

## LESC HEARING BRIEF

### BACKGROUND INFORMATION

**AGENCY:** Public Education Department

**DATE:** July 17, 2016

**PURPOSE OF HEARING:**  
Seek clarification for  
calculating ancillary FTE

**WITNESS:** Hipolito “Paul” Aguilar, Deputy Secretary of Finance and Operations, PED; Kirk M. Carpenter, Superintendent, Aztec Municipal Schools and President, New Mexico School Superintendents Association; and Jerry Reeder, Executive Director, Special Services, Rio Rancho Public Schools and President, New Mexico Council of Administrators of Special Education

**PREPARED BY:** Christina McCorquodale

**EXPECTED OUTCOME:**  
Understanding of clear  
definitions and standards for  
calculating ancillary FTE

Ancillary FTE has the largest differential of the public school funding formula and audit reviews are imperative, especially because each ancillary FTE generates 25 program units, or approximately \$101 thousand per FTE. In a LFC 2007 report, Albuquerque Public Schools funding, its findings included over claiming of ancillary FTE while special education units decreased. This resulted in approximately \$12.9 million in FY07 and \$17.6 million in FY08 of un-appropriated costs that resulted in the dilution of the unit value in FY07 of \$20.60 and in FY08 of \$27.71. Consequently, other education programs were underfunded by this amount.

The New Mexico State Constitution and state statutes vest the responsibility in the Public Education Department (PED) to ensure data reported by school districts and charter schools that is used to calculate the state equalization guarantee (SEG) distribution is accurate. Pursuant to this authority, PED regularly validates data submitted by school districts and charter schools on the first (40<sup>th</sup> day), second (80<sup>th</sup> day), and third (120<sup>th</sup> day) reporting dates. Generally, as data is submitted by school districts and charter schools prior to its certification, PED staff are conducting informal data reviews to identify anomalies and correct errors in reported data.

In early 2016, after preliminary data reviews and after 80<sup>th</sup> day data was certified, special education bureau (SEB) management review of certified 80<sup>th</sup> day data identified additional anomalies with special education ancillary FTE data. Special education ancillary FTE generate 25 program units per FTE in the public education funding formula, or approximately \$101 thousand. In the past, this formula factor has been identified as a factor that may be “gamed” by school districts and charter schools because of the significant funding that is generated by each FTE. Because of this, PED engaged in a more formalized review process than has occurred in recent years to ensure each school district’s and charter school’s reported data was accurate.

This brief outlines the process PED used to identify anomalies and the results of PED’s data validation review.

**Special Education FTE MEM.** Since FY11, there has been a 3 percent increase in students receiving special education services, or an increase of 1,404 qualified special education students, or MEM. For FY16, 48,793 students were funded for special education services compared to 47,389 in FY11. According to PED data, over this period of time, A and B level students increased 18.3 percent, or 4,341 MEM, while C level students decreased by 7 percent, or 594 MEM, and D level students decreased by 5.7 percent, or 548 MEM. Three- and 4-year-old students decreased by 31 percent or 1,795 MEM, and ancillary service FTE decreased 1.3 percent, 25 FTE.

Number of Students Age 3 and Older and the Number of Ancillary Service Providers						
Student MEM	FY11	FY12	FY13	FY14	FY15	FY16
A/B level	23,696.8	25,218.3	25,809.0	26,806.5	27,914.0	28,037.0
C level	8,313.5	8,089.0	8,048.0	8,022.5	7,814.5	7,719.5
D level	9,642.5	9,439.0	9,309.3	9,019.0	9,092.5	9,095.0
3 & 4 Year Old DD	5,736.0	4,309.0	4,025.0	3,978.5	3,941.5	3,941.5
Total	47,388.8	47,055.3	47,191.3	47,826.5	48,762.5	48,793.0
Change from Previous Year		-333.5	136.0	635.2	936.0	30.5
FTE						
Ancillary Service and Diagnostic Service Provider FTE	1,861.7	1,850.1	1,841.3	1,837.6	1,836.8	1,836.8
Funding (in millions)						
Funding attributed to related service FTE	\$167.5	\$169.9	\$175.7	\$184.1	\$185.4	\$185.9
Change from Previous Year		\$2.4	\$5.8	\$8.4	\$1.3	\$0.5

