

MINUTES
Legislative Education Study Committee
New Mexico State Capitol, Room 322
Santa Fe, New Mexico
December 18-20, 2019

December 18, 2019

The following voting and advisory members were present: Voting: Chair Christine Trujillo, Vice Chair Mimi Stewart, Senators Craig W. Brandt, Candace Gould, and William P. Soules, and Representatives Rebecca Dow, G. Andrés Romero, Sheryl Williams Stapleton, and Linda M. Trujillo; Advisory: Senators Gay G. Kernan, Linda M. Lopez, Michael Padilla, and Shannon D. Pinto, and Representatives Kelly K. Fajardo, Natalie Figueroa, David M. Gallegos, Joy Garratt, Raymundo Lara, Willie D. Madrid, Gabriel Ramos, Tomás E. Salazar, and Elizabeth "Liz" Thomson.

The following voting and advisory members were not present: Voting: Representative Alonzo Baldonado; Advisory: Senator Daniel A. Ivey-Soto and Representatives Joanne J. Ferrary, Susan K. Herrera, D. Wonda Johnson, Tim D. Lewis, Patricia Roybal Caballero, and Debra M. Sariñana

FY20 and FY21 General Fund Revenue Estimates. Olivia Padilla-Jackson, secretary, Department of Finance and Administration said the consensus revenue estimating group was projecting high levels of general fund revenue collections in FY20 and FY21 and the fiscal outlook remains strong, though revenue collections were reduced \$109 million from the August estimates. Ms. Padilla-Jackson noted the creation of the tax stabilization reserve in 2017 reduced the impact of the reduction; without the tax stabilization reserve, projected recurring revenue would have been reduced by \$189 million. Ms. Padilla-Jackson noted recurring general fund revenue reached unprecedented levels in FY18 and FY19, which led to large amounts of "new money" projected for FY20 and FY21. She said in the interest of fiscal stability the state should not spend all of the projected "new money" on recurring expenses. She suggested looking at longer term revenue trends when deciding on appropriation levels.

Clinton Turner, tax policy director, Taxation and Revenue Department reviewed the macroeconomic data that was included in the forecast. He said the baseline forecast does not include a U.S. recession, but includes moderate economic growth rates. He noted New Mexico's economy has caught up to growth rates in the rest of the nation, with 2 percent job growth. Job growth in New Mexico has lagged the rest of the U.S. Job growth in New Mexico has centered around the Permian Basin. Mr. Turner said the revenue impact of low oil price scenario is much greater than the impact of a national recession.

Dawn Iglesias, chief economist, Legislative Finance Committee noted the primary revisions to the forecast were a change in projections of oil volume growth. She said the forecast was not projecting an oil volume decline. She noted oil companies are expecting to spend less on drilling new wells and produce less oil than they were expecting in July. Ms. Iglesias reviewed the impact of differing economic conditions on revenue collections, based on scenarios created by Moody's Analytics. She said Moody's low oil price scenario, which assumes an oil price of \$35 per barrel for an extended period, would reduce general fund revenue by \$940 million in FY21 and \$1.2 billion in FY22. Moody's moderate recession scenario would reduce collections by \$665 million in FY21 and \$640 million in FY22. Moody's scenario for stronger than expected growth, would increase collections by \$590 million in FY21 and \$790 million in FY22.

Senator Soules noted the probability of a low oil price scenario is less than 5 percent but that the state was making large financial decisions based on this unlikely scenario. Ms. Iglesias said the purpose of the low oil price scenario was to show the worst case scenario, but it was up to the

Legislature to decide how much risk to prepare for. In response to Senator Soules, Mr. Turner said the probability of the high oil price scenario was about 10 percent. Senator Soules noted the large cash reserves means the state is not investing in the future to protect against an unlikely scenario. He also noted New Mexico need to prepare for oil demand reductions due to climate change. In response to Senator Padilla, Ms. Iglesias said the renewable energy tax base cannot make up the revenue from oil and gas because the inputs in wind and solar energy are free. Senator Padilla asked if energy transmission is taxed and Mr. Turner said it is not. Representative Gallegos noted recent job reductions by some oil companies in southeast New Mexico and asked if they were included in the forecast and Ms. Iglesias said the forecast includes forward-looking expectation of employment.

