LEGISLATIVE EDUCATION STUDY COMMITTEE

REPORT TO THE SECOND SESSION

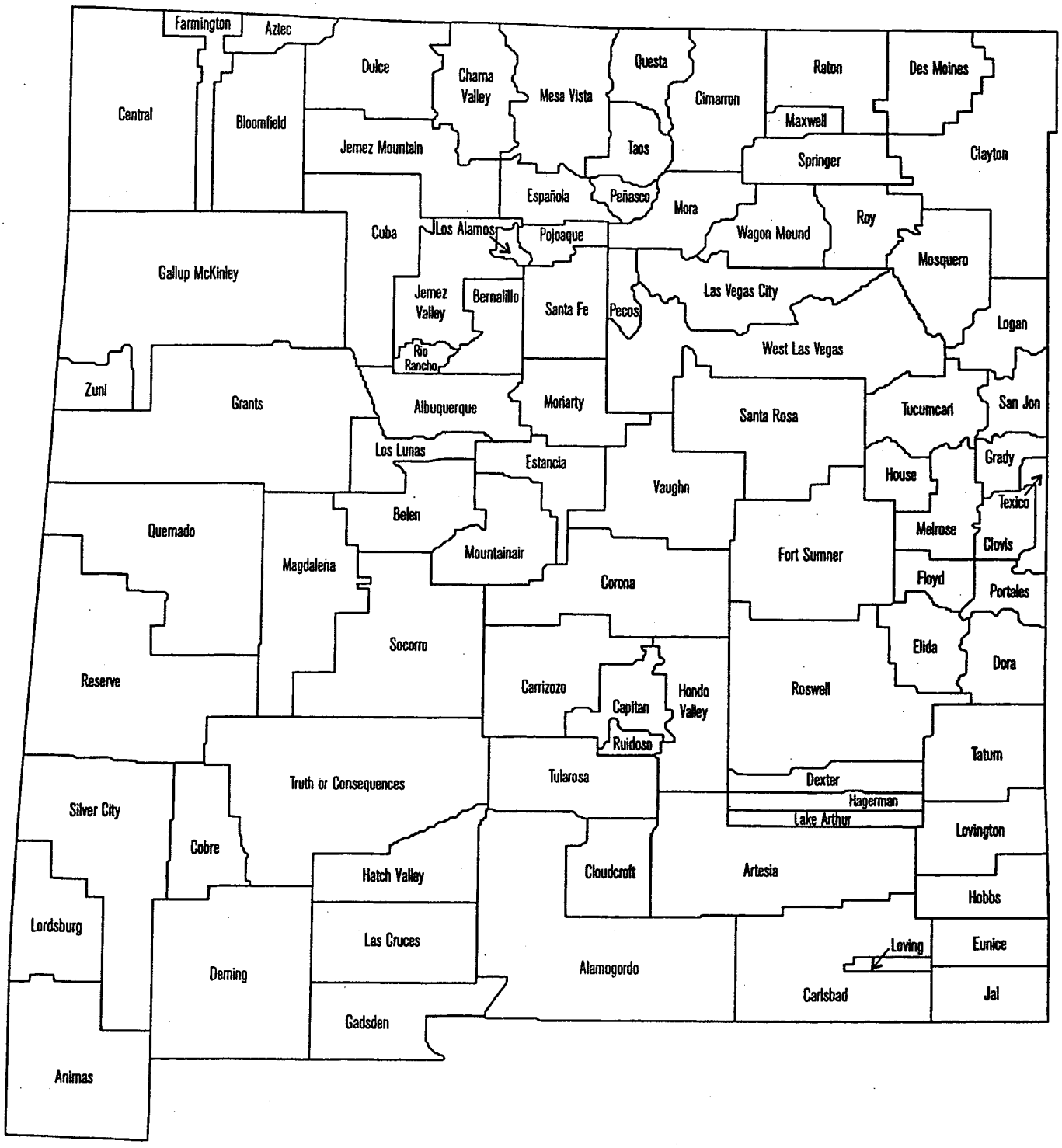
OF THE

FORTY-EIGHTH LEGISLATURE

State of New Mexico

JANUARY 2008

School District Map of New Mexico



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January 2008

Forty-Eighth Legislature, Second Session, 2008
State Capitol
Santa Fe, New Mexico

Dear Fellow Legislators:

This report summarizes the activities of the Legislative Education Study Committee (LESC) during the 2007 legislative interim as well as the committee's recommendations for the 2008 legislative session. Based upon the research and testimony that the LESC considered, you will find in this report:

- public school support recommendations for FY 09;
- a summary of education issues considered during the 2007 interim, along with committee's recommendations for the 2008 legislative session; and
- tables containing information designed to assist you as you consider public school issues during the 2008 legislative session.

On behalf of the LESC, it is my pleasure to transmit this report to each of you. I hope that you will find it informative and useful.

Sincerely,

Representative Rick Miera, Chair

THE LEGISLATIVE EDUCATION STUDY COMMITTEE

The Legislative Education Study Committee (LESC) is authorized by New Mexico statute to

> conduct a continuing study of all education in New Mexico, the laws governing such education and the policies and costs of the New Mexico educational system . . . ; recommend changes in laws relating to education . . . ; and make a full report of its findings and recommendations . . . .

The LESC is composed of 28 members of the Legislature (18 of whom are advisory) appointed to provide proportionate representation from both houses and both political parties in the Legislature.

LEGISLATIVE EDUCATION STUDY COMMITTEE
2008 REPORT TO THE LEGISLATURE

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LEGISLATIVE EDUCATION STUDY COMMITTEE
PUBLIC SCHOOL SUPPORT RECOMMENDATIONS FOR FY 09
(Dollars in Thousands)

		FY 08 APPROPRIATION		LESC RECOMMENDATION		
		Amount	Type	Amount	Type	
1	**PROGRAM COST**	$2,175,399.2		$2,328,883.9		1
2	ENROLLMENT GROWTH	$9,488.5		$10,530.1		2
3	FIXED COSTS	$6,796.0		$3,758.8		3
4	INSURANCE COSTS	$10,324.8		$20,385.2		4
5	COMPENSATION FOR PUBLIC SCHOOL EMPLOYEES:					5
6	Teachers (3.0 percent in FY 09)	$58,040.0		$37,313.2		6
7	Instructional Staff (3.0 percent in FY 09)	$9,240.6		$5,939.2		7
8	Other Certified and Non-certified (3.0 percent in FY 09)	$23,315.7		$15,515.5		8
9	Additional average 2% (professional instructional support staff/salaries less than $60,000)	$3,159.3				9
10	Additional average 2% (principals & assistant principals based on responsibility)	$1,732.3				10
11	Minimum Salaries – Level 3 Teachers to $50,000 in FY 08	$9,118.6				11
12	Increase in Employer's ERB Contribution (.75 percent)	$14,268.9		$15,132.7		12
13	Elementary Physical Education	$8,000.0		$8,000.0		13
14	Assessment (school district costs for printing, scoring, and reporting)			$464.8		14
15	**PROGRAM COST**	**$2,328,883.9**		**$2,445,923.4**		15
16	**Dollar Increase Over FY 08 Appropriation**			$117,039.5		16
17	**Percentage Increase**			5.0%		17
18	LESS PROJECTED CREDITS	($55,600.0)		($55,400.0)		18
19	LESS OTHER STATE FUNDS (from driver's license fees)	($750.0)		($750.0)		19
20	**STATE EQUALIZATION GUARANTEE**	**$2,272,533.9**	**R**	**$2,389,773.4**	**R**	20
21	**Dollar Increase Over FY 08 Appropriation**			$117,239.5		21
22	**Percentage Increase**			5.2%		22
23	**CATEGORICAL PUBLIC SCHOOL SUPPORT**					23
24	TRANSPORTATION					24
25	Operational	$91,186.6		$97,039.4		25
26	School-owned Bus Replacements (6 "growth" buses in FY 09)	$420.4		$468.8		26
27	Rental Fees (Contractor-owned Buses)	$11,000.4		$11,974.1		27
28	Kindergarten Plus Transportation	$336.6				28
29	Compensation (3.0 percent in FY 09)	$2,266.0		$1,362.0		29
30	Increase in Employer's ERB Contribution (.75 percent)	$356.9		$204.9		30
31	TOTAL TRANSPORTATION	**$105,566.9**		**$111,049.2**		31
32	SUPPLEMENTAL DISTRIBUTIONS					32
33	Out-of-state Tuition	$370.0		$370.0		33
34	Emergency Supplemental	$2,000.0		$2,000.0		34
35	(For FY 08, an additional $6.3 million was appropriated for districts with operational shortfalls.)	See line 71		See line 71		35
36	INSTRUCTIONAL MATERIAL FUND (FY 09 – Career Prep, Driver's Ed, ABE)	$37,224.9		$43,000.0		36
37	EDUCATIONAL TECHNOLOGY FUND	$6,000.0		$6,000.0		37
38	INDIAN EDUCATION FUND	$2,500.0		$2,500.0		38
39	MATHEMATICS AND SCIENCE PROFICIENCY FUND (Summer Reading, Math and Science Institutes)	See line 61		$2,500.0		39
40	SCHOOL LIBRARY MATERIAL FUND	$2,000.0		$2,000.0		40
41	SCHOOLS IN NEED OF IMPROVEMENT FUND	$2,500.0		$2,500.0		41
42	TEACHER PROFESSIONAL DEVELOPMENT FUND	$2,500.0		$2,500.0		42
43	**TOTAL CATEGORICAL**	**$160,661.8**	**R**	**$174,419.2**	**R**	43
44	**TOTAL PUBLIC SCHOOL SUPPORT**	**$2,433,195.7**	**R**	**$2,564,192.6**	**R**	44
45	**Dollar Increase Over FY 08 Appropriation**			$130,996.9		45
46	**Percentage Increase**			5.4%		46
47	**RELATED APPROPRIATIONS** *(to PED unless otherwise noted)*					47
48	**COLLEGE/WORKPLACE READINESS & HIGH SCHOOL REDESIGN:**					48
49	American Diploma Project (to LESC)	$50.0	NR			49
50	Assessment & Test Development			$5,741.4	NR	50
51	Alternative Assessment	$500.0	NR			51
52	11th Grade Exit Exam	$1,500.0	NR			52
53	Los Lunas Public Schools High School Redesign Initiative	$210.0	R			53
54	Los Lunas Public Schools High School Redesign Initiative – HB 2 Jr.	$155.0	NR			54
55	New Mexico School Leadership Turnaround Specialists	$150.0	NR			55
56	**EARLY CHILDHOOD EDUCATION:**					56
57	Kindergarten-three Plus	$7,163.4	R	$10,000.0	R	57
58	Pre-kindergarten Program (includes $2.0 million from HB 2 Jr. in FY 08)	$7,000.0	R	$9,000.0	R	58
59	**EDUCATOR QUALITY:**					59
60	Beginning Teacher Mentorship	$2,000.0	R	$2,000.0	R	60
61	Summer Reading, Math and Science Institutes (For FY 08, the appropriation was not made to the Fund.)	$2,500.0	R	See line 39		61
62	**NEW MEXICO CYBER ACADEMY/INNOVATIVE DIGITAL EDUCATION AND LEARNING (IDEAL):**					62
63	New Mexico Cyber Academy	$500.0	R	$2,500.0	R	63
64	REC Distance Learning Networks (for RECs 3, 8, 9, and 3 additional RECs TBD)	$120.0	R	$240.0	R	64
65	Rio Rancho Cyber Academy (includes $105,000 in HB 2 Jr. in FY 08)	$155.0	R	$50.0	R	65
66	**SCHOOL FINANCE:**					66
67	NEW SCHOOL DEVELOPMENT FUND			$1,000.0	NR	67
68	Regional Education Cooperatives Operations	$1,050.0	NR	$2,700.0	R	68
69	STATE EQUALIZATION GUARANTEE (to offset reductions in Credits)	$1,000.0	NR			69
70	STATE SUPPORT RESERVE FUND	$1,000.0	NR	$1,000.0	NR	70
71	Supplemental support to school districts experiencing operational shortfalls	$6,300.0	NR	$6,300.0	NR	71

"Type" Indicates whether the funding is recurring (R) or nonrecurring (NR)

LEGISLATIVE EDUCATION STUDY COMMITTEE
PUBLIC SCHOOL SUPPORT RECOMMENDATIONS FOR FY 09

(Dollars in Thousands)

		FY 08 APPROPRIATION		LESC RECOMMENDATION		
		Amount	Type	Amount	Type	
72	**STUDENT ACHIEVEMENT:**					72
73	Advanced Placement	$2,000.0	R	$2,000.0	R	73
74	After-school Enrichment Program (includes $2.0 million from HB 2 Jr. in FY 08)	$3,500.0	R	$3,500.0	R	74
75	Apprenticeship Assistance	$650.0	R	$650.0	R	75
76	New Mexico Outdoor Classroom	$250.0	NR	$500.0	R	76
77	School Improvement Framework	$3,000.0	R	$4,000.0	R	77
78	Summer Camp Program in Santa Fe	$175.0	NR			78
79	Truancy Prevention/Dropout Prevention	$1,000.0	R	$1,000.0	R	79
80	**STUDENT HEALTH, SAFETY, AND WELL-BEING:**					80
81	Breakfast for Elementary Students (includes $2.0 million from HB 2 Jr. in FY 08)	$2,450.0	R	$3,500.0	R	81
82	Breakfast for Elementary Students – HB 2 (nonrecurring)	$400.0	NR			82
83	Family and Youth Resource Act	$1,500.0	R	$3,000.0	R	83
84	Food to Schools	$500.0	R	$500.0	R	84
85	GRADS – Teen Pregnancy Prevention	$1,000.0	R	$1,000.0	R	85
86	SUBTOTAL RECURRING RELATED APPROPRIATIONS	$35,248.4		$46,140.0		86
87	SUBTOTAL NONRECURRING RELATED APPROPRIATIONS	$12,530.0		$14,041.4		87
88	**TOTAL RELATED APPROPRIATIONS (does not include Public School Support)**	**$47,778.4**		**$60,181.4**		88

89	**GRAND TOTAL RECURRING APPROPRIATIONS (includes Public School Support and Recurring Related Appropriations)**	**$2,468,444.1**	**$2,610,332.6**	89
90	**Dollar Increase Over FY 08 Appropriation**		$141,888.5	90
91	**Percentage Increase**		5.7%	91
92	**GRAND TOTAL NONRECURRING APPROPRIATIONS**	**$12,530.0**	**$14,041.4**	92

OTHER RECOMMENDATIONS

93	**DATA PROCESSING APPROPRIATIONS (to PED)**			93
94	STARS Data Warehouse at PED	$2,500.0	$3,400.0	94
95	Expansion of STARS to Higher Education (P-20 System)		$3,900.0	95
96				96
97	**DATA PROCESSING APPROPRIATIONS (to HED)**			97
98	New Mexico Cyber Academy/Innovative Digital Education and Learning (IDEAL)*	$6,400.0	$2,000.0	98
99	**TOTAL DATA PROCESSING APPROPRIATIONS**	**$8,900.0**	**$9,300.0**	99

*For FY 08, the Higher Education Department budget includes $500,000 for operational costs of IDEAL. For FY 09, the department's budget includes the same amount.

100	**CAPITAL OUTLAY**			100
101	EDUCATIONAL TECHNOLOGY DEFICIENCY CORRECTION FUND	$4,325.0	$9,000.0	101
102	Governor's Laptop Initiative	$1,500.0	$1,500.0	102
103	Pre-kindergarten Classrooms (plan, design, construct, purchase, and renovate)	$3,000.0	$3,000.0	103
104	READING MATERIALS FUND	$658.9	$1,000.0	104
105	School-owned Bus Replacements (64 buses in FY 09)	$3,500.0	$5,000.0	105
106	SCHOOL LIBRARY MATERIAL FUND	$658.9	See line 40	106
107	Statewide School Safety:			107
108	GPS for School Buses	$2,000.0		108
109	Security Cameras	$2,000.0		109
110	**TOTAL CAPITAL OUTLAY**	**$17,642.8**	**$19,500.0**	110

"Type" Indicates whether the funding is recurring (R) or nonrecurring (NR)

ADDITIONAL RECOMMENDATIONS OF THE LESC

COLLECTION AND USE OF DATA

- Educational Data Warehouse: Introduce legislation to codify the requirements for a comprehensive P-20 data warehouse (Student Teacher Accountability Reporting System, or STARS) at PED that collects, integrates, and reports data from PED, HED, and other agencies.

- Student ID: Appropriate funds to PED to integrate the common PED/HED student ID into STARS.

P-20 INITIATIVE

EARLY EDUCATION

- Early Childhood Education: Send a letter to OEA requesting that the state's contract with the National Institute for Early Education Research (NIEER) require that the New Mexico PreK evaluation report include data disaggregated to permit comparisons of programs approved by PED with those approved by CYFD.

- Literacy: Appropriate funds to PED to support the Middle and High School Literacy Initiative created in statute in 2007 to provide scientifically based programs to improve reading proficiency of public school students in grades 6 through 12.

SCHOOL IMPROVEMENT AND REDESIGN

- Dual Credit Program: Amend statute relating to the student eligibility criteria in the dual credit program: (1) to include students at the state-supported schools; and (2) to allow students to take classes for dual credit during the summer term.

- Student Advisement: Amend statute to require PED and HED to collaborate, in consultation with higher education and public school personnel and others, to develop a plan for improved and expanded student advisement beginning in grade 6 using the Next Step Plan process, so all students can make informed choices about future education and careers; and appropriate funds to PED to develop the plan.

- Advanced Placement: Include language in the *General Appropriation Act* stating that the funds appropriated for Advanced Placement (AP) include $400,000 to Eastern New Mexico University to provide high-quality curricula in kindergarten through grade 6 to prepare students for pre-AP and AP in grades 7 through 12.

- 11th Grade Exit Examination: Include language in the *General Appropriation Act* to authorize expenditure of the FY 08 $1.5 million appropriation to PED for the 11th grade exit examination through FY 09.