\*excluding gifted only

Source: PED

Nationwide, special education spending has increased at a much faster rate than general education elementary and secondary education spending according to IDEA Cost and Impact on Local School Districts. During the 1999-2000 school year, the U.S. spent \$77.3 billion on special education students - \$50 billion on special education "support" services and an additional \$27.3 billion on regular education for disabled students. Special education support costs accounted for 12.4 percent of the \$404.4 billion of total spending. Locally, state contributions to special education spending have not kept pace with escalating special education expenditures. In 1987, the average state share of special education spending totaled 56 percent and local funding accounted for only 36 percent. Between 1999 and 2000, the average state share of special education had dropped to 45 percent, and the local contribution rose to 46 percent, based on data from 39 states.

Within the scope of its five strategic imperatives, one of PED's strategic goals includes maximizing the utilization of state and federal formula components and program compliance. According to PED's final 3<sup>rd</sup> Quarterly Report for FY16, five audits were conducted for this performance measure though it did not indicate whether it reflected special education units. PED has conducted 29 audits since FY13, the first year this measure was introduced.

Special education students represent 14.7 percent of the total public school student population in kindergarten through 12<sup>th</sup> grade. New Mexico ranks just above the national average special education identification rate of 14 percent according to a 2015 report, Individuals with Disabilities Education Act (IDEA) Cost and Impact on Local School Districts.

**Data Validation Process and Outcomes.** PED states data submitted by school districts and charter schools that will be used for the purpose of determining SEG distributions is reviewed for accuracy after every reporting date to ensure school districts and charter schools are receiving appropriate, equitable funding. After data has been "cleaned," PED validates the data to be used in the funding formula.

After certifying 80<sup>th</sup> day special education data, PED staff conducted a closer review of ancillary FTE data. According to PED staff, the department used service hour information submitted by school districts and charter schools and only one of the three allowable calculation methodologies to identify anomalies - time worked per week (plus preparation and travel, if reimbursed) divided by the hours in the local education agency (LEA) work-week (average work-week was established at 35 hours for the review). In February, PED special education bureau staff emailed a number of school districts and charter schools a summary report of their 80<sup>th</sup> day ancillary FTE data based on this analysis. The department email advised special education directors to work with the school budget division to reopen their 80<sup>th</sup> day data and make changes to their ancillary FTE data consistent with the summary report and noted 120<sup>th</sup> day data would be validated based on those changes.

***Changes Made to 80<sup>th</sup> and 120<sup>th</sup> Day Data.*** According to the department, only nine school districts, five charter schools, and one early learning center made changes to their 80<sup>th</sup> day ancillary FTE data (see Attachment 1, **New Mexico Public Education Department Data Validation Report 2015-2016**). While a number of other school districts and charter schools were initially notified of anomalies, they were able to validate that the data they submitted was accurate. During this review process, PED indicates that, while the initial identification of anomalies was based on using only one of the allowable calculation methodologies, PED staff worked with all school districts and charter schools to validate data based on any one of the three calculation methodologies offered in the 2015-2016 Student Teacher Accountability System (STARS) guidance manual. PED asked school districts and charter schools to justify direct and indirect service hours through service logs.