In response to Senator Brandt, Ms. Padilla-Jackson noted the Legislature had an opportunity to invest significant amounts in non-recurring projects, including road and other infrastructure projects and to create an early childhood education trust fund. In response to Senator Padilla, Ms. Padilla-Jackson said if the early childhood education trust fund were to grow to \$1 billion, it would provide \$45 million to \$50 million per year. Senator Padilla noted that amount was likely far short of the true need in this area. Ms. Padilla-Jackson said the trust fund would only represent one revenue source and others would be needed.

Senator Brandt asked if the state has seen growth in other industries besides oil and gas. Ms. Iglesias noted for FY20 the largest area of growth outside of oil and gas is for activities involving Los Alamos National Laboratories. Additional growth in the tax base has been seen in internet sales and in revenues collected from nonprofit and governmental hospitals as a result of Laws 2019, Chapter XXX (House Bill 6). In response to Representative Linda Trujillo, Mr. Turner said internet sales were currently taxed at the out-of-state rate if the seller does not have a place of business in the state and taxed at the local rate if the seller has a place of business in the state. He noted there was a transition period for these taxes.

Senator Stewart noted the significant amount of reserves in the tax stabilization reserve account, with \$1 billion at the end of FY19 and a projected \$1.6 billion at the end of FY20. She said the Legislature may want to revisit the policy of placing operating reserve balances of about 8 percent in the tax stabilization reserve, noting it limited the amount available for appropriation.

A Teacher Weighted Formula: A Teacher Compensation Concept for New Mexico. Jason Edwards, senior associate, Educational Issues, American Federation of Teachers (AFT), provided a national overview of trends in teacher compensation. He explained teacher value is a key factor in teachers leaving the profession. The 2019 PDK Poll of the Public's Attitude Towards Public Schools, a survey of all teachers, found teachers feel undervalued in the profession and are leaving due to stress, pressure, and burnout. Survey results found higher pay and benefits are motivators for teachers. Teacher pay in New Mexico is amongst the lowest in the country ranked 47th in 2017 and 48th in 2018.

Rob Weil, director of policy, research, and field programs, AFT, explained teachers across the nation usually follow a salary schedule based on levels of education and years of experience. This approach has not produced salaries for teachers that are competitive based on the teachers' education, reflect the complexity of the work and does not reward additional skills and knowledge that benefit children. Differentiated compensation ties into teacher opportunities such as incentives for professional development. Mr. Weil highlighted this shift is a difference between a rewards system and an organization growth system. Mr. Weil concluded that you can reward someone, but if they do not know what they are doing, you are not building the instructional path for the future.

Ellen Bernstein, Ed.D., president, AFT presented the “teacher weighted formula” as a policy consideration for New Mexico to attract and retain teachers with diverse qualifications. Ms. Bernstein states that she believes this approach would build on the current three-tiered licensure system by enhancing the teacher cost index with teacher attribute factors that would carry a weight in the public school funding formula, like the funding formula attaches a weight, or multiplier, to students’ attributes. Dr. Bernstein added this would address the compression issues that have resulted from increasing the minimum salary for each tier, would acknowledge and reward leadership roles, reward qualifications and attributes of teachers, and reward additional pay for added responsibility.

Representative Thomson asked about other professionals in schools, like occupational therapists and speech and language pathologists. Particularly, with the consolidated *Martinez* and *Yazzie* lawsuit, students with disabilities are generally underserved. Ms. Bernstein said it is a good idea to take this concept to other educators in the schools.

Representative Dow asked about the relevance of the survey to New Mexico, noting the rural nature of the state and the difference in opinion on the length of the school week and school year, adding this may negatively impact teacher retention. Rachel Gudgel, LESC director, and Ms. Bernstein noted that they are not aware of a state survey that currently measures these perceptions.

Representative Dow additionally inquired if under this proposal, an educator’s micro credential needs to be implemented in the classroom to receive the pay differential, specifically asking how this would impact measures such as harder to staff schools and at-risk students, among other factors. Ms. Bernstein said she believes more stakeholders need to review the proposal to work out the details. Ms. Bernstein further explained there are a lot of compensation systems with a weighted pay differential that pertain to hard-to-staff schools, but from experience and research in this area, believe people leave schools because of the principal and the culture of school.

Representative L. Trujillo asked how flexible the pay differentials will be based on when the change is made and how accountability will factor into whether the differential is owed to the employee. Ms. Bernstein answered that from her experience, if a professional stops having the responsibility of a specific function in the school, the human resources department stops compensating that individual for that responsibility. Representative L. Trujillo added that the conversation solidified the importance of LESC working on an education budget, looking at formula funding and looking toward how other state agencies compensate their employees with specific salary appropriations.

