



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

New Mexico Public Education: Legislative Update

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February 4, 2022

Presentation Overview



- Summary of 2022 Legislative Session
- Review of the Martinez-Yazzie Education Lawsuit
- Descriptions of Public Education Performance
- Review of Early Childhood Research and Programs



Total State Funding: General Fund Revenue Forecast for FY22 and FY23

- HAFC and House have passed HB2, which increases spending to \$8.47 billion (w/HB1), or about 13.8%.
- About 8 percent of that growth backfills prior solvency actions or pays for outstanding liabilities.
- The rest is primarily for compensation and evidence-based interventions intended to improve outcomes for New Mexicans.



Total State Funding: General Fund Revenue Forecast for FY22 and FY23

- The HAFC substitute for House Bill 2 appropriates \$3.87 billion for public education, an increase of \$425 million, in recurring appropriations. The substitute also appropriates \$233.7 million in nonrecurring appropriations for various education reforms.

High Quality Teaching and School Leadership

The substitute provides strong incentives to recruit new educators and provides support for current school staff, including:

- \$186.9 million to increase all school personnel salaries by 7 percent and provide targeted raises for hard-to-staff positions;
- \$86.5 million for teacher residencies and student teaching, teacher scholarships and loan repayment, and endowed faculty positions at colleges of education;
- \$76.8 million to raise level 1, 2, and 3 salary levels to \$50 thousand, \$60 thousand, and \$70 thousand, respectively;
- \$40.2 million to increase ERB employer contributions by 2 percent;
- \$10.1 million to provide school personnel at least a \$15 per hour wage rate; and
- \$10 million for mentorship and professional development.



Total State Funding: General Fund Revenue Forecast for FY22 and FY23

Extended Learning Opportunities – No Universal Service Requirements

The substitute encourages schools to provide extra learning time for students and planning time for educators, including:

- \$64 million to provide a 3 percent salary raise for staff working at schools with a K-5 Plus or Extended Learning Time (ELT) program;
- \$15 million for supplemental at-risk interventions;
- \$23.7 million for K-12 Plus pilot programs;
- \$21 million for K-12 Plus and ELT planning grants and incentives;
- \$13.3 million for tribal and rural community-based ELT programs; and
- \$8 million for community schools and family engagement initiatives.



Total State Funding: General Fund Revenue Forecast for FY22 and FY23

Responsive and Appropriate Curriculum

The substitute supports initiatives to address curriculum needs, including:

- \$18.3 million for implementation of the Indian Education and Hispanic Education acts;
- \$11.5 million for early literacy and reading supports;
- \$10 million for career technical education;
- \$8 million for elementary physical education and student wellness program;
- \$5.1 million for indigenous, multicultural, multilingual, and special education;
- \$4 million for targeted dual credit programs.

Effective Oversight and Accountability

The substitute enhances state oversight functions and supports systems addressing education accountability, including:

