our overall academic programs along with providing business management flexibility.

Opportunities for students and staff will be enormous in the areas of:

- Curricula/Instructional Enhancement
- Professional Development
- Maximization of Student to Teacher Ratios
- Sound Fiscal/Budget Responsibility
- Reduction in Maintenance and Operational Costs
- Adequate Building Capacity Usage
- Retention and Recruitment of School Employees

Santa Rosa High School's NMCI ranking is 119<sup>th</sup> with the likelihood for PSFA funding in two years. With the continued economic downfall and enrollment of Eastern New Mexico Districts, the urgency of SRCS to reconfigure their current school structure will be economically substantial. It is our District's intent to secure funding to meet the needs of our students and community. Notably, our District was one of the original twelve school districts founded in 1912. Our plus 100 year commitment as an Eastern New Mexico School District has been productive and rewarding knowing that many of our students have "Great Success." We are a predominately Hispanic District that maintains an 87% graduation rate. Few schools in the state and country display a better academic minority achievement rate.

The on-going collaboration and correspondence between school, parents and community has insured our student success. We have set high standards for students and faculty and are reflecting positive results. We are optimistic that our District will progress for decades to come.

Yours truly in education,



Mr. Richard A. Perea, Principal  
SRCS Superintendent Designee

ANTON CHICO SCHOOLS  
DANIELLE ESQUIBEL, PRINCIPAL  
P.O. BOX 169  
ANTON CHICO, NM 87711  
(575) 427-6038  
FAX (575) 427-4246

SANTA ROSA ELEMENTARY  
LEE VEGA, PRINCIPAL  
658 FIFTH STREET  
SANTA ROSA, NM 88435-2498  
(575) 472-3172  
FAX (575) 472-5638

SANTA ROSA MIDDLE SCHOOL  
JOSEPH M. SALAS Jr., PRINCIPAL  
116 CAMINO DE VIDA  
SANTA ROSA, NM 88435-2398  
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SANTA ROSA HIGH SCHOOL  
RICHARD A. PEREA, PRINCIPAL  
717 THIRD STREET  
SANTA ROSA, NM 88435-2499  
(575) 472-3422  
FAX (575) 472-3169

"THE SANTA ROSA CONSOLIDATED SCHOOLS ARE AN EQUAL OPPORTUNITY EMPLOYER. ALL PROGRAMS ARE AVAILABLE TO EVERYONE REGARDLESS OF RACE, COLOR, SEX, AGE, DISABILITY, RELIGION, OR NATIONAL ORIGIN."



# Tucumcari Public Schools

2400 South Eighth Street • P.O. Box 1046  
Tucumcari, New Mexico 88401

Ph. 575-461-3910  
Fax 575-461-3554

May 2, 2014

Chairman Luciano "Lucky" Varela  
Legislative Finance Committee  
325 Don Gaspar, Suite 101  
Santa Fe, NM 87501

Chairman Varela & Members of the Legislative Finance Committee:

In January of this year, we were contacted by Mr. David Abbey regarding the Committee's 2014 work plan to evaluate selected school districts across the state. Our district was one of the selected districts to be evaluated. On January 28, 2014 we had a conference call with the program evaluators assigned to our district.

The team that worked with us was Dr. Michael Weinberg, along with Madelyn Serna Marmol, and Rachel Mercer Smith. All of these staff persons were very good to work with, they were very helpful and professional during the process.

Tucumcari Public Schools is like the rest of the rural community schools, who are experiencing lower student enrollment, which in turn has caused lower funding for our District. That, combined with cuts in Federal funds creates hardships in trying to balance the budget. Due to not replacing teachers when they leave, we have saved money therefore we have been able to avoid requesting emergency supplemental funding.

Tucumcari Public School District will share the report with the Board of Education. We will use it as a tool to help our future planning for the education of our students.

We appreciate the opportunity to work with the committee and staff during this evaluation.

Sincerely,

Aaron McKinney  
Superintendent

# Vaughn Municipal Schools

## School Board

Mr. Antonio Castillo, President  
Mrs. Henrietta Garcia, Vice President  
Ms. Floraida Tapia, Secretary  
Mr. Rudy Martinez, Member  
Mrs. Heather Sanchez, Member

101 East Fourth Street

P.O. Box 489

Vaughn, NM 88353

Phone 575-584-2283 Fax 575-584-2355

## Administrators

Dr. Susan Wilkinson Davis, Superintendent  
Mr. Pat Maes, Counselor/Testing  
Ms. Trude Bauler, Business Manager  
Mr. Elliott McDaniel, VHS Dean  
Mrs. Leslie Perez, VES Dean