Representative Garratt said she supports micro credentials, instead of adding additional licensure levels to our current system and asked how this would work with some school districts already offering stipends and differential pay for things like after school activity responsibilities. Ms. Bernstein said Albuquerque Public Schools provides a lot of differentials and added if we value a diverse teaching force, then we have to figure out how to implement it.

Senator Pinto asked how this proposal would impact teachers in rural communities. Senator Pinto said a challenge is when the funding from the state gets to the school district, the funding does not usually get disbursed where the highest need is. Ms. Bernstein said we need to focus on not just attracting people to those areas, but also making sure they can build a career to stay there. Ms. Bernstein added it is important to listen to the experts in Senator Pinto’s community and others who will be able to tell us if there should be local autonomy or if there is some way to help school districts create a base and give them enough funding to add differentials.

Chair Trujillo thanked the presenters and notified the committee that this is something she wants studied over the next interim, in preparation for committee endorsed legislation for the 2021 legislative session.

Education Partners and Other Stakeholders 2020 Legislative Session Budget and Policy Priorities. Joe Guillen, executive director of the New Mexico School Boards Association (NMSBA), presented the shared priorities of the state's joint education partners. The education partners are comprised of members from the American Federation of Teachers New Mexico (AFTNM), the National Education Association New Mexico (NEA-NM), the New Mexico Coalition of Education Leaders (NMCEL), the New Mexico School Superintendents Association (NMSSA), the New Mexico Parent Teacher Association (NMPTA), and the New Mexico School Boards Association (NMSBA).

Charles Goodmacher, UniServ director for NEA-NM, stated the joint partners' first priority was to increase formula funding, noting continued investments were necessary to support special education students and English learners, and to provide culturally and linguistically appropriate programs and materials for all students. The partners believe the public school funding formula should continue to take credit for federal impact aid payments to bolster revenues for all school districts.

Stan Rounds, executive director of NMCEL, noted the partners' second shared priority was to create an aligned system from early childhood to careers, including full funding for prekindergarten and K-5 Plus initiatives and increased support for career and technical education (CTE) programs in both middle and high school. The partners suggested the implementation of a CTE factor in the public school funding formula.

Ms. Ellen Bernstein, AFTNM president, stated the third priority was increasing educator recruitment, retention, and preparation. The partners support legislation to increase compensation for teachers and other school staff significantly, proposing the following framework: \$35 thousand for paid teacher residencies; \$45 thousand, \$55 thousand, and \$65 thousand for teachers at levels 1, 2, and 3 respectively; and an additional \$5 thousand raise for existing level 2 and 3 teachers. The partners also support rigorous education preparation programs, including teacher residencies, as well as programs to train science, technology, engineering, art, and math (STEAM) teachers, citizenship teachers, special education teachers, and bilingual and multicultural education teachers.

Renata Witte, vice president of legislation and advocacy for NMPTA, stated the final priority was to improve school safety and security using the following strategies: increasing capital improvement funds; increasing the availability of behavioral, emotional, and mental health counseling; creating guidelines for armed school security guards; employing restorative justice; and improving cybersecurity.

Olivia Calabaza, president-elect of NMSBA, explained the association is wary of legislation that may have unanticipated costs. Mr. Guillen noted as examples several pieces of legislation from the 2019 legislative session, including the Attendance for Success Act, the Student Diabetes Management Act, a bill authorizing medicinal marijuana in schools, a bill requiring student needs assessments, and other examples. Ms. Calabaza stated NMSBA also supports local control and increasing funding adequacy.

Dennis Roch, president-elect of NMSSA, stated NMCEL and NMSSA created a strategic plan using buy-in from a diverse group school district leaders and agreed on several policy pillars. The first is that increases to funding should be sustainable to allow for local control over salaries, as well as flexible to expand CTE opportunities. Mr. Roch also noted systemic issues in the transportation funding formula cause budgeting issues for some school districts. NMCEL and NMSSA also agreed

on strategies to improve educator recruitment and retention, including a tax credit for licensed educators who serve in rural or tribal schools, an increase to the ERB pension multiplier, and restoration of the New Mexico retiree health care fund. Regarding impact aid credits, Mr. Roch proposed holding all school districts harmless for changes made to the credits, substantially increasing the state match for SB9 funds, and expanding the ability of the Public Schools Facility Authority (PSFA) to retroactively improve schools to modern adequacy standards. Finally, Mr. Roch asked the legislature to consider repurposing some at-risk funding to create a separate categorical funding process for ancillary service providers.