- 21st Century Community Learning Centers: Include language in the *General Appropriation Act* to require that $1.5 million of the FY 09 appropriation for the after-school enrichment program be allocated to the 21st Century Community Learning Centers statewide that in school year 2007-2008 are in their final year of eligibility for federal funding.

- New Mexico School for the Arts: Amend statute to authorize the creation of a state-chartered, statewide residential high school for the arts to provide intensive pre-professional and professional training for students with demonstrated artistic abilities and potential; appropriate funds for expenditure in FY 08 and FY 09 to support planning and start-up activities prior to the opening of the school; and include an emergency clause.

HIGHER EDUCATION

- Postsecondary Opportunities for American Indian Students: Introduce legislation to improve postsecondary opportunities for American Indian students; create a new division within HED; establish a non-reverting American Indian Postsecondary Education Fund; and appropriate funds from the General Fund to HED.

- Postsecondary Reporting to High Schools: Introduce legislation to require New Mexico public postsecondary institutions to report annually to New Mexico public high schools on their students who enroll within three years of graduating or leaving the high school, regarding freshman year outcomes, including remedial courses taken, total credits earned, grade point averages, and retention from first to second semester.

EDUCATOR QUALITY

- Annual School Personnel Development Reports: Amend the Professional Development Framework to require PED, in conjunction with public school districts and charter schools, to provide an annual report to the LESC and the LFC regarding all professional development activities, regardless of funding source; and to make any changes to the system of accounting and budgeting for all public schools and school districts necessary to fulfill this requirement.

- Professional Development Dossier: Introduce legislation to define the professional development dossier (PDD) as a requirement for advancement to Level 2 and to Level 3 in the three-tiered teacher licensure system and to require PED to exercise more oversight of the PDD process, including such components as the selection and training of PDD reviewers.

- Educator Licensure Fund: Amend statute to clarify that money in the Educator Licensure Fund is subject to the annual legislative appropriation process and that the money in the fund may be used to cover costs of licensing educators, including costs associated with evaluating and processing licensing applications and PDDs, conducting background checks, and enforcing educator ethics requirements.

- School Principal Recruitment and Mentoring: Introduce a memorial requesting that OEA, PED, and HED, in collaboration with institutions of higher education and school districts, develop a plan, to be reviewed by the LESC, to enhance the recruitment, preparation, mentoring, evaluation, professional development, and support for school principals and other school leaders in order to ensure an adequate supply of effective school leaders.

- School Staff Shortage Issues: Introduce a memorial requesting that OEA and PED examine issues related to turnover and emergencies resulting from shortages of counselors, nurses, and other professional instructional support personnel in public school districts and charter schools and report their recommendations to the LESC, to ensure students have adequate services to address their needs.

- Professional Development Fund: Include language in the General Appropriation Act to authorize PED to expend funds appropriated to the Professional Development Fund for multi-year contracts.

FUNDING FORMULA STUDY TASK FORCE

- Public School Funding Formula: Amend statute to phase in a new public school funding formula that:

  - incorporates four measures of student need, namely poverty, English language learners, special education, and mobility;

  - recognizes costs associated with school district size and school size; and

  - is based on the concept of educational sufficiency in that it enables schools and districts to provide a comprehensive instructional program designed to meet the needs of all students.

FISCAL ISSUES AND RISK MANAGEMENT

- Special Education Services and Providers: Amend statute to define the terms "related services" and "related service [ancillary] personnel" in order to clarify which services and personnel may be counted for funding through the Public School Funding Formula by school districts and charter schools.

- Response to Intervention Program: Introduce a memorial requesting PED to report progress to the LESC on the implementation of New Mexico's Response to Intervention process and dual discrepancy model in kindergarten through grade 3, including a review of the assessments used by public school districts and charter schools to measure responses. (The PED deadline for implementation by the public schools is July 1, 2009.)

- Due Process Reimbursement: Amend statute providing for due process reimbursement coverage to set a limit of $100,000 per single due process reimbursement.

SCHOOL PROGRAMS AND STUDENT SERVICES

- *Family and Youth Resource Act*: Amend the *Family and Youth Resource Act* to include a provision to enable a school that met the poverty level eligibility criteria at the time of its application and program approval by PED to continue to receive funding so long as its poverty level does not drop below an average of 85 percent over any three-year period; and appropriate additional funds to expand the program.

- Regional Education Cooperatives: Appropriate funds for operational expenses of Regional Education Cooperatives (RECs) and amend statute to clarify that RECs are local educational agencies without student membership as defined in the federal *Individuals with Disabilities Education Improvement Act of 2004* in order to ensure that RECs are authorized to submit grant applications and to receive and administer federal special education funds on behalf of their member districts and state-supported schools.

- Residential Treatment Centers: Amend statute relating to the placement of a student in a residential treatment center (RTC) to:

  - clarify the state's responsibility to provide a free and appropriate public education (FAPE) to any student, including an out-of-state student, who has been placed in a private RTC; and

  - require PED to determine which New Mexico school district is responsible for providing FAPE to a student who has been placed in an RTC located outside the student's home district; and to provide a reasonable reimbursement to the receiving district.

- School Attendance: Amend the *Compulsory School Attendance Law* to:

  - clarify the way in which school districts must calculate unexcused absences for reporting purposes to ensure consistent reporting statewide;

  - require that PED approve school district and charter school attendance policies to ensure that the policies are consistent with and adhere to provisions in law; and

  - change the definition of a "truant" to mean a student who has accumulated five unexcused absences within a school year instead of "within any 20-day period."

- Consistency with the *Compulsory School Attendance Law*:

  - amend the *Family Services Act* to specify that the term "child or family in need of family services" includes "a family whose child, subject to compulsory school attendance, has accumulated the equivalent of 10 or more unexcused absences within a school year"; and

  - amend the *Families in Need of Court-Ordered Services Act* to specify that the term "family in need of court-ordered services" includes "a family whose child, subject to compulsory school attendance, has accumulated the equivalent of 10 or more unexcused absences within a school year."

- Library General Obligation Bonds: Introduce a certificate to authorize the issuance of General Obligation Bonds to PED for public school libraries and local juvenile detention facilities statewide, to HED for academic libraries, and to the Office of Cultural Affairs for New Mexico public libraries to purchase books and other materials (requires voter approval). ($10.0 million for public schools and juvenile detention libraries; $18.0 million for academic libraries; $12.0 million for New Mexico public libraries)

- School Bus Contractors: Introduce a memorial requesting PED, the LESC, and the LFC to study how employees of private school bus contractors can be provided with benefits equivalent to those paid to school district employees.

- Service Learning: Appropriate funds to PED to develop a service learning framework for the state of New Mexico.

ADDITIONAL PRESENTATIONS AND REPORTS

- Public School Capital Outlay: Per recommendations of the Public School Capitol Outlay Oversight Task Force (PSCOOTF), enact omnibus public school capital outlay legislation to:

  - amend the *Public School Capital Outlay Act* to:

    - create the Public School Facility Opportunity Fund to provide funding for Public School Capital Outlay Council (PSCOC) grants to qualifying districts for projects that exceed the state's adequacy standards;

    - modify certain requirements for expenditures incurred to inspect and issue permits for public school capital outlay projects;

    - reduce the offset to a PSCOC grant award resulting from a direct legislative capital outlay appropriation if the direct appropriation has been made for a capital project that will be jointly used by the school district and another governmental entity;

    - provide for a 5.0 percent increase in a PSCOC grant award to a school district if the PSCOC finds that the district has been exemplary in implementing and maintaining a preventive maintenance program; and

    - remove the "State Investment Officer or the State Investment Officer's designee" from the list of members of the Public School Capital Outlay Oversight Task Force;

  - amend the *Public School Capital Improvements Act* to authorize school districts to request voter approval for an additional "SB 9" mill, and to exempt the additional mill from the SB 9 state guarantee;

- amend Indian gaming statutes to require that an amount equal to the lesser of $18.0 million or 30 percent of the net receipts of the Indian gaming compact revenues during the immediately preceding fiscal year be transferred from the General Fund to the Public School Facility Opportunity Fund on July 15 of 2009, 2010, and 2011; and

- extend the FY 07 appropriation of $2.5 million from the Public School Capital Outlay Fund to the Public School Facilities Authority for expenditure through FY 09, to continue to develop and implement the Facilities Information Management System.

- Public School Insurance Authority: Amend the *Public School Insurance Authority Act* to provide for adoption of policies relating to the use of volunteers and the private use of school facilities; to provide for limited insurance coverage, in certain circumstances, for liability related to the private use of school facilities; and include an appropriation.

- Charter Schools: Amend the *Charter Schools Act* to provide that, under certain conditions, the chartering authority for a locally chartered charter school may be transferred to the Public Education Commission outside of the regular charter renewal cycle.

- Bonding of Subcontractors: Amend the *Procurement Code* to repeal the requirement for the bonding of subcontractors.

REPORT OF THE 2007 LEGISLATIVE INTERIM

INTRODUCTION

During each interim, the Legislative Education Study Committee (LESC) examines a wide range of education issues, both fiscal and programmatic, that affect the achievement and well-being of preschool, elementary, secondary, and postsecondary students in New Mexico. Issues are identified at the initiative of committee members, other legislators, or bills or memorials; and the LESC Interim Workplan establishes the framework for the committee's research, data collection, deliberations, and analysis. This report summarizes the LESC's examination of education issues identified during the 2007 legislative interim and includes the committee's recommendations for the 2008 legislative session. Like the reports since the 2002 interim, this report also highlights a theme that recurred through much of the testimony before the committee: the federal *No Child Left Behind Act of 2001* (NCLB) and its implications for public education in New Mexico, together with the state-initiated public school reforms of 2003.

While certain themes have continued from the previous interims, for the 2007 interim the LESC took a very different approach to its examination of issues, focusing squarely on results and accountability. Recalling the numerous education initiatives and reforms that the committee has endorsed and that the Legislature has passed in recent years and given the challenges that public education faces in New Mexico – among them competition for funding from other worthy programs and increasing pressure from external sources like NCLB and the media – the committee decided that the 2007 interim was a good time to examine what has been implemented already and to measure the results before recommending that any additional programs be initiated. Furthermore, recognizing that the LESC's primary goal is to increase student learning and achievement, the committee was guided by two broad sets of questions for each issue addressed during the interim, questions designed to help the committee determine whether current programs have lived up to their promise and whether newly initiated programs are being implemented as expected:

1. What results have programs established by the Legislature produced? How have the results been measured and by whom? Which programs should be replicated or expanded; which ones consolidated; and which ones discontinued?

2. What results are the newly initiated programs expected to produce? How and when will their results be measured? How do these new programs support or complement the established programs?

The ultimate goal of this new approach was to provide the LESC with the data it needs to craft public school support recommendations for FY 09 – recommendations that reflect the committee's examination throughout the interim of how best to direct state appropriations to support programs that not only increase student achievement in the short term but also provide students with the tools they need to make appropriate and successful choices with regard to college and the workplace.

While the committee's approach and focus were new, the LESC did continue certain practices common during previous interims. For one thing, the committee held meetings in communities throughout New Mexico: Las Cruces, Rio Rancho, Santa Fe, and Taos; for another, the committee continued to provide a forum for students, school personnel, members of the public, and other interested parties to express their views on education issues. To ensure that each interested party had the same opportunity for access to the committee and to ensure that the LESC received concise information, the committee also adopted specific criteria for community input.

Finally, this report is divided into two main sections: narrative and graphic. The narrative section is subdivided into several broad thematic headings – Assessing Educational Research, Collection and Use of Data, P-20 Initiative, Educator Quality, Funding Formula Study Task Force, Educational Technology, Fiscal Issues and Risk Management, School Programs and Student Services, and Additional Presentations and Reports – and the graphic section includes charts and tables presenting public school support data. Although the report covers the majority of the issues examined during the 2007 legislative interim, it is intended only as a summary, not a fully detailed record. Readers interested in more information are encouraged to consult staff reports, minutes, reports of previous interims, and other material on file in the LESC office or available through the LESC website, http://legis.state.nm.us/lcs/lesc/lescdefault.asp.

ISSUES STUDIED BY THE LESC

ASSESSING EDUCATIONAL RESEARCH

To support the new direction that the LESC took during the 2007 interim (see "Introduction," p. 9), the committee reviewed some of the principles of educational research and some factors to consider in evaluating the validity and relevance of this research. Testimony by LESC staff began with an acknowledgement that, despite its differences, New Mexico shares a number of characteristics with other states: students who live in poverty, students whose first language is not English, and schools that have difficulty satisfying federal and state requirements for adequate yearly progress (see "The School Improvement Framework," p. 17). The testimony also acknowledged the dilemma facing researchers and policymakers alike:

> Among educational leaders and policymakers there has been increasing concern regarding the need for scientifically based evidence on which to base funding decisions for specific educational programs and practices. This concern is fundamentally about having better evidence for making decisions about what programs and practices do or do not work. The need for such evidence leads to causal questions, such as whether particular programs and practices improve student achievement, social development, and educational attainment . . . Nonetheless, among researchers there is a lack of clarity regarding which designs, methods, and analytical approaches are most appropriate for making causal inferences.

Among other points, staff testimony included three fundamental questions that help a reader distinguish between research that does assess the effectiveness of an instructional practice and research that does not:

1. Has the study been published in a peer-reviewed journal or approved by a panel of independent experts?

2. Have the results of the study been replicated by other scientists or could they be replicated?

3. Is there consensus in the research community that the findings of the study are supported by additional studies?

Staff testimony also included a number of other questions applicable to assessing the validity of a research study, questions that address the research design; the participants; the definition and implementation of the treatment, or approach, being studied; the collection and analysis of data; and the possibility of rival or alternative explanations for the results. Finally, this presentation provided a glossary of selected terms and a bibliography of additional resources.

COLLECTION AND USE OF DATA

STUDENT TEACHER ACCOUNTABILITY REPORTING SYSTEM (STARS): DEMONSTRATION OF STARS

Realizing that reliable data are critical to educational research and policy development, the 2005 Legislature included language in the *General Appropriation Act* to establish a comprehensive data warehouse at the Public Education Department (PED) to begin to collect and store student, teacher, course, testing, and financial data in one comprehensive system. In addition, the Legislature has supported the implementation of this comprehensive data warehouse, known as the Student Teacher Accountability Reporting System (STARS), with appropriations of approximately $11.1 million to PED, including four full-time term equivalent positions. During the 2007 interim, the LESC heard committee staff testimony on the development of data warehouses nationally and in New Mexico, some of it derived from the Data Quality System Initiative of the Education Commission of the States. Through this presentation, the LESC identified several issues with the New Mexico data warehouse in particular.

- Because the STARS data for school year 2006-2007 were unreliable, during the 2007 legislative session legislative staff had to adjust data from school year 2005-2006 to produce cost estimates for school year 2007-2008.

- PED reported that data had to be collected outside of STARS in order to determine enrollment growth program units and to set the final unit value for school year 2006-2007.

- Even though students in New Mexico PreK have unique student identification (ID) numbers, STARS does not include those students in its database.

- The STARS user guide does not include any security measures or describe who has access to STARS data. According to PED staff, however, if funded in the 2008 legislative session, additional initiatives for STARS will include security administration.

The committee's recommendation, noted below, addresses these issues.

The presentation concluded with PED's demonstration of STARS and with testimony from Artesia Public Schools identifying needed improvements related to software and personnel.

HIGHER EDUCATION DEPARTMENT ID/TEACHER EDUCATION ACCOUNTABILITY REPORTING SYSTEM

Even before the development of STARS, the Legislature, through legislation endorsed by the LESC, implemented several initiatives directed toward providing New Mexico with a single, unified data system that can exchange information within and across pre-K through postsecondary education and allow the state to continue monitoring achievement as students move from place to place through the education pipeline. Most recently, legislation enacted in 2007 (1) requires the Higher Education Department (HED) to use the PED student ID number for students enrolled in higher education in order to facilitate longitudinal research; and

(2) requires PED to collaborate with public teacher preparation programs and HED to create a uniform statewide teacher education accountability reporting system (TEARS) to measure and track teacher candidates from pre-entry to post-graduation in order to benchmark the productivity and accountability of New Mexico's teacher workforce.

The LESC received a presentation describing the work of the Data Sharing Task Force, which HED convened in response to a request from the LESC to plan the implementation of a common P-20 student ID. According to staff testimony, the work is to proceed through three phases:

- Phase 1: extending the student ID system in STARS into higher education to identify public school students with an existing STARS-issued ID and to assign a unique ID for students who enter a public postsecondary institution from outside the public school system or outside New Mexico (to begin July 1, 2008, at a cost of nearly $2.0 million);

- Phase 2: expanding STARS to include higher education data submitted by postsecondary institutions (to begin February 1, 2009, approximately $2.0 million); and

- Phase 3: adding enhancements, such as a common online application for admission to college and electronic transcripting between P-12 and public postsecondary institutions (at an estimated annual cost of $2.3 million, with timeline to be determined).

Regarding TEARS, staff testified that, during the 2007 interim, the secretaries of public education and higher education convened a work group, including the representatives required in statute, to implement the reporting system. The deans and directors of teacher education programs worked with PED and HED staff to refine the report format and to agree upon how the measures listed in statute would be reported. Once the student ID system is implemented, the deans and directors group, assisted by LESC and HED staff, will continue to define the necessary data elements to develop TEARS. Reports are expected to be available for testing with live data during school year 2010-2011, with the first students teaching in a public school four years later, in school year 2014-2015. At that time, TEARS is expected to enhance public school accountability by tracking public school student data from elementary and secondary school through higher education and, in the case of new teachers trained in New Mexico, back into the teachers' classrooms.