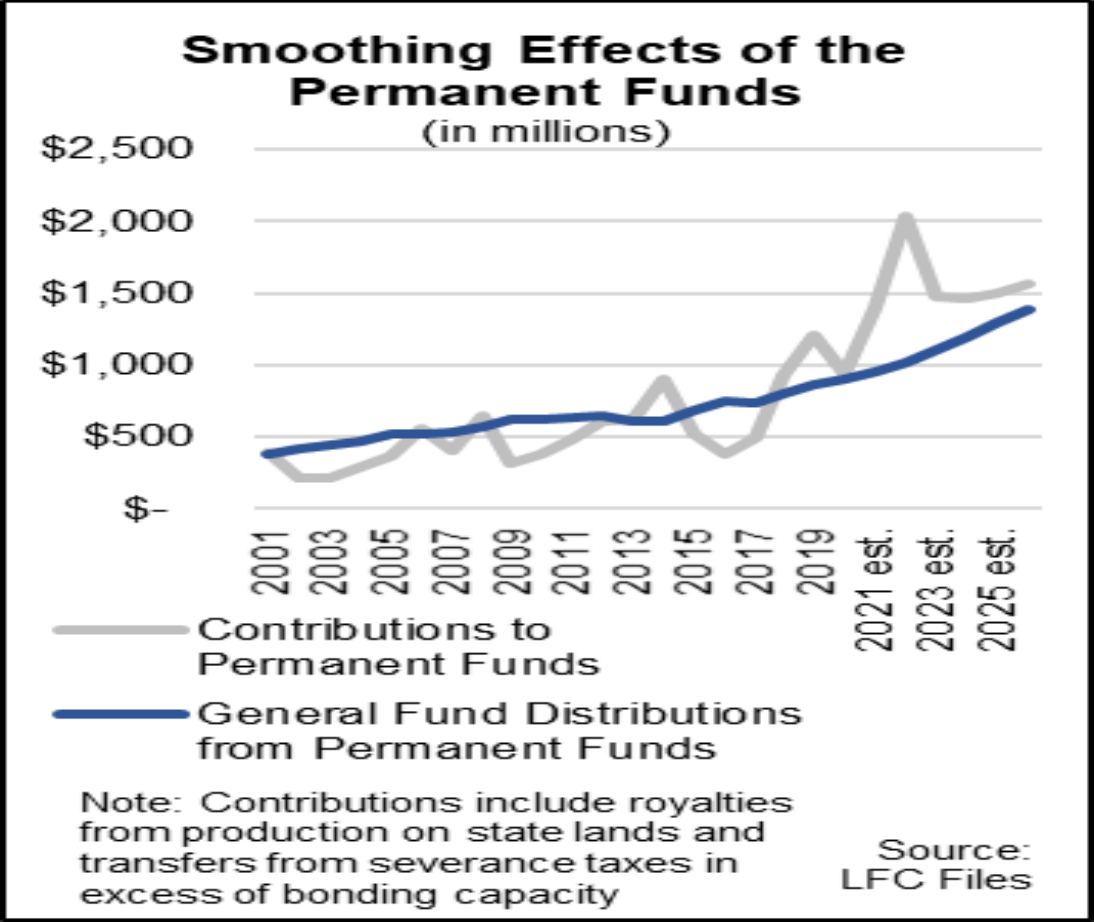
- \$10 million for educational technology and IT staffing;
- \$9.2 million for standards-based assessments and evaluation systems;
- \$5.9 million to expand PED operational capacity and upgrade budget transparency systems.



New Mexico's Tax Base?



Permanent Funds Smooth Volatility and Deliver Increased Funding



HB 2 State Funding for Public Schools, FY23

Formula Funding:

- Allocated by a funding formula called the **State Equalization Guarantee (SEG)** formula.
- School districts and charter schools have discretion over how to spend operational funds.

**\$3.67
Billion**

Categorical (“Middle-of-the-Line”) Funding:

- Allocated by formulae for specific programs, e.g. transportation.
- School districts and charter schools must use categorical funds for categorical programs.

**\$138.7
Million**

PED Initiative (“Below-the-Line” or “Related Recurring”) Funding:

- Allocated by the Public Education Department (PED) for initiatives and pilot projects.
- School districts and charter schools generally apply for competitive grants from the PED.