Charles Bowyer, executive director of NEA-NM, reaffirmed the joint partners' proposal to increase compensation for school employees, but also noted the state should increase its support for community schools. Mary Parr-Sanchez, NEA-NM president, noted the \$2 million appropriation provided for community schools in 2019 allowed the Public Education Department (PED) to make six implementation grants and 26 planning grants in FY20. NEA-NM believes \$10 million would continue building community schools statewide.

John Dyrzcz, state affiliate political organizer for AFTNM, stated the federation also supports community schools, as well as several other initiatives: the grow-your-own teacher scholarship program; a career ladder for all classified school employees; the governor's proposal for free two- and four-year degree programs; and regulation of student debt servicing. Ms. Bernstein also supported broadening educator preparation by expanding the Educators Rising program, preservice teaching, teacher residencies, mentorship, induction supports, and a framework for teacher-developed professional development.

Mary Beth Weeks, NMPTA president, stated the association supports greater family engagement in New Mexico schools, as well as in the legislative process. Ms. Witte noted laws like the Attendance for Success Act ignore the stories of some families who struggle to make ends meet. She highlighted community schools and other outreach programs that effectively engage families in students' lives.

Matt Pahl, executive director of Public Charter Schools of New Mexico (PCSNM), introduced the organization's policy platform. He supported equitable funding for all students statewide, as well as adequate funding for professional development, mentorship, and early literacy initiatives. He noted the loss of small school size funding will disproportionately affect charter schools. The organization also supports expanding access to long-term facility funds with a revolving loan fund and simplifying short-term lease assistance funding using a per-student distribution of those funds. Mr. Pahl noted charter schools would like to continue allowing adult students to obtain high school diplomas. Additionally, the organization supports expanding PED's real-time data system, improving charter school access to transportation funding, and building transparency in charter authorizers' use of the 2 percent formula funding that is set aside for administrative support.

Senator Stewart asked specifically what was unfunded in the Student Diabetes Management Act. Mr. Guillen offered to follow up with NMSBA's policy analyst and get the Senator an answer. Mr. Roch stated one issue arose regarding educators that may not be adequately prepared to administer medication, but noted the NMCEL and NMSSA platform proposed a funding mechanism for ancillary service providers, like school nurses, to deliver the services required by the act. Representative Madrid noted the unfunded mandate narrative can be counterproductive when trying to craft effective policies.

Senator Kernan asked for clarification on the superintendents' position on the impact aid credit taken in the public school funding formula. Mr. Rounds stated superintendents had difficulty compromising and ultimately agreed that school districts should be held harmless from changes to any formula credits, which will require additional state funds.

House Memorial 88 and Senate Memorial 124: Central Consolidated School District Impacts.

Adan Delgado, deputy secretary of finance and operations, Public Education Department (PED), provided an update on the activities of the task force that evaluated the potential impacts on Central Consolidated School District (CCSD) of the planned closure of the San Juan Generating Station. Mr. Delgado noted the closure of the plant has the potential to decrease property tax revenue, making it difficult for CCSD to repay its bond obligations. Kyle Archibeque, director of finance, CCSD, added the closure may displace families that depend on the plant for employment, thereby decreasing enrollment in the school district and possibly creating social and emotional issues for affected students. Germaine Chappelle, legal counsel for CCSD, spoke briefly about the proposed reconstruction of Newcomb Elementary School, which may offset the losses incurred by the closure of the San Juan Generating Station. Mr. Delgado noted the scheduled closure will not take place until 2022 and stated the task force will continue to meet as needed. LESC Director Rachel Gudgel reminded the committee the task force's report is preliminary and data is likely to change over time.

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New Mexico State Supported Education Programs. The Central Region Educational Cooperative (CREC) is the only regional education cooperative (REC) in New Mexico that houses state-supported schools and programs, including the New Mexico Corrections Department, the Mimbres School at University of New Mexico (UNM) Hospital, Children, Youth and Families Department (CYFD) operated schools, and Sequoyah Adolescent Treatment Center. The CREC provides fiscal management of federal funds, technical support, grant application assistance, administrator networking, and placement of psychologists and other support staff.

Mr. Jeremy Abshire, Superintendent and Director of Education at the Mimbres School of UNM Hospital, presented on the educational services provided to youth patients at UNM with medical and psychiatric conditions.