**May 2, 2014**

**Chairman Luciano “Lucky” Varela  
Legislative Finance Committee  
325 Don Gaspar, Suite 101  
Santa Fe, NM 87501**

**Dear Chairman Varela and Members of the New Mexico Legislative Finance Committee,**

**I would like to preface my response to the LFC evaluation findings of our school district by thanking the evaluators, Dr. Michael Weinberg, Madelyn Serna Marmol, and Rachel Mercer-Smith, for their professionalism, courtesy, and positive approach to the process.**

**As the smallest of the selected Eastern districts, many of our challenges have been acknowledged in this report, including the District’s history of financial difficulties related to previous business managers and poor student outcomes as measured by standardized testing, in spite of increases in instructional expenditures and decreases in administrative expenditures over time. On the other hand, after relying on emergency supplemental funding for many years, Vaughn Municipal Schools celebrates that we will not seek emergency supplemental funding in FY 15 due to the recent micro-district component in the funding formula. We thank the legislators for your support of this measure.**

**In response to the LFC Recommendation regarding school reconfiguration, Vaughn Municipal Schools recognizes that our buildings have excess capacity, but our current configuration is PK-6 in one building and grades 7-12 across the street; there is currently inadequate space in either site to consolidate as a PK-12 building. Enrollment has been fairly consistent over the past five years, but we predict declining enrollment in the future unless economic activity due to construction and operation of the El Cabo wind project in Torrance County brings in families to Encino and/or Vaughn.**

**Regarding the LFC Recommendation concerning district consolidation, the town of Vaughn is geographically isolated, about 60 miles to Ft. Sumner and about 40 miles to Santa Rosa. Administrative consolidation with another district might deter parent and community participation in district activities, such as serving on the school board or board committees. If the plan included school consolidation, the long distances would mean excessive bus rides for students, limited opportunities for students to participate in after-school, extracurricular activities such as athletics or clubs, and poor participation by parents in parent-teacher conferences, meetings, committees, and volunteer activities.**



As for the LFC Recommendation for collaborative purchasing through Regional Education Cooperative, Vaughn Municipal Schools is a member of Central Regional Education Cooperative and currently benefits from collaborative purchasing of Edgenuity (online classes for students), collaborative professional development for teachers and principals, shared ancillary staff (i.e., occupational therapist, speech-language pathologist, social worker, and educational diagnostician), online special education software (SEAS), and other services.

Concerning our Costs as a Microdistrict, Vaughn Municipal Schools has implemented several cost savings measures, including a four-day week, use of a food service management company, a move to multi-grade classrooms in the elementary, and the use of distance learning for some required classes and some electives at high school. In the fall of 2013 the voters approved a Bond which the District will use to replace aging and/or non-functioning heating systems at the high school; the new HVAC system to be installed during summer of 2014 will eliminate the use of propane in that building at a time when propane costs are sky-rocketing. The elementary school's HVAC needs will be addressed in a future bond election, but energy conservation measures have been taken.

To address the LFC Recommendations for Programmatic Changes, Vaughn Municipal Schools recognized the critical need for improved student outcomes and looked for solutions. Families had no access to quality early childhood programs, therefore we opened a New Mexico PreK classroom in FY 14, as well as implemented K-3 Plus which provided an additional 150 hours of instruction during the summer for students in the primary grades. Vaughn Elementary School received Reads to Lead funding in FY 14 for a reading specialist and a reading intervention program. In addition, the CREC provided a reading coach for our K-3 teachers. In FY 14 the bilingual teachers at the elementary school received professional development and increased instructional time for bilingual students. In FY 15 we will continue these programs and also implement a math intervention program. Although the school report card showed below-average growth in several areas, short-cycle assessments in 2013-14 showed growth in reading and math. However, as the LFC report highlighted, our students and teachers must work hard to reach proficiencies.

Vaughn High School scored a "B" on the 2013 report card. Although current standing and school growth were below state averages, Vaughn High School showed above average growth or performance on all other criteria. The high school used Fusion Reading as a reading intervention in 2013-14, as well as additional online language arts and math courses, to improve student outcomes in FY 14. To prepare our students to be college-ready, in 2013-14 most juniors and seniors completed I-TV courses and earned college credits with Clovis and Mesalands Community Colleges in such courses as College Algebra, English, Psychology, Sociology, and Spanish. As the LFC report highlighted, overall math scores demonstrate a need for effective intervention.

Vaughn Municipal Schools will continue to seek out programs and strategies to help our students improve on measures of academic performance. We appreciate the comprehensive examination of our district and are committed to addressing the issues highlighted in the LFC Report.

Respectfully,



Susan Wilkinson Davis, Ph.D., Ed.S.

## APPENDIX A: Project Information

### **Evaluation Objectives.**

- Assess oversight of school district and use of governance and management utilizing best practices
- Review the use of funding and cost-effectiveness of financial and human resource allocation.
- Review student achievement and the extent to which policy, spending, and/or personnel reforms have affected student performance.