**\$38.3
Million**



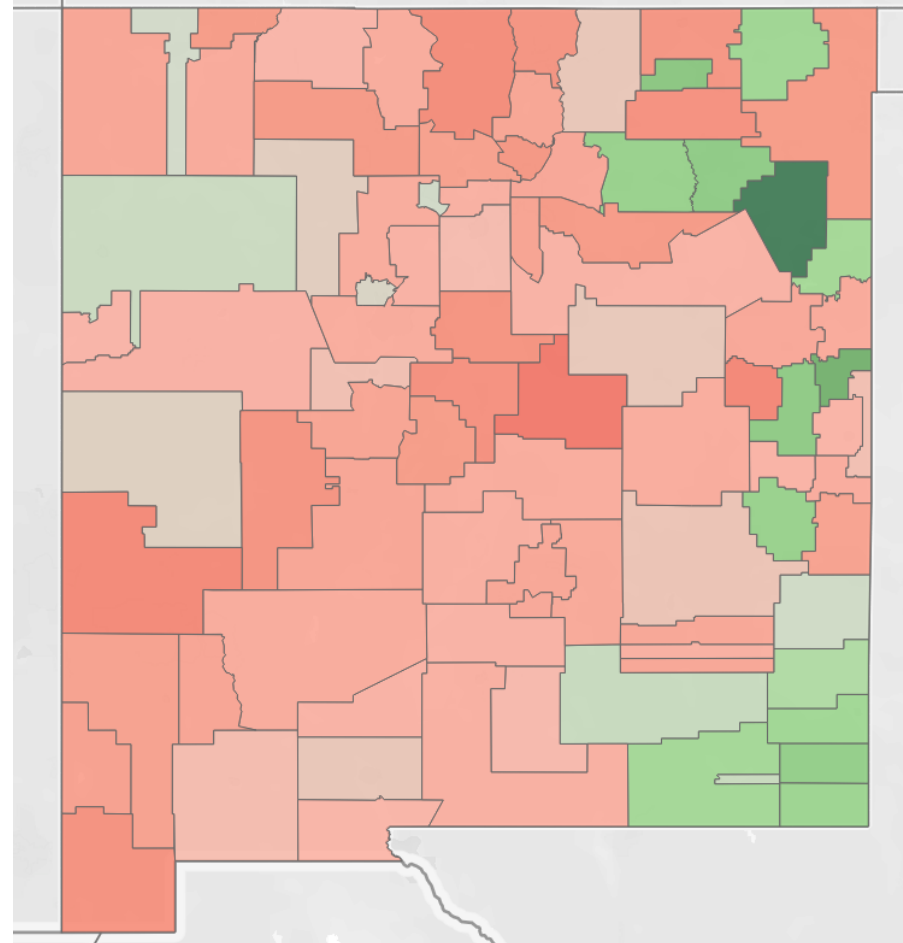
LFC's *Legislating for Results* Framework: Evidence-Based Policy and Budgeting



- Identify priority areas and performance,
- Review programs and performance,
- Budget development,
- Implementation oversight, and
- Outcome monitoring



Percent Changes in School District Student Membership, 2011-2021. Districts down 35.6k students or about 11 percent

