

*State of New Mexico*  
**LEGISLATIVE EDUCATION STUDY COMMITTEE**

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**MINUTES**  
**LESC MEETING**  
**APRIL 15, 2016**

Representative Dennis J. Roch, Chair, called the meeting of the Legislative Education Study Committee (LESC) to order at 9:10 a.m., on Friday, April 15, 2016, in Room 307 of the State Capitol in Santa Fe, New Mexico.

The following members of the LESC were present:

**Voting:** Representatives Dennis J. Roch, Chair, Tomás E. Salazar, James E. Smith, Sheryl M. Williams Stapleton, and Christine Trujillo; and Senators John M. Sapien, Vice Chair, Craig W. Brandt, Gay G. Kernan, and Howie C. Morales; and  
**Advisory:** Representatives Jim Dines, David M. Gallegos, Stephanie Garcia Richard, Patricia Roybal Caballero, and James G. Townsend; and Senators Jacob R. Candelaria, Lee S. Cotter, Daniel A. Ivey-Soto, Linda M. Lopez, Michael Padilla, John Pinto, William P. Soules, and Mimi Stewart.

The following members of the LESC were not present:

**Voting:** Representative Monica Youngblood; and  
**Advisory:** Representatives Alonzo Baldonado, Nora Espinoza, Jimmie C. Hall, D. Wonda Johnson, Timothy D. Lewis, and G. Andrés Romero; and Senators Carlos R. Cisneros and Pat Woods.

On a motion by Senator Kernan, seconded by Senator Brandt, the committee approved the LESC meeting agenda.

**LESC 2016 POST-SESSION REPORT**

Ian Kleats and Christina McCorquodale, LESC staff, briefed the committee on public school-related appropriations and selected language and public education-related legislation considered by the Fifty-Second Legislature, Second Session, 2016.

**LESC Minutes**  
**4/15/2016**

Ms. McCorquodale stated that the General Appropriation Act (GAA) of 2016 was signed into law with limited vetoes, prioritized classroom spending over categorical programs and below-the-line initiatives, and proposed modest decreases for some of those programs. She also highlighted the major sections and appendices included in the report.

Mr. Kleats highlighted the education-related appropriations included in the GAA of 2016, including approximately \$2.5 billion to the state equalization guarantee (SEG) distribution. Mr. Kleats noted recurring general fund appropriations for FY17 decreased by \$7.2 million, but the Legislature managed to increase the budget for public education by \$6.8 million over FY16 funding levels. He noted SEG distribution increased by \$18.7 million over last year, including: \$5.4 million to increase the statutory minimum salary of level 2 and level 3 teachers by \$2,000; \$2.8 million for enrollment growth units; \$3.5 million for insurance increases; and \$5.0 million for fixed costs.

Mr. Kleats reported that the Public Education Department (PED) set the preliminary unit value for the 2016-2017 school year at \$4,040.24, and the department assumed a total of 637,000 statewide program units for FY17, an increase of 3,000 units from FY16. PED budgeted only \$51 million in projected 75 percent credits while the Legislature assumed \$13 million more in projected credits. Mr. Kleats also noted 3,500 fewer program units reported on the 80th day in 2015 than in 2014, which may result in an increase in the final unit value.

Mr. Kleats noted that FY17 recurring general fund support remained flat for all but the following four below-the-line initiatives: performance pay program (down \$1.3 million from FY16); teacher and school leader evaluation system (down \$400 thousand from FY16); parent portal (down \$97 thousand from FY16); and New Mexico-grown fruits and vegetables (down \$114 thousand from FY16). The reductions were consistent with FY15 spending levels.

Mr. Kleats indicated \$31 million, or 0.6 percent, was reduced from FY16 agency budgets, excluding certain Medicaid and developmental disabilities support programs; public school support was reduced \$15.8 million, related recurring appropriations for “below-the-line” initiatives were reduced \$605 thousand, and PED’s operating budget was reduced \$71.6 thousand. Because PED set the FY16 final unit value short in January 2016, the department took the entire public school support reduction out of the SEG appropriation; as a result, will not see any reductions to SEG distributions or categorical appropriations. The \$605 thousand reduction for initiatives appropriations was applied to the performance pay appropriation, according to Mr. Kleats.