It is still unclear whether changes in data reported on the 120<sup>th</sup> day are the result of the data validation or are consistent with natural FTE changes experienced by school districts and charter schools. Information provided by PED shows a reduction of 23 FTE from 80<sup>th</sup> day data to 120<sup>th</sup> day data. On June 9, 2016, PED staff informed LESC staff that changes in reported data in the 120<sup>th</sup> day data from the 80<sup>th</sup> day data shown on Attachment 1 were not a result of the data validation audit but were typical occurrences such as increases or decreases in special education students resulting in an increase

**STARS Guidance Manual 2015-2016: How to Calculate Ancillary FTE**

1. By hours per week: If you are paying this person for preparation time and travel time per week, in addition to direct service time, include this in your total. Divide this total by the LEA workweek for teachers. This is the total FTE for this person.
2. By total days: Figure out the total number of days you are hiring this person for a year. Divide by the total number of days in a typical teacher contract. This is the total FTE for this person.
3. By total hours: Figure out the total numbers of hours you are hiring this person for a year. Divide by the total number of hours in a typical teacher contract. This is the total FTE for this person.

or decrease in FTE; however, a different explanation has been provided to Legislative Finance Committee (LFC) staff.

In a memorandum dated June 7, 2016, sent to school districts and charter school leaders, PED's special education bureau director clarified how ancillary service provider FTE should be calculated in the future (see Attachment 2, **Calculation of Full-time Equivalency (FTE) for Staff Providing Special Education Related Services**). While the memo does not indicate a specific calculation method, it does provide clarification for what type of work is acceptable and not acceptable for factoring related direct and indirect services into FTE calculations. Examples of work that may be claimed to calculate FTE are: direct services as specified in the student's individual education plan (IEP) and related service logs; student evaluations and reevaluations to determine if the student is meeting his or her goals, or if the student may need continued service, or is ready to exit special education services; travel time documented through travel logs; required meetings related to students with disabilities documented in service logs; and collaboration with teaching staff as identified in an IEP, also documented in service logs. The memo also reiterates only services that are provided to special education students may be claimed.

**Service Logs.** At the 2016 New Mexico PED Spring Budget Workshop, Los Lunas Public Schools (LLPS) was touted as having an ancillary FTE service log that documents direct and indirect services that PED considered a "best practice." PED encouraged LLPS to share their service log statewide. At the conference, school district leaders requested PED to develop a template and clear definitions with standards for reporting ancillary FTE so consistency exists statewide. In response, PED established an advisory committee of approximately 30 members, including regional education cooperative directors and their superintendents, the New Mexico School Superintendents Association (NMSSA), the New Mexico Coalition of Educational Leaders (NMCEL), district special education directors, and other special education practitioners, to provide input on any changes to calculation of ancillary FTE. According to PED, the special education bureau has shared several templates with school districts and charter schools for their review; however, the department has not yet established a template to use statewide for documenting indirect and direct services for consistency.

**Budgetary Considerations.** Changes to calculation methodologies that impact the number of FTE calculated impact individual school districts and charter schools but may also have larger impacts on the overall state budget.

***Ancillary FTE Calculation Methodology for Future Data Submissions.*** At PED's Spring Budget Workshop in March 2016 and the Data Conference in April 2016, draft changes to the 2016-2017 STARS guidance manual emphasized only one calculation methodology would be available for calculating ancillary FTE in future data submissions; the method used in the ancillary FTE audit which established FTE based on an average work week. Further changes to how ancillary FTE are to be calculated left school district leaders concerned school budgets would again be impacted in FY18. While the exact impact of these suggested changes was unknown, LESC staff advised PED it appeared that, if calculation was limited to a single

**Standard Audit, or Review Process**

**Entrance conference;** formal meeting to discuss nature and scope of audit;

**Audit fieldwork;** gathering of evidence through observation, inspection, etc.;

**Updates or informational meetings;** periodic meetings between auditor and management of organization to review findings;

**Exit conference;** formal meeting to discuss findings in draft audit report;

**Draft audit report and delivery;** Organization's response; submission of organization's responses to audit findings and recommendations;

**Final audit report;** and Status report; request a status report of organization's actions.

methodology, school district budgets would in fact be affected in FY18. On June 9, 2016, PED staff advised LESC staff that the department will continue to use the three methodologies currently used in the 2015-2016 STARS guidance manual for FY17 data collections.