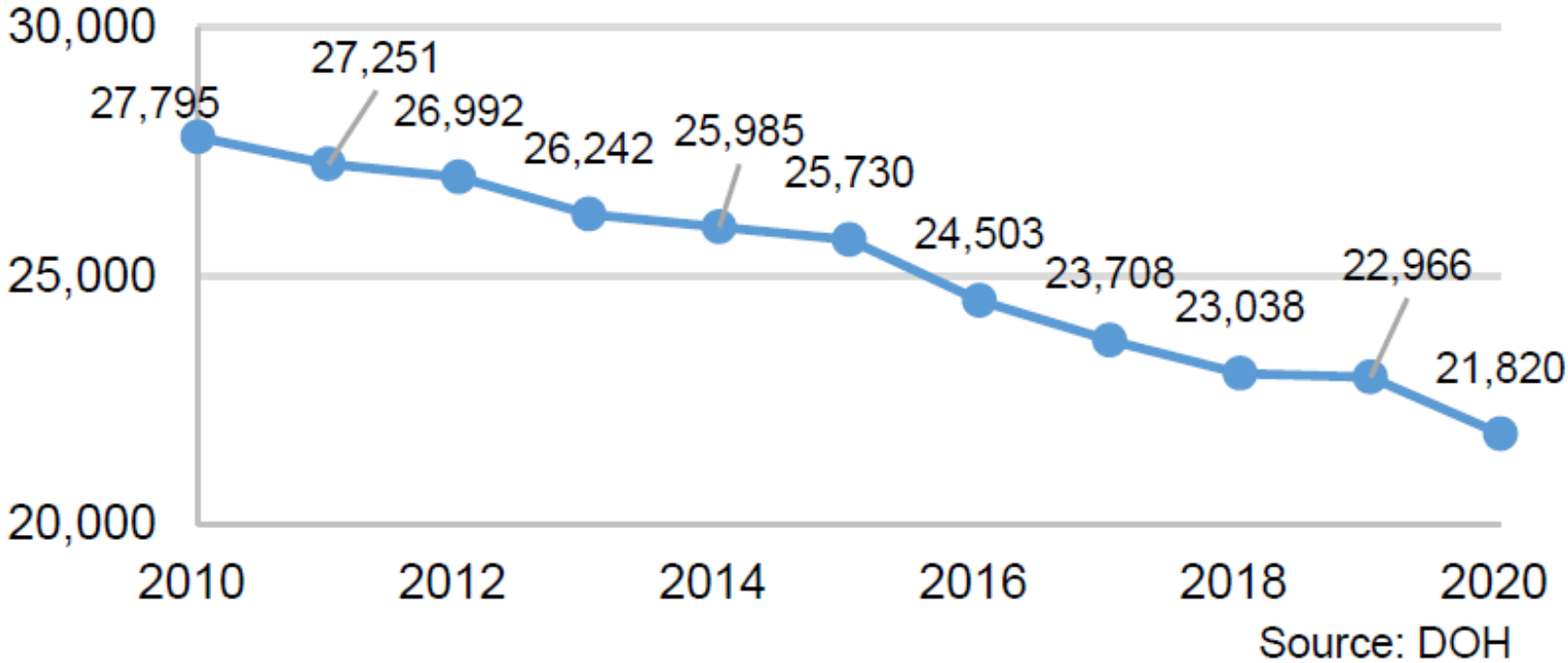


Source: LFC analysis of PED funding formula data.
Note: Chart does not include charter schools.



Factors Driving School District Enrollment Declines

**Chart 7. New Mexico Births
(2010-2020)**



New Mexico Public Education: Before COVID-19 Academic Proficiency Was 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



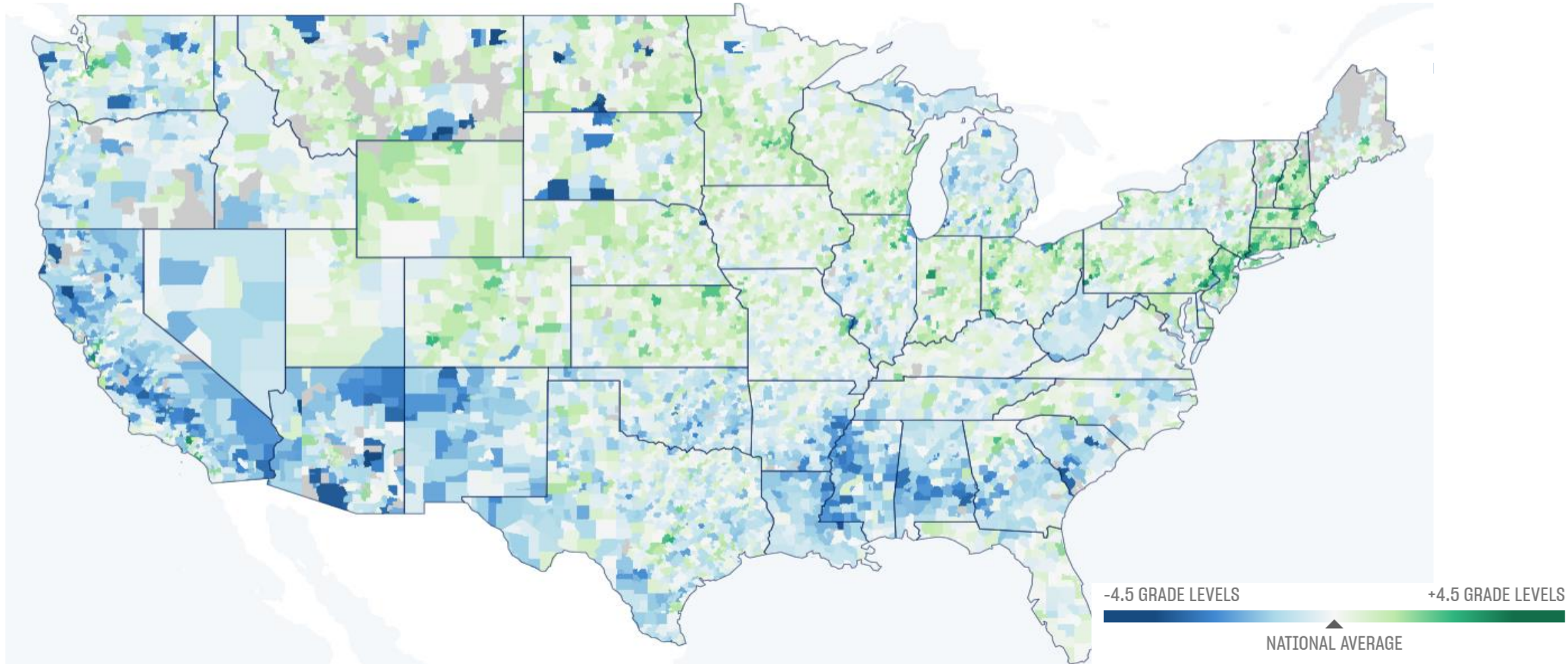
New Mexico Education Sufficiency Lawsuit: *Martinez and Yazzie v. State of New Mexico*