### **Scope and Methodology.**

- Met with LFC and LESC staff;
- Reviewed applicable laws and regulations, LFC file documents, previous evaluations, relevant performance reviews from other states, and performance measures;
- Reviewed best practices and relevant educational research;
- Interviewed staff from the Public Education Department; and
- Conducted on-site interviews at six eastern districts with school board members, central office administration, and building-level staff to identify promising practices as well as opportunities for improvement.

### **Evaluation Team.**

Michael Weinberg  
Rachel Mercer-Smith  
Madelyn Serna Mármol

**Authority for Evaluation.** LFC is authorized under the provisions of Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies, and institutions of New Mexico and all of its political subdivisions; the effects of laws on the proper functioning of these governmental units; and the policies and costs. LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state laws.

**Exit Conferences.** The contents of this report were discussed with the Public Education Department on April 25, 2014 on with the Eastern School Districts on April 29, 2014.

**Report Distribution.** This report is intended for the information of the Office of the Governor; Public Education Department; Estancia Municipal School District; Moriarty-Edgewood School District; San Jon Municipal School District; Santa Rosa Consolidated School District; Tucumcari Public School District; Vaughn Municipal School District; Office of the State Auditor; and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Charles Sallee  
Deputy Director for Program Evaluation



## PUBLIC EDUCATION

Las Cruces Public Schools (LCPS) uses the Discovery assessment to evaluate student progress during the school year.

LCPS aggregates short cycle assessment data at the school, district, and program level, providing valuable information about student achievement and program effectiveness throughout the year.

Two charts showing short-cycle assessment data provided by LCP are attached.

The charts – for math and reading – show district-wide student scores for grades four through 10 for Test A and Test C (the first and last Discovery assessments given during the school year).

The blue line on the Test C column is the district wide proficiency score on the New Mexico Standards-Based assessment for the given grade.

- If Discovery is a good indicator of how a student will score on the NMSBA, the blue line should be located at the number of student's proficient on the Discovery (where the red bar meets the green bar).
- If the blue line is above or below this point it may mean the Discovery is under identifying or over identifying the number of proficient students.

The districts goal for proficiency on the Discovery was 80 percent in 2012-2013, shown by the green dotted line.

The strategic elements considered to evaluate the effectiveness of public schools are student achievement, teacher quality, and student persistence. Performance measures for public school support provide a snapshot of student performance generally when data is available after the end of the school year. Little or no consistent data is available through the year on student achievement and performance. Standards-based assessment results and school grades are generally reported in the fourth quarter while graduation and remediation rates are reported with a year lag, making it difficult for policymakers to assess student and school progress throughout the year.

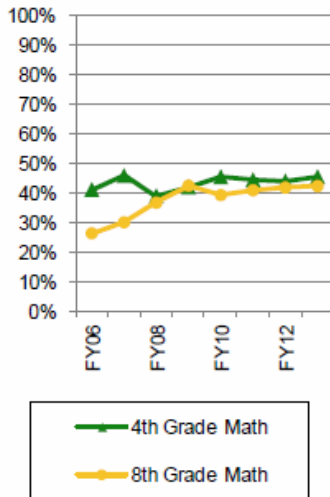
**Short Cycle Assessments.** Short-cycle assessments are designed to assist in making instructional decisions and can be used to assess student progress within a school year. In an attempt to make more timely data available to policymakers and educators, the Legislature began appropriating funds to the Public Education Department for short-cycle assessments in FY13. PED receives an appropriation for short-cycle assessments for fourth- through tenth-grade students; uses a portion of the early reading funding for a common short-cycle reading assessment for kindergarten through third grade students; and requires assessments for student participating in both prekindergarten and Kindergarten Three Plus. Additionally, many school districts and charter schools use operating dollars to fund other short cycle assessments. Despite continued appropriations, information is still not being reported at the state level for policymakers to consider.

Short-cycle assessment results, particularly those funded with state dollars, should be reported to PED at least three times a year, allowing policymakers to evaluate student and school progress throughout the year. Additional benefits to intermediate reporting of student academic performance include providing teachers the data necessary to alter instructional practices throughout the year to address student needs and assisting the department in determining how to better support schools.

**Federal Special Education Maintenance of Effort.** Based on special education enrollment in public schools and increased funds made available for special education by state agencies providing services to special education students, PED staff estimates appropriations made to the SEG for FY15 will be sufficient to meet MOE in FY15. The state is still waiting for a hearing on its fiscal year 2011 federal special education maintenance-of-effort (MOE) waiver request. New Mexico may have failed to meet the required level of state support by between \$25 million and \$35 million in FY11, and a similar amount in FY12. Appropriations made in fiscal years 2013, 2014, and 2015 appear sufficient to meet MOE requirements.