Regarding severance tax bond projects, Mr. Kleats noted that the Legislature appropriated \$10.5 million to public schools for 177 projects and \$1.3 million for state-chartered charter school projects. These appropriations pay for expenses not covered in the capital outlay awards process, such as security cameras, IT equipment, and school library improvements. He said about \$6.7 million was awarded from general obligation bonds for three public education-related projects, and about half of the funds go to constitutional special schools.

Mr. Kleats reported there were two appropriations for statewide projects from the Public School Capital Outlay Fund for prekindergarten classrooms and school buses. He noted recurring appropriations for prekindergarten program in FY17 are 3.5 times higher than in FY12, resulting in the need for more prekindergarten facilities. The Legislature has also tried to meet funding requirements for the 12-year replacement cycle for public school buses, but due to budget

constraints, appropriated only \$7 million of the \$14.5 million requested from PED to maintain the replacement cycle.

Ms. McCorquodale reported LESC endorsed 11 measures for consideration during the 2016 legislative session, including three bills that were also endorsed by the Legislative Finance Committee (LFC). Most notably, the two committees endorsed a bill to amend the at-risk index, the training and experience index, and school size program units in the Public School Finance Act (Senate Bill 141); a bill addressing enrollment growth (Senate Bill 165); and a bill creating separate transportation distributions for school districts and state-chartered charter schools (Senate Bill 198).

She indicated that from the LESC-endorsed legislation, three bills were enacted into law; one bill was vetoed by the governor; one joint memorial passed both chambers; and six bills did not pass, three of which were ruled not germane.

Ms. McCorquodale reported the following measures were enacted into law:

- Laws 2016, Chapter 26 (CS/Senate Bill 144), *Rename “Breakfast after the Bell Program”*, amends the Public School Code to clarify provisions of the breakfast after the bell program to include flexibility for schools to serve breakfast before the instructional day begins provided the school also offers breakfast after the start of the instructional day in a location of the school’s choice;
- Laws 2016, Chapter 3 (Senate Bill 153), *College Credit for Military Service*, directs the secretary of the Higher Education Department to establish a consistent policy and articulation agreement regarding the evaluation and award of college credit based on military training;
- Laws 2016, Chapter 56 (House Bill 97), *Remove Some School Readiness Tests*, amends the Assessment and Accountability Act to remove the ninth and 10th grade short-cycle diagnostic assessments in reading, language arts, and mathematics from the state’s readiness assessment system; and
- Senate Joint Memorial 2, *Child Fitness, P.E. & Obesity Task Force*, requests LESC to convene a task force to consider the function of elementary school physical education in reducing childhood obesity, evaluate the possibility of minimum time requirements for elementary physical education, and report its findings to the LESC by October 1, 2016.

Ms. McCorquodale noted that one bill, House Bill 187, *Alternative Level 3-B School Licensure*, was vetoed by the governor. It would have provided an alternative level 3-B licensure track for instructional support providers, and set the minimum salary for an alternative level 3-B licensed school principal or assistant school principal equal to the minimum salary of a level 3-A teacher, multiplied by the applicable responsibility factor.

She also stated the following three bills were not ruled germane: House Bill 165, *Jr. ROTC Instructor Licensure*; Senate Bill 135, *Arts Education Standards*; and Senate Bill 198, *School Transportation Distribution*. Ms. McCorquodale also pointed out that language included in the GAA of 2016 to establish separate transportation distributions was vetoed by the governor. To conclude, she noted the 2016 LESC interim workplan summary will include some of these unresolved issues dealing with school transportation distribution, current year membership calculations, and the public school funding formula. Part of the workplan includes collaboration

with all stakeholders affected by these issues and to better plan and develop policy that is achievable.

### **Committee Discussion**

Regarding the inability to replace all school buses every 12 years, the Chair recalled the 2013 LESC Interim Subcommittee on School Bus Transportation which proposed to extend the life cycle to 15 or 20 years. Mr. Kleats said the subcommittee wanted staff to look at the 12-year cycle since some rural districts need to replace buses before 12 years, while activity buses may last beyond that period.

