



NEW MEXICO
LEGISLATIVE
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COMMITTEE

New Mexico Public Education: Funding, Performance

Charles Sallee, Deputy Director for Budget
Feb. 2021

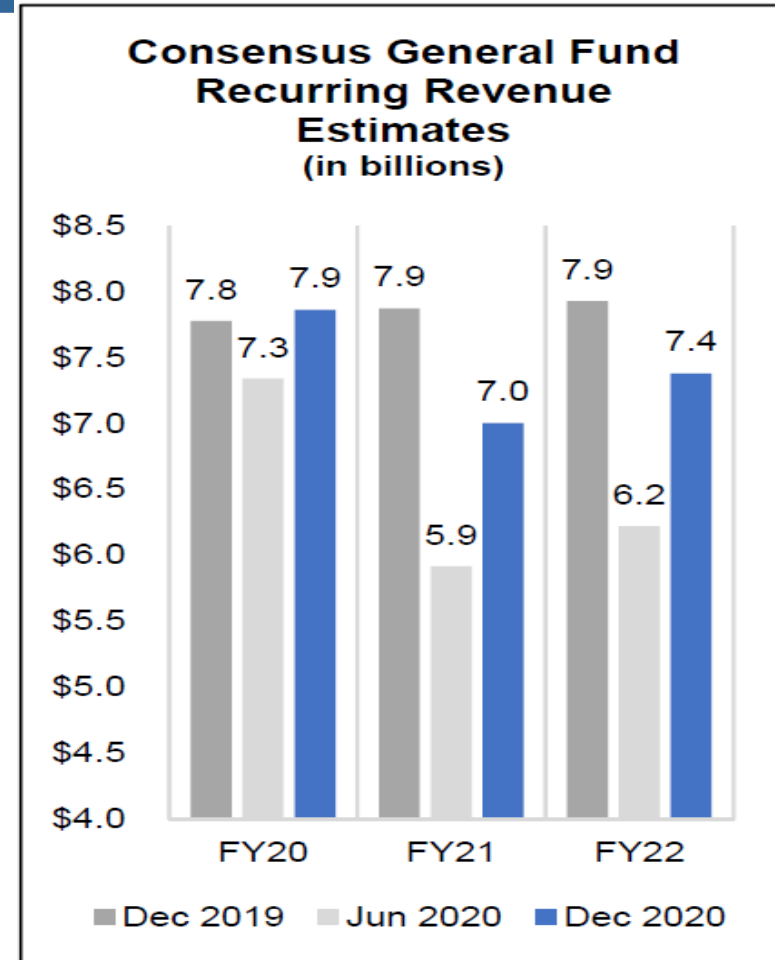
Presentation Overview

- Summary of Public Schools Funding
- Review of the Martinez-Yazzie Education Lawsuit
- Descriptions of Public Education Performance

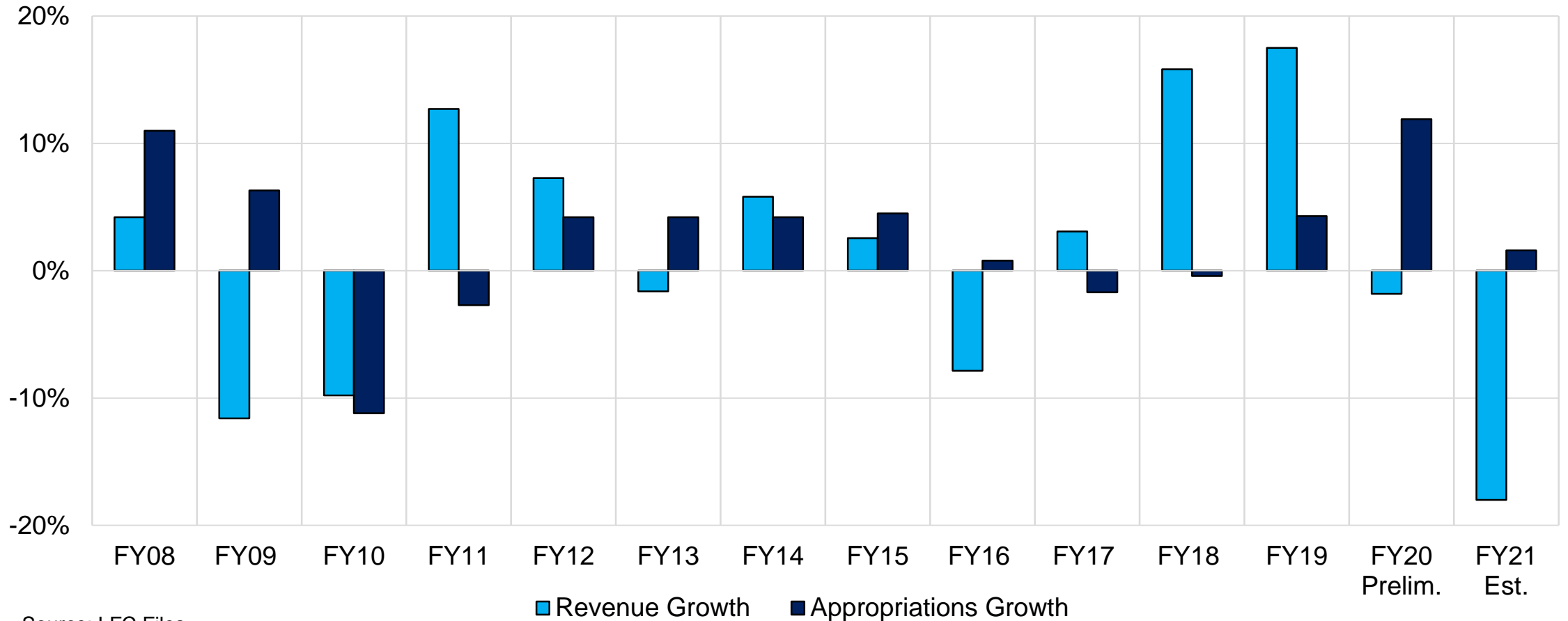


Total State Funding: General Fund Revenue Forecast for FY21 and FY22

- The New Mexico Consensus Revenue Estimating Group is comprised of economists from the LFC and the state departments of finance, taxation, and transportation.
- As of December 2020, the group forecast recurring revenue of \$7.37 billion for FY22, with \$169 million of “new money.”
- The state’s revenue outlook will depend on the path of the pandemic, consumer spending, and the oil and gas markets.



New Mexico's Fiscal Stability: Recurring General Fund Year-Over-Year Revenue and Appropriations Growth



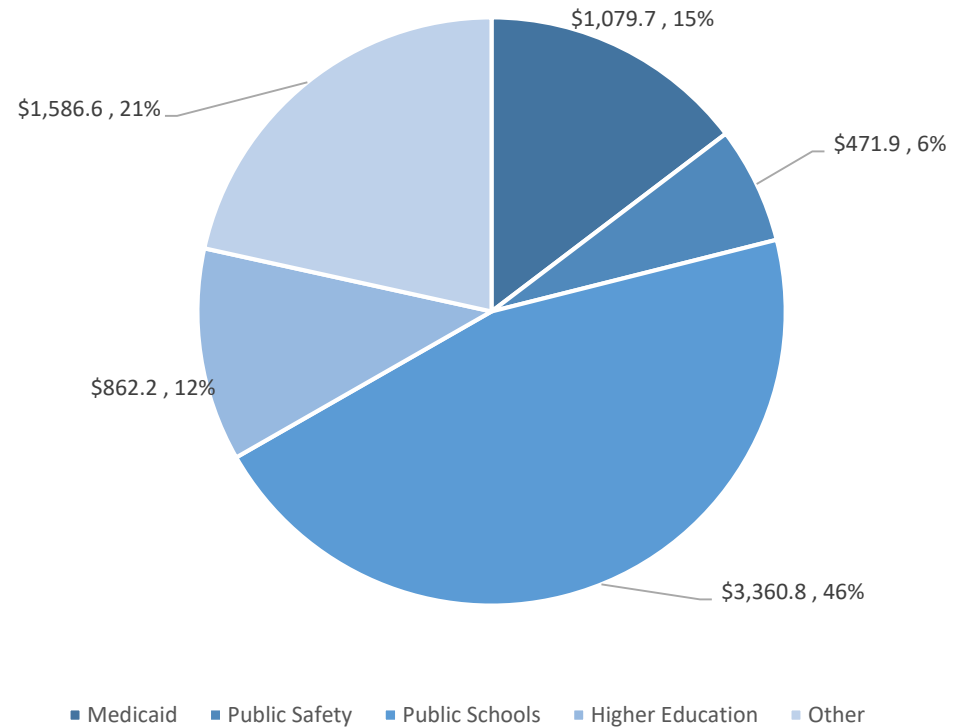
Source: LFC Files

Note: The September Consensus Revenue Outlook estimates the revenue change for FY21 to be between -7 percent to -18 percent.



LFC Budget Recommendation

FY22 LFC General Fund Recommendation \$7.36 billion



What Works in Public Education: Targeting Resources to Evidence-Based Practices.



LFC education budget recommendations are:

- informed by national and state research, and
- developed in conversation with the LESC and educational stakeholders.