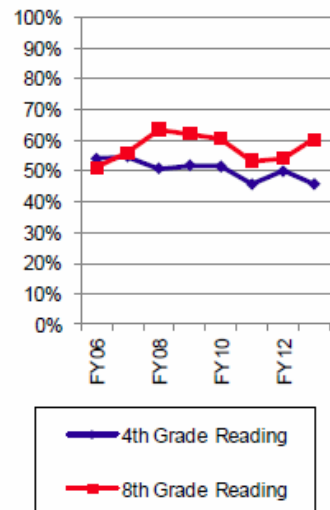
For every dollar that is allocated to program cost, the state gets credit for approximately \$0.16 toward MOE. Recognizing this, the Legislature appropriated \$10 million to the newly created supplemental special education maintenance of effort distribution during the 2013 legislative session for FY14. To date the \$10 million appropriation has not been allocated to school districts or charter schools, partially because of prescriptive language included in the appropriation. The Legislature removed this prescriptive language in the General Appropriation Act of

### Math Proficient or Above FY06 - FY13



Source: PED

### Reading Proficient or Above FY06 - FY13



Source: PED

2014, directing PED to instead distribute all the funds to school districts and charter schools statewide. After allocation of the \$10 million, PED will likely need to make a modest transfer of the SEG to the supplemental distribution to meet MOE in FY14 pursuant to the GAA of 2014.

**Department Operations.** PED continues to struggle to provide adequate technical assistance and oversight to school districts and charter schools statewide, in part because of high vacancy and turnover rates. The most current organizational listing report (TOOL) indicates PED is operating with 204 FTE, despite the agency having funding for approximately 50 additional FTE. Appropriations for employee salaries and benefits have increased in FY13 and FY14; however, the department has been unable to increase the number of FTE significantly during that period of time. Generally, this results in large reversions annually. In November 2013, PED indicated approximately 35 vacant positions were in various stages of recruitment; five months later, the number of filled FTE has only increased by four. School districts and charter schools continue to voice concerns about the department's responsiveness and the quality of technical assistance. The department's FY12 audit noted issues regarding oversight of and communications with charter schools. One hundred eighty five of the 207 findings noted in the audit were generated by charter schools. The department's Options for Parents division has seen high turnover since its creation. Currently, the division lacks permanent senior staff and is being run by a contractor (the Instructional Materials Bureau is also staffed by a contractor). The department should work with the State Personnel Office to improve employee recruitment and retention.

**Annual Audits.** PED's FY13 audit was submitted on time; however it is still in review. The department's audit includes all state-chartered charter schools – 51 for FY13 – as component units. This will grow to 54 in FY14. For FY15, the Public Education Commission considered applications for five new state-chartered charter schools and approved only two; however, the Secretary-Designate overturned one. During FY15, PED will be responsible for overseeing 57 state-chartered charter schools.

Of the 89 school districts, the following eight districts did not meet the November deadline for filing their FY13 audit: Des Moines, Gadsden, Jal, Lake Arthur, Las Vegas City, Mountainair, Socorro, and Truth or Consequences. As of February 26, 2014, Des Moines, Lake Arthur, Las Vegas City Schools and Truth or Consequences still have not submitted their FY13 audits. Des Moines submitted their FY10 audit in December 2013. While the district received an unqualified opinion, 58 findings were noted, eight of which were recurring from prior years and 50 new findings, though no findings were qualified as a material weakness. Lake Arthur received a qualified opinion noting multiple material weaknesses for FY12. Las Vegas City Schools' FY12 audit is currently in review. The district's FY11 audit received multiple opinions noting multiple material weaknesses. Truth or Consequences received an unqualified opinion on the districts FY12 audit noting material weaknesses. Given the large investment of tax dollars in public school districts and charter schools statewide, it is important that annual audits are submitted on time. Also important to note is the ability of the Public Education Department to withhold a portion of a school district's SEG distribution for failure to submit an annual audit within 90 days of the deadline. To date PED has not exercised this authority.