The Chair commented on HB97 and the statute calling for standardized testing for third through eighth grades and 11th grade, as opposed to PED's de facto rule calling for standardized testing for third through 11th grades and asked Mr. Kleats for his thoughts on that phenomenon. Mr. Kleats said the continuity of data from standardized assessments across all grade levels can be beneficial.

Senator Stewart requested to have a discussion on the alternative licensure statute and the pathways to teaching. She also noted problems with instructional materials and the lack of funding for reading materials and asserted that young readers need good reading materials to follow up after class instruction. Senator Stewart requested to hear from school districts about the impact of not giving them all of the reading materials they need. She commented that the Reads to Lead program has good materials that should be available for all schools.

Senator Kernan voiced support for Senator Stewart's request to look at alternative licensure. She asked if we know how many school districts were impacted by the minimum salary increase mandated for level 2 and level 3 teachers, and Mr. Kleats said not currently. Senator Kernan expressed concern that school districts may have to use operational funds to provide teacher pay increases and suggested that PED could provide information from the salary schedules submitted by the school districts. Rachel S. Gudgel, Director, LESC, said LESC staff looked at salary data reported in the Student Teacher Accountability Reporting System (STARS), and she thinks staff can provide her with the district information. Ms. Gudgel also cautioned the data in STARS is often not clean due to mistakes in data entry. She said school districts need to know how important it is to have good data for legislators to make budget and policy decisions. The Chair said this is all the more reason why alignment of the training and experience index is critical.

Representative Trujillo expressed her interest in being on a subcommittee to support reading and make sure we are not using alternative licensure to substitute qualified teachers with low-quality teachers. She also expressed concern that out-of-state textbook publishers are supplying the majority of reading materials for the governor's reading initiative. Representative Trujillo emphasized the need to use books that are culturally appropriate. In reply, Ms. McCorquodale said PED does have requirements for culturally appropriate books, and books have been purchased from New Mexico vendors.

## **DIRECTOR'S REPORT**

### ***a. Approval of January 2016 LESC Minutes***

On a motion by Senator Brandt, the committee approved the minutes for the January 2016 interim meeting.

### ***b. Administrative Rulemaking***

Kevin Force, LESC staff, reported the Educational Retirement Board (ERB) made several amendments to their rules, clarifying provisions that have been long-standing ERB policy. One proposed rule requires the aggregation of a person's employment with all local administrative units for purposes of calculating whether an employee's full-time equivalent satisfies the 0.25 threshold for inclusion. It would also delete a paragraph that differentiates between long- and short-term substitute teachers, requiring substitute teachers' statuses to be determined according the same way as other ERB-eligible employees.

Next, the ERB-proposed rule for member and administrative unit contributions would make interest paid by a member to reinstate withdrawn service credit nonrefundable. If a member withdraws service credit from their account and decides later to buy back the withdrawn credit, all earned interest must be paid back with the principal. Mr. Force noted the proposed rule also requires a member's refunded contributions to be made as soon as practicable after requested; if a member was terminated, there would be no need to have the employer certify termination before processing any refunds. If the member is active, refunds would not be processed without the employer's certification of termination and the final monthly report on which a member will appear to ensure all contributions have been submitted before processing the refunds and avoid extra checks and paperwork.

ERB also proposes to amend Section 2.82.4.8 NMAC 1978 to grant earned service credit on a quarterly basis and to consider any day that a member is paid to be a day that service is earned.

The proposed rule for "Retirement Benefits" would amend the selection of benefits and beneficiaries upon retirement for members that elect "Option B," according to Section 22-11-29 NMSA 1978. These members may not designate a beneficiary more than 10 years younger than the member, unless that beneficiary is the member's spouse.

Proposed amendments to cost-of-living adjustments (COLA) would prevent a member from receiving a COLA if the member was certified by ERB as disabled at the time of regular retirement and then returns to work in a local administrative unit in a position commensurate with their background, experience, and education. Adjustments made before reemployment, however, would remain effective and future adjustments would be made according to statute.

The proposed rule for "Administrative Unit Reports and Remittances" would require local administrative units to report compensation paid to all employees, not just ERB members, to help determine whether local administrative units are making all required contributions, particularly for members who work for multiple administrative units.