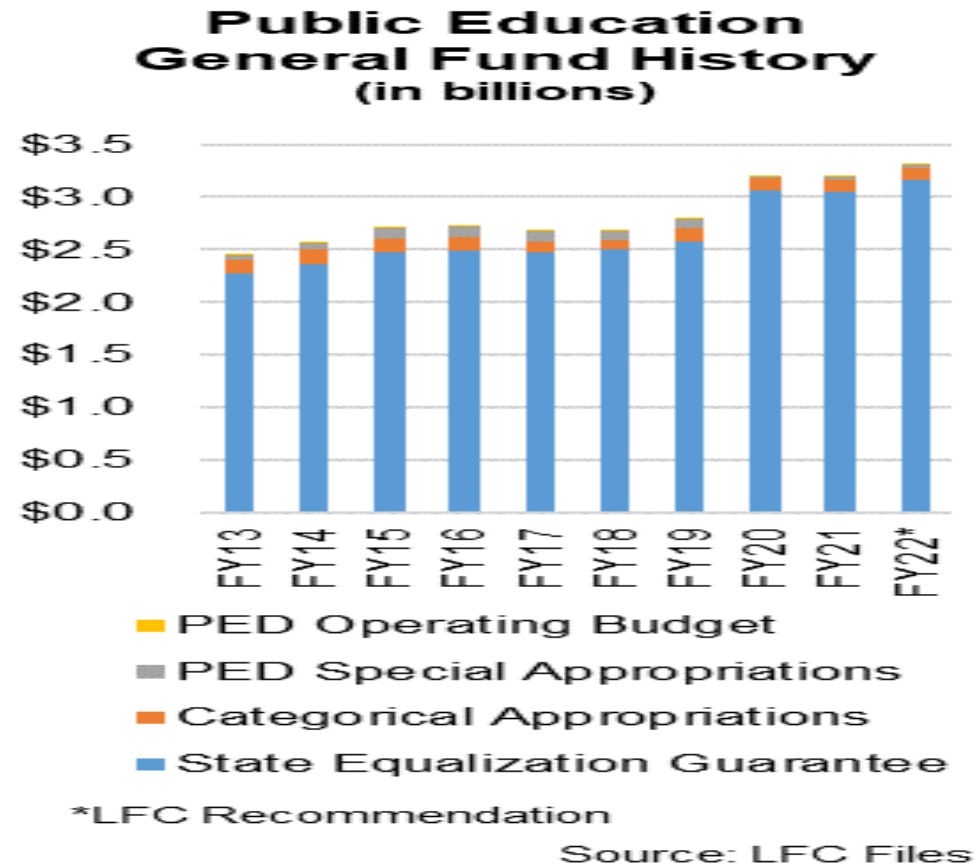
Reform Framework Informs Funding



- **High Quality Teaching and School Leadership**
 - Significant salary increases; funding for recruiting, induction programs, mentorship and ongoing evidence-based professional development
- **Extended Learning Opportunities**
 - Increased funding for services to students learning English or from low-income families; K5 Plus, longer regular school year, afterschool and enrichment programs
- **Responsive and Appropriate Curriculum**
 - Culturally and linguistically responsive curriculum and instructional material development, interim standards-based assessments, flexibility for instructional materials
- **Effective Oversight and Accountability**
 - Performance-based budgets, PED and regional supports have expanded capacity for oversight and assistance



Public Schools - \$3.317 billion GF Plus another \$190 special appropriations



LFC Public Schools Recommendation

LFC Rec for public education - \$3.32 billion, a \$105 million, or 3.3 percent, increase from FY20 levels, including:

- \$185 million in nonrecurring, education-related appropriations, including \$153 million from the public education reform fund to address issues highlighted in the *Martinez* and *Yazzie* education sufficiency lawsuit.

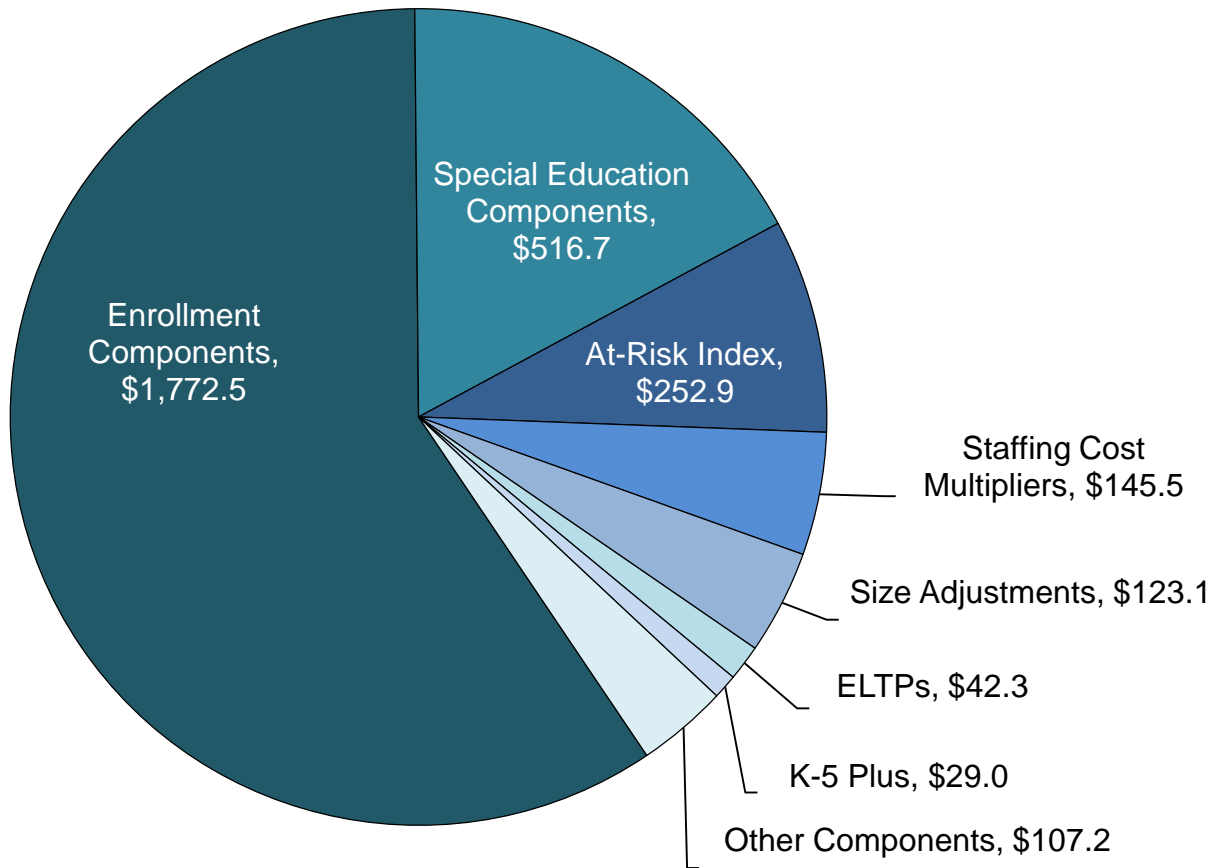
The vast majority of the public education funding recommendation is attributable to the formula-based state equalization guarantee distribution (SEG), which totals \$3.16 billion, a \$115 million, or 3.8 percent, increase from FY21 funding levels.

Contingent on enactment of legislation, the committee recommendation for SEG includes \$83 million to remove federal and local revenue credits from the funding formula. In addition to removing credits, the committee recommendation for SEG also provides \$44.7 million to backfill a credit for federal CARES Act funding taken during FY21.

The recommendation includes sufficient funding for all schools to participate in Extended Learning Time Programs (ELTP) and restores K-5 Plus extended school year program funding to FY20 levels with appropriations from the public education reform fund. With significant projected learning loss due to school closures and remote learning in FY20 and FY21, the state must provide additional instruction to help students catch up and address deficiencies highlighted by the *Martinez-Yazzie* lawsuit.

1.5% COLA for all public employees

FY20 Public School Operational Funding Allocated by SEG Formula Components (in Millions)

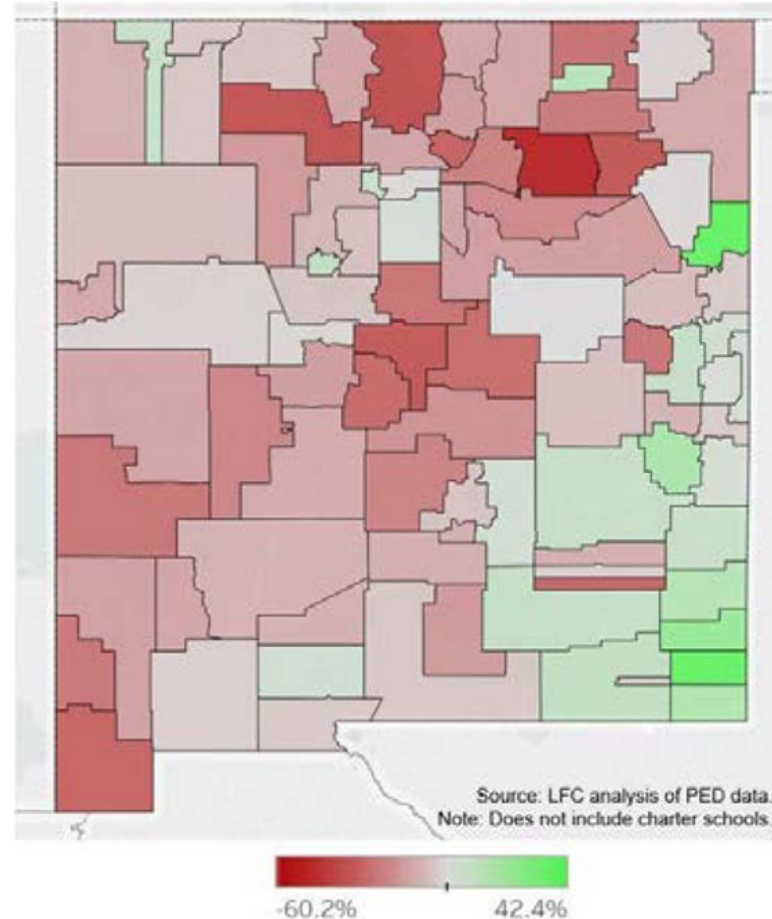


Formula Components	Program Cost Funding	Percent of Total
Enrollment Components	\$1,772.5	59%
Special Education Components	\$516.7	17%
At-Risk Index	\$252.9	8%
Staffing Cost Multipliers	\$145.5	5%
Size Adjustment Components	\$123.1	4%
Extended Learning Time Programs	\$42.3	1%
K-5 Plus Programs	\$29.0	1%
Other Components	\$107.2	4%
Total	\$2,989.1	100.0%