Recommendations of the LESC:

- ***Educational Data Warehouse:*** ***Introduce legislation to codify the requirements for a comprehensive P-20 data warehouse (Student Teacher Accountability Reporting System, or STARS) at PED that collects, integrates, and reports data from PED, HED, and other agencies.***

- ***Student ID:*** ***Appropriate funds to PED to integrate the common PED/HED student ID into STARS.***

P-20 INITIATIVE

EARLY EDUCATION

New Mexico PreK External Program Evaluation

Endorsed by the LESC, the *Pre-Kindergarten Act* (2005) established a voluntary program of pre-kindergarten services for four-year-old children offered by public schools, tribes or pueblos, Head Start centers, and licensed private providers. The program created by the act, New Mexico PreK, is jointly administered by the Children, Youth and Families Department (CYFD) and PED. The curriculum, also in law, addresses the total developmental needs of the child and includes aspects of health care, nutrition, safety, the needs of the family, and multicultural and linguistic sensitivity, in coordination with other resources for families. Altogether, the Legislature has appropriated $28.4 million in General Fund revenue to implement New Mexico PreK, including $14.0 million for FY 08, with the funds divided evenly between the two agencies.

The committee examined the components of the external evaluation of New Mexico PreK conducted by the National Institute for Early Education Research (NIEER), at Rutgers University, which had been awarded the contract for a four-year study through a request for proposals that the Office of Education Accountability (OEA) had issued in 2005. The staff testimony also reviewed the findings of a preliminary evaluation that NIEER presented to the committee in December 2006 and noted that the second evaluation report, *Effects of the New Mexico PreK Initiative on Children's School Readiness: Results from 2006-2007*, answered some of the questions raised by the LESC in 2006, particularly in terms of comparing the results of children completing the program with those children just entering the program. However, the second evaluation did not address the committee's request for data disaggregated by approving agency and by program.

According to testimony from NIEER, this second evaluation found that New Mexico PreK has made a statistically significant and meaningful impact on children's early language, literacy, and mathematical development. More specifically, the evaluation found increases in: (1) children's vocabulary equivalent to 54 percent more growth; (2) early math skills equivalent to 40 percent more growth; and (3) children's print awareness, more than doubling growth over the year. These findings, the NIEER testimony explained, are consistent with those from studies of pre-kindergarten initiatives in other states.

New Mexico PreK External Cost Study

Another dimension to the evaluation of New Mexico PreK was a cost-benefit analysis performed by the Early Intervention Research Institute (EIRI) at Utah State University. To put the study into the context of the committee's approach to the 2007 interim, LESC staff testified that, while it is a scientific technique often used to help policymakers make decisions about social programs and while it may rely on the results of empirical research to identify specific benefits, cost-benefit analysis is not in itself empirical research.

Testimony from EIRI explained that the study was based on the benefits identified in the Chicago Child-Parent Center Program study, with weightings adjusted to reflect actual conditions in New Mexico. The dollar amounts attributed to these benefits – in education, child

welfare, juvenile crime, childcare, college attendance, adult crime, earnings, and health care – assume that 70 percent of the approximately 30,000 four-year-olds in New Mexico, or 21,000 children, will participate in New Mexico PreK once the program is fully implemented.

Using an estimated cost per child of $2,961 and an estimated gross benefit per child of $14,811, the EIRI research report and testimony projected that New Mexico will receive $5.00 in benefits for every dollar that the state spends on New Mexico PreK. However, EIRI also projected that full implementation of the program will result in an increase in the cost of K-12 and postsecondary education because more children are likely to remain in the system. Using this information, LESC staff testified that, when this cost is taken into consideration, the estimated net benefit per child is $11,850 and the resulting return on investments is approximately $4.00 for every dollar spent.

Implementation of K-3 Plus

Endorsed by the LESC and enacted by the 2007 Legislature, K-3 Plus is a six-year pilot project that extends the school year in kindergarten through third grade by at least 25 instructional days, beginning up to two months earlier than other classes. Based upon the successful K-Plus model, this project is intended to demonstrate that increased time in kindergarten and the early grades narrows the achievement gap between disadvantaged students and other students, increases cognitive skills, and leads to higher test scores for all participants. Furthermore, the law requires that K-3 Plus be conducted in high-poverty public schools – that is, schools in which at least 85 percent of the students are eligible for free or reduced-fee lunch at the time of application; and it prescribes provisions for personnel and student assessment like those required of K-Plus. In addition to enacting the programmatic legislation, the 2007 Legislature appropriated more than $7.0 million for K-3 Plus for FY 08 in the *General Appropriation Act of 2007.*

The committee examined the procedures that PED used to implement the K-3 Plus program, including issuance of the request for applications (RFA) and a pre-proposal conference held in Santa Fe. For school year 2007-2008, PED funded 54 programs, which are expected to serve more than 5,000 students in 17 school districts throughout the state. Having allocated approximately $3.0 million of the FY 08 appropriation for this purpose, PED issued a second RFA in December 2007 for programs that will begin in June 2008.

Although the program is too new to produce measurable results, additional testimony from principals of two schools implementing K-3 Plus during fall 2007 noted some encouraging signs: for example, students were adjusting more readily to the daily routine of school, and parents were taking a more active role in their children's classes. Both principals also emphasized the importance of good professional development for teachers as a prerequisite to effective implementation of the program. Finally, PED testified about the department's plans to monitor students' achievement through use of the unique student identifier (see "Collection and Use of Data," p. 12).

Full-day Kindergarten

In 2000, New Mexico enacted legislation to implement voluntary full-day kindergarten programs statewide, to be phased in over a five-year period, allowing one-fifth of the kindergarten classes to become full-day each year. As required by law, the programs were first implemented in schools with the highest proportion of students most in need (based on the at-risk index in the

Public School Funding Formula) and in schools with available classroom space. School year 2004-2005 marked the completion of the five-year phase-in; and during school year 2006-2007, according to data submitted by school districts and compiled by PED, virtually all kindergarten children in public schools in New Mexico were enrolled in full-day programs.

From FY 01 through FY 05, the Legislature appropriated more than $50.0 million in operational funds for full-day kindergarten through the Public School Funding Formula. Since then, full-day kindergarten has been fully funded as part of the base Program Cost each year. The Legislature has also provided funding for facilities for full-day kindergarten through the Public School Capital Outlay Council, the General Fund, and the proceeds of two General Obligation Bonds.

The LESC received a report indicating that, although full-day kindergarten has been fully implemented in New Mexico for several years, there is little empirical evidence to indicate whether it has been more effective than half-day programs in increasing student achievement. Data from the Dynamic Indicators of Basic Early Literacy Skills (DIBELS) do show consistent student growth through the kindergarten year, but whether that growth exceeds that of a half-day program cannot be determined because there are no longer any half-day programs for comparison. Moreover, there was no comparative study during the first years of the five-year phase-in.

In the absence of state-level data, staff examined a number of studies of national data. In general, these studies show that full-day kindergarten programs tend to be more effective than half-day programs in terms of student achievement during the kindergarten year. The effects beyond the kindergarten year seem less consistent, however. That is, some studies have found evidence of prolonged benefits while others find either no such evidence or even indications of detrimental effects. Staff testimony also noted that PED's oversight of full-day kindergarten has been limited, consisting largely of annual reports from each program that provide few indications of program quality. With the implementation of STARS, however (see "Collection and Use of Data," p. 12), PED will be able to provide longitudinal results.

Reading in the Primary Grades/Scientifically Based Instructional Materials, HM 109

The LESC has heard presentations on early literacy during every interim since 2001 and has sponsored successful legislation and the appropriation of funds to provide resources for literacy for young students. In 2007, the committee heard testimony on the success of reading initiatives around the state.

The committee's review of data found that, in general, the reading skills of New Mexico's students seem to be improving. The percentage of students at some (but not all) grade levels who are proficient readers has increased over the past two years, and there have been notable gains among primary grade students, particularly Native American, Hispanic, and African-American students and among English language learners, according to the evaluations by the Center for Children and Technology of the Education Development Center (EDC), based in New York City. Relying primarily upon data from DIBELS, the evaluator found not only consistent gains in the skills measured but also a strong correlation between third graders' scores on DIBELS and the standards-based assessments. Staff testimony pointed out, however, that DIBELS data are not entered into STARS and that there has been no longitudinal study of students' reading progress.

The EDC evaluation has focused on the Reading First initiative of NCLB. In brief, Reading First provides assistance to state and local educational agencies to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above by the end of grade 3. Each year, the US Department of Education (USDE) announces Reading First allocations to states with approved applications based on the amount appropriated by Congress and the relative proportion of low-income, Title I-eligible students in each state. During the six-year grant period from federal FY 02 through FY 07, New Mexico has been allocated more than $57.0 million in Reading First funds, which have supported programs in 110 public schools in 36 school districts. Staff testified that Reading First faced a potential 60 percent reduction in funding for federal FY 08.

The LESC also heard the findings of staff-conducted telephone interviews of a sample of districts that identified a number of noteworthy programs; a brief account of reading programs in non-Reading First districts, which, in some cases, show gains like those of Reading First; the Rural Literacy Initiative; the Reading Materials Fund; and House Memorial 109 (2007), *Scientifically Based Instructional Materials*, which requested that the LESC study the PED reading instructional materials adoption process to ensure that only scientifically proven instructional materials are adopted.

Regarding HM 109, staff testimony identified two issues: that PED has not established any standards for the quality of research that publishers submit to support their reading materials; and that available resources designed to assist in the selection of reading programs are all geared toward the primary grades, with no equivalent resources for middle and high school students.

Recommendations of the LESC:

- ***Early Childhood Education: Send a letter to OEA requesting that the state's contract with the National Institute for Early Education Research (NIEER) require that the New Mexico PreK evaluation report include data disaggregated to permit comparisons of programs approved by PED with those approved by CYFD.***

- ***Literacy: Appropriate funds to PED to support the Middle and High School Literacy Initiative created in statute in 2007 to provide scientifically based programs to improve reading proficiency of public school students in grades 6 through 12.***

SCHOOL IMPROVEMENT AND REDESIGN

The School Improvement Framework

Both state law and the federal NCLB provide a series of consequences, or sanctions, for schools that fail to make "adequate yearly progress" (AYP), which is a prescribed degree of improvement, primarily in student achievement, that schools are expected to make each year – not only for their entire student populations but also for certain subgroups of students: economically disadvantaged students, major racial or ethnic groups, students with disabilities, and English language learners. Schools that fail to make AYP for two years in a row are placed in the first stage of the school improvement cycle – School Improvement 1 – and they proceed through the subsequent stages of the cycle until they make AYP for two consecutive years. The ultimate goal of NCLB is that 100 percent of all students, including those in all the subgroups, will be proficient in reading and math by school year 2013-2014.

In August 2007, PED released the school rankings for school year 2007-2008 derived from data generated during school year 2006-2007. According to PED, a total of 444 public schools in New Mexico (55 percent) failed to make AYP; of that total, 380, or 47 percent of public schools, received designations as schools in the school improvement cycle because they had failed to make AYP for at least two years in a row. In addition, PED reported that, for school year 2007-2008, 34 school districts failed to make AYP.

PED's School Improvement Framework for school year 2007-2008 is developed around the Educational Plan for Student Success (EPSS) required of each school and school district. One major difference between the 2007-2008 framework and its predecessors is a new definition of a "priority school" as any school at any stage in the school improvement cycle, in contrast to more restrictive definitions in previous years. Thus, the number of "priority schools" has increased from 79 in school year 2005-2006 to 380 in school year 2007-2008. Another difference between the 2007-2008 framework and its predecessors in the department's focus on systemic reform rather than piecemeal efforts. As for resources, with state and federal appropriations combined, PED received more than $11.2 million for school improvement efforts in school year 2006-2007 and more than $8.7 million for school year 2007-2008.

The LESC also examined a number of measures that might indicate the effectiveness of the School Improvement Framework in helping schools improve and exit the school improvement cycle, among them changes in student test scores and the progress of schools through the school improvement cycle. Overall, the indications present a mixed picture, more suggestive than conclusive. For example, there have been increases in student reading proficiency in some grades but decreases in others; and several schools in the school improvement cycle made AYP for a single year but only one of the original 79 priority schools made AYP for two years in a row and thus exited the school improvement cycle altogether.

The presentation concluded with PED testimony about another dimension to the improvement issue: school districts in need of improvement. Many of the circumstances are similar to those applicable to schools in need of improvement. One significant difference, however, is that the state must take corrective action if the district does not make AYP by the end of the second full school year that it has been identified for improvement. With 34 districts at the School Improvement 2 stage during school year 2007-2008, PED has not yet had to impose any of these corrective actions; but if the districts do not improve they will become subject to such interventions as having PED defer programmatic funds or reduce administrative funds, implement a new research-based curriculum, or remove individual schools from the jurisdiction of the district and arrange for their governance and supervision.

Promotion, Retention, Remediation, and Next Step Plans: Keeping Students on Track for High School Graduation

At least since the 1990s, the LESC has been interested in issues surrounding the promotion, retention, and remediation of students in public schools. More particularly, in 2000, LESC-endorsed legislation was enacted to change policy regarding remediation and retention to focus more directly on providing appropriate services and interventions to students who are not achieving at grade level.

The committee examined data illustrating the scope of the student retention issue in New Mexico and some of the strategies being employed in New Mexico public high schools, supplemented by information from a survey of school district and charter school administrators, to improve students' academic proficiency and to keep them on track to graduate on time. These strategies include early interventions and parent notification, remediation programs and services, and opportunities for credit recovery, as well as the Next Step Plans required by law to help students plot out a high school pathway to graduation and postsecondary education or employment.

Additional testimony came from the Superintendent of Los Lunas Public Schools, who provided the committee with an example of how one public school district is addressing issues of high school attrition and retention through remediation, curricular change, and student support strategies integrated into data-driven district-wide reform. Among the positive results so far, according to this testimony, are an increase in enrollment in 10th grade, a decrease in the number of ninth graders retained, and an increase in the number of students enrolling in honors and pre-Advanced Placement courses.

The American Diploma Project and High School Assessments

Among its provisions, the 2003 education reform legislation required that high school curricula and end-of-course tests be aligned with the placement tests administered by two- and four-year public postsecondary institutions in New Mexico. In 2006, to facilitate the efforts toward alignment that had been made by a joint HED/PED task force, New Mexico joined the American Diploma Project (ADP), a national initiative of Achieve, Inc. to increase the value of the high school diploma by engaging states in raising the rigor of their high school standards, assessments, and curriculum. To support the state's participation in ADP, the 2007 Legislature appropriated $50,000, as endorsed by the LESC. By participating in the ADP, New Mexico made a commitment to take the following four actions:

- align high school standards and assessments with the knowledge and skills required for success after high school;
- require all high school graduates to take challenging courses that actually prepare them for life after high school;
- streamline the assessment system so that the tests students take in high school can also serve as readiness tests for college and work; and
- hold high schools accountable for graduating students who are ready for college or careers, and hold postsecondary institutions accountable for students' success once enrolled, based on the development of a statewide longitudinal P-20 student data system.

The LESC examined New Mexico's progress in meeting these four commitments and the work of the 13-member state Alignment Team formed in March 2007, as well as the smaller state Leadership Team, whose members provide policy-level guidance to the alignment initiative. This examination focused on the progress during the 2007 interim toward aligning revised high school mathematics standards with the entry level expectations for college algebra and toward aligning New Mexico's English/language arts standards with those of the ADP. The committee also reviewed the requirements enacted in 2007 to increase the rigor of the high school

curriculum; reviewed the changes to the state's assessment system also enacted in 2007, including the creation of a college and workplace readiness assessment and the phasing out of the High School Competency Examination; and noted the progress toward developing a longitudinal data system (see "Collection and Use of Data," p. 12).

Addressing the assessment system in particular, PED testimony focused first on the work of the High School Assessment Workgroup and its development of the features of the high school assessment system. This testimony proceeded to describe in detail the three parts of the approach required by the high school redesign legislation enacted in 2007:

- the locally administered diagnostic assessment in grade 9, intended to provide data for teachers to support instruction and for administrators to monitor student progress;

- the state standards-based assessment (SBA) in grade 10, intended to replace the current grades 9 and 11 SBAs and to measure mastery of high school content standards; and

- the locally administered college and workplace readiness portfolio, aligned with New Mexico's career clusters and intended to assess student readiness for postsecondary education and the workplace.

Mathematics and Science Education

In both New Mexico and the nation as a whole, policymakers and educators alike are concerned about student proficiency in mathematics and science. At the federal level, this concern appears in recent legislation intended to enhance instruction in math and science (the *America COMPETES Act* and the *College Cost Reduction and Access Act*). At the state level, student assessment data from school years 2004-2005, 2005-2006, and 2006-2007 show that, despite some improvements, levels of proficiency among New Mexico students in mathematics and science remain low. To address this issue, the Legislature has taken a number of LESC-endorsed initiatives, including the creation in 2006 of the Mathematics and Science Bureau in PED, the enactment in 2007 of the *Mathematics and Science Education Act* was enacted in 2007 to emphasize New Mexico's commitment to improving mathematics and science education in the state, and high school redesign legislation (also enacted in 2007) that, among other provisions, requires a fourth year of mathematics at the Algebra II level or higher and lab components in two of three required science courses for freshmen entering high school in school year 2009-2010.

Another LESC-endorsed initiative that the Legislature has supported, with $1.7 million in 2006 and $2.5 million in 2007, is summer reading, mathematics, and science institutes for teacher professional development. The 2006 appropriation funded 14 providers who served more than 2,300 teachers from 58 school districts. The 2007 appropriation funded 16 providers (participation data in these institutes to be available at the end of FY 08). Staff from the Mathematics and Science Bureau have been attempting to assess New Mexico Standards Based Assessment scores of students whose teachers participated in the FY 07 institutes; however, bureau staff have been unable to access student information linked to teachers in STARS.

The committee also reviewed the results of an LESC survey of public high school principals and charter school administrators intended to identify school-level needs for implementing the high school redesign requirements noted above. With 68 of 158 schools responding, the survey

showed that, among other circumstances, approximately 90 percent of the schools are currently offering courses that would meet the mathematics and science requirements; one-half of the schools will need additional mathematics teachers; and approximately one-third of the schools will need additional science teachers or science laboratory facilities.