Mr. Force noted the December 15, 2015 issue of the *New Mexico Register* contained the Public Education Department's (PED) repeal and replacement of "Tobacco, Alcohol and Drug Free

School Districts,” which the committee first heard at the October 2015 LESC meeting; the rules were adopted without change.

Mr. Force said in the publication of the March 31, 2016 issue of the *New Mexico Register*, PED repealed Section 11.2.31 NMAC 1978, “Apprenticeship Assistance,” following a public hearing conducted by the Department of Workforce Solutions (DWS). As required by Laws 2014, Chapter 51, Section 10, all functions for administration or oversight of provisions of the Apprenticeship Assistance Act were transferred from PED to DWS.

Senator Sapien asked if the ERB rule changes are consistent with ERB policy and Mr. Force replied the rule was consistent with board policy and the advice of their tax attorney. Senator Sapien also inquired if ERB discussed the retirement benefit options for unmarried employees who may wish to leave their benefits to a child or other relative who is more than 10 years younger than they are. Mr. Force replied he was unaware of such a conversation and offered to reach out to ERB to see if the issue had been considered and added that it may not have been discussed explicitly because it was a longstanding policy.

### ***c. Informational Items***

Rachel S. Gudgel, Director, LESC, reported the following items were included in the meeting materials or available at the LESC staff office for the committee’s review:

- a memorandum dated January 29, 2016 from Matthew Montañño, Director, Educator Effectiveness and Development, Educator Quality Division, PED, regarding an update to the teacher evaluation plan;
- a Legislative Finance Committee report dated April 15, 2016, titled, *General Fund Revenue Tracking Report: Accruals through January 2016*; and
- a letter dated February 19, 2016 from LESC to the Attorney General requesting an opinion regarding the generation of school size program units by charter schools.

Regarding the general fund revenue update, the Chair observed most funding depends on stable revenue, which we do not have at this time. Senator Kernan asked for an update on current oil and gas prices, and Representative Townsend told her the current price of oil was \$40.36 per barrel. He also projected state oil and gas revenues to decline by \$780 million for FY17 and said there was no doubt production would decline as well. Senator Cotter commented that New Mexico oil sells for \$5 to \$6 less than West Texas Intermediate Crude because our oil contains more sulfur. Natural gas prices are significantly lower than current estimates and gas storage levels remain high as a warmer than expected winter and lower demand contributed to the buildup.

Representative Trujillo pointed out lower revenue collections make it important to discuss other revenue options and have the political will to consider what is happening with the state’s taxes.

### ***d. Policies and Procedures***

Ms. Gudgel informed the committee on updates to the LESC Policies and Procedures manual and noted the last update to the manual was in 2012. Most of the changes are technical and do not change daily office operations. She also asked LESC staff to provide feedback which was considered and included in the document.

Ms. Gudgel reviewed updates to the compensation policies on pages 9 to 11, and focused on sections I, J, and K pertaining to annual accrued leave. She explained payout limits have been established to reduce unfunded liabilities due to an unlimited annual leave payout policy in the prior version of the manual. The new policy limits the maximum cash payment to 320 hours of annual leave and makes exceptions to these limits for existing LESC employees that have more than 320 hours of accrued leave, though the new policy encourages employees to bring their leave balances down to lower the potential liability to the committee.

Ms. Gudgel also noted the manual has a new section on program evaluation and discussed plans to hire two evaluators.

Representative Trujillo discussed staff responsibilities during session and expressed concern over staff interaction with legislators being construed as political. She stated that staff should be able to freely respond to legislator requests and have clear direction that it is all right to talk to legislators without fear of retribution. Ms. Gudgel replied that the issue is addressed in Chapter 3 of the manual on page 23. After emphasizing that staff serves the committee, she offered to be available for further discussion on this matter.

On a motion by Representative Trujillo, seconded by Senator Kernan, the committee approved the policies and procedures manual.

### **PUBLIC EDUCATION DEPARTMENT AND HIGHER EDUCATION DEPARTMENT: PRIORITIES FOR THE 2016 INTERIM**

Matthew Pahl, Director of Policy, Public Education Department (PED), and Matthew Montaña, Director, Educator Effectiveness and Development, Educator Quality Division, PED, noted the department's four interim priorities: (1) establish a standard for charters; (2) enhance and support the educator ecosystem where teachers can thrive; (3) expand personalized learning opportunities; and (4) implement and monitor New Mexico's educator equity plan.