Source: LFC analysis of Preliminary FY20 SEG Funding Formula



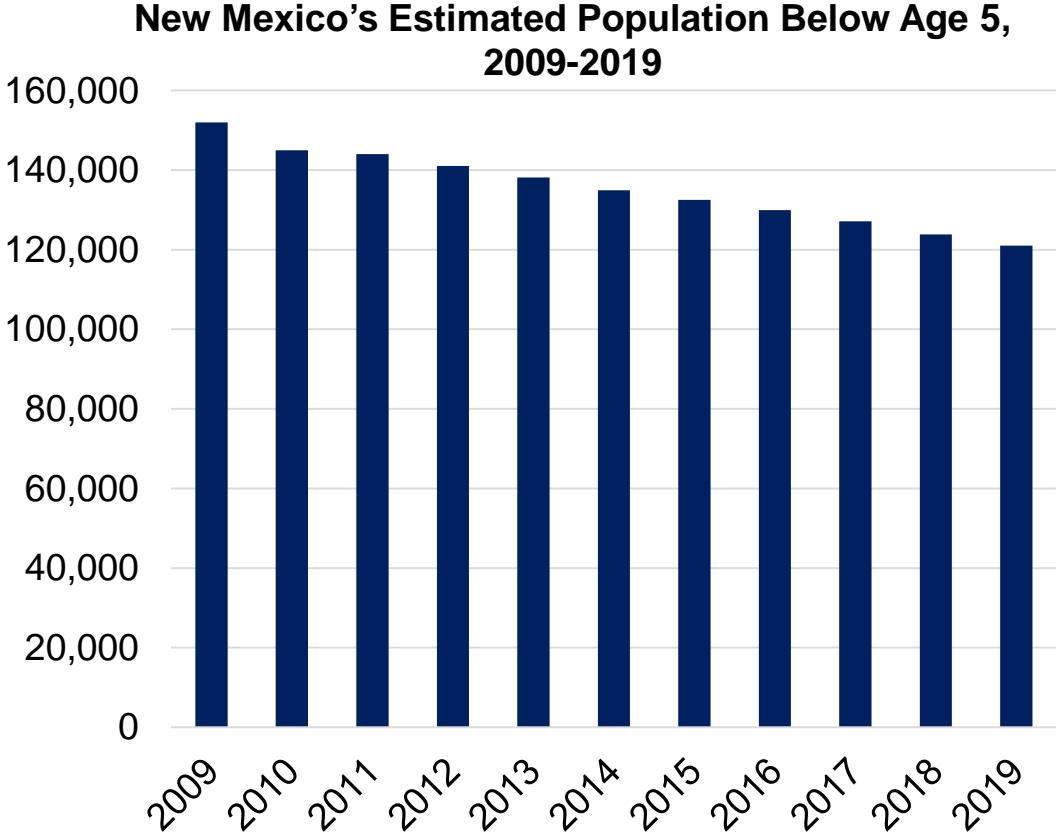
Percent Changes in School District Student Membership, FY09 to FY19



Source: LFC (2019). Program Evaluation:
North Central School Districts. p.10



Factors Driving School District Enrollment Declines



Source: LFC analysis of U.S. Census Bureau data.



New Mexico Public Education: Academic Proficiency is Increasing but Still Low.

Program Rating

R

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Fourth grade reading proficiency	29.1%	30%	30%	Not reported	R
Fourth grade math proficiency	25.6%	27%	30%	Not reported	R
Eighth grade reading proficiency	29%	31%	30%	Not reported	R
Eighth grade math proficiency	20.8%	20%	30%	Not reported	R
Four-year high school graduation	73.9%	74.9%	75%	N/A	Y
Chronic absenteeism	New	New	<10%	Not reported	R
Large school district budget for instruction	73%	Not reported	75%	Not reported	R

Source: LFC FY20 Fourth Quarter PED Report Card p.1-2



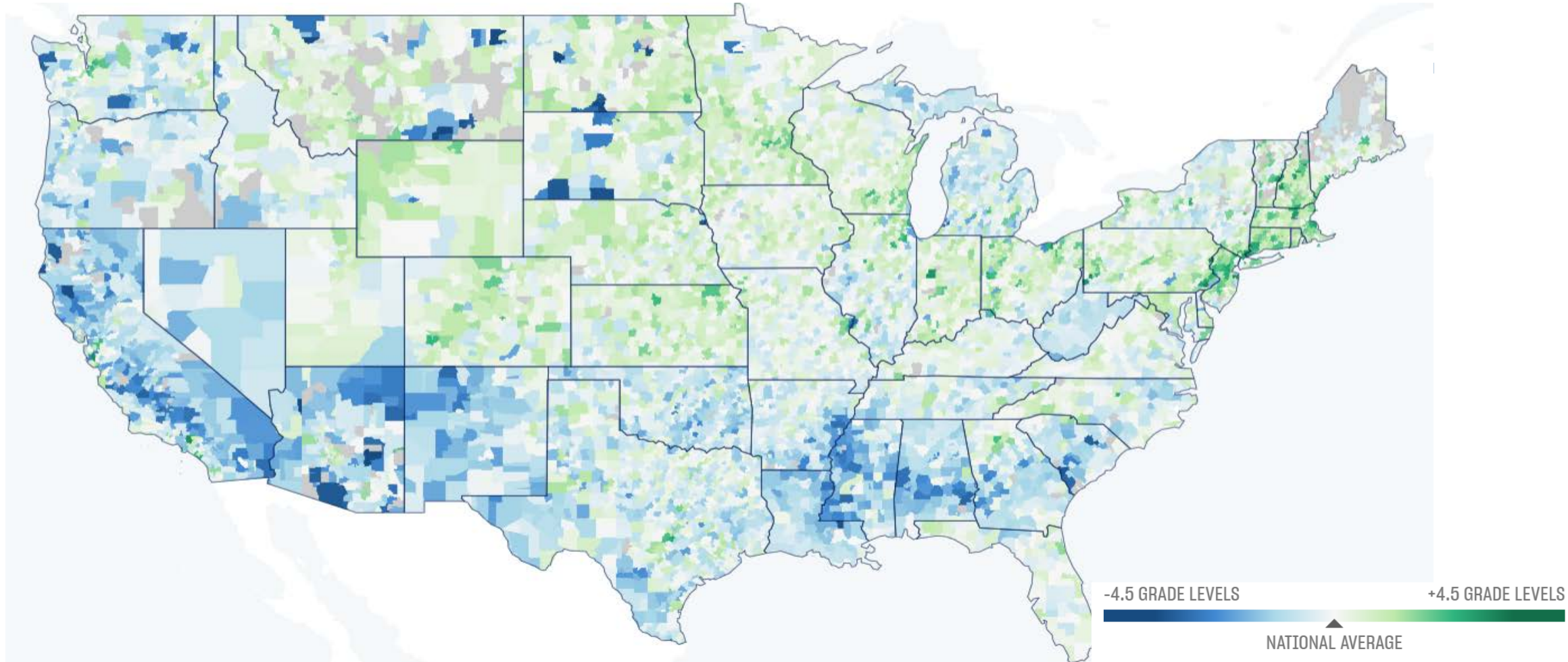
New Mexico Education Sufficiency Lawsuit: *Martinez and Yazzie v. State of New Mexico*



- The plaintiffs alleged that New Mexico is not meeting its constitutional obligation to provide sufficient funding and programming for at-risk public school students.
- In 2019, the District Court ruled that:
 - 1) Outputs are “dismal” and therefore...
 - 2) Inputs (funding/programming) must be insufficient; and
 - 3) Oversight over public education should be enhanced.



National Student Average Test Scores, Grades 3-8, 2009-2016 (Green = Positive, Blue = Negative)

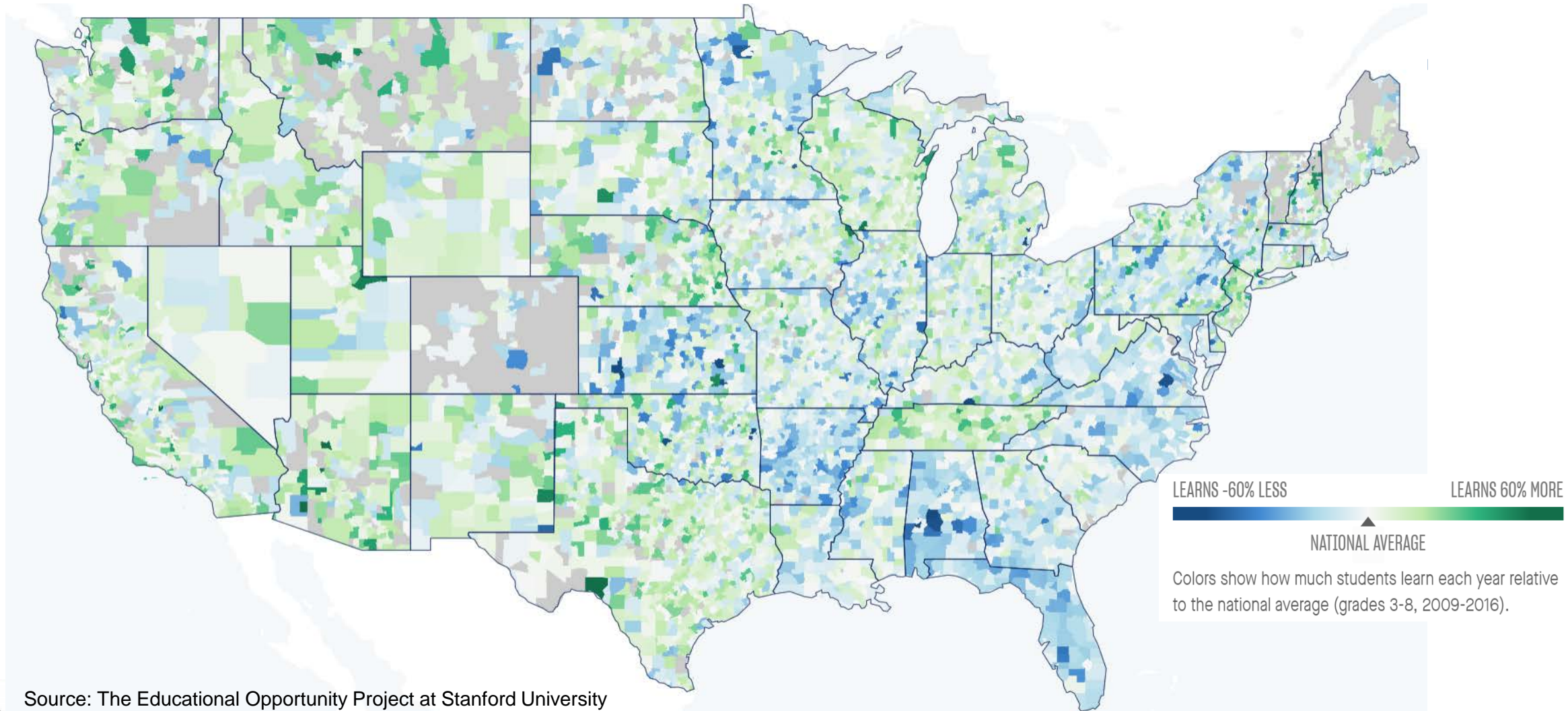


Colors show students' scores, in grade levels, relative to the national average (grades 3-8, 2009-2016)