- 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)

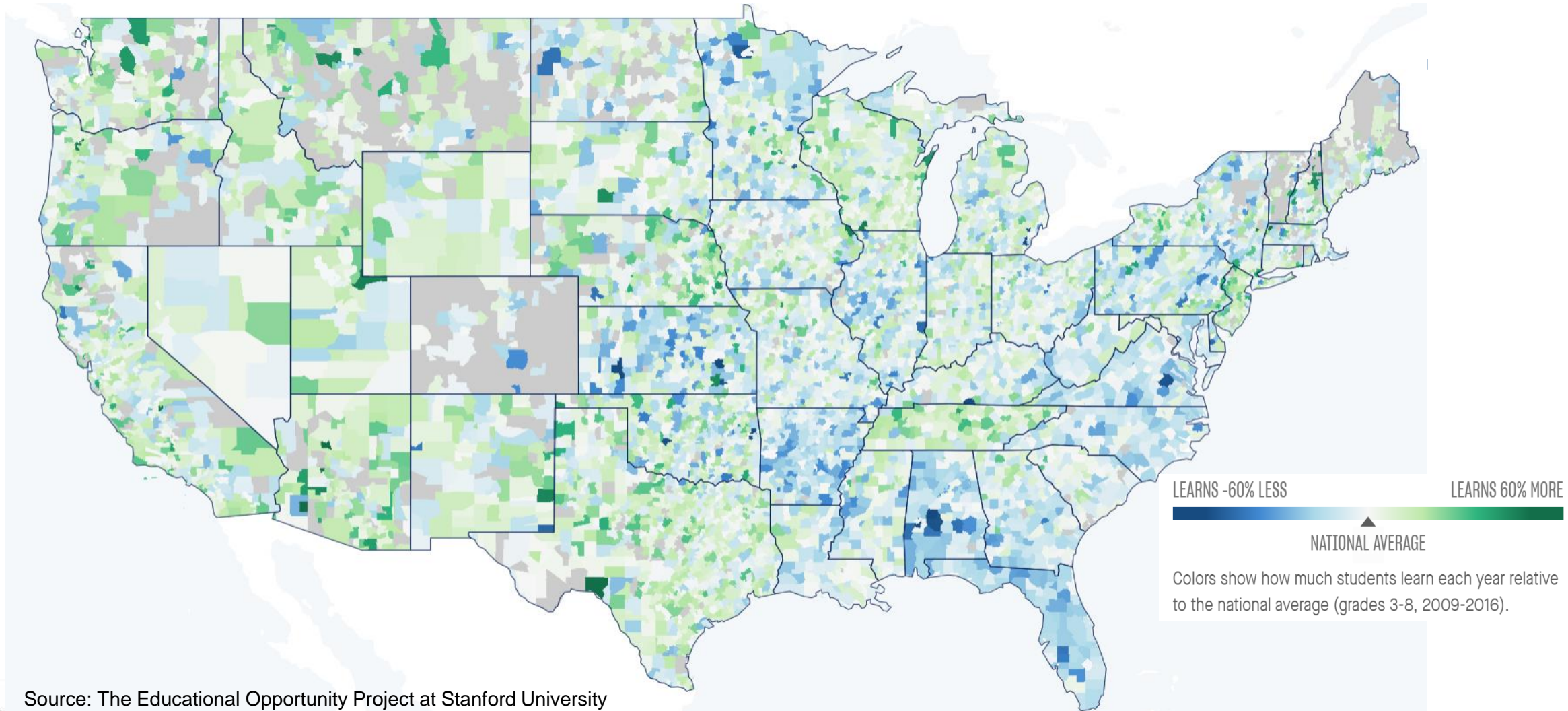


Colors show students' scores, in grade levels, relative to the national average (grades 3-8, 2009-2016)