Mr. Pahl noted that New Mexico charter schools have been operating without standards for too long, resulting in a wide variation of charter effectiveness. Senate Bill 446 (2011), *Charter School Contracts*, provided a foundation for standards but there is still little clarity for charters as to what success looks like versus chronic failure. He noted PED wants to reward high-performing charter schools by giving them 10-year charter terms and a pathway to replicate their model for success. Mr. Pahl also noted that PED plans to establish long-term solutions for the facilities of high-performing charter schools to provide stability. He said PED intends to create automatic closure standards for low-performing charter schools. Mr. Pahl indicated there will be opportunities to work with LESC and stakeholders on this issue to create a better environment for the state.

Mr. Montaña continued with a discussion on how to enhance and support the educator ecosystem. He noted PED is looking at developing and recruiting better teachers and working directly with school districts to provide stipends to teachers in hard-to-staff areas. The department is also looking at college of education (COE) programs and gave the New Mexico Deans and Directors of Education templates on a new education program approval process to review and provide feedback over the next two months. Traditionally, COE programs are accredited by the National Council for Accreditation of Teacher Education (NCATE) every

seven years, according to Mr. Montaña; PED is considering a four-year state-led approval process with feedback provided by teachers and principals.

Mr. Montaña noted school districts have shown interest in the Teachers of English to Speakers of Other Languages (TESOL) endorsement required for participation in the bilingual program, but PED research indicates no difference in the effectiveness of TESOL-endorsed and non-TESOL-endorsed teachers. Because of this, he said PED allowed school districts to give stipends to bilingual teachers who were not TESOL-endorsed but were rated effective or higher. Last year, PED piloted its first Teachers Pursuing Excellence program, where high-performing teachers mentor low performers. The department is also developing a framework for professional development to provide better guidance and acknowledge performance to advance teacher license and salary through the educator evaluation system.

Mr. Pahl referred to a Center for American Progress (CAP) report that addresses ways to enhance and support the educator ecosystem by matching teachers and students to allow for maximum impact, providing training and support, and differentiating compensation and licensure pathways to keep the best performers and attract more teachers.

Mr. Pahl noted PED's desire to expand personalized learning opportunities for students by growing current programs like Innovative Digital Education and Learning-New Mexico and providing more personalized learning for students in small schools and rural areas through virtual and competency-based learning. He said the department and superintendents are in an exploratory stage and weighing options.

Mr. Pahl discussed the New Mexico educator equity plan submitted to the U.S. Department of Education on June 1, 2015 and finalized last November. He noted the differences in teacher competency among economically disadvantaged and non-economically disadvantaged students; 31 percent of economically disadvantaged students receive instruction from teachers rated less than effective compared to 23 percent of non-economically disadvantaged students, and results comparing children of color to white children is roughly the same. Referring to a report released last week from CAP, *Looking at the Best Teachers and Who They Teach*, Mr. Pahl noted that, efforts to provide poor students with better teachers have mixed results. The consequences for New Mexico include lower reading proficiencies that result in one-third of Hispanic and nearly 40 percent of Native American students not graduating high school in four years, he said.

According to Mr. Pahl, the CAP study offered several recommendations to address how to close the gaps, including: using teacher effectiveness data to determine teacher distribution within a school and district; retaining effective teachers by reforming compensation systems; encouraging teachers to teach in disadvantaged schools through financial incentives; and improving the recruitment of teachers with effectiveness in mind.

Mr. Montaña discussed several PED initiatives which address CAP recommendations, including the highly qualified teacher waiver to allow school districts to use waivers to allow staff to teach outside of their normal context. He referred to testimony last interim by a Santa Rosa teacher who taught construction and then received an endorsement to teach middle school math. After successfully teaching math at that level, he moved on to teach Algebra 1, which allowed the district to continue its course offerings despite a downturn in enrollment, Mr. Montaña said.



Class size waivers, Mr. Montañó added, give principals the flexibility to allow effective teachers to teach larger classes rather than exposing students to a less effective teacher simply to meet class size requirements. He also noted that hard-to-staff stipends have been expanded past special education and bilingual teacher stipends to include TESOL endorsement and pay for performance salary increases that reward teachers for improving student outcomes. He indicated that the Teachers Pursuing Excellence program creates a mechanism for dialogue on best teaching practices.