## APPENDIX C: Statewide Enrollment Changes

**Table 47. Enrollment Changes by District, FY01 – FY14**

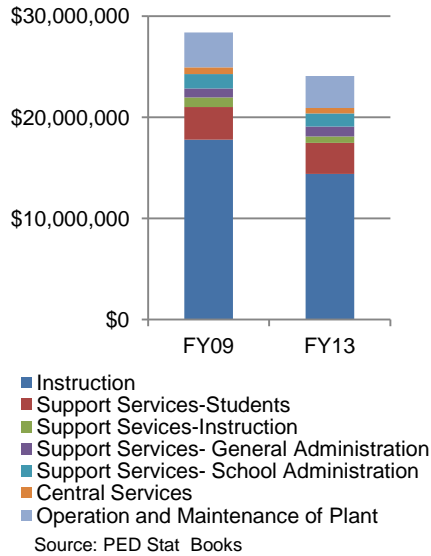
District	FY01 Enrollment	FY14 Enrollment	Enrollment Change	Percent Change
Roy	108	38	-70	-65%
Wagon Mound	172	64	-108	-63%
House	185	74	-112	-60%
Animas	408	179	-229	-56%
Carrizozo	248	136	-113	-45%
Cimarron	627	343	-284	-45%
Des Moines	155	94	-61	-39%
Peñasco	670	415	-255	-38%
Lake Arthur	215	134	-82	-38%
Lordsburg	821	509	-312	-38%
Moriarty	4,542	2,843	-1,699	-37%
Questa	592	381	-211	-36%
Springer	287	185	-101	-35%
Reserve	243	158	-85	-35%
Mesa Vista	567	378	-189	-33%
Chama Valley	572	384	-189	-33%
Pecos	883	592	-291	-33%
Cobre Cons.	1,822	1,222	-599	-33%
Cloudcroft	534	366	-169	-32%
Cuba	792	547	-245	-31%
Ft. Sumner	408	286	-122	-30%
San Jon	189	133	-56	-30%
Jemez Valley	491	347	-144	-29%
Maxwell	147	104	-43	-29%
Zuni	1,787	1,266	-521	-29%
Mora	669	478	-191	-29%
Jemez Mountain	364	262	-102	-28%
Mosquero	56	40	-16	-28%
Quemado	214	155	-59	-28%
Melrose	270	198	-73	-27%
Clayton	688	504	-183	-27%
Las Vegas City	2,431	1,786	-645	-27%
West Las Vegas	2,031	1,519	-512	-25%
Santa Rosa	835	631	-204	-24%
Taos	3,273	2,479	-794	-24%
Mountainair	367	278	-89	-24%
Truth Or Conseq.	1,689	1,299	-390	-23%
Tucumcari	1,306	1,017	-290	-22%
Socorro	2,149	1,688	-461	-21%
Raton	1,398	1,100	-298	-21%
Tularosa	1,132	897	-235	-21%
Española	4,777	3,789	-988	-21%
Ruidoso	2,539	2,078	-461	-18%
Central Cons.	7,272	5,956	-1,316	-18%
Alamogordo	7,356	6,045	-1,310	-18%
Capitan	591	486	-105	-18%
Gallup-McKinley	13,724	11,344	-2,380	-17%
Hagerman	525	435	-90	-17%
Silver City Cons.	3,614	3,033	-581	-16%
Estancia	951	814	-137	-14%
Hatch	1,452	1,255	-198	-14%
Dexter	1,118	969	-149	-13%
Jal	485	423	-61	-13%
Bernalillo	3,395	2,974	-421	-12%
Grady	104	92	-13	-12%
Dora	254	225	-29	-12%
Belen	4,763	4,258	-505	-11%
Floyd	243	218	-25	-10%
Bloomfield	3,198	2,930	-268	-8%
Corona	80	75	-6	-7%

District	FY01 Enrollment	FY14 Enrollment	Enrollment Change	Percent Change
Magdalena	369	350	-19	-5%
Artesia	3,715	3,569	-146	-4%
Grants	3,656	3,520	-136	-4%
Dulce	717	698	-19	-3%
Pojoaque	1,938	1,891	-47	-2%
Los Alamos	3,557	3,497	-60	-2%
Santa Fe	12,944	12,733	-211	-2%
Carlsbad	6,124	6,025	-98	-2%
Deming	5,217	5,155	-62	-1%
Eunice	650	644	-6	-1%
Aztec	3,183	3,182	-1	0%
Los Lunas	8,207	8,258	51	1%
Roswell	9,788	9,945	156	2%
Loving	577	592	15	3%
Tatum	330	340	10	3%
Clovis	8,056	8,426	370	5%
Albuquerque	82,034	86,662	4,628	6%
Portales	2,716	2,880	164	6%
Farmington	9,953	10,619	666	7%
Texico	514	551	37	7%
Logan	260	280	20	8%
Gadsden	12,379	13,773	1,394	11%
Las Cruces	21,315	24,023	2,708	13%
Elida	116	131	15	13%
Vaughn	94	108	15	16%
Hondo	12	151	23	18%
Hobbs	7,506	8,948	1,442	19%
Lovington	2,755	3,480	725	26%
Rio Rancho	9,670	16,712	7,042	73%
Charters	2,597	20,815	18,218	702%
<b>Statewide</b>	<b>312,134</b>	<b>330,857</b>	<b>18,722</b>	<b>6%</b>