Mr. Ben Santistevan, Superintendent of the CYFD Juvenile Justice Services School District, provided an overview of the educational services offered to adjudicated youth throughout the state. His district includes three programs: the Youth Diagnostic and Development Center, Foothill High located at the Camino Nuevo Youth Center, and the Aztec Youth Academy located at the John Paul Taylor Center. These programs offer a wide range of services, including high-school equivalency (HSE) preparation and testing, special education, English language services, athletics, career technical industry certifications, and post-secondary opportunities offered through partnerships with the Central New Mexico and Mesalands Community Colleges. Mr. Santistevan also reported positive student outcomes, including an 88 percent pass rate for CYFD students who took the General Educational Development (GED) test last year.

Mr. Rick Morrison, Education Director and Principal at Sequoyah Adolescent Treatment Center, summarized his program as a 36-bed residential treatment center operated by the New Mexico

Department of Health (DOH), that provides care, treatment, and reintegration services for males ages 13-17 with a history of violence or a mental health disorder. Mr. Morrison categorized Sequoyah as a leader in implementing trauma-informed strategies, utilizing Title I funds for professional development, and applying a multidisciplinary approach to therapeutic care.

In regards to challenges facing state-supported schools, Mr. Morrison and Mr. Santistevan emphasized a lack of awareness surrounding their programs at the state and local levels. Ms. Maria Jaramillo, Executive Director of the CREC, emphasized that while local educational agencies (LEAs) and charter schools were allocated funds for instructional materials in FY19, state-supported schools were not, which she attributed to a language oversight that she hopes will be corrected in FY20.

Representative Garrett suggested micro-credentialing as a possible solution to challenges voiced by the CREC. Mr. Abshire clarified for Representative Thompson that Mimbres School students are predominantly facing medical challenges, although some may also be navigating behavioral health or educational disability diagnoses. Representative Madrid and Senator Lopez emphasized the importance of athletics programs like those offered by CYFD schools.

Chair Trujillo and LESC Director Rachel Gudgel suggested CREC members provide additional funding information outlining their concerns. Chair Trujillo emphasized that teachers in state-supported schools should be receiving the same increases as general education teachers. Representative Dow asked CREC members about the cost per student within state-supported schools. Mr. Morrison said this is unclear because Sequoyah does not receive funding from the State Equalization Guarantee Distribution (SEG), but noted that the DOH has tried to match teacher raises. Representative Dow emphasized the importance of applying equity statewide. Chair Trujillo concluded by suggesting a memorial to study state-supported schools.

House Bill 447: Comparable Tracking System Between Schools, PED, and CYFD. Helen Quintana, chief of staff, Children, Youth and Families Department (CYFD) discussed the activities of the task force created pursuant to House Bill 447 to make recommendations for a real-time data tracking system between CYFD and the Public Education Department (PED). The shared data tracking system would flag students who disenroll from school and fail to reenroll at another school within nine days, automatically notifying a school administrator. Ms. Quintana highlighted several policy recommendations, including developing a statute to require private schools and tribal schools to participate in the data tracking system, making an appropriation to PED to develop the system, and requiring the system to use PED's unique student identification number. Greg Frostad, deputy director of the Safe and Healthy Schools Bureau, PED, stated schools would be responsible for investigating the status of students flagged by the system, and school counselors and administrators would be responsible for meeting with students identified by the system as being at high risk of abuse, neglect, or delinquency.

In response to a question from Representative Dow regarding the status of the data tracking system, Mr. Frostad clarified that PED will adopt a real-time data tracking system next year and the task force is proposing to give CYFD access to that system.

Representative Dow and Representative L. Trujillo expressed concerns about requiring schools to investigate the status of students flagged by the system and about the feasibility of requiring private and tribal schools to participate. Mr. Frostad stated that schools have relationships with their students and are therefore in a better position to conduct an investigation than CYFD.