Source: The Educational Opportunity Project at Stanford University



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

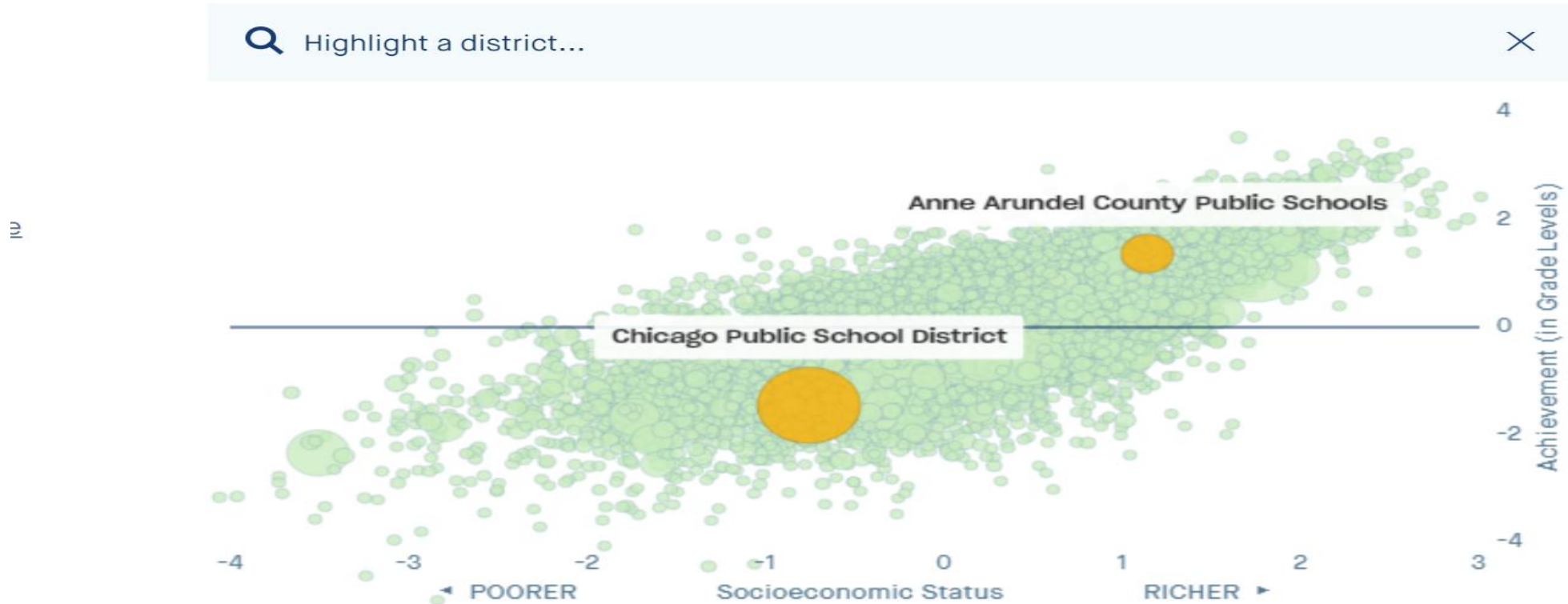


Source: The Educational Opportunity Project at Stanford University