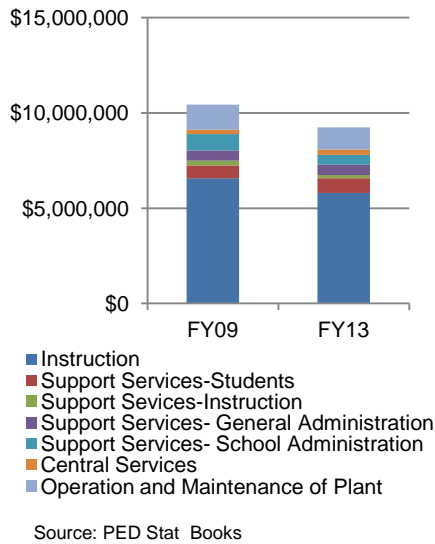
Source: PED Final Funded

## APPENDIX D: School District Expenditures

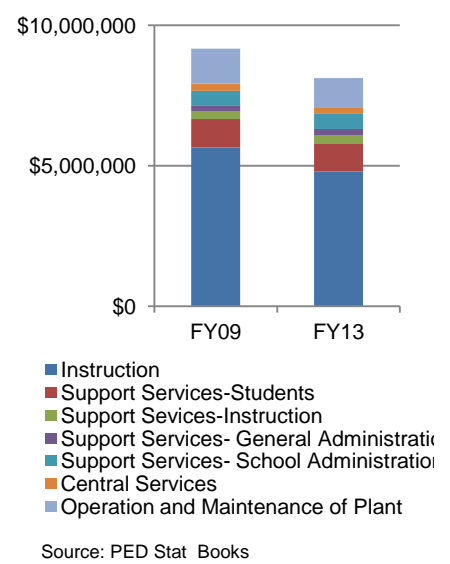
**Chart 35. Selected Moriarty Expenditures, FY09-FY13**



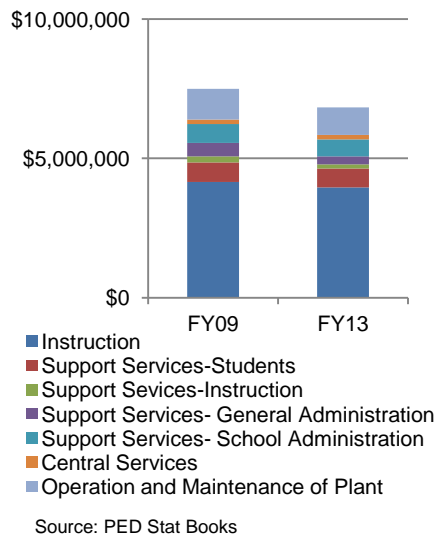
**Chart 36. Tucumcari Selected Expenditures, FY09-FY13**



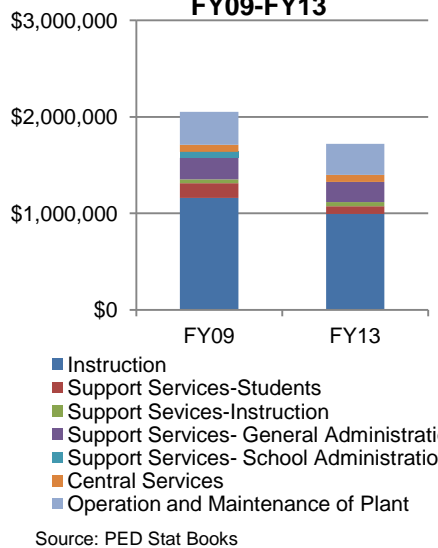
**Chart 37. Estancia Selecte Expenditures FY09-FY13**



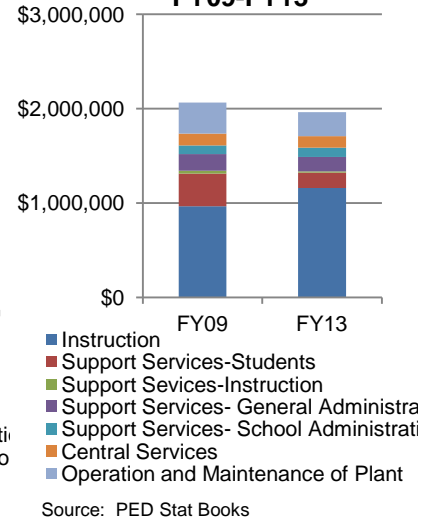
**Chart 38. Santa Rosa Selected Expenditures FY 09-FY13**