***Affect on State-Level Federal Special Education Maintenance of Effort (MOE).*** The impact of reduced ancillary FTE units will have on the amount of state support made available for special education in FY17 is currently unknown; the final impact will not be known until after the final unit value is set in January 2017. Without a significant increase in the final unit value, generally, a reduction in special education units will result in fewer dollars made available for special education. PED has indicated the net affect of the ancillary FTE data validation is a reduction of units that represents approximately \$3 million statewide. Given that during the 2016 legislative session PED estimated an additional \$20 million to \$22 million in new money was needed in the SEG to hold the state's MOE flat in FY17 (this figure is what PED estimated prior to accounting for data validation efforts), and the fact that the department set the preliminary unit value based on an assumption that only \$51 million in 75 percent credits will materialize while the Legislature assumed \$64 million will materialize (this means the total program cost assumed is reduced by \$13 million), there could be an MOE shortfall in FY17.

**Affect on Local-Level MOE and Special Education Services.** The outcome of this data validation process should not negatively impact the provision of special education services to special education students or on local-level MOE requirements. Despite the amount of funding that an LEA generates through the special education components of the state's funding formula, the LEA is still required to provide special education services to students pursuant to their IEP. This means students will still receive the level of services enumerated in their IEPs even if the LEA is not generating sufficient funds through the special education components of the state funding formula. Additionally, because local-level MOE requirements are based on the amount of funds LEAs actually spend on special education services and IEPs are not being changed, local-level MOE requirements should not be impacted.

**Conclusion.** It is important that PED validate data that school districts and charter schools submit to ensure funding is allocated in a fair, equitable manner. However, a more thoughtful approach with clearer communication could eliminate many of the issues that surfaced with this ancillary FTE data validation. Additionally, if PED considers changing the ancillary FTE calculation methodology in the future, the department should do a thorough analysis of how the changes will affect individual school districts and charter schools and how state-level MOE will be affected. Other considerations PED could implement to improve the process moving forward include following a standard audit or data review process, conducting trainings for school staff about calculating ancillary FTE, and developing a statewide template to document related direct and indirect services.

New Mexico Public Education Department FTE Data Validation Report 2015-2016							
	LEA	FTE prior to Re-open of the 80th Day (if re-opened)	80 day FTE	Change to 80th Day data from Data Validation	120th Day FTE	Adjusted FTE	
1	Academy of Trades and Technology		1.35		0.68	-0.67	1
2	ACE Leadership High School		2.15		1.55	-0.6	2
3	AIMS @ UNM		0.01		0.01	0	3
4	Alamogordo Public Schools		24.56		22.85	-1.71	4
5	Albuquerque Public Schools		498.07		496.6	-1.47	5
6	Albuquerque School of EValidatedcellence		0.5		0.5	0	6
7	Albuquerque Sign Language Academy (The)		5.39		6.19	0.8	7
8	Aldo Leopold High School		0.52		0.39	-0.13	8
9	Alma d' arte Charter High School		0.22		0.25	0.03	9
10	Amy Biehl Charter	8.34	6.85	-1.49	6.69	-0.16	10
11	Animas Public Schools		1.19		0.62	-0.57	11
12	Anthony Charter School		0.03		0.06	0.03	12
13	Artesia Public Schools		14.93		15.33	0.4	13
14	ASK Academy (The)		1.51		1.51	0	14
15	Aztec Municipal Schools		14.89		14.86	-0.03	15
16	Belen Consolidated Schools		24.15		27.72	3.57	16
17	Bernalillo Public Schools		19.61		19.71	0.1	17
18	Bloomfield Schools		13.88		13.88	0	18
19	Capitan Municipal Schools		1.05		1.61	0.56	19
20	Carlsbad Municipal Schools		31.41		24.21	-7.2	20
21	Carrizozo Municipal Schools		0.55		0.71	0.16	21
22	Central Consolidated Schools	29.79	23.89	-5.9	23.89	0	22
23	Cesar Chavez Community School		1.05		1.09	0.04	23
24	Chama Valley Independent Schools		3.25		3.4	0.15	24
25	Cien Aguas International School		0.56		0.56	0	25
26	Cimarron Municipal Schools	6.07	3.68	-2.39	4	0.32	26
27	Clayton Municipal Schools	5.05	3.55	-1.5	3.85	0.3	27
28	Cloudcroft Municipal Schools		2		2	0	28
29	Clovis Municipal Schools		48.3		53.75	5.45	29
30	Cobre Consolidated Schools	11.58	11.6	0.02	8.18	-3.42	30
31	Coral Community Charter		0.31		0.56	0.25	31
32	Corona Public Schools		0.3		0.42	0.12	32
33	Cottonwood Classical Preparatory School		1.01		0.64	-0.37	33
34	Creative Education Preparatory Institute #1		1.3		0.07	-1.23	34
35	Cuba Independent Schools		5.83		5.01	-0.82	35
36	DEAP		0		0	0	36
37	Deming Public Schools		21.92	21.92	21.86	-0.06	37
38	Des Moines Municipal Schools		0.73		0.51	-0.22	38