National Education Association Survey of New Mexicans' Perception of Public Education. Charles Goodmacher, Do Good, LLC, for the National Education Association-New Mexico (NEA-NM) presented the results of an NEA-NM survey conducted in August 2019 by GQR, an international polling firm, to measure New Mexicans' perceptions of public education. NEA-NM

believes the respondents closely mirror New Mexico's population when compared with most recent census data. Mr. Goodmacher highlighted several areas of focus for the survey; including what do people think about the state of education, what do they think are the problems, and who is responsible. Public perception on satisfaction of education in New Mexico has not changed from 2017 to 2019, with the majority of respondents remaining dissatisfied with education in New Mexico. NEA believes the responses show New Mexicans think the top problems in education have to do with out of school problems like poverty and family instability, lack of funding from the state, and a lack of parent involvement. Mr. Goodmacher noted survey results indicate a feeling from respondents that state leaders are not prioritizing education. Some additional findings were the importance of multicultural education divides on racial and partisan lines, strong and wide support for increasing pay, and the teacher evaluation system needs to focus more on professionalism and less on accountability. Another takeaway from the survey is the public views teachers and other educators with great support and believe they are vastly underpaid.

Senator Soules asked several questions about the methodology, questions, and rigor of the study. Mr. Goodmacher said 500 people were surveyed, the margin of error was plus or minus 4.3 percent, and the survey was conducted online. Senator Soules asked about the bias of the questions in the survey and the reliability and validity of the survey. Mr. Goodmacher stated the use of multiple questions and wording allowed for respondents to answer based on their knowledge of teaching.

Representative Gallegos asked for access to the entire questionnaire to gain an overall view of the survey. Mr. Goodmacher said he would provide it to the committee. Representative Gallegos asked about voting registration and party membership questions. Mr. Goodmacher stated it was part of the demographic questions in the survey.

Representative Thomson asked how emails were selected to receive the questionnaire and the response rate. Mr. Goodmacher said he would provide that information to the committee.

Representative Fajardo asked about the random list of emails used to contact people, who paid for the poll, if respondents were told that NEA paid for the poll, and if the committee could view the online poll. Mr. Goodmacher stated NEA national paid for the poll, respondents were not made aware that NEA paid for the poll, and that there is no way to view a link of the actual poll.

Committee Sponsored Legislation. Mr. Joseph Simon, LESC staff, reviewed a number of bills for the committee's possible endorsement for the 2019 legislative session. The committee unanimously endorsed the following bills:

- A bill to increase the multiplier used to calculate the at-risk index from 0.25 to 0.30 for FY21. The bill includes a recurring general fund appropriation of \$50.5 million. The bill was endorsed 7:0.
- A bill to amend Section 22-10A-9 NMSA 1978, which creates a mentorship fund from which PED will annually distribute up to \$2,000 per beginning teacher to school districts and charter schools for mentorship programs. The bill includes a recurring general fund appropriation of \$6.2 million to cover all current level 1 teachers. The bill was endorsed 7:0.
- A bill to allow teacher preparation programs at New Mexico institutions of higher education and tribal colleges to apply for funds to establish a teacher residency program in partnership with a school district. The bill includes a general fund appropriation of \$5 million to PED to distribute grants to teacher residency programs. The bill was endorsed 7:0.

- A bill to allow PED to make scholarship awards to level 2 or level 3 teachers to cover the cost of their National Board Certification and includes an appropriation of \$500 thousand from the public education reform fund to PED to distribute scholarships. The bill was endorsed 7:0.
- A bill to authorize the Higher Education Department to provide scholarships to licensed teachers pursuing a bilingual education or teaching English to speakers of other languages (TESOL) endorsement. The bill includes an appropriation of \$1 million from the public education reform fund to distribute scholarships. The bill was endorsed 7:0.
- A bill to create a statewide, voluntary early reading professional development summer program prioritized to schools in which 80 percent or more of the elementary school's students are eligible for free or reduced-fee lunch. The bill creates the early reading professional development fund and appropriates \$3 million from the public education reform fund to PED for the purpose of implementing the program. The bill was endorsed 7:0.
- A bill to make changes to return-to-work policies adopted as part of Laws 2019, Chapter 158 and repeal a provision that requires substitute teachers who work more than 0.25 FTE to join the Educational Retirement Board (ERB). The bill allows a retired employee to return to work after three months, provided they earn less than \$15 thousand per year, without a requirement to make nonrefundable contributions to the fund. The bill was endorsed 7:0.
- A bill to create a Commission on Equity and Excellence in Education comprised of 26 members and required to develop a long-term plan to transform public education in New Mexico. The bill appropriates \$50 thousand to Legislative Council Service from the public education reform fund, the commission would sunset at the end of FY24 and would be required to provide a report to the governor and the Legislature by September 2021 and every September thereafter. The bill was endorsed 8:0.
- A bill to create a taskforce to focus on improving the quality of and increasing accountability measures for teacher preparation programs. The bill requires a strategic plan for teacher preparation and policy recommendations be made to the Legislature no later than November 2020. The bill includes a \$50 thousand appropriation to the Legislative Education Study Committee from the education reform fund. The bill was endorsed 8:0.
- A bill to expand national board certification program units to all licensed school employees that hold certification by the National Board of Professional Teaching Standard. The bill was endorsed 6:0.