Dual Credit Progress Reports

Enacted in 2007, LESC-sponsored legislation provides a dual credit program that allows high school students to enroll in college classes and earn credit toward high school graduation and a postsecondary degree or certificate simultaneously. One purpose of this legislation is to standardize formerly inconsistent arrangements throughout the state, thereby providing equal access to dual credit opportunities to all public school students in New Mexico. To accomplish this purpose, the legislation defines the program, establishes student eligibility criteria, provides a uniform funding mechanism, requires uniform administrative procedures, requires HED and PED to promulgate rules to address certain details of the program, and requires HED and PED to evaluate the effects of the program upon the students and institutions involved. The program is to be fully implemented by the beginning of school year 2008-2009.

On two occasions during the 2007 interim, the committee heard reports on the progress toward implementation. During the first one, the LESC reviewed the work of the Dual Credit Task Force and its development of the Uniform Master Agreement that will govern the dual credit arrangements between secondary and postsecondary institutions. Other topics included the drafting of agency rules, the issues involved in collecting reliable and consistent data, certain limitations regarding student eligibility and the semesters in which dual credit classes may be offered, and HED's proposed adjustment to the higher education funding formula to encourage postsecondary institutions to waive tuition for students participating in the dual credit program. Testimony from HED also stressed the importance of dual credit in establishing P-20 alignment and in increasing the rigor of high school curricula.

The second report, in written form, updated points from the first one: the public hearing on the new rules, submission of the rules to the State Records Center in December, and additional efforts toward uniform data collection. Scheduled to be published and effective early in 2008, the identical HED and PED rules, together with the legislation, will provide the structure for uniform dual credit agreements throughout the state. These rules will likely be amended before fall 2008, however, once certain outstanding issues are resolved, among them the ratio of college credit hours to high school credits earned for core courses. Collection of accurate and consistent data will also begin in fall 2008 once dual credit students begin completing the prescribed application form as part of the Uniform Master Agreement.

Career Clusters

The developing state and national framework for public education involves school curricula that combine academic and technical skills in order to prepare students to enter the workforce. Part of this framework is the career cluster, a grouping of occupations from one or more industries that share common skill requirements. Career clusters provide a way for schools to organize instruction around broad categories that encompass virtually all occupations from entry through professional levels.

At the national level, in 1999 the Office of Vocational and Adult Education in the USDE adopted 16 career clusters. In New Mexico, the Governor's Workforce Coordination and Oversight Committee has incorporated these 16 into seven New Mexico-specific career clusters, which were developed in conjunction with PED and industry leaders. In addition, the 2007 Legislature, as a part of high school reform, amended statute to place a greater emphasis on ensuring that students graduate from high school ready for college and the workplace.

The committee reviewed the development of career clusters at the national and state levels and the history of federal legislation and funding that have supported career, technical, or vocational education. Testimony to the LESC suggested that PED develop an evaluation design and system of data collection and analysis to determine whether the seven New Mexico career clusters are serving their intended purpose of providing students with the skills necessary for success in college or the workplace.

Other testimony came from the Director of Workforce Education at HED, who provided a status report on the new HED Workforce Education and Career Clusters Division and the continuing development of the state's career cluster initiative, including the identification of specific program offerings by each postsecondary institution with the seven career clusters. Also testifying was an associate superintendent at Albuquerque Public Schools, which has fully implemented two career clusters: health and biosciences; and engineering, construction, and manufacturing. In this case, the schools that implemented career clusters showed decreases in dropout rates as well as increases in both attendance and graduation rates.

Recommendations of the LESC:

- ***Dual Credit Program:*** ***Amend statute relating to the student eligibility criteria in the dual credit program: (1) to include students at the state-supported schools; and (2) to allow students to take classes for dual credit during the summer term.***

- ***Student Advisement:*** ***Amend statute to require PED and HED to collaborate, in consultation with higher education and public school personnel and others, to develop a plan for improved and expanded student advisement beginning in grade 6 using the Next Step Plan process, so all students can make informed choices about future education and careers; and appropriate funds to PED to develop the plan.***

- ***Advanced Placement:*** ***Include language in the*** **General Appropriation Act** ***stating that the funds appropriated for Advanced Placement (AP) include $400,000 to Eastern New Mexico University to provide high-quality curricula in kindergarten through grade 6 to prepare students for pre-AP and AP in grades 7 through 12.***

- ***11th Grade Exit Examination:*** ***Include language in the*** **General Appropriation Act** ***to authorize expenditure of the FY 08 $1.5 million appropriation to PED for the 11th grade exit examination through FY 09.***

- ***21st Century Community Learning Centers:*** ***Include language in the*** **General Appropriation Act** ***to require that $1.5 million of the FY 09 appropriation for the after-school enrichment program be allocated to the 21st Century Community Learning Centers statewide that in school year 2007-2008 are in their final year of eligibility for federal funding.***

- ***New Mexico School for the Arts:*** ***Amend statute to authorize the creation of a state-chartered, statewide residential high school for the arts to provide intensive pre-professional and professional training for students with demonstrated artistic abilities and potential; appropriate funds for expenditure in FY 08 and FY 09 to support planning and start-up activities prior to the opening of the school; and include an emergency clause.***

HIGHER EDUCATION

The LESC has always been interested in certain aspects of higher education, particularly in terms of the committee's statutory duty to study teacher preparation programs. Moreover, since the 2001 interim the committee has focused on the P-20 Initiative, which includes educational levels from preschool to postsecondary. As a continuation of this interest during the 2007 interim, the committee heard testimony on the topics noted below.

Higher Education Department Report

Testimony from the Secretary of Higher Education outlined some of the challenges facing New Mexico and the nation in terms of postsecondary education. At the international level, the United States, which had led the world in educational attainment, has now slipped to eighth place, behind Canada, Japan, Korea, Sweden, Belgium, Ireland, and Norway. At the national level, New Mexico ranks 46th among the 50 states in the number of students who begin the 9th grade and eventually graduate from college. Out of 100 students who enter the 9th grade, only 12 New Mexicans graduate from college, compared to the national average of 20; and the national average is below the level necessary for the country to remain competitive in the global economy. New Mexico in particular, the Secretary emphasized, must raise the educational attainment of its citizens if the state hopes to attract technical and industrial jobs, most of which require some postsecondary education.

The Secretary further testified that HED and PED must work together to improve both high school and college graduation rates. Recent legislative initiatives provide good opportunities for collaboration: for example, the Statewide Cyber Academy (see "Educational Technology," p. 30) the dual credit program, and the creation of a data system that will allow the state to follow and analyze student progress from public school to higher education. The Secretary of Higher Education concluded his testimony with a discussion of several policies and actions that would contribute toward a seamless postsecondary education system.

UNM-Rio Rancho Campus: Progress Report

One of the goals of HED's strategic plan (presented to the committee in December 2006, in response to a requirement in the *Higher Education Act*) is to improve collaboration between two- and four-year institutions to create programs that increase the number of educational opportunities for all New Mexicans, a goal that the LESC has always supported. During the 2007 interim, the presidents of the University of New Mexico (UNM) and Central New Mexico Community College (CNM) provided a progress report on the projected UNM-Rio Rancho campus and the collaboration between their institutions, as well as among other institutions of higher education, to develop a new campus in the Rio Rancho community to serve a rapidly growing area of the state.

The President of UNM testified that he and the UNM Board of Regents are committed to developing the vision, curriculum, and programs for UNM West (Rio Rancho campus), which will serve the needs of the community and enhance the overall strength and vitality of UNM. He further testified that the most efficient and cost-effective way to meet this goal is to make effective use of institutional partnerships, such as the memorandum of understanding between UNM and CNM and a planned partnership between UNM and New Mexico State University (NMSU) to use NMSU programs in nursing, the hospitality industry, and agricultural sciences.

In her testimony, the President of CNM expressed commitment to work with the Rio Rancho community in developing the new campus and acknowledged a number of legislative initiatives that have supported this collaboration, among them the statutory name change from Albuquerque Technical-Vocational Institute to Central New Mexico Community College; provisions for an election in November 2007, which allowed the CNM tax district to include northern Rio Rancho; and the numerous initiatives, like the dual credit program, that encourage and support partnerships between K-12 and higher education.

Developmental Coursework (Remediation) in Higher Education

Continuing a topic first addressed during the 2006 interim, the LESC heard testimony on the issue of developmental coursework assigned to students in institutions of higher education in New Mexico. This testimony addressed the costs and benefits of remedial courses, the numbers of students involved, and initiatives to reduce the need for remediation in the context of current policy efforts toward redesign and realignment of public education.

Testimony from the Office of Education Accountability (OEA) focused on the OEA report *Ready for College 2007: A Report on New Mexico High School Graduates Who Take Remedial Classes in New Mexico Colleges and Universities*, which examined baseline data derived from 63,832 high school graduates over a period of seven years. Among the highlights of the report:

- in the fall 2006 semester, 49.3 percent of recent high school graduates took one or more remedial courses in literacy or numeracy when they enrolled as freshmen in a New Mexico college or university;

- the percentage of minority students, Native Americans in particular, taking remedial classes has increased, while the percentage of white students taking remedial classes has decreased;

- among New Mexico's high schools, the percentage of graduates who needed remediation ranged from a high of 85.8 percent to a low of 17.9 percent; and

- the effects of the high school reform and redesign legislation from 2007 upon the need for remediation will not be fully evident until 2014 or later, when students currently in grade 6 enroll in college.

Adding to the data revealed in the OEA study, LESC staff testified that the placement of students in remedial courses in New Mexico varies greatly across institutions because of the variety in assessment instruments and methods and because of the wide range in the cut scores used for placement. Staff testimony also noted the difficulty of estimating the cost of remediation either in New Mexico or in the nation because the costs of such components as salaries, classroom space, and support services vary across institutions and because postsecondary institutions are not consistent in their definition of the term *remedial*. Even so, one national estimate is nearly $1.3 billion each year; and annual cost estimates for New Mexico alone have ranged from $1.2 million to $9.8 million.

The LESC also reviewed findings from a series of interviews with higher education administrators and research staff about initiatives to improve students' preparation for college.

Recommendations of the LESC:

- ***Postsecondary Opportunities for American Indian Students: Introduce legislation to improve postsecondary opportunities for American Indian students; create a new division within HED; establish a non-reverting American Indian Postsecondary Education Fund; and appropriate funds from the General Fund to HED.***

- ***Postsecondary Reporting to High Schools: Introduce legislation to require New Mexico public postsecondary institutions to report annually to New Mexico public high schools on their students who enroll within three years of graduating or leaving the high school, regarding freshman year outcomes, including remedial courses taken, total credits earned, grade point averages, and retention from first to second semester.***

EDUCATOR QUALITY

PROFESSIONAL DEVELOPMENT

Enacted in 1999, LESC-endorsed legislation required PED to develop a professional development framework to provide training to teachers and principals to enhance student achievement. Amendments to this legislation in 2003 created the Teacher Professional Development Fund as a non-reverting fund administered by PED; the amendments also established criteria for applying for funds and guidelines for developing activities. The final PED rule to implement the professional development framework became effective on July 30, 2006.

The LESC learned about several issues related to the professional development framework. For example, while the framework requires each school district to submit its annual EPSS for PED approval, the department does not monitor implementation of the EPSS except in schools and districts in the school improvement cycle (see "The School Improvement Framework," p. 17). Nor does the department require school districts to provide the results of evaluations of their professional development activities, only such information as date, content, and the trainer scheduled to provide the activities.

To determine how school districts evaluate the professional development that they offer, the committee reviewed the results of a survey that LESC staff sent to all 89 district superintendents. With a limited response (25 of 89 districts, or 28 percent), the surveys identified such measures as short-cycle assessments, DIBELS results, and standards-based assessments; the surveys also identified such practices as classroom walk-through observations, teacher peer or team observations, staff feedback, portfolios, customer satisfaction surveys, and instruments used to measure student progress.

The committee also examined the allocations from the Teacher Professional Development Fund and reviewed the sources of funding for professional development: state, federal, and private. Altogether, the committee found, it appears that over $45.0 million will be spent for educator professional development in FY 08 alone; and that figure is likely an underestimate since significant amounts of federal funds, as well as state operational and other funds spent through contractual services, could not be easily identified because the Public School Chart of Accounts is not designed to track expenditures for professional development specifically (see "Three-tiered Educator Licensure and Evaluation System: LESC/LFC/OEA Review," p. 26).

Additional testimony came from two school districts. Gadsden Independent Schools testified about the importance of tying professional development plans to needs identified in the EPSS, with particular attention to meeting the needs of students in the NCLB subgroups (see "The School Improvement Framework," p. 17). In its testimony, Las Cruces Public Schools provided a research packet containing material on successful schools, human motivation, and objectives that educators set for students.

THREE-TIERED EDUCATOR LICENSURE AND EVALUATION SYSTEM: LESC/LFC/OEA REVIEW

The LESC's investigative approach to education issues during the 2007 interim took a different turn when LESC staff collaborated with staff from the LFC and OEA in an examination of the three-tiered teacher licensure, salary, and evaluation system, producing a report titled *New Mexico's Three-Tiered Teacher Licensure System: Current Results & Future Challenges.* Enacted in 2003 as a component of the comprehensive public school reform legislation, this system had two primary purposes: to address a teacher shortage that had been identified in the late 1990s and to enhance student achievement. Thus, the study assumed two major objectives:

1. examine the impact of the Three-tiered Teacher Licensure System on the recruitment and retention of high-quality teachers; and

2. explore the impact of the Three-tiered Teacher Licensure System on schools and student academic achievement.

The committee's examination of this issue began with an overview of the Three-tiered Teacher Licensure System, with particular attention to the professional development dossier (PDD), which is the principal requirement for advancement from one licensure level to the next.

Regarding the teacher shortage, the committee found that the three-tiered system has improved the retention of teachers, particularly for teachers in their first three years of teaching, according to a comparison of results from a survey administered in 2001 with a survey administered as part of the present study. In addition, the percentage of teachers on waivers has declined from approximately 10 percent in 2001 to approximately 1.0 percent in 2007; and approximately 64 percent of district officials responding to the 2007 survey felt that the three-tiered system has helped with recruiting and retaining teachers. Despite improvements in retention overall, however, districts reported that they continue to face challenges finding teachers in particular areas: bilingual education, math, science, and special education.

The impact of the three-tiered system on schools and student academic achievement was more difficult to ascertain. While the system does address student achievement, the focus is more on describing or documenting it through the PDD than providing consequences for teachers according to the achievement of their students. Nor does the system provide a means to link teacher quality with school performance or student achievement. And even if such a link were possible, it would not necessarily reflect on the three-tiered system because, as the study showed, only approximately 11 percent of New Mexico's teachers have earned their licenses through the full system, including the PDD. The report discussed one means of making this link – the use of a value-added model – but also cautioned that some aspects of effective teaching are more qualitative than quantitative. Finally, the report raised questions about certain teacher credentials and the kind and amount of assistance that teachers receive from their districts in preparing their PDDs.

Regarding the three related topics, the study found that:

- while the PDD process is generally efficient, it operates contrary to state law in that a private vendor receives and expends licensure fees submitted by teachers;

- there is little alignment between the three-tiered system and spending on professional development for teachers, nor is there comprehensive information on professional development spending, either at PED or the local district; and

- there is an increasing need, both in New Mexico and the nation as a whole, to focus on the recruitment, preparation, mentoring, evaluation, professional development, and general support for effective school leaders as well as for high-quality teachers.

TEACHER MENTORSHIP PROGRAM

Since 2001, when LESC-endorsed legislation was enacted to establish a framework for a beginning teacher mentorship program in law for all new teachers, state law has recognized the importance of teacher mentorship "to provide an effective transition into the teaching field; ensure success in teaching; improve student achievement; and retain capable teachers in the classroom." The 2003 implementation of the three-tiered teacher licensure system made participation in a mentorship program a requirement in law for all Level 1 teachers to be eligible for advancement to Level 2 and made service as a mentor one of the duties that Level 3 teachers may assume as part of their increased leadership responsibilities. An amendment in 2005 extended the duration of the provisional Level 1 teaching license from three years to five years, thus allowing more time for beginning teachers to develop their skills. Then in 2007, LESC-endorsed legislation amended the mentorship law to require teacher preparation programs to work with colleges of arts and sciences and high schools to develop a model to provide mentorship services to each of their graduates teaching in New Mexico public schools and to report their recommendations to the LESC. Since 2000, the Legislature has appropriated approximately $8.1 million altogether for beginning teacher mentorship.

In its examination of this topic, the committee noted several findings suggesting limited attention to mentorship by both PED and local school districts. Among these findings:

- PED has not developed a framework for mentoring or updated department rules to align with changes in the mentorship law;

- PED records show that the department has not reviewed or evaluated the district mentorship programs since implementation of the law;

- an LESC review of district mentorship program plans submitted to PED in 2002 found that the programs vary in scope and specificity and that it is unclear whether districts evaluate them regularly; and

- it appears that PED does not have accurate numbers of teachers who received mentoring, nor does the department collect the names of teachers mentored or the type of mentoring they received, precluding any state-level evaluation of the effect of mentoring on teacher retention or other factors.

Staff testimony concluded with an account of the work toward developing a model mentorship program as required in the 2007 legislation. In June 2007, PED and HED formed the Mentorship Task Force with membership as prescribed in law, except for limited representation by deans of colleges of arts and sciences. The overall outcome was that participants are "drawing nearer to a proposed model," having agreed that a study of existing programs must be completed first and that the model is likely to include such features as web-based support, supplemental mentoring, regionalization, and direct clinical supervision.

INSTRUCTIONAL SUPPORT PROVIDER SALARIES, SM 67

Senate Memorial (SM) 67 (2007), *Study Instructional Support Provider Salaries*, requested that the LESC, the Department of Finance and Administration (DFA), and PED, with input from the various instructional support provider associations, study the cost of providing a three-tiered salary structure for all instructional support providers and report the results to the LESC and the Legislative Finance Committee (LFC). The issue has been brought to the attention of the LESC during previous interims when representatives of several instructional support provider groups asked the committee to consider supporting legislation to create a career ladder and salary system for instructional support personnel. Current statute allows PED to provide a professional licensing framework for instructional support providers; but legislation introduced in each session since 2005 to require the same minimum salaries as the three-tiered system for teachers – $30,000 for Level 1, $40,000 for Level 2, and $50,000 for Level 3 – has never passed.