	LEA	FTE prior to Re-open of the 80th Day (if re-opened)	80 day FTE	Change to 80th Day data from Data Validation	120th Day FTE	Adjusted FTE	
39	DeValidatedter Consolidated Schools		5.21		4.84	-0.37	39
40	Dora Consolidated Schools		0.63		0.89	0.26	40
41	Dream Diné Charter School		0		0	0	41
42	Dulce Independent Schools		3.81		4.81	1	42
43	Elida Municipal Schools		0.19		0.19	0	43
44	Española Public Schools		24.37		23.84	-0.53	44
45	Estancia Municipal Schools		5.06		5.06	0	45
46	Estancia Valley Classical Academy		0.35		0.42	0.07	46
47	Eunice Public Schools		1.44		1.32	-0.12	47
48	EValidatedplore Academy		0.2		0.21	0.01	48
49	Farmington Municipal Schools		35.84		34.7	-1.14	49
50	Floyd Municipal Schools		0.01		0.17	0.16	50
51	Fort Sumner Municipal Schools		1.6		1.6	0	51
52	Gadsden Independent Schools		65.22		61.39	-3.83	52
53	Gallup-McKinley County Schools		26.43		29.43	3	53
54	Gilbert L. Sena Charter High School		0		0	0	54
55	Grady Municipal Schools		0.56		0.56	0	55
56	Grants/Cibola County Schools		17.28		16.17	-1.11	56
57	GREAT Academy (The)		0.16		0.17	0.01	57
58	Hagerman Municipal Schools		1.95		2.17	0.22	58
59	Hatch Valley Public Schools		3.19		4.47	1.28	59
60	Health Leadership High School		0.48		0.48	0	60
61	Health Sciences Academy		0		0	0	61
62	Hobbs Municipal Schools		30.94		29.46	-1.48	62
63	Hondo Valley Public Schools		0.62		0.49	-0.13	63
64	Horizon Academy West		0.61		0.6	-0.01	64
65	House Municipal Schools		0		0	0	65
66	International School at Mesa del Sol (The)		1.33		1.01	-0.32	66
67	J. Paul Taylor Academy		0.24		0.24	0	67
68	Jal Public Schools		0.52		0.85	0.33	68
69	Jemez Mountain Public Schools		0.87		1.05	0.18	69
70	Jemez Valley Public Schools		1.53		1.66	0.13	70
71	Juvenile Justice Services		0		0	0	71
72	La Academia Dolores Huerta		0.94		0.53	-0.41	72
73	La Jicarita Community School		0		0	0	73
74	La Promesa Early Learning Center	2.45	2.29	-0.16	2.42	0.13	74
75	La Resolana Leadership Academy		0.56		0.58	0.02	75
76	La Tierra Montessori School of the Arts and Sciences	0.77	1.31	0.54	1.31	0	76