Mr. Pahl said that PED looks forward to working with the committee on Every Student Succeeds Act (ESSA). He also referred to a slide with a list of potential LESC meeting presenters and noted that referrals for personalized learning will be added to the list later.

Regarding collaboration with stakeholders to meet ESSA requirements, the Chair noted other states, especially Washington, are ahead of New Mexico, and expressed a desire to work on the details for a collaborative process.

Representative Salazar asked about accreditation for COEs statewide and the role of NCATE. In reply, Mr. Montañó indicated that the state partnership with NCATE ends in 2017 and PED informed COEs that the NCATE process is too costly and does not appear to be helping COEs. For example, he said that the University of New Mexico paid NCATE \$700 thousand for accreditation last October. He added that there are a number of other issues with NCATE, including a disconnect with preparing new teachers, a focus on inputs rather than outcomes, and little to no benefits for being accredited. Representative Salazar asked whether the Higher Education Department and the COEs were in agreement with PED, and Mr. Montañó explained that COEs are not prohibited from using NCATE, but the state will not renew its partnership with NCATE.

Representative Salazar also asked whether PED agreed with the study indicating that TESOL training is not a benefit, and Mr. Montañó said that PED is still looking for a direct correlation between TESOL teachers and student outcomes. Representative Salazar requested to receive the study.

Representative Trujillo expressed concern that PED may be making a unilateral decision not to work with NCATE and asked whether PED discussed this with the COEs. Mr. Montañó said PED has had discussions with the COEs and noted that the major concern was whether teachers can reciprocate their licenses if they move to another state. The Chair asked Barbara Damron, Cabinet Secretary, Higher Education Department (HED) to explain HED's position on NCATE accreditation, and she noted that HED does not favor further statutory authority and encourages the institutions of higher education (IHEs) to seek accreditation.

Senator Morales noted, PED stated that ESSA requires states to set their own achievement goals and asked for clarification. Mr. Montañó answered that he would provide it at a later time.

Senator Morales asked Paul Aguilar, Deputy Secretary, Finance and Operations, PED, for an update on special education maintenance of effort (MOE) and Mr. Aguilar replied that the U.S. Department of Education (USDE) and PED have come to an agreement in principal to resolve the MOE issue and he anticipates USDE approval soon.

Senator Sapien inquired about the establishment of standards for charter schools, and Mr. Pahl indicated that charter schools want some variation in the standards, such as a 10-year renewal period for high-performing charter schools, which would allow them to manage their finances in a more efficient manner. Senator Sapien noted that SB446 was based on national input and should be a template to guide the school and authorizer through the authorization process. He added that issues arising from different charter school missions (whether serving at-risk populations, focusing on science and technology, etc.) could have been resolved if SB446 was rolled out properly. He also expressed concern over the 10-year renewal period, since SB446 was never intended to solely address authorization. In response, Mr. Pahl said that the tenets of SB446 can be leveraged to accomplish legislative goals and lay the foundation for better performance.

Senator Padilla asked how long New Mexico had a class size waiver and Mr. Aguilar stated that it was included in House Bill 212 (Laws 2003, Chapter 153), *Public School Reforms*. Noting that the state has never met the size requirement, the Senator questioned why the waiver exists at all and Mr. Aguilar indicated that class size is averaged in each school district based on a number of variables. Given the legal action taken against the state, Senator Padilla asked how much money does it take to have 100 percent compliance with class size requirements, and Mr. Aguilar stated that the amount is hard to determine and varies from year to year and offered to provide year-over-year figures at a later time.

Senator Padilla mentioned reports that effective teachers can see class size increases up to 30 percent, and asked what PED has heard about this. In reply, Mr. Montaña indicated research shows that more students do not impact teacher effectiveness, and PED uses the hard-to-staff stipend in unison with the class size waivers to be thoughtful when advising school districts on how to place students. Senator Padilla stated he wants to see the data showing that class size does not affect teacher effectiveness and MOE data as well. He also urged PED to plan more and be proactive, and asked whether ancillary movement will affect special education funding. Mr. Aguilar replied that the movement will not affect funding, and noted that the state never spends all of its MOE funds, pointing out that school districts used only \$305 million out of \$385 million generated through special education components of the funding formula. He also noted that the PED calculation method has not changed.