As defined in the *Public School Code*, the term *instructional support provider* includes such positions as counselors, nurses, psychologists, educational assistants, social workers, and a number of therapists, diagnosticians, and similar professions such as speech-language pathologists. The 2007 Legislature appropriated funds to provide not only an average 5.0 percent salary increase for all public school personnel but also an additional average 2.0 percent salary increase for instructional support providers whose full-time salaries are below $60,000. Considering this appropriation and using data provided by PED and OEA, LESC staff testified that the cost of implementing a three-tiered salary structure, if no additional salary increase is provided for FY 09, would be approximately $3.2 million. If a 2.0 percent salary increase is assumed, the estimated cost drops to approximately $2.8 million.

Additional testimony came from OEA, describing the activities of the work group responding to SM 67; and from representatives of instructional support provider associations, who discussed licensure requirements, their roles in the public schools, and the benefits that they provide to students and schools. These representatives also stated that they did not intend to pursue legislation in the 2008 session.

Recommendations of the LESC:

- ***Annual School Personnel Development Reports:*** ***Amend the Professional Development Framework to require PED, in conjunction with public school districts and charter schools, to provide an annual report to the LESC and the LFC regarding all professional development activities, regardless of funding source; and to make any changes to the system of accounting and budgeting for all public schools and school districts necessary to fulfill this requirement.***

- ***Professional Development Dossier:*** ***Introduce legislation to define the professional development dossier (PDD) as a requirement for advancement to Level 2 and to Level 3 in the three-tiered teacher licensure system and to require PED to exercise more oversight of the PDD process, including such components as the selection and training of PDD reviewers.***

- ***Educator Licensure Fund:*** ***Amend statute to clarify that money in the Educator Licensure Fund is subject to the annual legislative appropriation process and that the money in the fund may be used to cover costs of licensing educators, including costs associated with evaluating and processing licensing applications and PDDs, conducting background checks, and enforcing educator ethics requirements.***

- ***School Principal Recruitment and Mentoring:*** ***Introduce a memorial requesting that OEA, PED, and HED, in collaboration with institutions of higher education and school districts, develop a plan, to be reviewed by the LESC, to enhance the recruitment, preparation, mentoring, evaluation, professional development, and support for school principals and other school leaders in order to ensure an adequate supply of effective school leaders.***

- ***School Staff Shortage Issues:*** ***Introduce a memorial requesting that OEA and PED examine issues related to turnover and emergencies resulting from shortages of counselors, nurses, and other professional instructional support personnel in public school districts and charter schools and report their recommendations to the LESC, to ensure students have adequate services to address their needs.***

- ***Professional Development Fund:*** ***Include language in the*** **General Appropriation Act** ***to authorize PED to expend funds appropriated to the Professional Development Fund for multi-year contracts.***

FUNDING FORMULA STUDY TASK FORCE

At least since 2001, the LESC has heard concerns about a number of issues related to the Public School Funding Formula, including the alignment of the Training and Experience (T&E) Index with the three-tiered licensure system for teachers, recognition of instructional support providers, and the fiscal difficulties faced by school districts with a membership of 200 or fewer. After repeated appropriations to fund a study of the formula were vetoed, the LESC endorsed successful legislation in 2005 to create the Funding Formula Study Task Force and in 2006 to extend the term of the task force through December 2007. Also in 2006, the Legislature appropriated $500,000 for an independent study of the funding formula. As specified in current law, the study of the Public School Funding Formula was a three-year process scheduled to culminate in December 2007. During the 2007 interim, the LESC heard two updates on the study and a presentation of the recommendations for the Legislature and the Governor to consider in the 2008 legislative session.

Taken together, the two updates reviewed the history of the Public School Funding Formula and the numerous amendments to it since implementation in 1974; described the work of the contractor, the American Institutes for Research, including the use of six professional judgment panels (PJPs) to propose resources to meet the goals of the study and the role of the Project Advisory Panel in reviewing and refining the deliberations of the PJPs; summarized the discussions of possible revenue sources; identified the factors that a revised and simplified funding formula must take into account; and summarized the discussions of these factors as well as the means to address them:

- student needs (poverty, English language learners, special education, and mobility);

- differential costs across elementary, middle, and high schools, including alternative schools and charter schools; and

- school and district size.

At the final committee meeting in January 2008, the task force presented its recommendations, which were based on the premise that schools and districts should be ensured resources that are sufficient to provide a comprehensive instructional program designed to meet the needs of all students. These recommendations include tying each school's and district's budget to its Educational Plan for Student Success to provide accountability and delaying implementation of the new formula until FY 10, to allow PED, school districts, and charter schools a year to plan for the changes. Beginning in FY 10, provided that funding is available, the proposed formula will be phased in over a three-year period.

Recommendations of the LESC:

- ***Public School Funding Formula:*** ***Amend statute to phase in a new public school funding formula that:***
  - ***incorporates four measures of student need, namely poverty, English language learners, special education, and mobility;***
  - ***recognizes costs associated with school district size and school size; and***
  - ***is based on the concept of educational sufficiency in that it enables schools and districts to provide a comprehensive instructional program designed to meet the needs of all students.***

EDUCATIONAL TECHNOLOGY

STUDENT ACHIEVEMENT & FUNDING OF EDUCATIONAL TECHNOLOGY: VISIT TO RIO RANCHO CYBER ACADEMY AND DEMONSTRATION OF EDUCATION TECHNOLOGY PROGRAMS

Enacted in 1994, the *Technology for Education Act* was intended to provide sustained support for telecommunications and educational technology and to establish a strategic plan and funding strategy for the development and maintenance of an effective technological infrastructure for all learners in New Mexico. The act created the Education Technology Bureau within PED, established the Council on Technology in Education (CTE), and created the Educational Technology Fund, which provides for distributions on a per-student membership basis of educational technology funds to school districts. As recommended by the LESC, the 2007 Legislature made several amendments to the act regarding criteria for the allocation of funds, as well as the duties of the bureau and the council; and appropriated funds to support the scheduled replacement of functionally obsolete computers and network hardware in accordance with the state technology plan and to correct deficiencies in the education technology infrastructure. During the 2007 interim, the LESC heard a presentation on several aspects of educational technology in New Mexico.

One of the issues that emerged is that, contrary to the provisions in law, PED has in numerous instances allocated money from the Educational Technology Fund to school districts and charter schools even though those school districts and charter schools did not have an approved educational technology plan in place. Another is that, according to a recent report by the National Conference of State Legislatures, a definitive relationship between computer use and student achievement is difficult to identify and quantify because the link may depend on how the technology is used as well as how achievement is defined and measured.

Funding for educational technology from both state and federal sources since FY 00 has totaled approximately $340.0 million, including approximately $37.8 million for FY 08. State funding since FY 00 totals approximately $150.0 million, including approximately $35.9 million for FY 08. Two major federal initiatives – Enhancing Education through Technology and the Universal Service Fund (E-rate) – have provided New Mexico with approximately $189.3 million in educational technology funding and discounts on telecommunications services and infrastructure.

The presentation concluded with the LESC's visit to the Rio Rancho Cyber Academy, where the committee observed students engaged in online learning.

IDEAL-NM AND THE STATEWIDE CYBER ACADEMY – DEMONSTRATION OF ONLINE LEARNING COURSE

Another component of educational technology in New Mexico is the Innovative Digital Education and Learning-New Mexico (IDEAL-NM) initiative, created through legislation endorsed by the LESC and enacted in 2007. IDEAL-NM is a cooperative effort between PED and HED that, through the Statewide Cyber Academy operated by PED and HED, will allow all public middle and high schools to acquire eLearning courses for their students, with an initial emphasis on serving rural districts. The later phases will implement eLearning services that focus on higher education, workforce development, and the provision of professional development for employees of public school districts and state agencies. To support the initiative, the 2007 Legislature appropriated approximately $7.6 million.

In response to an LESC request about the FY 08 appropriations to implement IDEAL-NM and the Statewide Cyber Academy, HED and PED worked with LESC staff to identify for the committee the portions of the approximately $7.6 million that had been expended or encumbered or that remained. Also in response to a committee request about FY 09 funding levels, PED requested $2.79 million in recurring funds and HED requested $2.50 million in recurring funds.

In addition to examining these allocations from the appropriation, the committee also reviewed the responsibilities of school districts as they implement the Statewide Cyber Academy. Students who enroll in cyber academy courses will remain students in their local school districts, as specified in law and in the distance learning regulation. Maintaining student transcripts, testing, and STARS data remains the responsibility of the district, which is also responsible for online support of the student. In addition, the school district must provide cyber academy students with the necessary internet connection and computers to participate in online courses. Staff testimony also indicated that the implementation of IDEAL-NM is behind schedule, with full implementation expected in school year 2008-2009 rather than school year 2007-2008, as originally planned.

To assess awareness of the implementation and course offerings of the Statewide Cyber Academy, LESC staff conducted a survey of high school principals. Through a limited response rate (26 percent), the survey illustrated interest in the initiative but a lack of awareness and a desire for more information, although some school districts were already involved in distance learning.

The presentation concluded with a demonstration of a synchronous eLearning system housed at New Mexico State University and a demonstration of an online learning course.

FISCAL ISSUES AND RISK MANAGEMENT

NEW MEXICO PUBLIC SCHOOL INSURANCE AUTHORITY

The *Public School Insurance Authority Act* (1986) created the New Mexico Public School Insurance Authority (NMPSIA) to serve as a purchasing agency for public school districts, postsecondary educational entities, and charter schools. Currently, NMPSIA provides health and risk insurance coverage for 88 of New Mexico's school districts (Albuquerque Public Schools excepted) and all of its charter schools. Each year, the Legislature appropriates funds to the State Equalization Guarantee Distribution (Public School Funding Formula) to fund increases in the employer's group insurance contribution rate for member school districts and charter schools participating in NMPSIA.

During its 2007 budget request to the LESC for FY 09, NMPSIA raised two points about the reimbursement of school districts' costs from due process hearings related to the federal *Individuals with Disabilities Education Improvement Act* (IDEA). The first was that the risk program request did not include premium increases resulting from due process reimbursements incurred by school districts or charter schools as authorized in legislation enacted in 2007. The second came from the General Counsel for NMPSIA, who questioned whether these reimbursements are actual insurance claims or, instead, costs of providing a free and appropriate public education. Rather than requiring the NMPSIA board to collect due process reimbursement premiums, as the 2007 legislation does, the NMPSIA General Counsel suggested that the Legislature consider providing an annual appropriation to NMPSIA to reimburse school districts and charter schools for such claims.

ALBUQUERQUE PUBLIC SCHOOLS FUNDING: LFC REVIEW

During the 2007 interim, the Legislative Finance Committee (LFC) performance auditors conducted a review of Albuquerque Public Schools (APS) to address a number of financial and performance issues related to three memorials passed by the 2007 Legislature:

- SJM 59, *Albuquerque Public Schools Audit*, requesting an audit of APS to determine the district's classification of expenditures in the public school chart of accounts and the amount of the district's budget for administration and for direct instruction;

- SM 37, *Albuquerque School District Audit*, requesting an examination of the district's use of state and federal funds for schools with high dropout rates and other indicators of large at-risk student populations; and

- SJM 19, *Study Teacher Attendance & Substitutes*, requesting an examination of the use of substitute teachers and options for improving teacher attendance in the classroom.

The LFC review also included an examination of the district's special education funding through the Public School Funding Formula and of the actuarial health of the district's self-insured benefits and risk programs; and the study identified a number of issues and made a number of recommendations:

- In terms of SJM 59, *Albuquerque Public Schools Audit*, the LFC review found that the district's accounting system properly categorizes expenditures through a crosswalk of account information with the state's Public School Chart of Accounts and that, in FY 07, the district expended approximately 62.4 percent of its budget in instruction and the remaining 37.6 percent in other functions. The LFC auditors recommended that APS review and align internal department titles with account names to avoid confusion in the categorization of accounts in the chart of accounts.

- In terms of SM 37, *Albuquerque School District Audit*, the LFC auditors found that, for FY 06 and FY 07, high-poverty schools did not spend all their federal Title I funds to improve the success of low-income, bilingual, and special education students. Among their recommendations, the auditors called for an increase in operational funds for direct instruction to enable schools to meet the needs of high-risk students and a study of the impact of teacher experience and qualifications on student performance (see "Three-tiered Educator Licensure and Evaluation System: LESC/LFC/OEA Review," p. 26).

- In terms of SJM 19, *Study Teacher Attendance & Substitutes,* the auditors found that APS is in compliance with state statute and internal APS requirements and recommended that a study be conducted to assess the use of substitute teachers on student performance.

- Regarding the district's use of health insurance and risk insurance funds, LFC auditors reported that APS makes a legislative request apart from NMPSIA's request and does not report the use of excess dollars to reduce insurance costs in the district. The LFC testimony included several recommendations related to policies and procedures, transferring insurance balances to a separate fund, reconciliation of employee and employer contributions and claims paid, and information that should be reported to PED, the LESC, and the LFC.

- Finally, the LFC report included several findings and recommendations regarding the funding of special education, including a recommendation to amend statute to clarify which special education ancillary personnel are eligible to generate funding through the Public School Funding Formula. The report also noted that, because growth in funded units and staff has outpaced the growth in special education student units, approximately $2.7 million must be recovered from APS as over-funding for FY 08 and reverted to the General Fund.

Recommendations of the LESC:

- ***Special Education Services and Providers:*** ***Amend statute to define the terms "related services" and "related service [ancillary] personnel" in order to clarify which services and personnel may be counted for funding through the Public School Funding Formula by school districts and charter schools.***

- ***Response to Intervention Program:*** ***Introduce a memorial requesting PED to report progress to the LESC on the implementation of New Mexico's Response to Intervention process and dual discrepancy model in kindergarten through grade 3, including a review of the assessments used by public school districts and charter schools to measure responses. (The PED deadline for implementation by the public schools is July 1, 2009.)***

- ***Due Process Reimbursement:*** ***Amend statute providing for due process reimbursement coverage to set a limit of $100,000 per single due process reimbursement.***

SCHOOL PROGRAMS AND STUDENT SERVICES

STUDENT SUPPORT PROGRAMS

Each year, the Legislature funds a variety of educational programs and initiatives, either on a recurring basis or in the form of one-time appropriations, to provide support services for students and, in some cases, their families in order to remove social, economic, health, and other barriers to academic success, with the ultimate goal of enriching students' education. During the 2007 interim, the committee heard testimony from LESC staff regarding four of these programs:

- the *Family and Youth Resource Act* (FYRA), which is intended to help students and families access social and health-care services;
- ENLACE (Engaging Latino Communities for Education), which was begun by the Kellogg Foundation to increase higher education attainment of Latino students;
- GRADS (Graduation, Reality and Dual-role Skills), which provides in-school support for teenage families; and
- Breakfast in Elementary Schools, which is intended to improve students' diets as a means of enhancing students' academic success.

For each of these programs, the committee examined the types of services provided, legislative appropriations, other funding sources, the student populations targeted, and the number of students served in each program. Regarding the effect of these programs on student achievement, testimony revealed that the evidence is mostly anecdotal and self-reported. One of the programs, FYRA, has been the subject of an external evaluation by the Center for Health Promotion and Disease Prevention at the University of New Mexico, through contract with PED; however, the evaluation report submitted in June 2007 is more descriptive than evaluative. In the absence of state-level data, the committee reviewed the findings of national research indicating that student support programs do have a positive effect on student achievement.

THE OUTDOOR CLASSROOM INITIATIVE

Begun in response to SJM 24 (2005), the Outdoor Classroom Initiative is a collaboration between PED and the State Parks Division of the Energy, Minerals & Natural Resources Department (EMNRD) intended to "improve academic achievement and encourage resource stewardship" among New Mexico's schoolchildren. The LESC endorsed funding for this initiative in 2006 and 2007, but it was not until 2007 that the Legislature appropriated $250,000 to PED and an additional $20,000 to EMNRD for this initiative.

The LESC heard testimony focused first on the plans for the initiative and uses of funds, with particular attention to four projects, funded by the $250,000 appropriated to PED, that State Parks and PED will formally pilot in four regions of the state in order to reach as many students as possible: Clayton Lake in the northeast; Navajo Lake in the northwest; Mesilla Valley Bosque in the southwest; and Bottomless Lakes in the southeast. The separate appropriation of $20,000 to EMNRD will support a statewide public school outdoor classroom program, which will be applied mainly in Doña Ana County.

Further testimony described a number of national and international outdoor education programs operating in New Mexico; the findings of a nationwide survey of federal, state, and nonprofit agency environmental education coordinators; legislatively established programs in other states; and the results of an external evaluation of the program in California, which was established in 1999. That evaluation, by the American Institutes for Research, found that students participating in the program demonstrated gains in knowledge and understanding of scientific concepts, social and personal skills, and stewardship of the environment.

RESIDENTIAL TREATMENT CENTERS

Like other states receiving federal funding through IDEA, New Mexico is required through its state education agency (PED) to provide a free and appropriate public education to all children between the ages of 3 and 21 who have disabilities and who reside in the state. This obligation also encompasses school-age youth with disabilities who have been placed in a facility to receive services through a residential treatment center (RTC). According to CYFD, there are 30 certified RTCs and 19 licensed RTCs in New Mexico providing 24-hour therapeutic care to children or adolescents who have severe behavioral, psychological, neurobiological, or emotional problems and who need psychosocial rehabilitation in a residential facility.

The LESC heard a presentation that identified a number of issues with the RTCs, principally conflicts or ambiguities in state law and in guidance provided by PED concerning which students are eligible for educational services (questions of residency in particular) and which party bears the fiscal responsibility, especially with regard to students from other states placed in facilities in New Mexico. The LESC also heard about the policies and practices of several other states to address these issues, including the reimbursement of school districts for educational services they provide; reviewed recent guidance from the USDE in response to queries from professional associations; and reviewed the results of an LESC staff survey of school districts and regional education cooperatives (RECs).