	LEA	FTE prior to Re-open of the 80th Day (if re-opened)	80 day FTE	Change to 80th Day data from Data Validation	120th Day FTE	Adjusted FTE	
77	Lake Arthur Municipal Schools		0.68		1.72	1.04	77
78	Las Cruces Public Schools		134.53		126.64	-7.89	78
79	Las Montanas Charter School	3	0.45	-2.55	0.45	0	79
80	Las Vegas City Public Schools		8.96		9	0.04	80
81	Logan Municipal Schools		1		0.9	-0.1	81
82	Lordsburg Municipal Schools		1.19		1.55	0.36	82
83	Los Alamos Public Schools		23.72		21.92	-1.8	83
84	Los Lunas Public Schools		33.34		34.6	1.26	84
85	Loving Municipal Schools		2.47		2.33	-0.14	85
86	Lovington Municipal Schools		25.06		23.06	-2	86
87	Magdalena Municipal Schools		3.86		3.87	0.01	87
88	MASTERS Program (The)		0.1		0.1	0	88
89	MaValidatedwell Municipal Schools		0.78		0.78	0	89
90	McCurdy Charter School		1.08		1.32	0.24	90
91	Media Arts Collaborative Charter School		1.13		1.1	-0.03	91
92	Melrose Municipal Schools		0.22		0.23	0.01	92
93	Mesa Vista Consolidated Schools		2.43		2.3	-0.13	93
94	Mission Achievement and Success Charter School		1.18		1.98	0.8	94
95	Monte de Sol Charter School		0.9		1.17	0.27	95
96	Montessori Elementary School (The)		0.39		0.33	-0.06	96
97	Mora Independent Schools		1.77		1.7	-0.07	97
98	Moriarty-Edgewood School District		12.55		13.64	1.09	98
99	Mosquero Municipal Schools		0.74		0.76	0.02	99
100	Mountainair Public Schools		3.97		4.1	0.13	100
101	New America School	0.64	0.52	-0.12	0.52	0	101
102	New America School of Las Cruces		0.32		0.32	0	102
103	New Mexico Connections Academy		1.61		1.52	-0.09	103
104	New Mexico Corrections Department		0		0	0	104
105	New Mexico International School		0.85		0.54	-0.31	105
106	New MeValidatedico School for the Arts		0.05		0.05	0	106
107	New MeValidatedico School for the Blind and Visually Impaired		0		0	0	107
108	New MeValidatedico School for the Deaf		0		0	0	108
109	North Valley Academy		1.17		1.64	0.47	109
110	Pecos Independent School District		3.84		3.42	-0.42	110
111	Peñasco Independent Schools		3.88		2.8	-1.08	111
112	Pojoaque Valley Public Schools		7.31		4.24	-3.07	112
113	Portales Municipal Schools		9.84		9.84	0	113