Affluent Schools Aren't Always the More Effective Ones

Average Test Scores, Grade 3

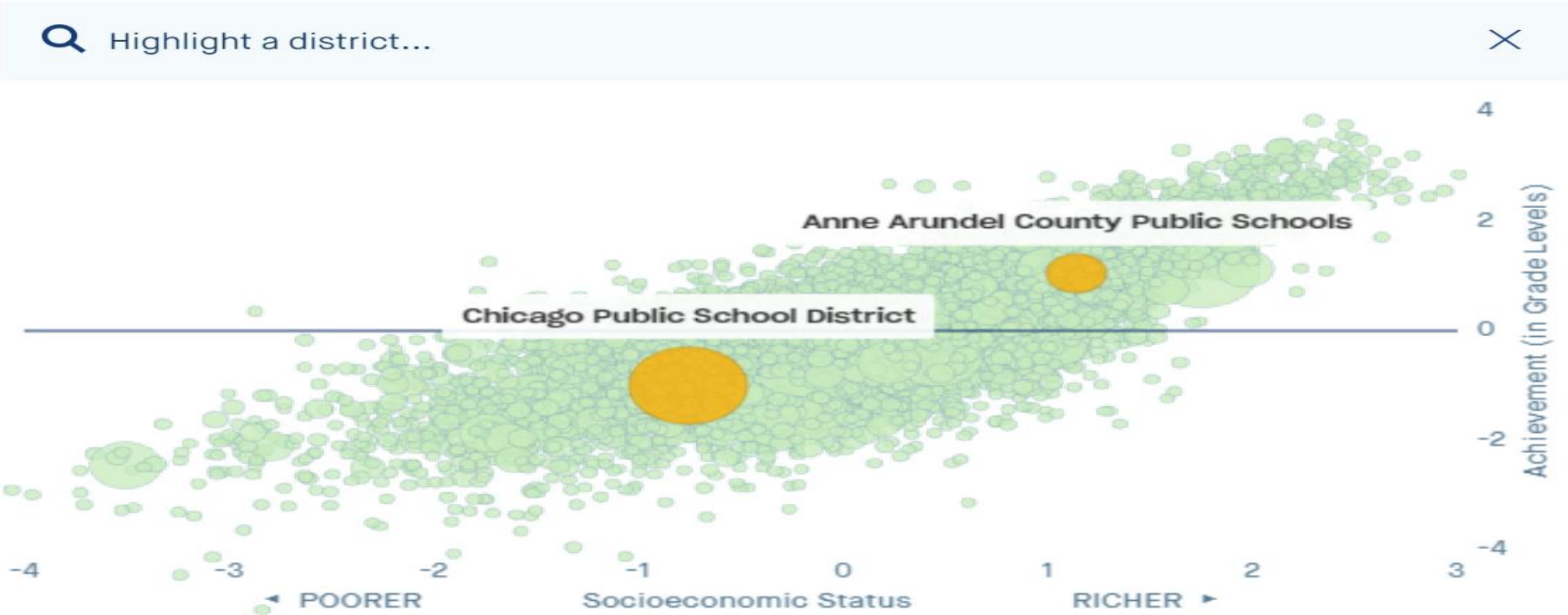


Source: The Educational Opportunity Project at Stanford University



Student Cohort Making Gains in Chicago

