

## Budget Considerations for FY24

During the 2022 interim, the Legislative Education Study Committee heard from stakeholders on the effectiveness of the legislature’s response to ongoing challenges in recruiting and retaining teachers, providing additional supports for students with at-risk factors, and improving academic and career opportunities for all students.

Members expressed concerns about compaction in salary schedules, insufficiency in funding for career technical education (CTE) programs, the need for leadership training and mentorship opportunities, and the need for additional supports for students adversely impacted by virtual learning during the pandemic as well as those highlighted in the *Martinez-Yazzie* education sufficiency lawsuit.

Below is an overview of fiscal considerations for potential inclusion in the FY24 staff scenario that are responsive to the *Martinez-Yazzie* education sufficiency lawsuit.

### FY24 Budget Considerations (in millions)

<b>Broad Recurring Considerations</b>	
School Personnel Compensation	\$32,000*
Targeted Compensation	\$20,000
Extended Learning	\$202,000
At-Risk Index Multiplier	\$53,200
Indian Education Act	\$20,000
Hispanic Education Act	\$3,000
Bilingual Multicultural Education Act	\$5,000
Physical Education & Fine Arts	\$34,000
Career Technical Education	\$30,000
<b>Recurring Priorities</b>	
Teacher & Principal Residencies	\$22,000
Leadership Development and Mentorship	\$5,000
Early Literacy & STEAM	\$17,500
<b>Broad Nonrecurring Considerations</b>	
Indian Education Endowment Fund	\$50,000
<b>Nonrecurring Priorities</b>	
Family Income Index	\$15,000
Tutoring	\$20,000
Counselor & Social Worker Residency Program	\$2,000
Community Schools	\$11,500

\*Cost per percentage point increase for all school personnel.

# Broad FY24 Recurring Considerations

## Educator Compensation and Benefits

- During the 2022 regular session, the legislature appropriated funds for increases to tier minimums for licensed teachers, increases in the minimum wage for school personnel, targeted compensation for instructional and social service employees, and average increases in compensation for all school personnel.
- Increases in compensation have been effective in reducing reported vacancies and retaining those already employed in public schools. Stakeholders, though, have reported concerns of compaction in some salary schedules that were exacerbated by increases in tier minimums and the minimum wage.
- At a cost of \$20 million, the legislature could target compensation for hard-to-fill positions, including counselors, special education teachers, bilingual teachers, and social workers. Raising compensation for all school personnel would cost \$32 million for each increased percentage point, with flexibility for LEAs to leverage those funds in alleviating compaction in salary schedules.
- Increasing the share of public school employee's health insurance premiums that are paid by their school district or charter school.

## Services for Students with At-Risk Factors

- In FY23, the Family Income and At-Risk Indexes will distribute \$15 million and \$308 million, respectively. Other appropriations for students with at-risk factors include \$604 million for special education programs and services, \$15 million for the Indian Education Fund, \$15 million for at-risk interventions, and \$500 thousand for the Hispanic Education Act.
- Extending the Family Income Index for one year, at a cost of \$15 million, is an opportunity to assess its effectiveness in directing resources toward schools with the most need. The Legislature could also consider raising the At-Risk Index, providing more flexibility and responsiveness to local needs. The cost of raising the multiplier to 0.35 would be \$53.2 million.
- Scaling up initiatives in the Indian Education Act would cost \$20 million.
- An appropriation of \$3 million to the Hispanic Education Act would support language acquisition and culturally responsive instruction by paying for TESOL and bilingual endorsements. Appropriating \$5 million to the Bilingual Multicultural Education Act would provide stipends for TESOL endorsees and fully fund the compensation increases for those with a 520 certificate.

## Extending Learning

- At a cost of \$202 million, the minimum number of instructional hours required for both elementary and secondary students could be increased to 1,140. School districts and charters would have flexibility in including a certain number of professional development hours as part of those newly required minimums.



## Physical Education and Fine Arts

- Providing universal access to physical education and fine arts programs in elementary schools would cost a combined \$34 million. That additional funding for fine arts would come from increasing its factor in the SEG from 0.05 to 0.06.

## Career Technical Education

- An appropriation of \$30 million would support the NextGen CTE pilot program, innovation zones, and work-based learning.

## FY24 Recurring Priorities

- A recurring appropriation of \$20 million, an increase from FY23 of \$5 million, would allow the teacher residency program to scale up ongoing recruitment and retention initiatives.
- At a cost of \$5 million, existing recruitment and retention initiatives could be scaled up to provide more professional development opportunities for current and aspiring school leaders.
- An appropriation of \$11.5 million would continue to support early literacy initiatives, with an additional \$6 million for increasing student achievement in math.

## Broad FY24 Nonrecurring Considerations

### Public Education Reform Fund

- Appropriating \$50 million from the Public Education Reform Fund for the establishment of an Indian Education Endowment Fund would support capacity building initiatives in tribes, pueblos, and nations.

## FY24 Nonrecurring Priorities

- At a cost of \$15 million, the Family Income Index could be extended for one year with the intention of assessing its potential in identifying poverty at the local level and directing resources toward the schools with the most need.
- An appropriation of \$20 million would provide tutoring supports for students adversely impacted by virtual learning during the pandemic as well as those highlighted in the *Martinez-Yazzie* lawsuit. These supports would come in the form of a grant to families who want to access tutoring services outside their children's school.
- Creating a counselor residency program would cost \$2 million and strengthen the pipeline of individuals entering and staying in that field.
- Supporting and enhancing behavioral health programs.
- Supporting additional schools in transitioning to the community school model and sustaining those already in the process would cost \$11.5 million.

## Alignment with LFC Public Education Subcommittee Presentation

On September 21, 2022, LFC staff presented fiscal considerations for FY24.

Below is an overview of the considerations that align between both committees.

- Compensation increases would improve the state's regional competitiveness and potentially alleviate compaction in salary schedules.
- Increasing the at-risk multiplier is responsive to the *Martinez-Yazzie* lawsuit. Staff at LFC estimate increasing the multiplier to 0.366 would cost \$70 million, while LESC staff estimate a cost of \$53.2 million for increasing the multiplier to 0.35.
- The Family Income Index is a targeted approach in directing funds to low-income students that the legislature could extend for one additional year.
- Expanding existing leadership training and mentorship supports are important in alleviating high turnover rates in school leadership.