With fewer than half of the 89 school districts and four of nine RECs responding to the survey, staff testified, it is difficult to determine how many school districts statewide provide educational services to students residing in RTCs or to draw conclusions that apply to all school districts that are providing these services. However, it is possible to identify certain issues among the respondents that may be indicative of conditions statewide, including inconsistency in the:

- type of educational resources being provided by an RTC, such as classroom space and equipment;
- student information available for a school district from an RTC, including the parent's legal residence and student's individualized education plan (IEP) and, for New Mexico students, the PED-issued ID; and
- negotiation of formal agreements between the school district and RTC for the educational services provided for an RTC student.

A major finding of the LESC survey was that Wagon Mound Public Schools had been providing state and federal funds for 82 out-of-state students who were residing in a private RTC, Valmora High School, and who were included in the student membership of the school district even though the district was not providing any educational services to those students.

TRUANCY & DELINQUENCY NOTICES, HJM 40/SJM 36

The 2007 Legislature passed two identical memorials dealing with truancy and delinquency notices, HJM 40 and SJM 36. These memorials requested a study of:

- the intervention and enforcement provisions in both the *Compulsory School Attendance Law* and the *Children's Code*; and

- issues surrounding the timely notification of public and private schools when a student is the subject of a delinquency petition.

The LESC reviewed the work of the LESC Truancy Work Group that began during the 2003 interim and that led to amendments to the *Compulsory School Attendance Law*. The committee also reviewed a number of issues related to truancy, including by-district data; inconsistencies in law, particularly in the provisions regarding unexcused absences in the *Compulsory School Attendance Law* and the *Children's Code*; and inconsistencies in districts' reports of unexcused absences and in PED's data on truancy. In addition, the committee reviewed unsuccessful legislation from 2007 on delinquency notices, which provided part of the impetus for the two successful joint memorials noted above; and reviewed the Legislature's fiscal support for truancy prevention: approximately $3.0 million since FY 05, in addition to specific initiatives designed to improve school attendance such as the *Family and Youth Resource Act* ($6.2 million since FY 05) and ENLACE ($3.24 million since FY 06).

The LESC also reviewed the activities of a work group convened by a PED contractor to address the two issues raised by the memorials. Regarding one issue, delinquency notices, the work group drafted a memorandum of understanding between CYFD and local school districts, facilitated by PED, to address the process of school notification of delinquency proceedings against students and to outline each agency's responsibilities. Regarding the other issue – a comprehensive review of the intervention and enforcement provisions in both the *Compulsory School Attendance Law* and the *Children's Code* to reconcile inconsistencies – the work group recommended continuing the review during the 2008 interim to allow more time for study and discussion. However, after careful consideration of the consequences of delaying action to address truancy issues, the committee rejected that recommendation and chose to endorse legislation for the 2008 session.

Recommendations of the LESC:

- ***Family Resource Program Grants for Schools:*** ***Amend the*** **Family and Youth Resource Act** ***to include a provision to enable a school that met the poverty level eligibility criteria at the time of its application and program approval by PED to continue to receive funding so long as its poverty level does not drop below an average of 85 percent over any three-year period; and appropriate additional funds to expand the program.***

- ***Regional Education Cooperatives:*** ***Appropriate funds for operational expenses of Regional Education Cooperatives (RECs) and amend statute to clarify that RECs are local educational agencies without student membership as defined in the federal*** **Individuals with Disabilities Education Improvement Act of 2004** ***in order to ensure that RECs are authorized to submit grant applications and to receive and administer federal special education funds on behalf of their member districts and state-supported schools.***

- ***Residential Treatment Centers:*** ***Amend statute relating to the placement of a student in a residential treatment center (RTC) to:***

  - ***clarify the state's responsibility to provide a free and appropriate public education (FAPE) to any student, including an out-of-state student, who has been placed in a private RTC; and***

  - ***require PED to determine which New Mexico school district is responsible for providing FAPE to a student who has been placed in an RTC located outside the student's home district; and to provide a reasonable reimbursement to the receiving district.***

- ***School Attendance:*** ***Amend the*** **Compulsory School Attendance Law** ***to:***

  - ***clarify the way in which school districts must calculate unexcused absences for reporting purposes to ensure consistent reporting statewide;***

  - ***require that PED approve school district and charter school attendance policies to ensure that the policies are consistent with and adhere to provisions in law; and***

  - ***change the definition of a "truant" to mean a student who has accumulated five unexcused absences within a school year instead of "within any 20-day period."***

- ***Consistency with the*** **Compulsory School Attendance Law:**

  - ***amend the*** **Family Services Act** ***to specify that the term "child or family in need of family services" includes "a family whose child, subject to compulsory school attendance, has accumulated the equivalent of 10 or more unexcused absences within a school year"; and***

  - ***amend the*** **Families in Need of Court-Ordered Services Act** ***to specify that the term "family in need of court-ordered services" includes "a family whose child, subject to compulsory school attendance, has accumulated the equivalent of 10 or more unexcused absences within a school year."***

- ***Library General Obligation Bonds:*** ***Introduce a certificate to authorize the issuance of General Obligation Bonds to PED for public school libraries and local juvenile detention facilities statewide, to HED for academic libraries, and to the Office of Cultural Affairs for New Mexico public libraries to purchase books and other materials (requires voter approval). ($10.0 million for public schools and juvenile detention libraries; $18.0 million for academic libraries; $12.0 million for New Mexico public libraries.)***

- ***School Bus Contractors:*** ***Introduce a memorial requesting PED, the LESC, and the LFC to study how employees of private school bus contractors can be provided with benefits equivalent to those paid to school district employees.***

- ***Service Learning:*** ***Appropriate funds to PED to develop a service learning framework for the state of New Mexico.***

ADDITIONAL PRESENTATIONS AND REPORTS

In addition to the presentations summarized elsewhere in this report, the LESC heard testimony about public school budgets for FY 08; the perspective of UNM-Taos; science, technology, engineering, and mathematics (STEM) educational outreach; the Northern Network Performance-based Compensation Program; New Mexico Partners in Learning; the Education Partners; recommendations of the Public School Capital Outlay Oversight Task Force; and a number of special interest groups or programs: the Golden Apple Foundation; A+ for Energy, BP America; New Mexico School for the Arts; Save the Children; Summer Science Program, Inc.; public school libraries; Sundance Educational Consulting, Inc.; the National Dance Institute of New Mexico; Explora Science Center & Children's Museum; Summer Literacy Camps; the

Salazar Partnership; and the New Mexico Coalition of School Administrators. The committee also received the following written reports: *LFC Audit of Regional Education Cooperatives*; *Public School Capital Outlay Awards Annual Report; Summer Food Service Programs, SM 7*; *Study Local School Board Hiring Policies, HM 51*; *Study School Funding for Employee Legal Costs, HM 77a*; *School Administrator Licensure Pathways, SJM 15*; *HED Articulation & Transfer of Credits: Annual Report*; *Community Schools in Public Schools, HJM 30*; *Study Marketing Distance Learning Program, SJM 31*; and *Study Service Learning Program with Credit, SJM 51*.

Other Recommendations of the LESC:

- ***Public School Capital Outlay: Per recommendations of the Public School Capital Outlay Oversight Task Force, enact omnibus public school capital outlay legislation to:***
  - ***amend the* Public School Capital Outlay Act *to:***
    - ***create the Public School Facility Opportunity Fund to provide funding for Public School Capital Outlay Council (PSCOC) grants to qualifying districts for projects that exceed the state's adequacy standards;***
    - ***modify certain requirements for expenditures incurred to inspect and issue permits for public school capital outlay projects;***
    - ***reduce the offset to a PSCOC grant award resulting from a direct legislative capital outlay appropriation if the direct appropriation has been made for a capital project that will be jointly used by the school district and another governmental entity;***
    - ***provide for a 5.0 percent increase in a PSCOC grant award to a school district if the PSCOC finds that the district has been exemplary in implementing and maintaining a preventive maintenance program; and***
    - ***remove the "State Investment Officer or the State Investment Officer's designee" from the list of members of the Public School Capital Outlay Oversight Task Force;***
  - ***amend the* Public School Capital Improvements Act *to authorize school districts to request voter approval for an additional "SB 9" mill, and to exempt the additional mill from the SB 9 state guarantee;***
  - ***amend Indian gaming statutes to require that an amount equal to the lesser of $18.0 million or 30 percent of the net receipts of the Indian gaming compact revenues during the immediately preceding fiscal year be transferred from the General Fund to the Public School Facility Opportunity Fund on July 15 of 2009, 2010, and 2011; and***
  - ***extend the FY 07 appropriation of $2.5 million from the Public School Capital Outlay Fund to the Public School Facilities Authority for expenditure through FY 09, to continue to develop and implement the Facilities Information Management System.***
- ***Public School Insurance Authority: Amend the* Public School Insurance Authority Act *to provide for adoption of policies relating to the use of volunteers and the private use of school facilities; to provide for limited insurance coverage, in certain circumstances, for liability related to the private use of school facilities; and include an appropriation.***
- ***Charter Schools: Amend the* Charter Schools Act *to provide that, under certain conditions, the chartering authority for a locally chartered charter school may be transferred to the Public Education Commission outside of the regular charter renewal cycle.***
- ***Bonding of Subcontractors: Amend the* Procurement Code *to repeal the requirement for the bonding of subcontractors.***

PUBLIC SCHOOL SUPPORT DATA

TABLE 1	History of General Fund Recurring Appropriations for Public Education FY 1998 through FY 2008
FIGURE 1	FY 08 General Fund Appropriations
TABLE 2	Comparison of the Percentage Change in Statewide Average Returning Teacher Salaries, 1997-1998 through 2007-2008
TABLE 3	Average Returning Teachers' Salaries, 2006-2007 Estimated Actual to 2007-2008 Budgeted, Ranked by 2007-2008 Salary
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TABLE 1

HISTORY OF GENERAL FUND RECURRING APPROPRIATIONS FOR PUBLIC EDUCATION

(FY 1998 through FY 2008)

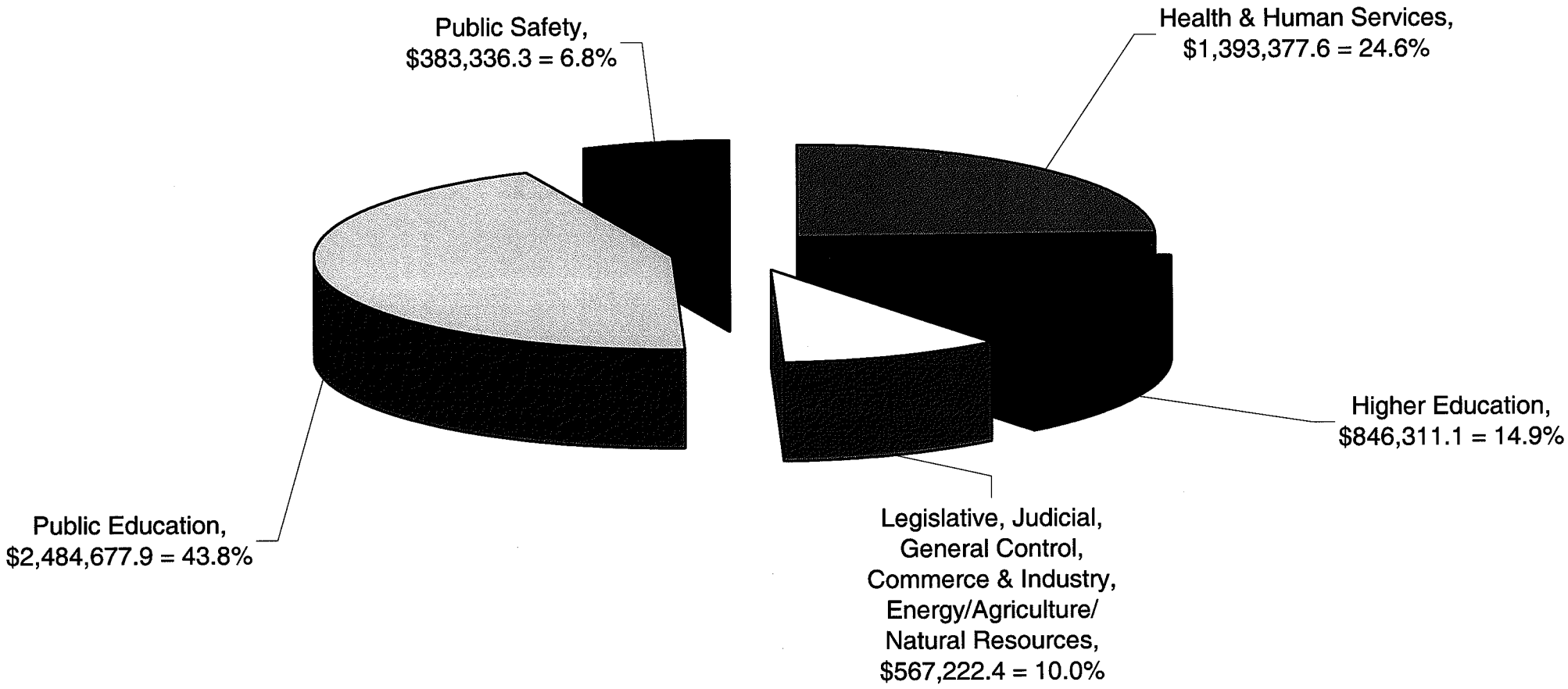
Fiscal Year	Total Appropriation *(in thousands)*	Public Education* *(in thousands)*	DOLLAR INCREASE *(from prior year)* *(in thousands)*	Percent to Public Education
1998	$3,009,373.8	$1,374,284.0	$69,431.0	45.7%
1999	$3,152,680.1	$1,487,260.3	$112,976.3	47.2%
2000	$3,328,489.7	$1,562,907.9	$75,647.6	47.0%
2001	$3,574,160.3	$1,657,343.6	$94,435.7	46.4%
2002	$3,866,225.9	$1,805,538.6	$148,195.0	46.7%
2003	$3,896,246.7	$1,808,677.6	$3,139.0	46.4%
2004	$4,119,803.3	$1,883,638.4	$74,960.8	45.7%
2005	$4,384,999.0	$1,992,856.7	$109,218.3	45.4%
2006	$4,708,633.3	$2,131,901.6	$139,044.9	45.3%
2007	$5,113,148.0	$2,293,467.1	$161,565.5	44.9%
2008 (Estimated)	$5,674,925.3	$2,484,677.9	$191,210.8	43.8%

* Beginning in FY 06, public education includes public school support, funding for the Public Education Department, and special projects.
Prior to FY 06, public education also included General Fund appropriations to the School for the Blind and Visually Impaired and the School for the Deaf.

Source: DFA, Appropriation Account History

FIGURE 1

FY 08 GENERAL FUND APPROPRIATIONS
(TOTAL GENERAL FUND RECURRING APPROPRIATIONS = $5,674,925.3)
(dollar amounts in thousands)



Source: LFC, Recurring General Fund Financial Summary, FY 08

TABLE 2

COMPARISON OF THE PERCENTAGE CHANGE IN STATEWIDE AVERAGE RETURNING TEACHER SALARIES 1997-1998 THROUGH 2007-2008

School Year	New Mexico Average Returning Teacher Salary	Difference	Percent Increase
1997-1998	$29,908	$673	2.30%
1998-1999	$31,982	$2,074	6.93%
1999-2000	$32,731	$749	2.34%
2000-2001	$34,310	$1,579	4.82%
2001-2002	$36,440	$2,130	6.21%
2002-2003	$36,805	$365	1.00%
2003-2004	$38,196	$1,391	3.78%
2004-2005	$39,279	$1,083	2.84%
2005-2006	$40,804	$1,525	3.88%
2006-2007[1]	$42,567	$1,763	4.32%
2007-2008[2]	$45,218	$2,651	6.23%

[1]Public Education Department estimated actual

[2]Public Education Department budgeted

NOTE: New Mexico's average returning teacher salary includes only those salaries paid from state operational funds. It does not include beginning teacher salaries.