Source: The Educational Opportunity Project at Stanford University



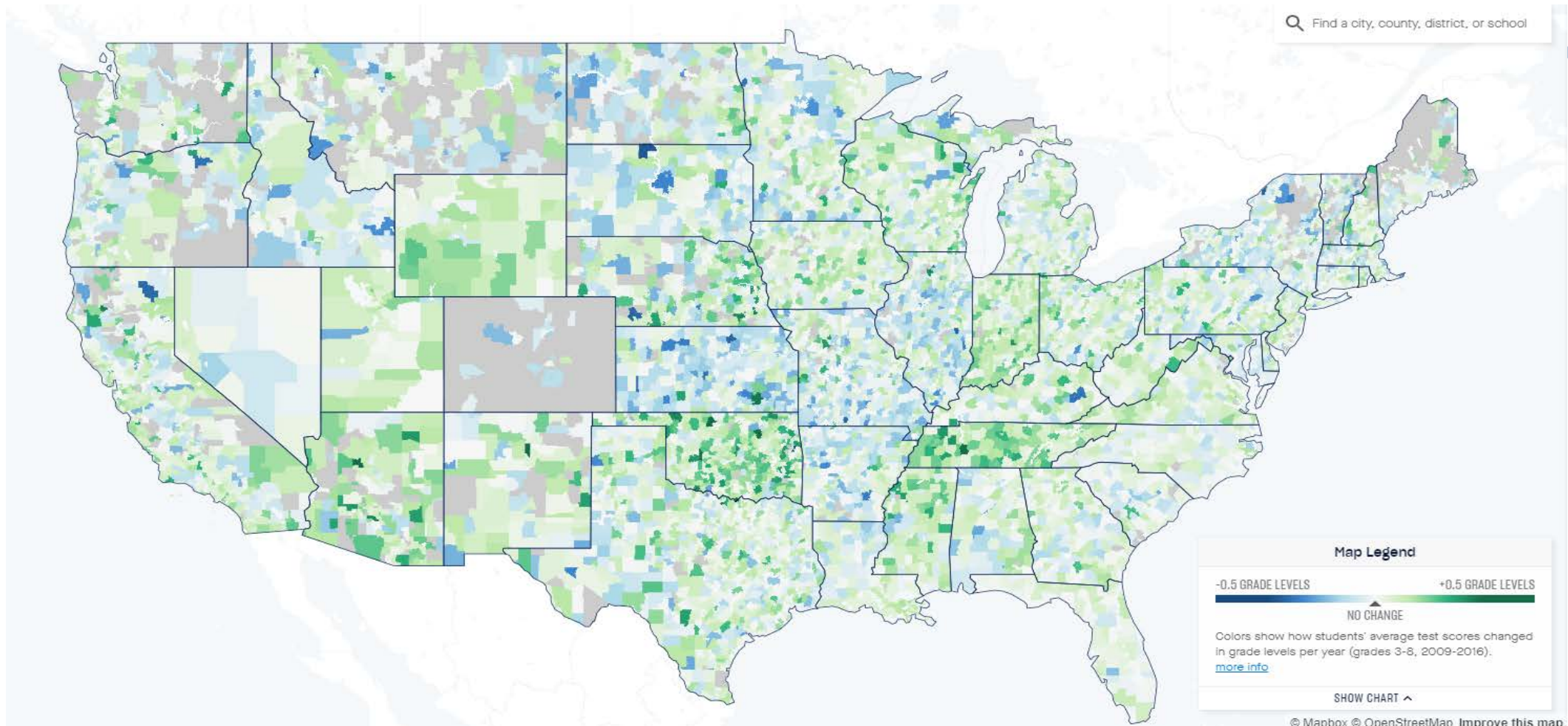
Learning Rates Compared to National Avg. Grades 3-8, 2009-2016 (Green = Positive, Blue = Negative)



Source: The Educational Opportunity Project at Stanford University



Trends in Test Scores per Year Grades 3-8, 2009-2016 (Green = Positive, Blue = Negative)