**Chart 39. San Jon Selected Expenditures FY09-FY13**



**Chart 40. Vaughn Selected Expenditures FY09-FY13**



## APPENDIX E: Excess Facility Capacity

**Table 48. Excess Facility Capacity by District, FY13**

District	K-12 Enrollment	Total District Student Capacity	Difference	Difference as % of Total
Alamogordo	6,106	9,001	2,895	32%
Albuquerque	87,000	93,140	6,140	7%
Animas	191	439	248	56%
Artesia	3,637	4,872	1,235	25%
Aztec	3,381	4,671	1,290	28%
Belen	4,363	6,000	1,637	27%
Bernalillo	2,959	4,837	1,878	39%
Bloomfield	2,999	4,294	1,295	30%
Capitan	480	911	431	47%
Carlsbad	6,138	7,691	1,553	20%
Carrizozo	139	635	496	78%
Central	6,367	9,170	2,803	31%
Chama	376	804	428	53%
Cimarron	436	1,090	654	60%
Cloudcroft	376	937	561	60%
Clovis	8,410	7,991	-419	-5%
Cobre	1,297	2,456	1,159	47%
Corona	75	272	197	72%
Cuba	550	916	366	40%
Deming	5,461	6,492	1,031	16%
Des Moines	86	256	170	66%
Dexter	978	1,516	538	35%
Dora	231	438	207	47%
Elida	133	431	298	69%
Española	4,052	5,640	1,588	28%
Estancia	818	1,495	677	45%
Eunice	634	1,135	501	44%
Farmington	11,060	11,950	890	7%
Floyd	238	526	288	55%
Gadsden	13,853	15,144	1,291	9%
Gallup McKinley	12,146	12,605	459	4%
Grady	98	409	311	76%
Grants Cibola	3,614	4,768	1,154	24%
Hagerman	441	784	343	44%
Hatch	1,314	1,711	397	23%
Hobbs	9,043	9,128	85	1%
House	63	207	144	70%
Jemez Mountain	303	673	370	55%
Jemez Valley	504	1,488	984	66%
Las Cruces	25,091	27,271	2,180	8%
Las Vegas City	1,818	4,739	2,921	62%
Logan	278	581	303	52%
Lordsburg	521	1,079	558	52%
Los Alamos	3,528	3,832	304	8%
Los Lunas	8,355	9,195	840	9%
Loving	647	808	161	20%
Lovington	3,296	3,539	243	7%
Melrose	214	534	320	60%



District	K-12 Enrollment	Total District Student Capacity	Difference	Difference as % of Total
Mesa Vista	396	541	145	27%
Mora	484	1,005	521	52%
Moriarty-Edgewood	2,910	4,264	1,354	32%
Mosquero	42	176	134	76%
Mountainair	279	859	580	68%
Pecos	642	1,155	513	44%
Peñasco	420	1,025	605	59%
Pojoaque	1,780	1,969	189	10%
Portales	2,940	4,447	1,507	34%
Quemado	157	445	288	65%
Questa	434	1,057	623	59%
Raton	1,156	1,252	96	8%
Reserve	154	532	378	71%
Rio Rancho	16,699	17,364	665	4%
Roswell	10,241	10,619	378	4%
Ruidoso	2,089	2,782	693	25%
San Jon	132	225	93	41%
Santa Fe	13,937	15,134	1,197	8%
Santa Rosa	630	1,606	976	61%
Silver	2,965	3,973	1,008	25%
Socorro	1,975	2,509	534	21%
Springer	142	570	428	75%
Taos	2,922	3,888	966	25%
Tatum	331	646	315	49%
Texico	561	626	65	10%
T or C	1,353	1,785	432	24%
Tucumcari	1,032	1,461	429	29%
Tularosa	875	1,264	389	31%
Vaughn	105	224	119	53%
Wagon Mound	75	418	343	82%
West Las Vegas	1,589	3,222	1,633	51%
Zuni	1,278	2,218	940	42%

Clayton, Dulce, Ft. Sumner, Hondo, Jal, Lake Arthur, Magdalena, Maxwell, and Roy do not have capacity information on file

Source: Public School Facilities Authority

**Table 49. Bilingual Models**

Model	Students	Instructional Time	Required Courses	Optional/Additional Courses	Purpose
Dual Language	ELL, fluent-English proficient (FEP), English native speakers	3 hours per day for each language, including all subject areas	Minimum of 3 hours in the home language (language arts and content area) and 3 hours in English, including ELD/ESL for ELL students.		All students will be bilingual and bi-literate in English and the home/2nd language
Maintenance	ELL	2 to 3 hours per day	1 hour of home language and 1 hour ELD/ESL	May have 1 additional hour of bilingual in a content area	ELL students will be bilingual and bi-literate in English and the home language
Enrichment	FEP, English native speakers	1 to 2 hours per day	1 hour of home language	May have 1 additional hour of bilingual in a content area	All FEP and English native speakers will become fluent in the home/ 2nd language
Heritage	ELL, FEP, English native speakers	1 to 3 hours per day	1 hour of heritage language and 1 hour of ELD/ESL for ELLs	May have 1 additional hour of bilingual in a content area	All students will become bilingual and bi-literate in English and the heritage language
Transitional	ELL	2 to 3 hours per day	1 hour of home language and 1 hour of ELD/ESL	May have 1 additional hour of bilingual in a content area	All ELL students will become proficient in English