Source: School Budget and Finance Analysis Unit, PED

TABLE 3

Average Returning Teachers' Salaries
2006-2007 ESTIMATED ACTUAL TO 2007-2008 BUDGETED, RANKED BY 2007-2008 SALARY*

District	2007-2008 Rank	2006-2007 Average	2007-2008 Average	Difference	Change	Contract Hourly Rate	Avg Yrs Exp.
ALAMOGORDO	64	$42,324	$44,795	$2,471	5.84%	$35.55	11.43
ALBUQUERQUE		$40,726	$43,309	$2,583	6.34%	$36.41	10.69
Academia de Lengua y Cultura		$44,065	$47,008	$2,943	6.68%	$31.91	14.00
AIMS @ UNM		$41,940	$44,749	$2,809	6.70%	$38.25	7.38
Amy Biehl Charter High		$41,162	$43,228	$2,066	5.02%	$27.49	5.69
Cesar Chavez Community School		$47,496	$49,871	$2,375	5.00%	$32.81	6.83
Christine Duncan Community School		$43,823	$46,568	$2,745	6.26%	$36.43	10.83
Creative Education Prep. Institute #1		$42,807	$45,011	$2,204	5.15%	$32.29	1.83
Creative Education Prep. Institute #2		$42,217	$45,173	$2,956	7.00%	$34.70	7.22
Digital Arts & Technology		$46,972	$49,320	$2,348	5.00%	$34.25	14.00
East Mountain High School		$41,682	$44,587	$2,905	6.97%	$32.49	6.46
Horizon Academy South		$37,183	$39,877	$2,694	7.25%	$26.80	4.88
Horizon Academy West		$40,444	$43,125	$2,681	6.63%	$28.52	6.10
La Academia de Esperanza		$44,352	$47,165	$2,813	6.34%	$37.57	10.45
La Luz del Monte Learning Center		$40,379	$42,398	$2,019	5.00%	$29.30	2.86
La Promesa Early Learning Center		$42,262	$44,887	$2,625	6.21%	$43.84	2.00
La Resolana Leadership Academy		$32,500	$34,125	$1,625	5.00%	$27.08	1.00
Learning Community Charter School (The)		$44,211	$47,247	$3,036	6.87%	$36.88	14.90
Los Puentes Charter School		$42,867	$45,010	$2,143	5.00%	$37.47	6.57
Montessori Elementary School		$34,818	$36,700	$1,882	5.41%	$25.49	8.45
Montessori of the Rio Grande		$34,224	$38,878	$4,654	13.60%	$28.80	2.88
Mountain Mahogany Community School		$35,000	$38,993	$3,993	11.41%	$32.29	4.29
Native American Community Academy		$39,652	$41,898	$2,246	5.66%	$25.55	3.20
North Albuquerque Co-Op Community		$40,125	$42,131	$2,006	5.00%	$37.87	5.50
North Valley Academy		$36,705	$38,556	$1,851	5.04%	$25.37	5.18
Nuestros Valores Charter School		$46,262	$48,829	$2,567	5.55%	$36.30	7.79
Public Academy for Performing Arts (PAPA)		$43,308	$46,733	$3,425	7.91%	$34.62	13.05
Ralph J. Bunche Academy		$36,698	$38,651	$1,953	5.32%	$28.63	3.72
Robert F. Kennedy Charter School		$39,466	$41,440	$1,974	5.00%	$27.26	5.17
S.I.A. Tech		$49,425	$56,651	$7,226	14.62%	$37.65	7.71
South Valley Academy		$50,199	$54,151	$3,952	7.87%	$45.72	9.35
Southwest Primary Learning Center		$43,209	$45,663	$2,454	5.68%	$29.60	2.95
Southwest Secondary Learning Center		$42,678	$44,975	$2,297	5.38%	$31.26	4.73
Twenty-First Century Public Academy		$42,179	$48,206	$6,027	14.29%	$37.95	11.56
Youth Build Trade & Technology High		$49,180	$51,778	$2,598	5.28%	$41.27	2.50
ALBUQUERQUE W/CHARTERS[1]	82	$40,780	$43,380	$2,600	6.38%	$33.24	6.82
ANIMAS	21	$46,588	$48,915	$2,327	4.99%	$39.19	17.45
ARTESIA	16	$46,312	$49,406	$3,094	6.68%	$39.12	14.92
AZTEC		$42,680	$45,062	$2,382	5.58%	$34.29	12.87
Mosaic Academy Charter		$36,542	$39,262	$2,720	7.44%	$28.61	8.25
AZTEC W/CHARTER[1]	62	$42,453	$44,847	$2,394	5.64%	$31.45	10.56
BELEN	69	$41,935	$44,607	$2,672	6.37%	$35.21	11.88
BERNALILLO		$43,562	$46,129	$2,567	5.89%	$39.73	13.95
Village Academy		$40,333	$45,975	$5,642	13.99%	$32.96	14.00
BERNALILLO W/CHARTER[1]	42	$43,521	$46,128	$2,607	5.99%	$36.34	13.98
BLOOMFIELD	31	$44,050	$46,892	$2,842	6.45%	$36.08	15.79
CAPITAN	39	$42,801	$46,237	$3,436	8.03%	$33.58	13.73
CARLSBAD		$59,414	$62,678	$3,264	5.49%	$55.81	15.89
Jefferson Montessori Academy		$46,330	$48,646	$2,316	5.00%	$42.50	10.50
CARLSBAD W/CHARTER[1]	1	$59,257	$62,509	$3,252	5.49%	$49.16	13.19
CARRIZOZO	17	$45,525	$49,320	$3,795	8.34%	$36.94	14.37
CENTRAL	8	$47,910	$50,481	$2,571	5.37%	$36.58	14.60
CHAMA	30	$43,294	$46,971	$3,677	8.49%	$36.15	17.63
CIMARRON		$44,665	$47,432	$2,767	6.20%	$37.06	20.41
Moreno Valley High School		$36,753	$38,591	$1,838	5.00%	$26.80	9.01
CIMARRON W/CHARTER[1]	47	$43,332	$45,942	$2,610	6.02%	$31.93	14.71
CLAYTON	34	$43,427	$46,778	$3,351	7.72%	$33.41	17.52
CLOUDCROFT	20	$46,685	$49,032	$2,347	5.03%	$36.94	18.33

Source: School Budget and Finance Analysis Unit, PED

September 5, 2007

TABLE 3

Average Returning Teachers' Salaries
2006-2007 ESTIMATED ACTUAL TO 2007-2008 BUDGETED, RANKED BY 2007-2008 SALARY*

District	2007-2008 Rank	2006-2007 Average	2007-2008 Average	Difference	Change	Contract Hourly Rate	Avg Yrs Exp.
CLOVIS	77	$41,895	$44,043	$2,148	5.13%	$33.38	11.55
COBRE	23	$45,038	$48,415	$3,377	7.50%	$38.42	15.01
CORONA	54	$41,550	$45,416	$3,866	9.30%	$36.07	12.00
CUBA	15	$46,249	$49,631	$3,382	7.31%	$41.95	17.53
DEMING		$41,662	$44,566	$2,904	6.97%	$32.58	10.45
Deming Cesar Chavez Charter High		$42,464	$48,876	$6,412	15.10%	$31.32	5.00
DEMING W/CHARTERS[1]	68	$41,671	$44,611	$2,940	7.06%	$31.95	7.72
DES MOINES	83	$40,923	$43,310	$2,387	5.83%	$31.22	11.50
DEXTER	53	$43,246	$45,422	$2,176	5.03%	$35.31	8.22
DORA	10	$47,749	$50,218	$2,469	5.17%	$39.57	18.28
DULCE	63	$42,494	$44,825	$2,331	5.49%	$32.31	11.17
ELIDA	40	$43,272	$46,219	$2,947	6.81%	$35.80	15.13
ESPANOLA		$41,754	$44,300	$2,546	6.10%	$34.02	13.91
Cariños de los Niños[3]		$44,803	$47,044	$2,241	5.00%	$47.52	9.55
Espanola Military Academy		$44,847	$47,089	$2,242	5.00%	$38.95	17.00
ESPANOLA W/CHARTERS[1]	73	$41,857	$44,393	$2,536	6.06%	$40.16	13.49
ESTANCIA	27	$43,870	$47,221	$3,351	7.64%	$36.55	14.27
EUNICE	70	$42,449	$44,581	$2,132	5.02%	$32.48	12.61
FARMINGTON	49	$43,231	$45,767	$2,536	5.87%	$33.16	13.49
FLOYD	60	$42,653	$44,946	$2,293	5.38%	$39.26	10.31
FT. SUMNER	11	$47,112	$50,136	$3,024	6.42%	$37.41	18.94
GADSDEN	72	$41,862	$44,419	$2,557	6.11%	$34.87	11.52
GALLUP		$40,706	$43,076	$2,370	5.82%	$30.94	11.14
Middle College High School[2]		$43,786	$46,094	$2,308	5.27%	$32.01	17.86
GALLUP W/CHARTER[1]	87	$40,712	$43,081	$2,369	5.82%	$31.47	14.50
GRADY	28	$43,548	$47,053	$3,505	8.05%	$40.37	17.88
GRANTS	33	$44,096	$46,800	$2,704	6.13%	$36.31	14.05
HAGERMAN	71	$41,881	$44,547	$2,666	6.37%	$33.00	8.60
HATCH	22	$46,329	$48,888	$2,559	5.52%	$36.21	14.68
HOBBS	48	$42,786	$45,903	$3,117	7.29%	$40.66	9.65
HONDO	88	$39,816	$42,135	$2,319	5.82%	$35.83	12.11
HOUSE	55	$42,710	$45,339	$2,629	6.16%	$33.24	11.93
JAL	6	$49,101	$52,710	$3,609	7.35%	$40.55	19.20
JEMEZ MOUNTAIN		$47,148	$49,628	$2,480	5.26%	$38.16	14.86
Lindrith Area Heritage Charter School		$47,778	$54,167	$6,389	13.37%	$51.88	25.00
JEMEZ MOUNTAIN W/CHARTER[1]	12	$47,206	$50,052	$2,846	6.03%	$45.02	19.93
JEMEZ VALLEY		$44,036	$46,967	$2,931	6.66%	$41.88	11.51
San Diego Riverside		$46,493	$48,817	$2,324	5.00%	$34.99	12.61
Walatowa Charter High School		$41,114	$43,563	$2,449	5.96%	$37.23	8.00
JEMEZ VALLEY W/CHARTERS[1]	29	$44,284	$47,033	$2,749	6.21%	$38.04	10.71
LAKE ARTHUR	89	$39,971	$42,068	$2,097	5.25%	$27.97	6.41
LAS CRUCES		$42,516	$44,657	$2,141	5.04%	$32.46	11.90
Alma D' Arte Charter High		$39,624	$42,283	$2,659	6.71%	$32.04	8.67
La Academia Dolores Huerta		$40,208	$42,166	$1,958	4.87%	$32.64	10.94
LAS CRUCES W/CHARTERS[1]	67	$42,490	$44,633	$2,143	5.04%	$32.38	10.50
LAS VEGAS CITY		$42,532	$45,102	$2,570	6.04%	$33.41	13.76
Bridge Academy Charter High School[3]		$45,792	$48,082	$2,290	5.00%	$41.10	23.33
LAS VEGAS CITY W/CHARTER[1]	57	$42,573	$45,139	$2,566	6.03%	$37.25	18.55
LOGAN	9	$48,116	$50,433	$2,317	4.82%	$43.32	19.23
LORDSBURG	58	$42,262	$45,073	$2,811	6.65%	$33.56	13.52
LOS ALAMOS	7	$48,441	$51,208	$2,767	5.71%	$36.71	16.96
LOS LUNAS	76	$41,707	$44,108	$2,401	5.76%	$34.43	11.37
LOVING	4	$50,526	$53,190	$2,664	5.27%	$41.52	15.66
LOVINGTON	38	$43,734	$46,239	$2,505	5.73%	$33.36	12.76
MAGDALENA	26	$44,934	$47,549	$2,615	5.82%	$39.10	12.81
MAXWELL	18	$46,817	$49,150	$2,333	4.98%	$41.84	18.30
MELROSE	32	$44,350	$46,863	$2,513	5.67%	$36.30	22.04
MESA VISTA	79	$41,648	$43,847	$2,199	5.28%	$35.19	13.10
MORA	41	$43,803	$46,196	$2,393	5.46%	$40.42	12.59

Source: School Budget and Finance Analysis Unit, PED

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TABLE 3

Average Returning Teachers' Salaries
2006-2007 ESTIMATED ACTUAL TO 2007-2008 BUDGETED, RANKED BY 2007-2008 SALARY*

District	2007-2008 Rank	2006-2007 Average	2007-2008 Average	Difference	Change	Contract Hourly Rate	Avg Yrs Exp.
MORIARTY	66	$42,088	$44,664	$2,576	6.12%	$33.05	14.04
MOSQUERO	75	$40,209	$44,159	$3,950	9.82%	$37.16	20.50
MOUNTAINAIR	46	$43,583	$45,984	$2,401	5.51%	$36.55	15.84
PECOS	61	$41,980	$44,938	$2,958	7.05%	$32.56	12.83
PENASCO	24	$44,928	$48,026	$3,098	6.90%	$37.64	12.06
POJOAQUE	49	$43,584	$45,767	$2,183	5.01%	$35.92	13.22
PORTALES	86	$40,305	$43,246	$2,941	7.30%	$31.41	11.74
QUEMADO	81	$40,314	$43,393	$3,079	7.64%	$35.69	13.25
QUESTA		$44,916	$47,165	$2,249	5.01%	$37.35	16.20
Red River Valley Charter		$38,114	$40,020	$1,906	5.00%	$29.64	8.00
Roots & Wings Community School[3]		$40,268	$43,657	$3,389	8.42%	$24.25	10.50
QUESTA W/CHARTERS[1]	44	$43,798	$46,053	$2,255	5.15%	$30.41	11.57
RATON	35	$44,017	$46,742	$2,725	6.19%	$35.23	14.92
RESERVE	19	$46,005	$49,066	$3,061	6.65%	$40.89	22.47
RIO RANCHO	80	$40,864	$43,757	$2,893	7.08%	$34.73	9.75
ROSWELL		$43,360	$45,722	$2,362	5.45%	$34.46	13.25
Sidney Gutierrez Middle School		$42,829	$45,386	$2,557	5.97%	$31.34	17.05
ROSWELL W/CHARTER[1]	51	$43,355	$45,719	$2,364	5.45%	$32.90	15.15
ROY	59	$42,161	$45,051	$2,890	6.85%	$41.07	11.63
RUIDOSO	5	$49,855	$52,789	$2,934	5.89%	$41.56	19.13
SAN JON	13	$47,497	$49,900	$2,403	5.06%	$44.27	24.08
SANTA FE		$41,947	$45,841	$3,894	9.28%	$35.15	13.20
Academy for Tech. and the Classics		$38,966	$41,188	$2,222	5.70%	$28.29	8.90
Charter School 37		$33,414	$35,022	$1,608	4.81%	$25.02	4.12
Monte del Sol Charter School		$41,839	$44,289	$2,450	5.86%	$30.27	12.96
Turquoise Trail Elementary		$41,379	$44,841	$3,462	8.37%	$32.57	11.24
SANTA FE W/CHARTERS[1]	52	$41,758	$45,523	$3,765	9.02%	$30.26	10.08
SANTA ROSA	37	$44,388	$46,658	$2,270	5.11%	$41.77	14.68
SILVER CITY		$46,879	$49,767	$2,888	6.16%	$39.06	16.74
Aldo Leopold Charter School		$42,636	$44,769	$2,133	5.00%	$27.64	20.60
SILVER CITY W/CHARTER[1]	14	$46,773	$49,643	$2,870	6.14%	$33.35	18.67
SOCORRO		$41,803	$44,223	$2,420	5.79%	$36.04	13.06
Cottonwood Valley Charter School		$39,788	$41,787	$1,999	5.02%	$33.16	10.45
SOCORRO W/CHARTER[1]	78	$41,602	$43,981	$2,379	5.72%	$34.60	11.76
SPRINGER	74	$40,668	$44,268	$3,600	8.85%	$40.00	11.22
TAOS		$42,222	$45,294	$3,072	7.28%	$40.05	13.75
Anansi Charter School		$43,617	$46,113	$2,496	5.72%	$30.91	21.12
Taos Municipal Charter School		$39,628	$43,311	$3,683	9.29%	$29.75	11.04
TAOS W/CHARTERS[1]	56	$42,079	$45,179	$3,100	7.37%	$33.57	15.30
TATUM	3	$52,024	$54,846	$2,822	5.42%	$43.53	22.31
TEXICO	2	$52,730	$56,564	$3,834	7.27%	$44.10	15.82
TRUTH OR CONSEQUENCES	36	$43,850	$46,703	$2,853	6.51%	$38.65	13.65
TUCUMCARI	45	$43,789	$46,021	$2,232	5.10%	$37.43	14.58
TULAROSA	25	$45,175	$47,941	$2,766	6.12%	$41.46	15.56
VAUGHN	65	$41,140	$44,728	$3,588	8.72%	$34.34	11.45
WAGON MOUND	84	$41,265	$43,309	$2,044	4.95%	$36.46	12.27
LAS VEGAS WEST		$40,908	$43,221	$2,313	5.65%	$34.61	12.14
Rio Gallinas School		$42,564	$45,129	$2,565	6.03%	$36.14	18.79
WEST LAS VEGAS W/CHARTER[1]	85	$40,954	$43,273	$2,319	5.66%	$35.38	15.46
ZUNI	43	$42,874	$46,120	$3,246	7.57%	$32.59	9.23
STATEWIDE		**$42,567**	**$45,218**	**$2,651**	**6.23%**	**$34.72**	**12.43**

*The salary data presented in this table were provided by the school districts with their 2007-2008 Operating Budgets.

[1]The subtotal for districts with charter schools is a weighted average of the school districts' and charter schools' data. For ranking purposes, the subtotal for districts with charter schools was used.

[2]Charter teachers are contracted through the University of New Mexico and are not contracted through the district.

[3]Utilizes a head teacher as the Administrator/Principal.

Source: School Budget and Finance Analysis Unit, PED

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TABLE 4

COMPARISON OF NEW MEXICO AVERAGE TEACHER SALARY TO NATIONAL EDUCATION ASSOCIATION AVERAGES IN REGION AND U.S. 1997-1998 THROUGH 2007-2008 (projected)

	Arizona		Colorado		New Mexico		Oklahoma		Texas		Utah		*Regional Average Salary*	*U.S. Average Salary*
School Year	**Salary**	**Rank**	**Salary**	**Rank**	**Salary**	**Rank**	**Salary**	**Rank**	**Salary**	**Rank**	**Salary**	**Rank**		
1997-1998	$34,411	2	$37,240	1	**$30,152**	**6**	$30,692	5	$34,133	3	$32,394	4	$33,170	$ 39,454
1998-1999	$35,025	2	$38,025	1	**$32,398**	**5**	$31,149	6	$35,041	3	$32,950	4	$34,098	$ 40,582
1999-2000	$35,650	2	$38,163	1	**$32,554**	**5**	$31,298	6	$37,567	3	$34,946	4	$35,030	$ 41,754
2000-2001	$36,302	2	$39,184	1	**$33,785**	**6**	$34,499	5	$38,361	3	$36,441	4	$36,429	$ 43,335
2001-2002	$39,973	2	$40,659	1	**$36,440**	**5**	$34,738	6	$39,232	3	$38,139	4	$38,197	$ 44,632
2002-2003	$40,894	2	$42,680	1	**$36,965**	**5**	$34,877	6	$39,974	3	$38,268	4	$38,943	$ 45,810
2003-2004	$41,843	2	$43,319	1	**$37,877**	**5**	$35,061	6	$40,476	3	$38,976	4	$39,592	$ 46,735
2004-2005	$42,905	2	$ 43,949	1	**$ 39,391**	**5**	$ 37,879	6	$ 41,011	3	$ 39,456	4	$40,765	$ 47,674
2005-2006	$ 44,672	2	$ 44,439	1	**$ 41,637**	**4**	$ 38,772	6	$ 41,744	3	$ 40,007	5	$ 41,879	$ 49,026
2006-2007 (estimated)	$ 45,941	1	$ 45,833	2	**$ 42,780**	**4**	$ 42,379	5	$ 44,897	3	$ 40,566	6	$ 43,733	$ 50,816
2007-2008 (projected)	$ 47,128	1	$ 46,272	2	**$ 44,347**	**4**	$ 43,408	5	$ 44,955	3	$ 41,143	6	$ 44,542	$ 51,703

NOTE: National Education Association-NM (NEA-NM) average teacher salary data include salaries paid from all funding sources.