Senator Kernan requested the method for calculating ancillary staff per the PED manual. Mr. Aguilar noted that the manual lists three different methodologies to calculate ancillary staff funding. Senator Kernan also inquired about ancillary staff funding anomalies and why PED did not identify them earlier. The Chair asked Mr. Aguilar to provide an explanation in writing, and Representative Stapleton also requested to send her questions to PED.

Regarding class size waivers, Senator Ivey-Soto explained that 2010 through 2014 school years used general waivers to address the financial downturn, as opposed to specific waiver requests used prior.

### *HED 2016 Interim Initiatives*

Secretary Damron, stated HED has an interest in improving graduation rates and has made articulation and transfer, which the Legislature wanted to fix since 1995, a major initiative. She said HED has a strategy to ensure articulation in 2017, but admitted that it will be a challenge for the 32 IHEs to work together. Citing the need for students to have a good breadth of knowledge

which should be fulfilled through 35 credit hours in math and English, Secretary Damron said HED is finding out students are not acquiring good skills. Therefore, provosts and chief academic officers are working together to develop core competencies and address problems with meta-majors transferring out of disciplines before they acquire the needed skills.

Regarding general education reform, Secretary Damron discussed HED's desire to migrate from requiring courses in specific academic disciplines to requiring courses which develop specific skills and competencies so that 21st Century students are prepared to go through six to eight career changes. She explained that HED is working with the Institute of Design and Innovation at UNM to develop statewide degree mapping analytics. In addition, HED is working with the institutions to code their degree data into HED's degree mapping system. Secretary Damron emphasized the process is not driven by authority, but rather through collaboration, and HED is reviewing the syllabus of every lower course at every institution. Courses that do not align are pulled aside for faculty to look at and provide input. Faculty committees, including presidents, provosts, and admissions officers, create common course descriptions and an online blackboard portal is used to review English and math courses. She noted that no state has done this process in such a decentralized manner.

Secretary Damron also discussed remediation reform, observing that remedial courses discourage students and should be replaced with more tutoring and self-paced learning. She said HED is leading three faculty task forces to design implementation plans for statewide math co-requisite remediation, English co-requisite remediation, and customized math pathways for different degree paths. The implementation plans are on schedule to be completed by July 2016.

Secretary Damron also mentioned the higher education funding formula implemented in 2012 coincided with a 15 percent increase in college graduates, which may indicate that funding formula incentives for improved outcomes are helping. In addition to crediting institutions for their work, she also credited statewide college preparation programs, Gaining Early Awareness and Readiness for Undergraduate programs, and dual credit courses.

After thanking Secretary Damron and Dr. Harrison Rommel, Interim Director of Finance, HED, for their help with SB153 (Laws 2016, Chapter 3), *College Credit for Military Service*, Senator Brandt asked for a progress update on the new law and Secretary Damron explained that Dr. Rommel is already working with the Veterans' Services Department to ensure veteran experiences count toward higher education. She added that community colleges, some of which have good veteran services, are already working on this and confirmed that college and university presidents have committed to assisting veterans with their education needs.

Representative Dines asked whether institutions are providing more online courses, and Secretary Damron answered in the affirmative but cautioned there are pros and cons to this. Students say they miss socialization, and Arizona State University is moving almost all of their undergraduate courses to online formats, but successful schools look to provide social experiences. When Representative Dines asked whether buildings on campus will become vacant as online courses grow in popularity, Secretary Damron answered that higher education will be revamped, but will not go completely electronic. She added that online courses tend to attract new students rather than pull current students away from campus. On that point, Senator Sapien encouraged institutions to target out-of-state students for online courses and new revenue streams. He also discussed the Advanced Placement (AP) program and Secretary Damron noted that AP is a solid, proven model.