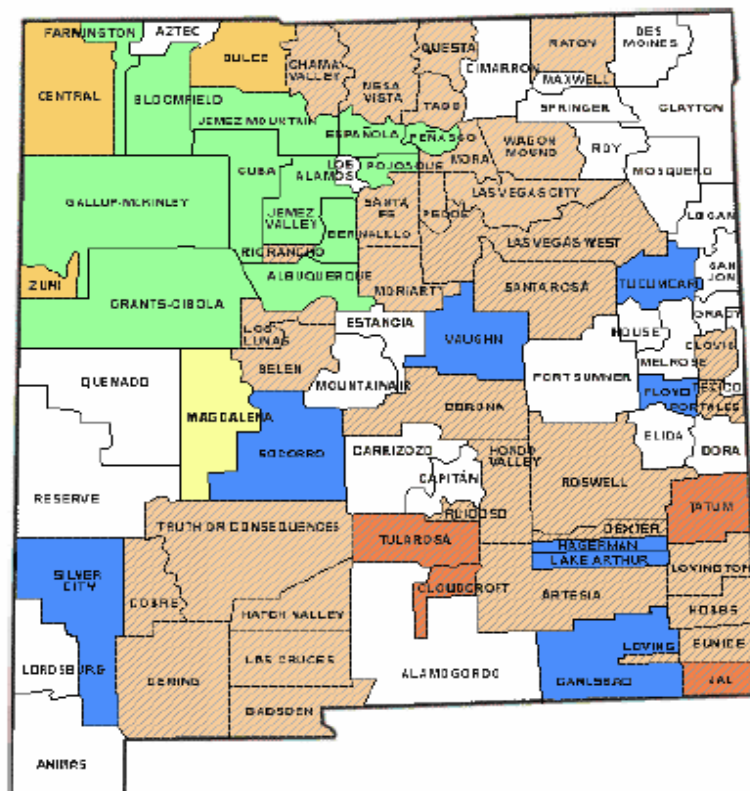
Source: PED



## APPENDIX G: Bilingual State Map

### State Map of Bilingual Multicultural Education and Title III Programs by District

School Year 2012–2013



- Bilingual Education and Title III Programs—Native American Languages
- Bilingual Education Only—Native American Languages
- Bilingual Education Program and Title III—Native American Languages and Spanish Language
- Bilingual Education and Title III—Spanish Language
- Bilingual Education Only—Spanish Language
- Title III Programs Only
- No Bilingual Program

The map illustrates district participation in the state's Bilingual Multicultural Education Programs (BMEPs), Federal Title III programs, and districts that provide both or none, by language. Approximately two-thirds of the total 89 school districts in New Mexico implemented state BMEPs. Of the districts that do not provide BMEPs, five do provide federally-funded Title III Language Education Instruction Programs to ELL students (for English language acquisition and academic support).

## APPENDIX H: Home Language Surveys

**Table 50. Home Language Survey Question Differences**

District	Questions
Estancia	<ol style="list-style-type: none"> <li>1. What language does the student speak most of the time?</li> <li>2. What is the student's first language?</li> <li>3. What languages, other than those learned at school, does your child speak?</li> <li>4. What languages, other than those learned at school, does your child understand?</li> <li>5. What languages, other than English, are spoken in your family? (Father, mother, grandparents, aunts, uncles, etc.)</li> <li>6. What language do you prefer for communication with the school?</li> </ol>
Moriarty-Edgewood	<ol style="list-style-type: none"> <li>1. What was the first language or languages your child learned to speak?</li> <li>2. What language or languages does your child understand?</li> <li>3. Does your child speak a language other than English?</li> <li>4. In what language does your child communicate with               <ol style="list-style-type: none"> <li>a. Adults in the home?</li> <li>b. With friends, peers and siblings?</li> </ol> </li> </ol>
San Jon	<ol style="list-style-type: none"> <li>1. What language is spoken at home <u>most</u> of the time?</li> <li>2. What language does your child speak most of the time?</li> </ol>
Santa Rosa	<ol style="list-style-type: none"> <li>1. Which language(s) has your child learned to speak?</li> <li>2. What language(s) does your child use most often at home?</li> <li>3. What language(s) are commonly used in speaking with your child?</li> </ol>
Tucumcari	<ol style="list-style-type: none"> <li>1. What language(s) has your child learned to speak?</li> <li>2. What language(s) does your child use most often at home?</li> <li>3. What language(s) are commonly used in speaking with your child?</li> </ol>
Vaughn	<ol style="list-style-type: none"> <li>1. What language(s) has your child learned to speak?</li> <li>2. What language(s) does your child use most often at home?</li> <li>3. What language(s) are commonly used in speaking with your child?</li> </ol>
PED Sample	<ol style="list-style-type: none"> <li>1. <b>What was the first language or languages your child learned to speak?</b></li> <li>2. <b>What language or languages does your child understand?</b></li> <li>3. <b>Does your child speak a language other than English?</b></li> <li>4. <b>In what language does your child communicate with</b> <ol style="list-style-type: none"> <li>a. <b>Adults in the home?</b></li> <li>b. <b>With friends, peers and siblings?</b></li> </ol> </li> </ol>

Source: Districts, PED