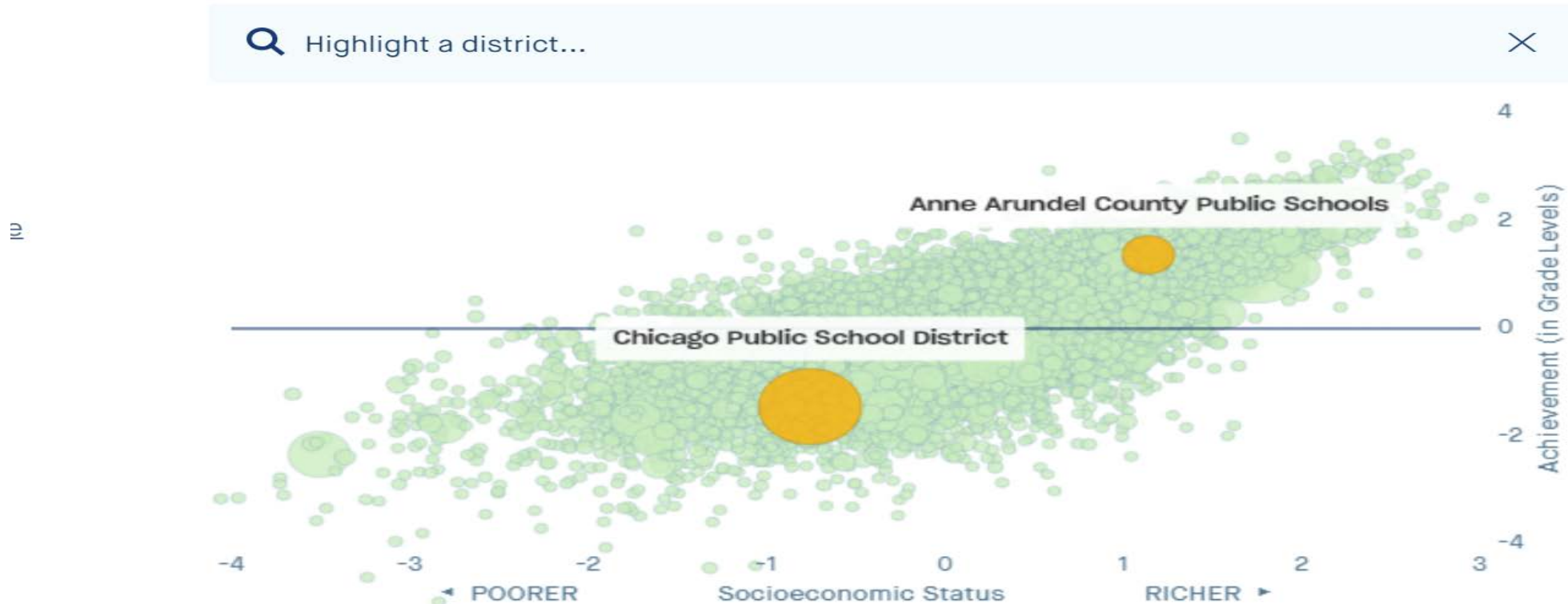


Source: The Educational Opportunity Project at Stanford University



Affluent Schools Aren't Always the More Effective Ones

Average Test Scores, Grade 3

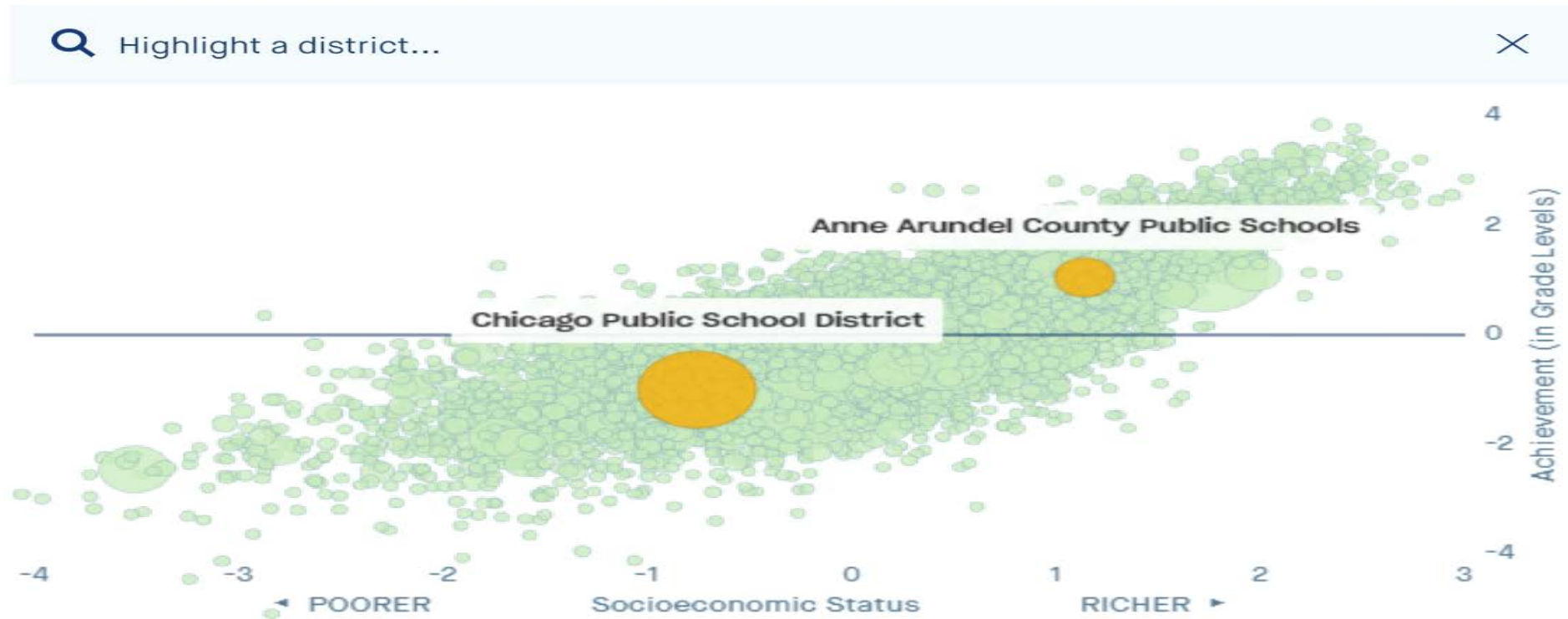


Source: The Educational Opportunity Project at Stanford University



Student Cohort Making Gains in Chicago

Average Test Scores, Grade 5

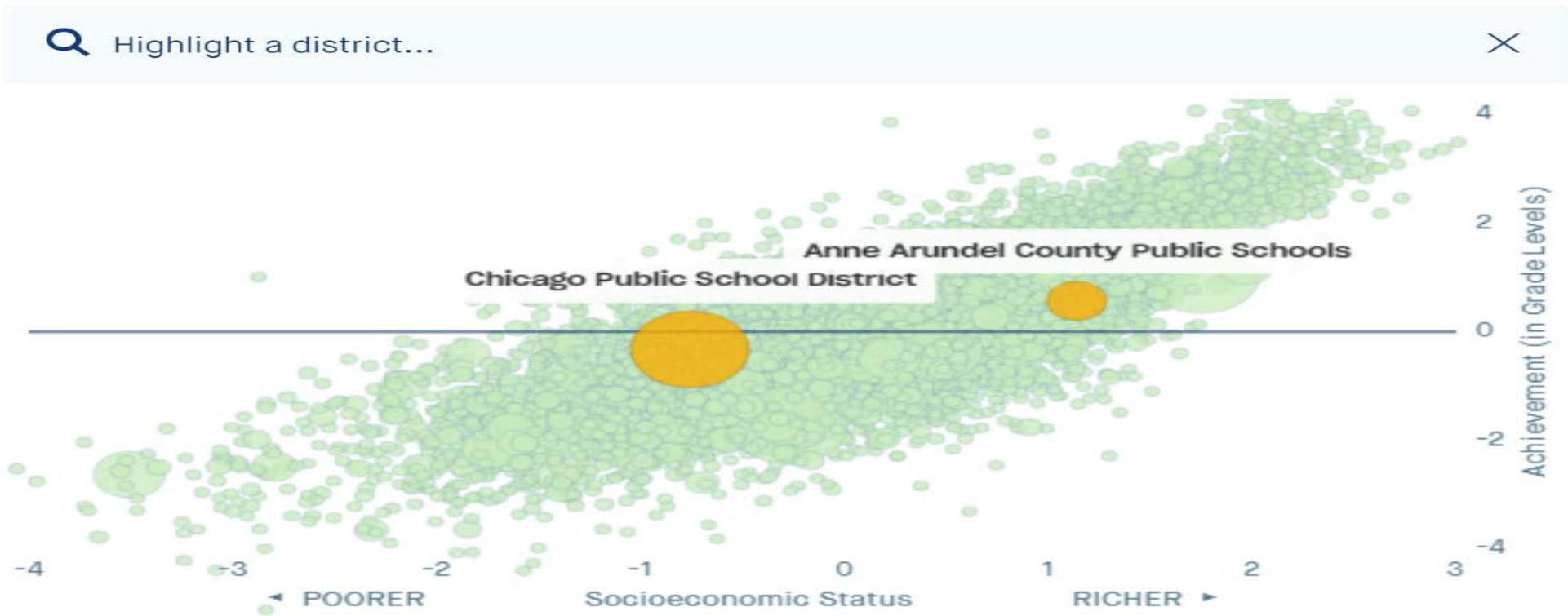


Source: The Educational Opportunity Project at Stanford University



By 8th Grade Chicago Students At the National Average – Gaining the Equivalent of 6 years of Learning in 5