	LEA	FTE prior to Re-open of the 80th Day (if re-opened)	80 day FTE	Change to 80th Day data from Data Validation	120th Day FTE	Adjusted FTE	
114	Quemado Independent Schools		1.83		1.25	-0.58	114
115	Questa Independent Schools	1.95	1.29	-0.66	5.13	3.84	115
116	Raton Public Schools		7.04		6.18	-0.86	116
117	Red River Valley Charter School	0.31	0.35	0.04	0.39	0.04	117
118	Reserve Independent Schools		1.25		1.37	0.12	118
119	Rio Rancho Public Schools		104.81		102.59	-2.22	119
120	Roswell Independent Schools	40.09	29.13	-10.96	29.74	0.61	120
121	Roy Municipal Schools	0.6	0.5	-0.1	0.51	0.01	121
122	Ruidoso Municipal Schools		6.02		5.67	-0.35	122
123	SABE		0		0	0	123
124	Sage Montessori Charter School		0.23		0.39	0.16	124
125	San Jon Schools		0.32		0.32	0	125
126	Santa Fe Public Schools		69.15		73.13	3.98	126
127	Santa Rosa Consolidated Schools		3.48		3.19	-0.29	127
128	School of Dreams Academy		2.96		2.41	-0.55	128
129	Sequoyah Adolescent Treatment Center		0		0	0	129
130	Silver Consolidated School District		17.31		17.31	0	130
131	Socorro Consolidated Schools		7.68		7.29	-0.39	131
132	South Valley Preparatory School		0.72		0.74	0.02	132
133	Southwest Aeronautics, Mathematics, and Science Academy		0.12		0.74	0.62	133
134	Southwest Intermediate Learning Center		0.03		0.06	0.03	134
135	Southwest Primary Learning Center		0.05		0.05	0	135
136	Southwest Secondary Learning Center		0.32		0.32	0	136
137	Springer Municipal Schools	1.43	1.69	0.26	1.69	0	137
138	Taos Academy		0.42		0.42	0	138
139	Taos Integrated School of the Arts		0.39		0.47	0.08	139
140	Taos International Charter School		0		0.06	0.06	140
141	Taos Municipal Schools		16.27		10.24	-6.03	141
142	Tatum Municipal Schools		1.23		1.23	0	142
143	Technology Leadership High School		1.13		0.35	-0.78	143
144	TeValidatedico Municipal Schools		1.03		1.03	0	144
145	Tierra Adentro		1.38		1.4	0.02	145
146	Tierra Encantada Charter School		0.15		0.75	0.6	146
147	Truth or Consequences Municipal Schools		5.93		4.95	-0.98	147
148	Tucumcari Public Schools		3.42		4.31	0.89	148
149	Tularosa Municipal Schools		2.95		2.98	0.03	149
150	Turquoise Trail Charter School		1.83		1.86	0.03	150
151	UNM Children's Psychiatric Hospital		0		0	0	151



	LEA	FTE prior to Re-open of the 80th Day (if re-opened)	80 day FTE	Change to 80th Day data from Data Validation	120th Day FTE	Adjusted FTE	
152	Uplift Community School		0.09		0.13	0.04	152
153	Vaughn Municipal Schools	1.62	1.54	-0.08	1.51	-0.03	153
154	Wagon Mound Public Schools		0.53		0.42	-0.11	154
155	Walatowa High Charter School		0.07		0.07	0	155
156	West Las Vegas Public Schools		9.23		8.59	-0.64	156
157	William W. & Josephine Dorn Charter Community School		0.45		0.43	-0.02	157
158	Zuni Public School District		3.87		4.02	0.15	158
159	<b>Statewide Totals</b>		<b>1,627.92</b>	<b>(3.13)</b>	<b>1,604.94</b>	<b>(22.98)</b>	<b>159</b>
						Source: PED	



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HANNA SKANDERA  
SECRETARY OF EDUCATION

SUSANA MARTINEZ  
GOVERNOR

June 7, 2016

**MEMORANDUM**

**TO:** Superintendents  
Business Managers  
Special Education Directors  
Charter School Administrators  
Regional Education Cooperative Directors  
Stars Coordinators

**FROM:** Michael Lovato, Director  
Special Education Director, Special Education Bureau, PED 

**RE:** **Calculation of Full-Time Equivalency (FTE) for Staff Providing Special Education Related Services**

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The purpose of this memorandum is to provide clarification on how Full-Time Equivalency (FTE) is calculated for instructional support providers as defined in 6.63.3, 6.63.4 - 6.63.7 NMAC providing special education related services to students qualified for a student with a disability as defined by 34 CFR Sec 300.8 and Subsection B(4) of 6.31.2.7 of the NMAC. According to 34 CFR §300.34, related services means transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education. It is critical that Local Education Agencies (LEAs) accurately calculate FTE of staff providing special education related services for reporting in the Student Teacher Accountability Reporting System (STARS) in order for the Public Education Department (PED) to appropriately fund LEAs in providing special education services.