The committee endorsed, with opposition, the following bills:

- A bill that appropriates \$2 million from the general fund to the Department of Health to fund school-based health clinics. The bill was endorsed 5:3 with Senators Gould, Stewart and Soules in opposition.
- A bill that appropriates \$3 million from the general fund to the Higher Education Department to fund adult basic education services and \$7 million from the general fund to the Higher Education Department to fund adult education services for students involved in the criminal justice system statewide. The bill was endorsed 6:2 with Senators Stewart and Soules in opposition.
- A bill that appropriates \$2 million from the general fund to the Higher Education Department to fund adult education services for students involved in the criminal justice system. The bill was endorsed 6:2 with Senators Stewart and Soules in opposition.
- A bill that appropriates \$2 million from the general fund to the Workforce Solutions Department to fund teen technology center programs in Alamogordo, Roswell, Raton, Taos, and Albuquerque. The bill was endorsed 4:3 with Representative Dow and Senators Gould and Soules in opposition.

- A bill that appropriates \$100 thousand from the general fund to the Higher Education Department for a pilot program to reduce college hunger. The bill was endorsed 5:3 with Senators Stewart and Soules in opposition.
- A bill that appropriates \$300 thousand from the general fund to the Public Education Department to enhance programs that foster friendships between student with and students without intellectual and developmental disabilities. The bill was endorsed 5:2 with Representative Dow and Senator Soules in opposition.
- A bill to create the state bilingual multicultural advisory council to advise the Public Education Department, the governor, and the Legislature on the effective implementation of the Bilingual Multicultural Education Act and support of English learners. The bill was endorsed 5:1 with Senator Soules in opposition.

The committee declined to endorse a bill that would provide for a voluntary early childhood care and education workforce support program and fund compensation and incentives based on wage and career ladders for certain early childhood care and education teachers and staff. The bill would appropriate \$18 million from the general fund to the early childhood care and education workforce fund for expenditure in fiscal year 2021 and subsequent fiscal years. The bill failed 3:3 with Representative Dow and Senators Gould and Soules in opposition.

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Public Education Department's FY21 Public School Support and Special Programs Request.

Ryan Stewart, secretary-designate, Public Education Department, reviewed PED's FY21 budget request for public school support and PED special program appropriations. PED is requesting \$167.5 million increase for the state equalization guarantee, including \$93 million for a 4 percent salary increase for school staff and \$54 million in additional at-risk funding. He noted educators around the state have concerns about compaction issues caused by recent increases in minimum salaries; he said a 4 percent across-the-board increase would help mitigate compaction issues. He also reviewed PED's budget requests designed to help the state comply with the consolidated *Martinez* and *Yazzie* lawsuit. He said PED would extend the budget development process and engage with school districts and charter schools earlier to provide clear guidance and support regarding at-risk expenditures. He said it was a challenge for PED to adequately track these expenditures and PED would work on that in the coming year. He also noted school districts and charter schools faced challenges with finding staff for at-risk programs, including counselors and social workers. He said PED's request would build a regional support infrastructure using regional education cooperatives to assist in the budget development process.

PED did not request additional funding for K-5 Plus and extended learning time programs, but Mr. Stewart requested flexibility in using the two appropriations to accommodate growth in the extended learning time program. He said PED was projecting 50 thousand students will participate in K-5 Plus in FY21, but if the Legislature were to approve additional flexibility for K-5 Plus

programs that number could increase. Mr. Stewart requested the option to add 15 days for K-5 Plus, rather than the 25 days required by statute, with the additional 10 days offered in the form of equivalent hours added on to the school day. He also requested flexibility to allow students to change teachers to participate in bilingual programs or to better serve a school's special education population.

Mr. Stewart said PED was requesting \$8 million for standards-based assessments to provide a set of formative, interim, and summative assessments that are designed to drive instructional change. He said the request would also use the SAT for the 11th grade exam. The total cost of the assessment system will be \$9.6 million, but this was partially covered by federal funds.