Average Test Scores, Grade 8

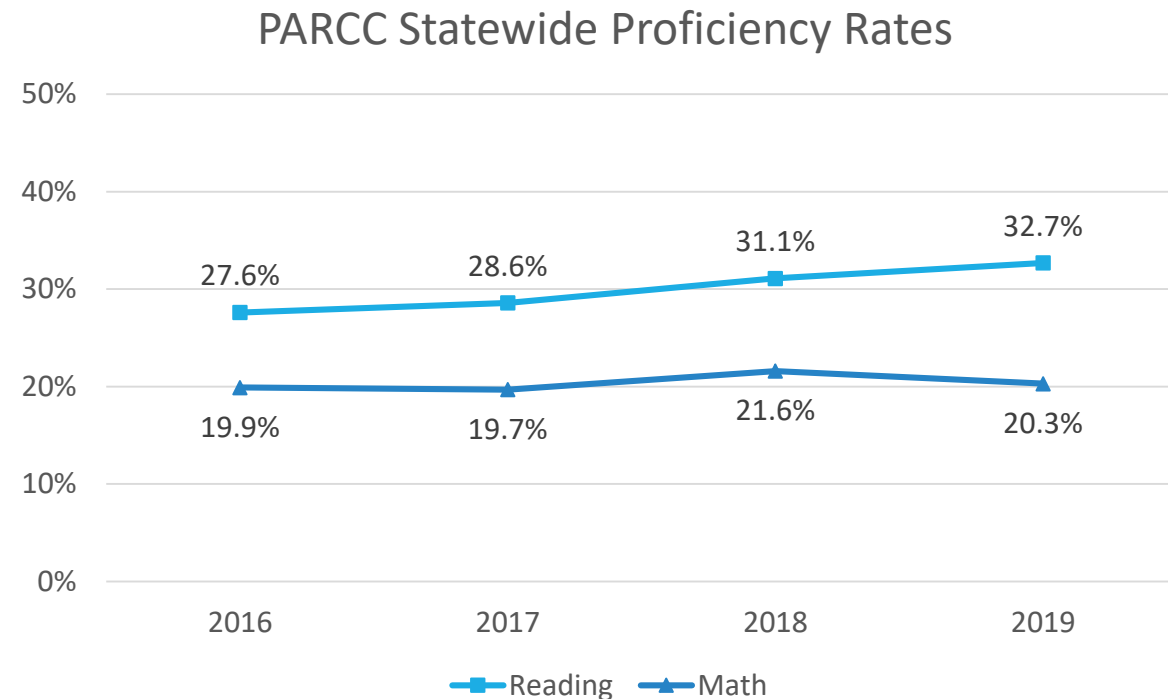


Source: The Educational Opportunity Project at Stanford University

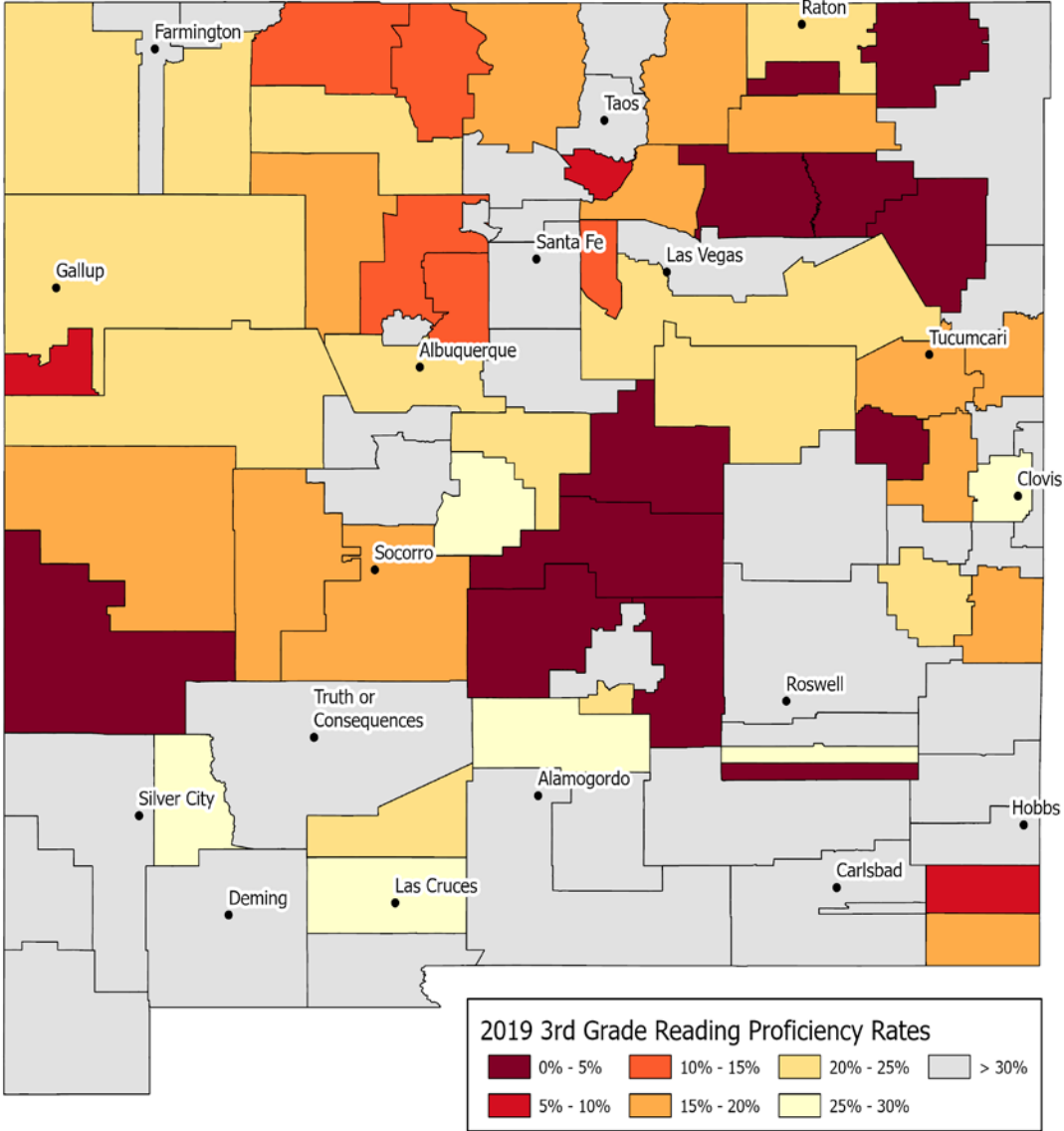


New Mexico Performance Outcomes

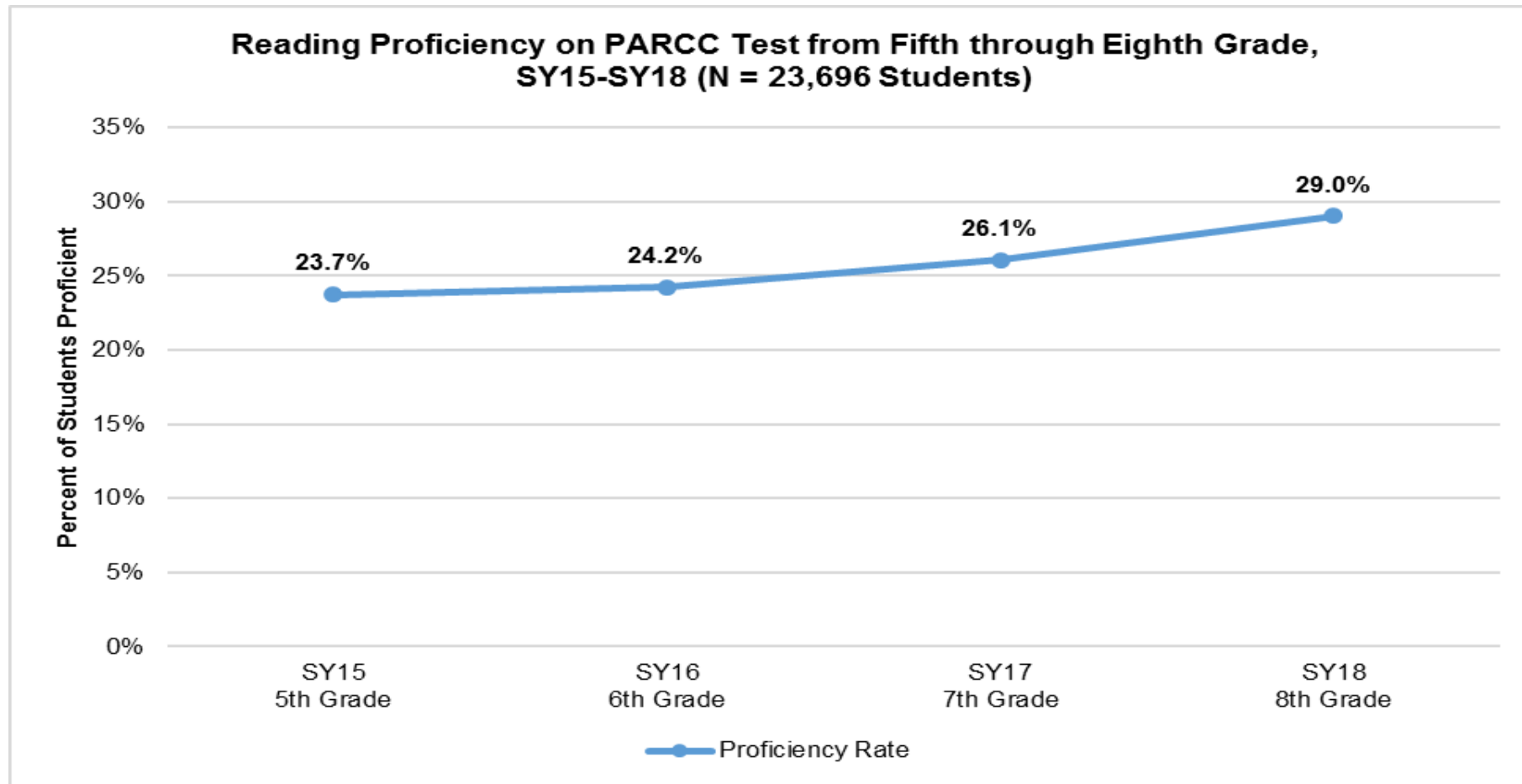
- PARCC reading and math proficiencies have improved marginally
- Achievement gaps remain for at-risk students
- No testing in FY20 due to COVID-19; new assessment for FY21



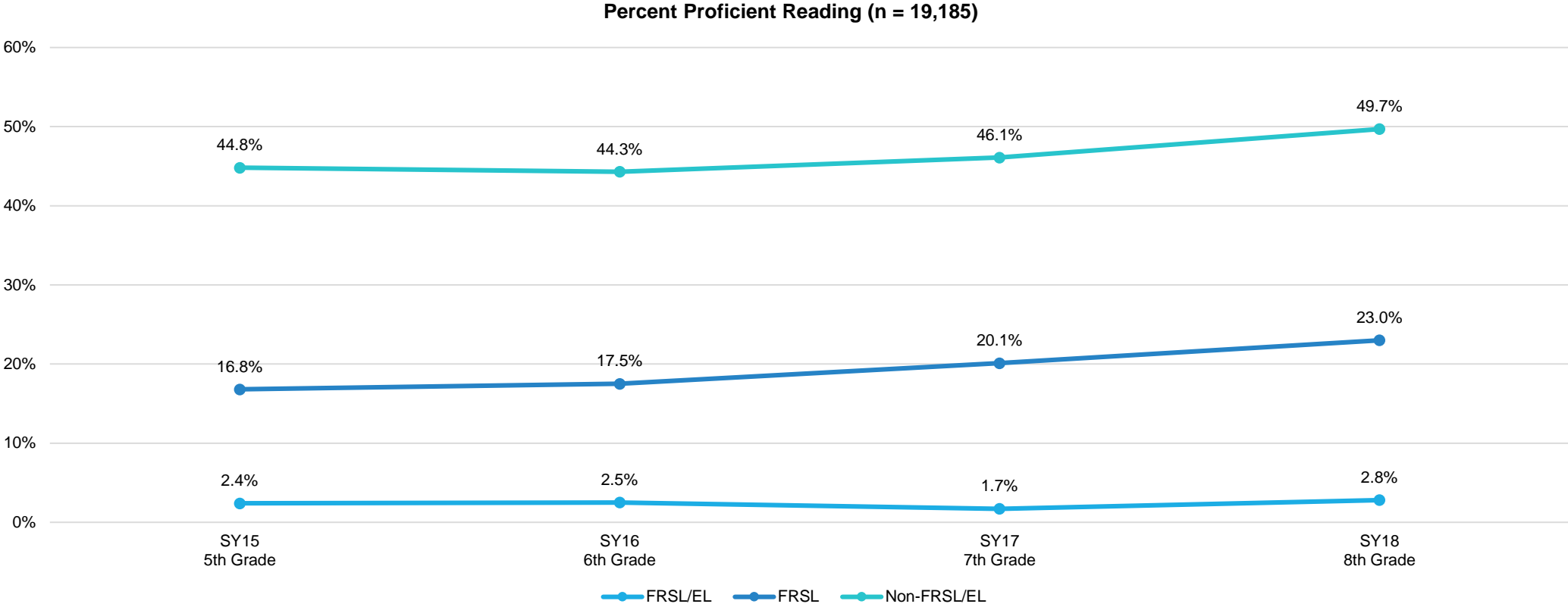
Differences in Outcomes



New Findings from NM Longitudinal Data: Students Gaining a Year's Worth of Learning Each Year & Improve Proficiency