Source: NEA - Rankings and Estimates, 2007

TABLE 5

COMPARISON OF PROGRAM UNITS AND STUDENT MEMBERSHIP 1997-1998 THROUGH 2007-2008

School Year	Student Membership	ECE Units [1]	Grades 1-12 Units	Special Education Units	Bilingual Education Units [2]	Fine Arts Program Units	T & E Units	Size Adjustment Units	At-Risk Units	Enrollment Growth Units	National Board Certified Teacher Units	Hold-Harmless Units	Total Program Units
1997-1998	317,777	20,215	358,872	105,346	16,383		46,699	18,375	23,642	1,725		141	591,398
1998-1999	316,548	19,907	357,737	112,101	15,773		46,751	18,393	23,575	914		217	595,368
1999-2000 [3]	316,634	19,914	357,832	112,107	15,777		47,236	18,472	23,161	881		165	595,545
2000-2001 [4]	312,134	21,824	350,782	112,965	13,580		45,351	19,194	22,900	352		455	587,403
2001-2002	312,209	26,105	347,289	113,685	13,168		45,675	19,871	23,881	1,415		328	591,417
2002-2003 [5]	313,030	27,356	347,230	114,131	12,830		46,050	20,489	23,151	1,278		210	592,726
2003-2004 [5,6]	315,543	31,206	347,119	112,966	12,053	1,328	48,453	20,974	23,228	5,768	128	90	603,311
2004-2005 [5,6]	320,452	36,498	348,946	112,717	11,490	5,027	52,525	21,993	22,601	5,445	167	4	617,412
2005-2006 [6]	321,663	38,884	348,609	112,009	11,002	6,094	51,856	22,664	22,233	4,071	206	118	617,746
2006-2007 [6,7]	323,006	39,837	349,499	114,934	11,350	7,800	57,117	23,180	21,735	5,100	260	45	630,855
2007-2008 Budgeted[6,7]	324,025	40,547	350,201	117,608	10,671	7,882	56,343	23,732	21,681	2,888	261	0	631,815

1 Early Childhood Education (ECE) began in 1976. Beginning in FY 98, ECE includes 3- and 4-year-old developmentally delayed children due to 1997 funding formula changes. Beginning in FY 01, full-day kindergarten was phased in over five years.

2 Bilingual education programs were initially implemented in grades K-6. These programs were expanded to include grades 7-9 in 1989-1990 and grades 11-12 in 1990-1991. In addition, the program cost differential was incrementally increased from 0.3 to 0.5 from 1990-1991 through 1994-1995.

3 In FY 00, funding based on prior year 40th-day basic membership and prior year December 1 special education membership; adjustment for FY 00 of the enrollment growth factor from 0.5 to 1.0.

4 Beginning in FY 01, based on average of prior year membership of 40th, 80th, and 120th school days plus full-day kindergarten and start-up charter schools.

5 Includes adjustment for at-risk hold harmless.

6 Beginning in FY 04, changes to the funding formula amended the way growth units are calculated and added units for fine arts programs in elementary schools and for the number of National Board certified teachers on staff.

7 Beginning in FY 07, based on average of prior year membership of 80th and 120th school days.

Source: School Budget and Finance Analysis Unit, PED

TABLE 6

PERCENTAGE CHANGE IN PROGRAM COST, PROGRAM UNITS, UNIT VALUE, AND STUDENT MEMBERSHIP 1997-1998 THROUGH 2007-2008

School Year	Actual Program Cost	% Change	Program Units	Unit Value	% Change	Student Membership	% Change
1997-1998	$1,287,693,607	5.04%	591,398	$2,175.00	1.20%	317,777	-0.51%
1998-1999	$1,395,596,112	8.38%	595,368	$2,344.09	7.77%	316,548	-0.39%
1999-2000	$1,464,654,810 [1]	4.95%	595,545	$2,460.00	4.94%	316,634	0.03%
2000-2001	$1,554,602,603 [2]	6.14%	587,403	$2,647.56	7.62%	312,134	-1.42%
2001-2002	$1,699,963,260	9.35%	591,417	$2,871.01	8.44%	312,209	0.02%
2002-2003	$1,714,838,008 [3]	0.88%	592,726	$2,889.89	0.66%	313,030	0.26%
2003-2004	$1,797,400,880 [3, 4]	4.81%	603,311	$2,976.20	2.99%	315,543	0.80%
2004-2005	$1,896,234,222 [3, 4]	5.50%	617,412	$3,068.70	3.11%	320,452	1.56%
2005-2006	$2,027,358,726 [4, 5]	6.91%	617,746	$3,198.01	4.21%	321,663	0.38%
2006-2007	$2,174,205,395 [4, 6]	7.24%	630,855	$3,446.44	7.77%	323,006	0.42%
2007-2008 Budgeted	$2,303,450,368 [4, 6]	5.94%	631,815	$3,645.77	5.78%	324,025	0.32%

[1] In FY 00, funding based on prior year 40th-day basic membership and prior year December 1 special education membership; adjustment for FY 00 of the enrollment growth factor from 0.5 to 1.0.

[2] Beginning in FY 01, funding based on average of prior year membership of 40th, 80th, and 120th school days plus full-day kindergarten and start-up charter schools.

[3] Includes adjustment for at-risk hold harmless.

[4] Beginning in FY 04, the calculation of growth units was amended and additional units were included for fine arts programs in elementary schools and for National Board certified teachers.

[5] Appropriated program cost contains an additional $51.8 million to implement the third year of the five-year phase-in of the three-tiered licensure system. Although this funding was distributed based on need in FY 06, it was included in the calculation of unit value in FY 07.

[6] Beginning in FY 07, funding based on average of prior year membership of 80th and 120th school days.

Source: School Budget and Finance Analysis Unit, PED

TABLE 7

DIFFERENCES BETWEEN PROJECTED AND ACTUAL FUNDING FORMULA CREDITS[1] 1997-1998 THROUGH 2007-2008

School Year	Projected	Actual	Difference (Projected & Actual)	Percent Difference (Projected & Actual)
1997-1998	$37,300,000	$56,202,903	$18,902,903	50.68%
1998-1999	$50,479,300	$59,285,805	$8,806,505	17.45%
1999-2000[2]	$49,483,500	$52,945,511	$3,462,011	7.00%
2000-2001	$49,483,500	$51,594,736	$2,111,236	4.27%
2001-2002	$53,483,500	$57,104,709	$3,621,209	6.77%
2002-2003	$57,483,500	$58,903,705	$1,420,205	2.47%
2003-2004	$58,600,000	$59,552,648	$952,648	1.63%
2004-2005	$61,000,000	$61,449,095	$449,095	0.74%
2005-2006	$58,600,000	$57,731,867	($868,133)	-1.48%
2006-2007[3]	$57,600,000	$56,301,868	($1,298,132)	-2.25%
2007-2008 Projected[3]	$55,600,000			

1 Funding formula credits include: federal Impact Aid, federal Forest Reserve, and local property tax (0.5 mill levy).

2 Effective in FY 00, law amended to reduce credits to 75 percent instead of 95 percent of eligible federal and local revenues for operational purposes and to require districts to budget state funds equal to 20 percent for capital outlay.

3 Effective in FY 06, law amended to remove the requirement that school districts budget an amount equal to 20 percent for capital outlay.

Source: School Budget and Finance Analysis Unit, PED

TABLE 8

HISTORY OF THE UNIT VALUE
1974-1975 ACTUAL TO 2007-2008 INITIAL

School Year	Initial Unit Value	Final Unit Value	Increase/ (Decrease)	Percent Difference
1974-1975		$616.50		
1975-1976		$703.00	$86.50	14.0%
1976-1977		$800.00	$97.00	13.8%
1977-1978		$905.00	$105.00	13.1%
1978-1979		$1,020.00	$115.00	12.7%
1979-1980		$1,145.00	$125.00	12.3%
1980-1981		$1,250.00	$105.00	9.2%
1981-1982		$1,405.00	$155.00	12.4%
1982-1983 [1]	$1,540.00	$1,511.33	$106.33	7.6%
1983-1984		$1,486.00	**($25.33)**	-1.7%
1984-1985		$1,583.50	$97.50	6.6%
1985-1986 [2]	$1,608.00	$1,618.87	$35.37	2.2%
1986-1987		$1,612.51	**($6.36)**	-0.4%
1987-1988		$1,689.00	$76.49	4.7%
1988-1989		$1,737.78	$48.78	2.9%
1989-1990		$1,811.51	$73.73	4.2%
1990-1991		$1,883.74	$72.23	4.0%
1991-1992		$1,866.00	**($17.74)**	-0.9%
1992-1993 [3]	$1,851.73	$1,867.96	$1.96	0.1%
1993-1994	$1,927.27	$1,935.99	$68.03	3.6%
1994-1995	$2,015.70	$2,029.00	$93.01	4.8%
1995-1996	$2,113.00	$2,113.00	$84.00	4.1%
1996-1997	$2,125.83	$2,149.11	$36.11	1.7%
1997-1998	$2,175.00	$2,175.00	$25.89	1.2%
1998-1999	$2,322.00	$2,344.09	$169.09	7.8%
1999-2000 [4]	$2,460.00	$2,460.00	$115.91	4.9%
2000-2001	$2,632.32	$2,647.56	$187.56	7.6%
2001-2002	$2,868.72	$2,871.01	$223.45	8.4%
2002-2003	$2,896.01	$2,889.89	$18.88	0.7%
2003-2004	$2,977.23	$2,976.20	$86.31	3.0%
2004-2005	$3,035.15	$3,068.70	$92.50	3.1%
2005-2006 [5]	$3,165.02	$3,198.01	$129.31	4.2%
2006-2007 [5,6]	$3,444.35	$3,446.44	$248.43	7.8%
2007-2008	$3,645.77		$199.33	5.8%

[1] The 1982-83 General Fund appropriation was reduced by 2.0 percent.

[2] The final unit value includes $10.87 due to the ½ mill redistribution (Laws 1985, Chapter 15).

[3] The "floating" unit value went into effect.

[4] The basis for funding changed to the prior year average membership of the 40th, 80th, and 120th school days.

[5] For FY 06, appropriated program cost contains an additional $51.8 million to implement the third year of the five-year phase-in of the three-tiered licensure system. Although this funding was distributed based on need in FY 06, the $51.8 million was included in the calculation of unit value in FY 07.

[6] The basis for funding changed to the prior year average membership of the 80th and 120th school days.

Sources: LESC; Issues and Answers, 1982-83; *A First Look at New Mexico Public School Budgets,* 1983-84 through 1998-99; PED funded reports (final unit value), 1999-00 to the present; PED miscellaneous correspondence.

TABLE 9

2007-2008 PRELIMINARY ASSESSED VALUATION PER MEM
(based on 2007-2008 initial valuation and 2006-2007 final 40th day membership (MEM))

DISTRICT	2007 INITIAL VALUATION	2006-2007 FINAL 40th DAY MEM.	2007-2008 PRELIMINARY ASSESSED VALUATION PER MEM
ALAMOGORDO	$ 559,012,045	6,500.0	$ 86,002
ALBUQUERQUE	$ 13,182,532,511	95,256.0	$ 138,391
ANIMAS	$ 29,273,373	268.0	$ 109,229
ARTESIA	$ 1,108,545,566	3,516.0	$ 315,286
AZTEC	$ 1,322,858,125	3,232.5	$ 409,237
BELEN	$ 414,066,929	4,791.0	$ 86,426
BERNALILLO	$ 510,668,279	3,158.0	$ 161,706
BLOOMFIELD	$ 991,541,057	3,094.0	$ 320,472
CAPITAN	$ 268,577,332	561.0	$ 478,747
CARLSBAD	$ 1,328,025,954	6,011.5	$ 220,914
CARRIZOZO	$ 34,320,160	204.5	$ 167,825
CENTRAL	$ 665,538,318	6,732.0	$ 98,862
CHAMA	$ 112,730,262	464.5	$ 242,692
CIMARRON	$ 447,274,105	508.5	$ 879,595
CLAYTON	$ 99,961,465	538.5	$ 185,629
CLOUDCROFT	$ 132,575,127	467.5	$ 283,583
CLOVIS	$ 481,858,859	8,127.5	$ 59,287
COBRE	$ 177,145,072	1,400.5	$ 126,487
CORONA	$ 31,115,773	87.0	$ 357,653
CUBA	$ 47,348,782	674.5	$ 70,198
DEMING	$ 427,305,896	5,504.5	$ 77,628
DES MOINES	$ 21,266,258	133.0	$ 159,897
DEXTER	$ 60,754,810	1,102.0	$ 55,131
DORA	$ 28,420,568	201.0	$ 141,396
DULCE	$ 955,098,540	677.5	$ 1,409,740
ELIDA	$ 24,133,239	130.0	$ 185,640
ESPANOLA	$ 478,412,485	4,695.5	$ 101,887
ESTANCIA	$ 82,086,729	955.5	$ 85,910
EUNICE	$ 648,351,444	577.0	$ 1,123,659
FARMINGTON	$ 1,274,130,350	10,200.0	$ 124,915
FLOYD	$ 14,243,306	260.0	$ 54,782
FT. SUMNER	$ 46,532,795	311.5	$ 149,383
GADSDEN	$ 626,385,438	13,968.0	$ 44,844
GALLUP-McKINLEY	$ 676,774,313	12,515.0	$ 54,077
GRADY	$ 8,425,931	134.0	$ 62,880
GRANTS-CIBOLA	$ 235,817,816	3,656.5	$ 64,493
HAGERMAN	$ 25,816,326	452.5	$ 57,053
HATCH	$ 57,633,913	1,411.5	$ 40,832
HOBBS	$ 1,002,182,664	7,739.0	$ 129,498
HONDO	$ 24,641,946	128.0	$ 192,515
HOUSE	$ 9,006,919	113.0	$ 79,707
JAL	$ 227,391,209	422.5	$ 538,204
JEMEZ MOUNTAIN	$ 366,593,693	354.0	$ 1,035,575
JEMEZ VALLEY	$ 69,617,701	488.5	$ 142,513
LAKE ARTHUR	$ 20,834,165	155.5	$ 133,982
LAS CRUCES	$ 2,469,322,918	23,750.5	$ 103,969
LAS VEGAS CITY	$ 207,419,196	2,094.5	$ 99,030
LAS VEGAS WEST	$ 138,646,894	1,872.0	$ 74,064
LOGAN	$ 47,075,744	221.5	$ 212,532
LORDSBURG	$ 105,039,267	681.5	$ 154,130
LOS ALAMOS	$ 724,128,917	3,526.0	$ 205,368
LOS LUNAS	$ 602,730,753	8,740.5	$ 68,958
LOVING MUNICIPAL	$ 135,216,971	575.5	$ 234,956
LOVINGTON	$ 653,374,580	2,967.0	$ 220,214
MAGDALENA	$ 21,476,855	432.0	$ 49,715
MAXWELL	$ 9,654,159	106.0	$ 91,077
MELROSE	$ 20,465,114	225.5	$ 90,754
MESA VISTA	$ 55,755,609	431.0	$ 129,363
MORA	$ 58,824,492	607.0	$ 96,910
MORIARTY	$ 412,600,240	3,860.5	$ 106,877
MOSQUERO	$ 28,695,767	41.0	$ 699,897
MOUNTAINAIR	$ 46,952,980	353.0	$ 133,011
PECOS	$ 91,381,972	732.0	$ 124,839
PEÑASCO	$ 40,355,911	582.5	$ 69,281
POJOAQUE	$ 164,017,196	1,982.5	$ 82,733
PORTALES	$ 181,084,869	2,974.0	$ 60,889
QUEMADO	$ 65,055,204	205.0	$ 317,342
QUESTA	$ 153,360,665	538.5	$ 284,792
RATON	$ 127,240,978	1,426.0	$ 89,229
RESERVE	$ 36,085,021	172.5	$ 209,189
RIO RANCHO	$ 1,932,066,122	14,714.5	$ 131,304
ROSWELL	$ 772,083,309	9,348.5	$ 82,589
ROY	$ 6,443,356	67.5	$ 95,457
RUIDOSO	$ 467,294,819	2,320.0	$ 201,420
SAN JON	$ 13,320,584	145.5	$ 91,550
SANTA FE	$ 5,606,523,788	13,632.5	$ 411,262
SANTA ROSA	$ 75,982,658	668.0	$ 113,746
SILVER CITY	$ 440,247,402	3,212.5	$ 137,042
SOCORRO	$ 143,405,325	1,920.0	$ 74,690
SPRINGER	$ 27,727,445	202.5	$ 136,926
TAOS	$ 840,806,655	3,164.5	$ 265,700
TATUM	$ 165,246,181	274.0	$ 603,088
TEXICO	$ 58,039,496	509.5	$ 113,915
T OR C	$ 221,644,554	1,456.5	$ 152,176
TUCUMCARI	$ 70,259,404	1,079.0	$ 65,115
TULAROSA	$ 60,593,940	1,030.0	$ 58,829
VAUGHN	$ 39,755,667	99.0	$ 401,572
WAGON MOUND	$ 18,018,492	161.5	$ 111,570
ZUNI	$ 2,709,806	1,501.0	$ 1,805
TOTALS	$ 46,914,958,823	326,483.00	

Source: Capital Outlay Bureau, PED

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