Secretary Stewart said PED's request for special program appropriations, often called "below-the-line" appropriations, combined appropriations that were previously allocated separately, in an effort to eliminate barriers within PED and to think about the education system more cohesively. He said PED was requesting \$12 million in recurring appropriations for whole child education programs, which includes supports for bilingual and multicultural education, special education, indigenous education, and early literacy; \$10 million in recurring appropriations for educator preparation, recruitment, professional development, and retention programs; \$12 million for programs to close the opportunity gap, including funding for community schools and programs to end childhood hunger; and \$12 million in recurring appropriations for programs that support pathways for student success, including career and technical education (CTE) programs and community engagement programs.

Representative Thomson noted the lack of a funding request to support students with disabilities. Senator Lopez noted the lack of support services in the schools for students with disabilities, particularly in rural areas. In response, Mr. Stewart said PED's request needed to better show the ways in which it supported students with disabilities, including a priority within the department's educator preparation initiative. Representative Linda Trujillo asked PED to provide statewide legal costs for special education litigation.

In response to Senator Padilla, Mr. Stewart said PED's request for CTE was designed to expand the current CTE programs to additional school districts and that federal funding was supplementing state funding for these programs. He said there was difficulty in finding qualified CTE teachers, which can limit the ability of schools to offer these programs.

In response to Representative Linda Trujillo, Adan Delgado, deputy secretary of finance and administration, PED, said PED's request for educator compensation did not include additional funding for minimum wage increases. He said PED was working with the Department of Finance and Administration and the governor's office on calculating the cost of the minimum wage increase. He noted PED's data system did not currently collect information on hourly rates.

Senator Stewart asked if the state was requiring three years of testing in high school, with the PSAT offered in ninth and 10th grade and the SAT offered in 11th grade. Mr. Stewart did not know which grades required testing in high school, but said he would provide the information to the committee. In response to Senator Soules, Mr. Delgado said the request for FY21 assessments represented a \$2 million reduction in the cost of testing, in part due to increased costs in FY20 for the transitional assessment. He noted costs in the initial years will be higher due to training expenses.

In response to Senator Soules, Mr. Delgado said the state was continuing to see a decrease in enrollment, particularly in rural areas, although even though the population centers are seeing decreases in enrollment.

Senator Brandt asked if PED considered funding instructional materials with a categorical appropriation rather than through the funding formula and Mr. Stewart said PED had considered it and several superintendents had advocated for that policy. He noted much of the challenge with instructional materials was due to confusion at the school district-level over where instructional materials were funded.

Senator Brandt said he disagreed with PED's request for flexibility in K-5 Plus programs, noting research has shown maintaining students with the same teacher improves student performance. Mr. Stewart said the flexibility request was not designed to deviate from the same teacher model, but in a limited number of cases allowing students who might be better served by another teacher could be in the best interest of the student. He said PED did not think this would amount to a significant number of students.

The Chair noted she did not think PED asked for enough money to fund effective programs for Indian education, special education, or Hispanic education. She also suggested seeking a 5 percent to 6 percent pay increase for educators, which is several percentage points below what the department requested.

Albuquerque Public Schools School Turnaround Model. Gabriella Duran Blakey, associate superintendent, Albuquerque Public Schools (APS), introduced a school turnaround model APS implemented in several low-performing schools. Kimberly Finke, principal, Whittier Elementary School, outlined successful elements of the model, including 10 extra school days, embedded professional development, an extended instructional day, and adoption of the community school model. Ms. Finke stated the turnaround model significantly increased reading and math proficiency, increased enrollment, and decreased teacher turnover at Whittier Elementary School. Antonio Gonzales, associate superintendent, APS, noted the turnaround model provides for more instructional hours than other models, including the extended learning time program (ELTP) and K-5 Plus. Mr. Gonzales requested additional funding for the model in the form of a funding formula multiplier and flexibility in meeting ELTP and K-5 Plus requirements. Ms. Blakey estimated that it would cost around \$100 million to implement the model in every elementary school and middle school in APS.

Representative Romero noted uncompensated professional development is an issue many teachers face, but stated the embedded professional development included in the turnaround model solves this problem.

Representative Lara asked if APS faced any resistance from teachers and staff. Ms. Blakey said some teachers quit because of the additional hours the model entails.

Senator Stewart stated adding instructional days to the academic year is more beneficial to students than adding instructional hours to each day. Senator Stewart also questioned the feasibility of adapting this model in other school districts.