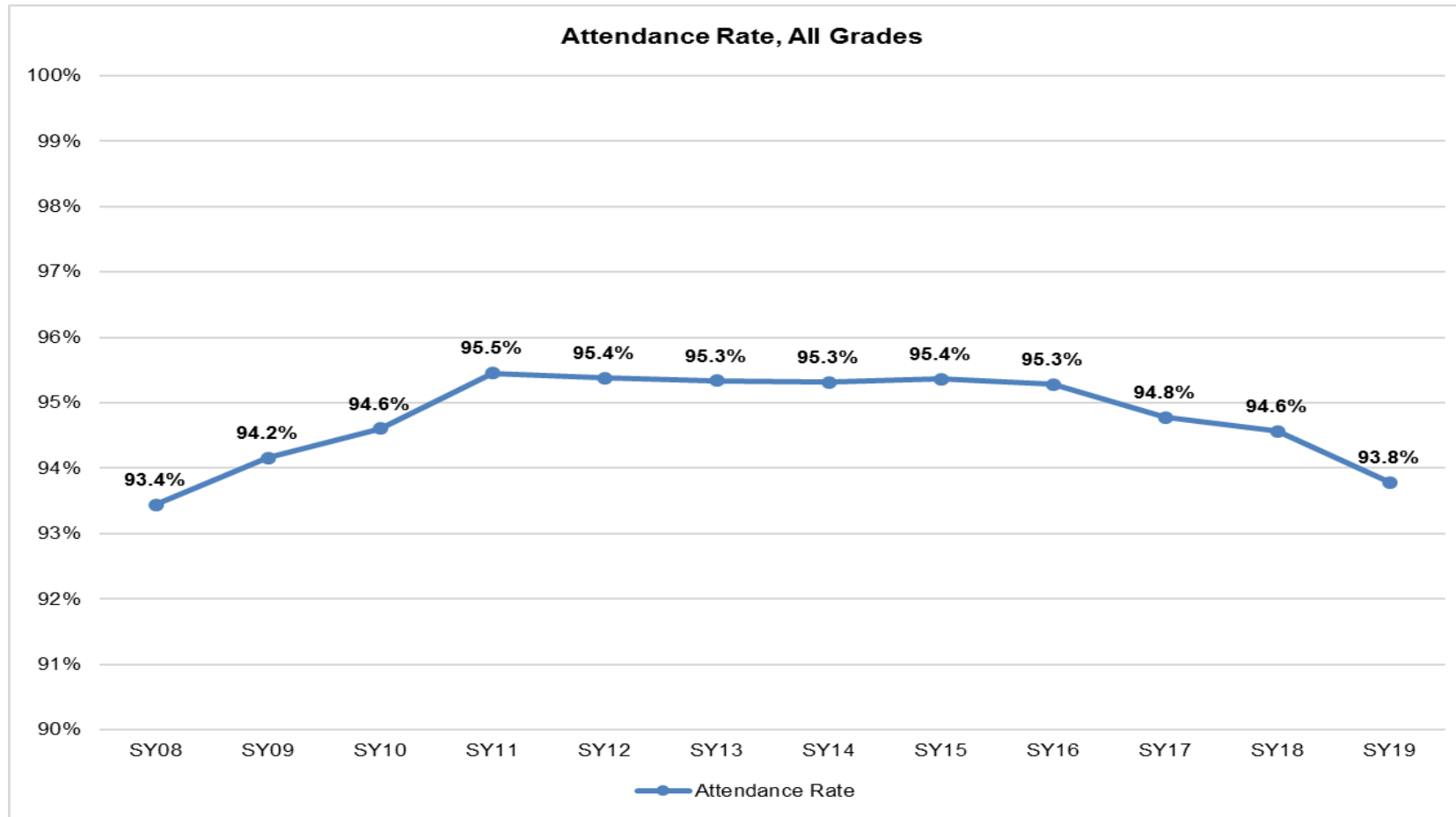
New Findings: Achievement Gap - Reading



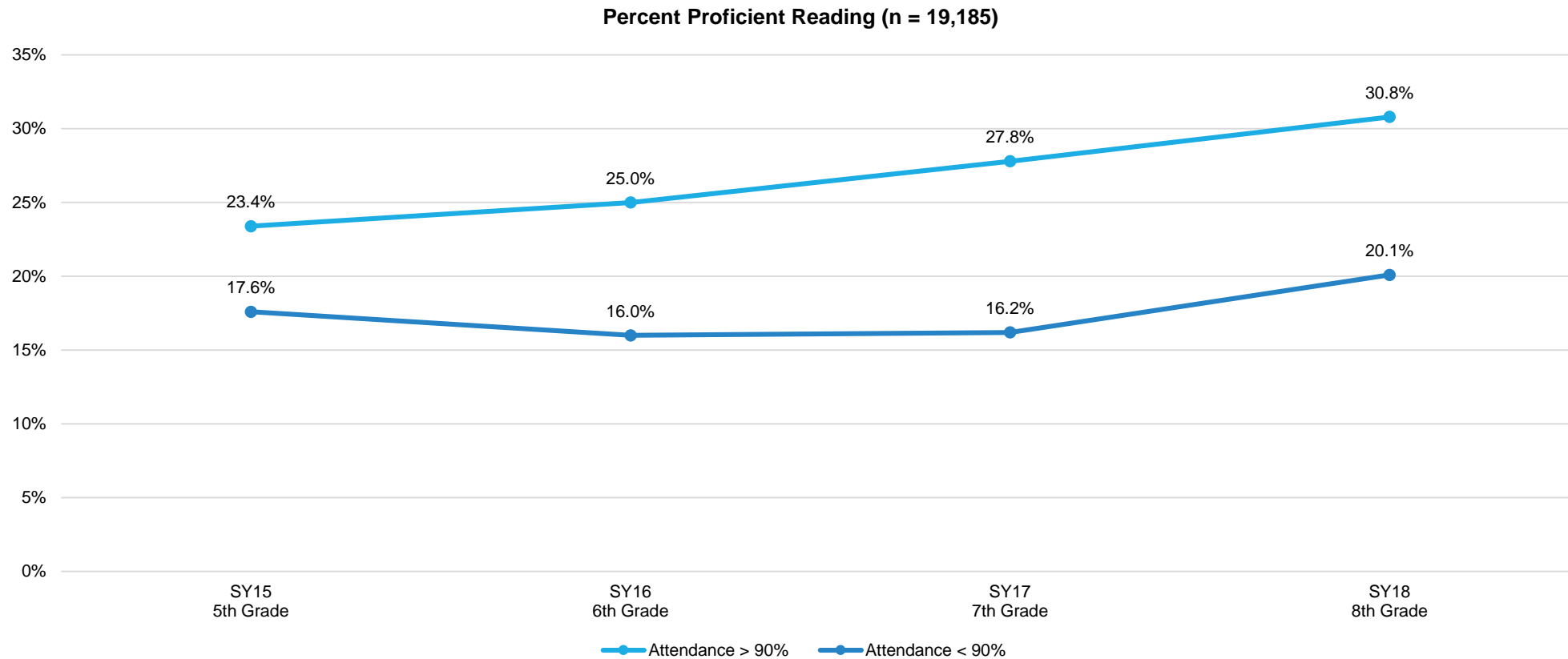
Source: LFC



Longitudinal Data: Attendance Lagging Statewide Across All Grades, SY08-SY19

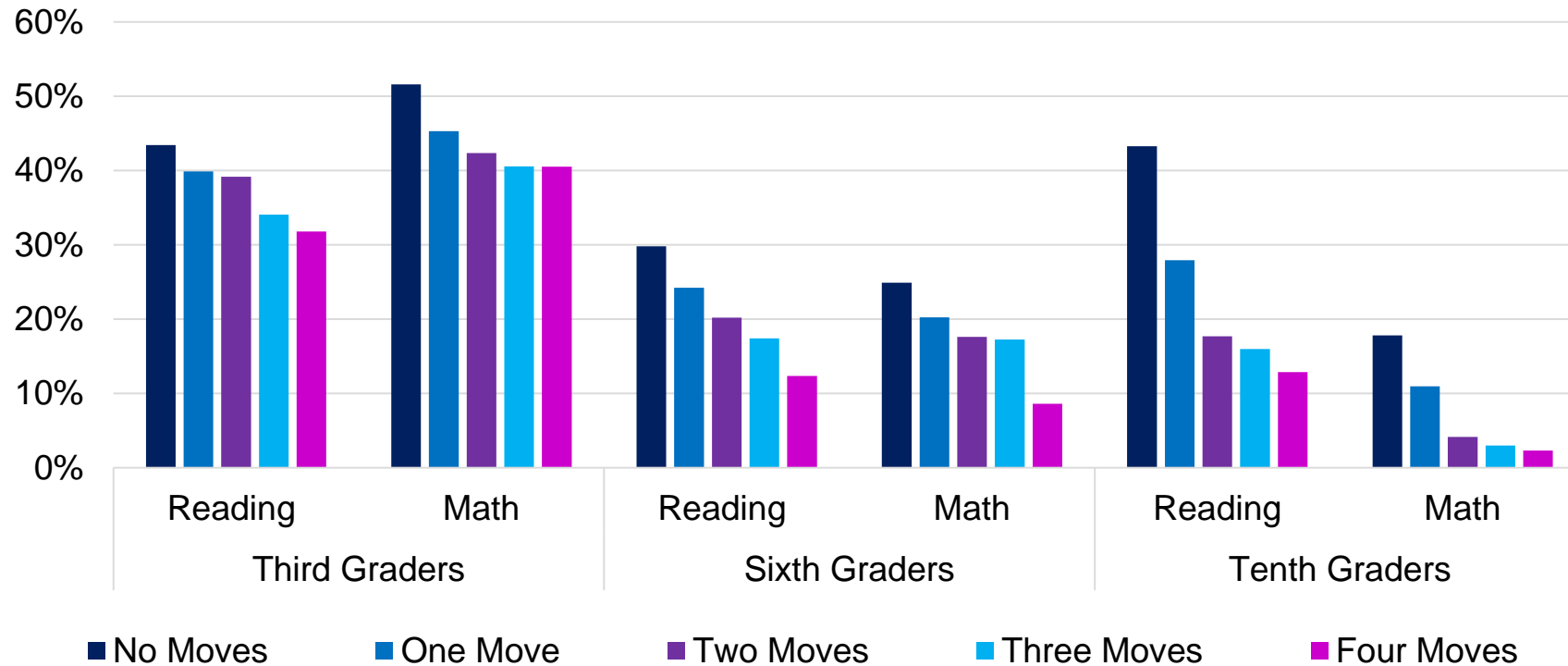


New Findings from NM Longitudinal Data: Attendance Impacts Outcomes



Longitudinal Data: Student Mobility affects Student Academic Achievement

Percent of Students Proficient on SY16 PARCC by Number of School Changes, SY13-SY16