Representative Roybal Caballero discussed the importance of degree mapping analytics and its direct correlation to customized degree paths and the graduation rate. She also commented on the mix of modern and traditional teaching styles at institutions and asked Secretary Damron how she intends to address this and workforce gaps due to retirement and career movement. In reply, Secretary Damron explained that institutions allow teachers to teach however they want, as long as their students succeed. HED also wants to see more cross-collaboration. She added that institutions have teaching institutes to improve instructional methods and they are working.

## **2016 LEGISLATIVE INTERIM: COMMITTEE DISCUSSION**

The Chair noted LESC staff compiled workplan topics based on committee and staff recommendations and the meeting schedule and locations were based on input from committee members. Representative Baldonado had previously requested to have a meeting in Los Lunas, which will be in June; Representative Garcia Richard requested to have a meeting in Los Alamos, which will be in July; and Representative Yvette Herrell had also previously requested to meet in Alamogordo on the campus of the New Mexico School for the Blind and Visually Impaired (NMSBVI) in August. Although NMSBVI is a special school and not under LESC oversight, the Chair reported the institution received \$8 million in capital outlay funds from the Public School Capital Outlay Council.

After an inquiry from Senator Morales on conflicting meeting dates with the Legislative Finance Committee (LFC), the Chair noted that June and November overlap with LFC. The Senator advised committee members that four guest dates could be used to attend other committee meetings if approved by the respective chamber, and Ms. Gudgel noted that the guest dates can only be approved for meetings that occur after the start of FY17.

Representative Smith asked when the committee will address Native American issues, and Ms. Gudgel informed him that the new workplan format does not list topics by month, so scheduling this item and others are up for discussion. Currently, she and the Chair are scheduling agenda items for meetings in June through August. The Chair noted charter school issues will likely be on the first day of the June, July, and August meeting agendas and charter school stakeholders are encouraged to attend.

On a motion by Senator Kernan, seconded by Representative Trujillo, the committee unanimously approved the LESC meeting schedule.

Ian Kleats, Deputy Director, LESC, briefed the committee on the LESC workplan, noting that the new format empowered staff to engage the committee in areas of interest and work toward improvements and solutions.

Representative Garcia Richard asked the Chair if he is considering subcommittees, and the Chair stated he will seek full committee input on major topics, instead of subcommittees, and will continue to work with LFC on policy bills with fiscal implications. The LFC Chair has agreed to reestablish the joint work group, which would report to both committees. Representative Garcia Richard suggested the work group findings should be presented to the LESC sooner than last interim. She also requested giving traditional schools with A or B school grades the same flexibility as charter schools.

Senator Kernan asked for more research on Dynamic Indicators of Basic Early Literacy Skills to determine whether the short-cycle assessment is valid to use for teacher evaluations. She also mentioned Carlsbad was successful using mental health courts to manage truancy, discipline, and delinquency.

Senator Stewart, who was appointed voluntary chair of the SJM2, *Child Fitness, P.E. & Obesity Task Force*, presented a plan to run the task force without a budget. She suggested forming the task force with a group of medical professionals and voluntary LESC members who would meet in Albuquerque. Senator Stewart noted the task force would regularly report to the LESC.

Senator Ivey-Soto asked to discuss the proposed constitutional amendment that restricts unfunded mandates by rule, and requested a discussion on minimum wage for ancillary staff. Senator Sapien recommended repealing the ancillary staff minimum wage because the state minimum wage is higher than the wage set out for ancillary staff in statute. The Chair noted staff can assist in determining an appropriate minimum wage.

Representative Dines and Senator Morales requested to receive meeting materials prior to the meeting for additional review time. The Chair noted LESC staff are working on a Dropbox account to get digital information to committee members in advance. Representative Roybal Caballero suggested citation source information be added to reports as well.

Senator Brandt requested a new Attorney General (AG) opinion on the constitutionality of fees charged by schools. He noted the last AG opinion on this topic said fees were not legal, but school districts continued charging them.

Senator Padilla requested a presentation on the community schools model, which has shown positive results in his district. He also requested to see data on best funding practices to embed more social workers in high-poverty schools.

Senator Sapien requested a report on Kahn Academy, a free resource to help with academic intervention.

On a motion by Senator Sapien, seconded by Senator Kernan, the committee approved the 2016 interim workplan.

## **ADJOURNMENT**

There being no further business, the Chair adjourned the LESC meeting at 1:52 p.m.