The Public Education Department conducts reviews of data to ensure that LEAs report their special education and related services data accurately. The Public School Finance Act, Section

22-8-13 NMSA 1978, mandates that each local school board require each public school in its school district to keep accurate records concerning membership in the public school including special education membership as defined in Section 22-8-21 NMSA 1978. For instructional support providers providing special education services, the number of FTE certified or licensed ancillary service and diagnostic service personnel must be reported in order to determine the number of special education program units needed under Section 22-8-21(C)(5) NMSA 1978. Section 22-8-13(C) NMSA 1978 provides that "all information required pursuant to this section shall be on forms prescribed and furnished by the department which are the staff assignment templates in STARS. A copy of any report made pursuant to this section shall be kept as a permanent record of the school district and shall be subject to inspection and audit at any reasonable time." That provision gives PED the basis for requiring LEAs to justify their related services FTE and to maintain documentation to support their justification. In addition, 34 CFR §300.211 requires LEAs to provide PED with the information necessary to carry out its duties under Part B of Individuals with Disabilities Education Act (IDEA). This provision allows the PED to collect whatever information it deems is necessary, as long as it is related to carrying out its duties under IDEA. As a result, requiring LEAs to provide justification and supporting documentation for their related services FTE would be consistent with the requirements set out in 34 CFR §300.211 because it relates to providing accurate information needed for determining reimbursement from IDEA funds for related services. In each case when calculating related service FTE, all LEAs must always consider "other therapy services" in order to meet a student's educational needs as the primary variable. These additional therapy services include, but are not limited to initial evaluations, re-evaluations, collaborative services, etc.

The above calculations for related service FTE should include the following: direct related service time for students with related services needs identified in accordance with 34 CFR §300.304 through 300.306 and stated on the student IEP; "reasonable" prep time, and; travel time, within the districts or if related service personnel is a contract employee and compensation is allowed per the contract. For reporting staff whose time is divided between students with disabilities and children in the general population, base this FTE on only the percentage of time that the related service provider works specifically with students receiving or being evaluated for special education related services. Time spent with students in the general population, including students in tier 2 interventions or in the Student Assistance Team (SAT) process, does not count as special education related services and must be reported under a separate staff assignment code in STARS and OBMS.

34 CFR §300.34(a) states that related services include other supportive services that are required to assist a child with a disability to benefit from special education. This may include other developmental, corrective, or supportive services if they are required to assist a child with a disability to benefit from special education and have been documented as a required need in the student's IEP as the related service they have qualified for consistent with 34 CFR §300.34. Supportive services include, but are not limited to evaluations, collaboration, and preparation for therapy time, participation in IEPs, etc. If compensated, this time should be included in FTE calculations and will be accepted as justification for FTE for instructional support providers. Services that are not indicated in the IEP, not related to the students IEP, and direct services as per the IEP should not be considered a related service and are therefore not covered by IDEA funding.

34 CFR § 300.156 (b)(2)(iii) does not allow special education instructional support provider assistants, this includes Certified Occupational Therapy Assistants (COTA), Speech/Language Apprentices, SLP Clinical Fellows, and Physical Therapy Assistants, therefore these personnel are not allowed to carry a caseload; these related service hours should be reported under the licensed mentor who is monitoring and working with the assistant in question. Please refer to guidance provided in December 2010 <http://ped.state.nm.us/seo/guide/edu%20asst%20Paraprof.pdf>. The combined FTE of the instructional support provider and their assistant should be proportionate to the total time spent providing a related service to their students, as reported in STARS. These assistant positions, though critical and essential for providing services, are not funded through the State Equalization Guarantee Act. In order to assure that LEAs are receiving appropriate funding, they are required to list the direct services under the supervising instructional support provider. If the LEA reports FTE in excess of 1.10 due to supervision of an assistant, documentation must be submitted to the Education Administrator assigned to the LEA in order to justify the excess of 1.10 FTE.

If you have any questions regarding the how to calculate FTE for staff providing special education related services, please call the Special Education Bureau at (505) 827-1457 and ask to speak with the staff member assigned to your district or charter.

ML/wlc

cc: Paul "Hipolito" Aguilar, Deputy Secretary, Finance and Operations  
Eileen Marrujo, Director, School Budget & Finance Analysis Bureau  
Denise Koscielniak, Division Director, Federal Programs Division