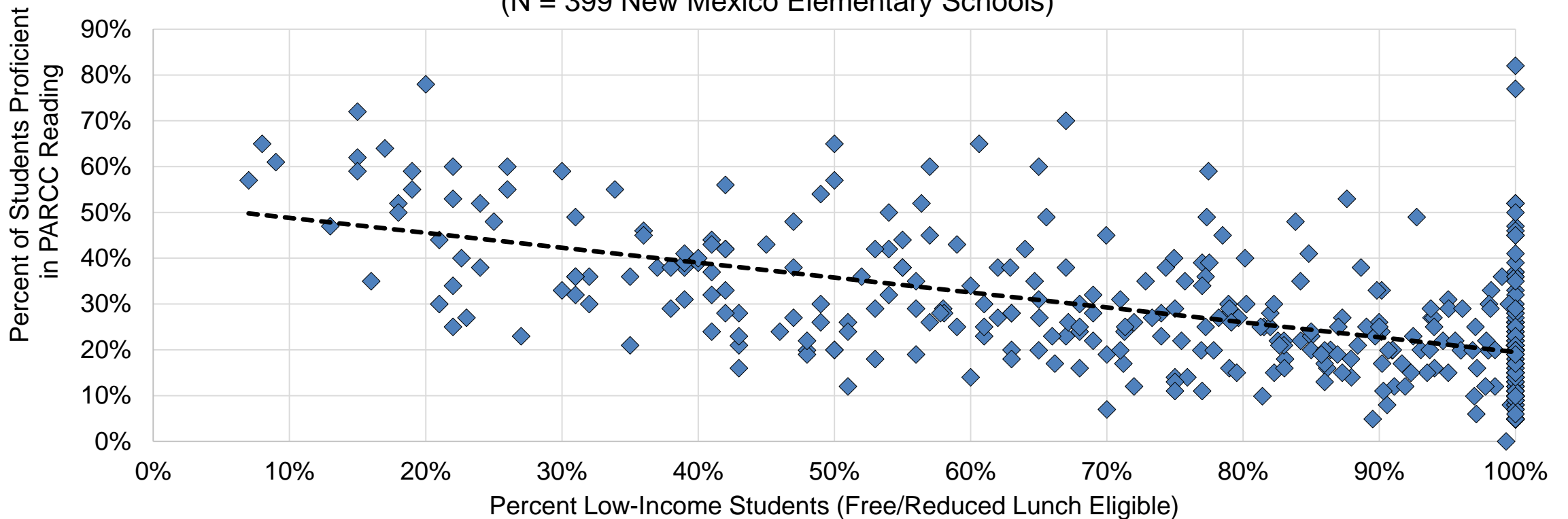


Source: LFC (2017) Longitudinal Student Performance Analysis. p.14



Low-income schools tend to have lower student proficiency, but many low-income schools can have high proficiency

Relationship between Elementary Schools' PARCC 3rd Grade Reading Proficiency and Percent of Students with Low Income, SY17
(N = 399 New Mexico Elementary Schools)



Source: LFC analysis of PED data.



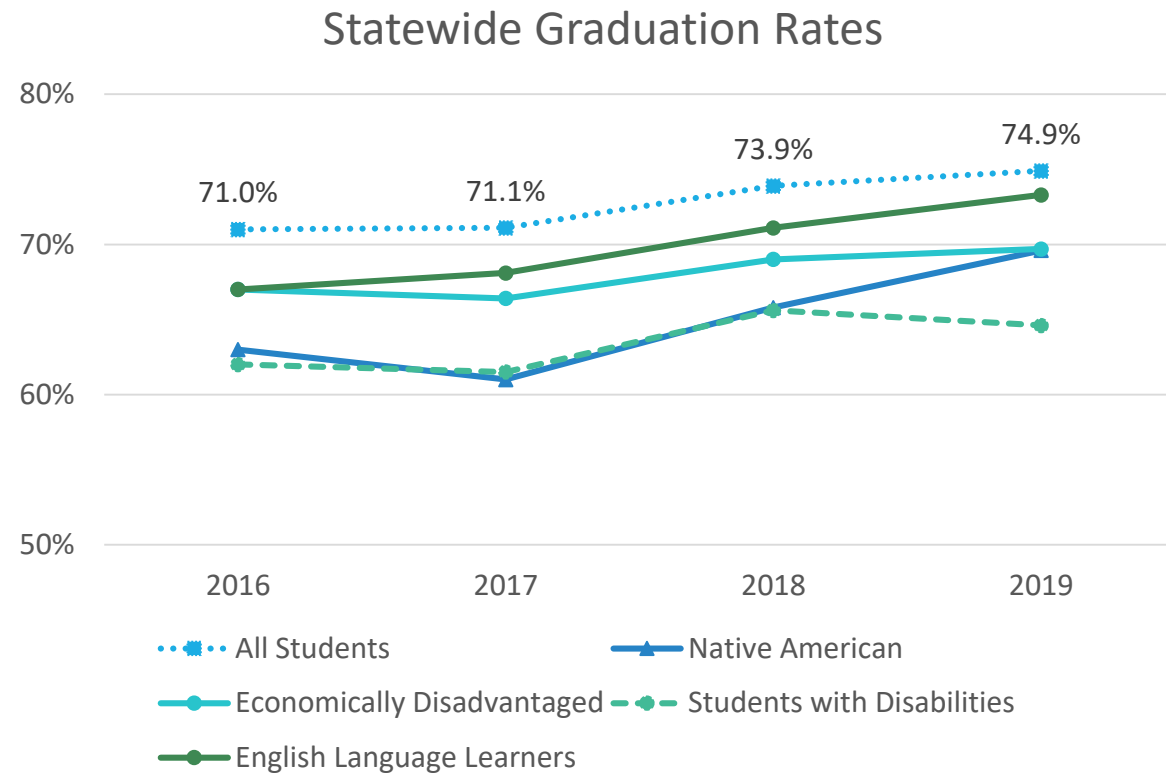
What Works in Public Education: Eight Characteristics of High-Performing Schools.



Source: LFC (2014) Performance and Improvement Trends: A Case Study of Elementary Schools in New Mexico. p.12

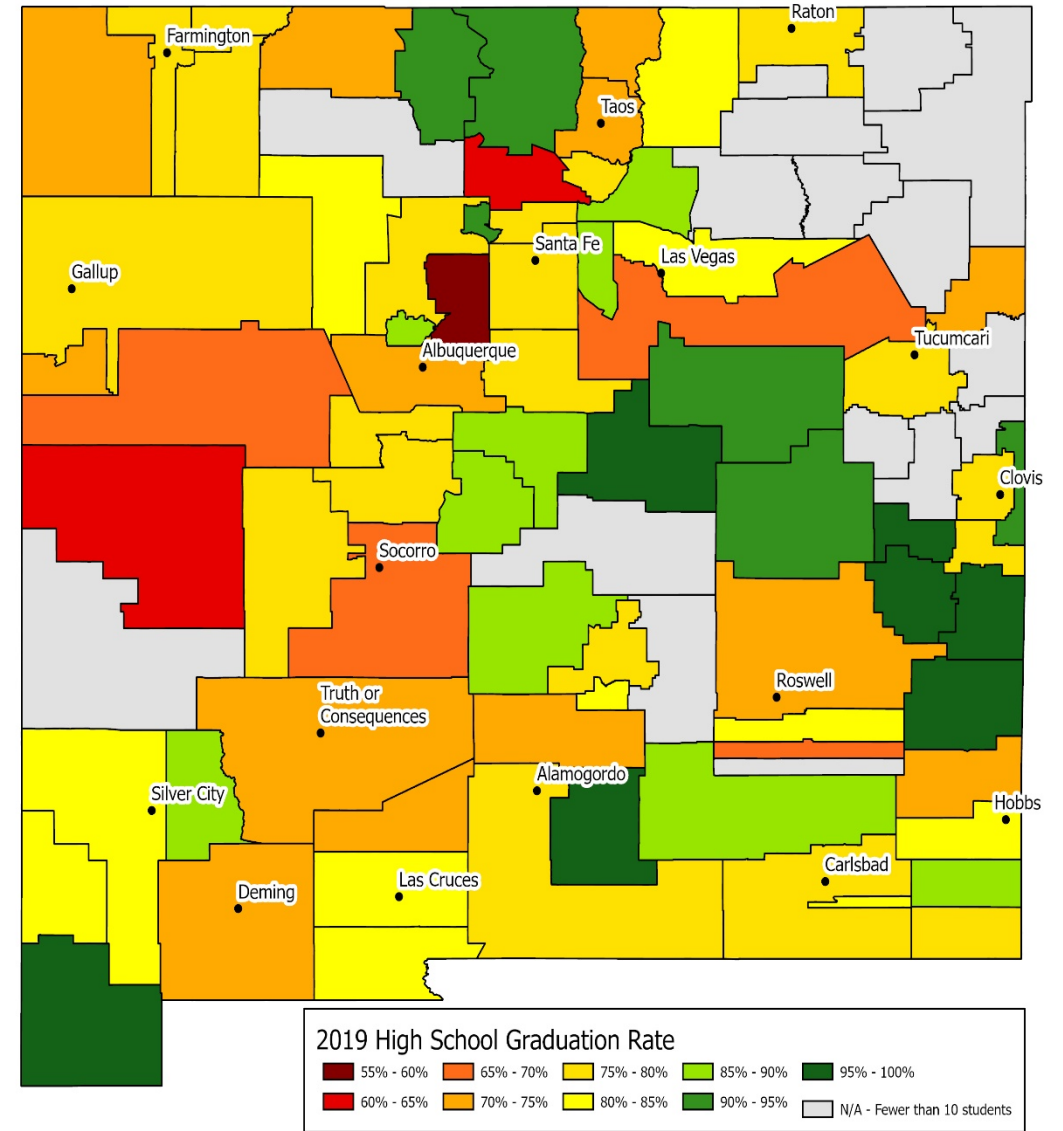
New Mexico Performance Outcomes

- Graduation rates have improved
 - Nearly 10 percentage point increase for Native American students
- HED/PED no longer reporting on college remediation rates
 - Replacing with postsecondary pathway completion



Targeting Resources

- PED can use data to focus efforts in high need districts.
- New Mexico schools would need to graduate 2,600 more students to reach national graduation rate.



Source: PED Files and LFC Analysis



Conclusion



- New Mexico has uncertain state revenues, ongoing education litigation, and a growing early childhood system.
- New Mexico needs to strategically target funding to what works, better coordinate its early education programs, and monitor education spending.





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For More Information

- <http://www.nmlegis.gov/lcs/lfc/lfcdefault.aspx>
 - Session Publications – Budgets
 - Performance Report Cards
 - Program Evaluations

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