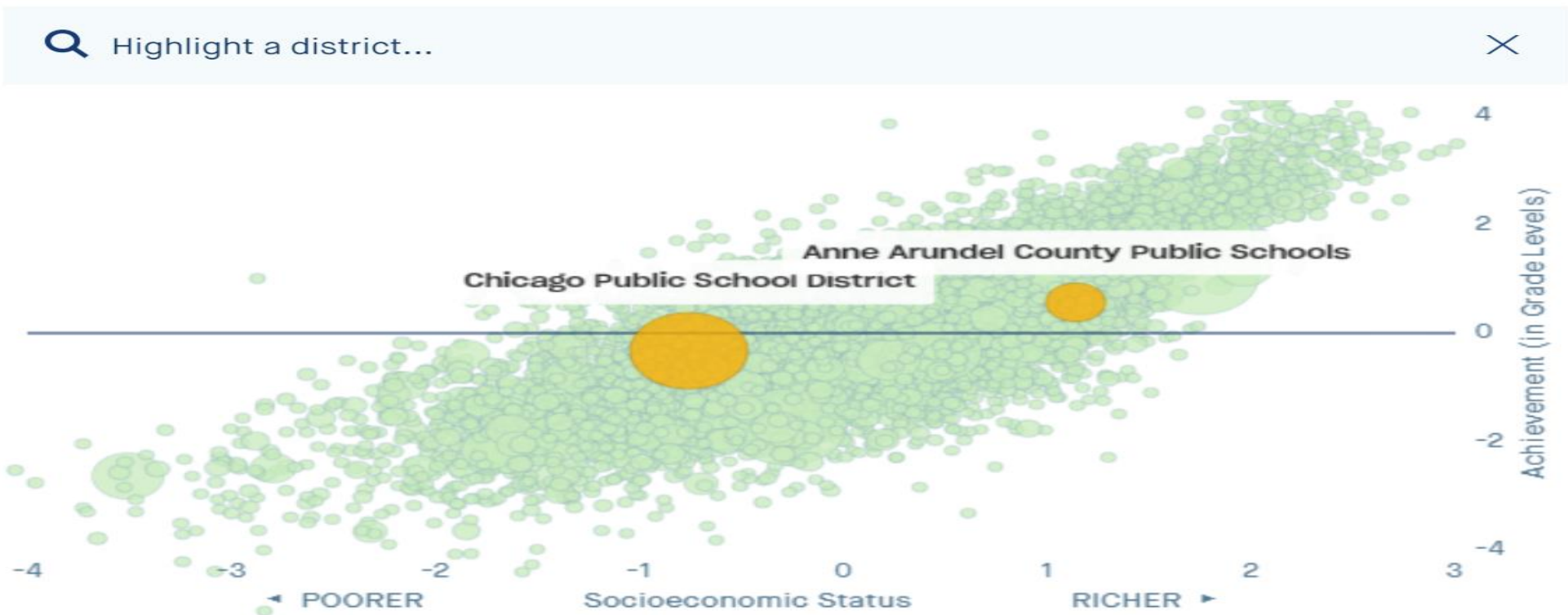
Average Test Scores, Grade 5



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

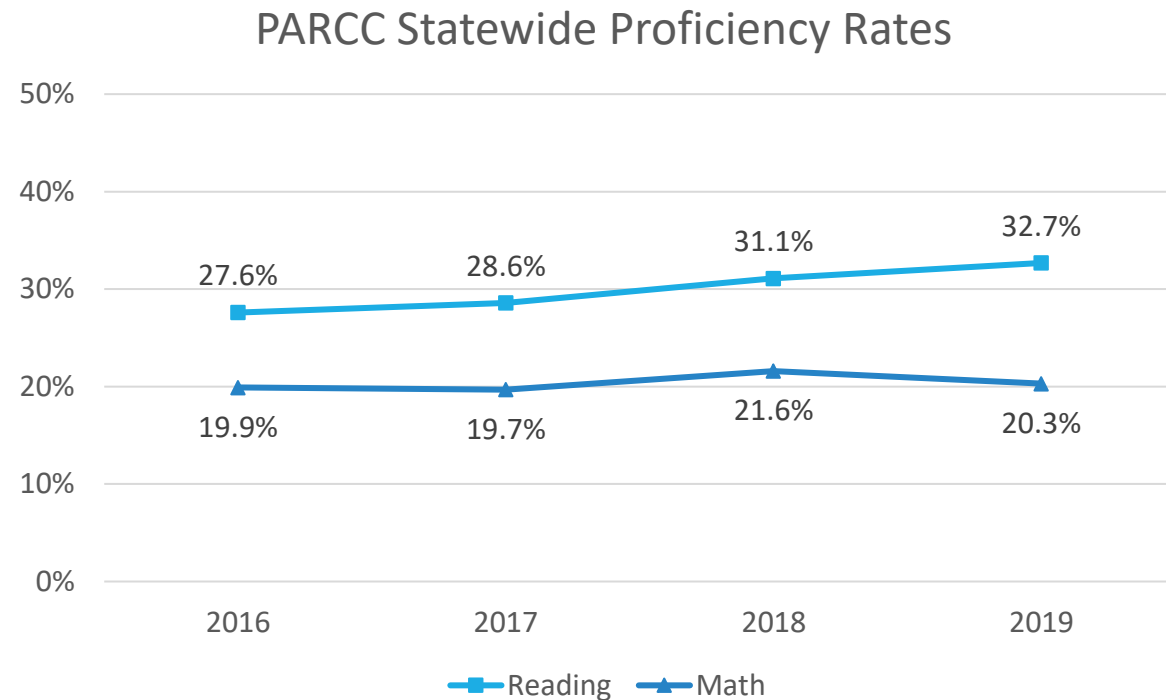


Source: The Educational Opportunity Project at Stanford University



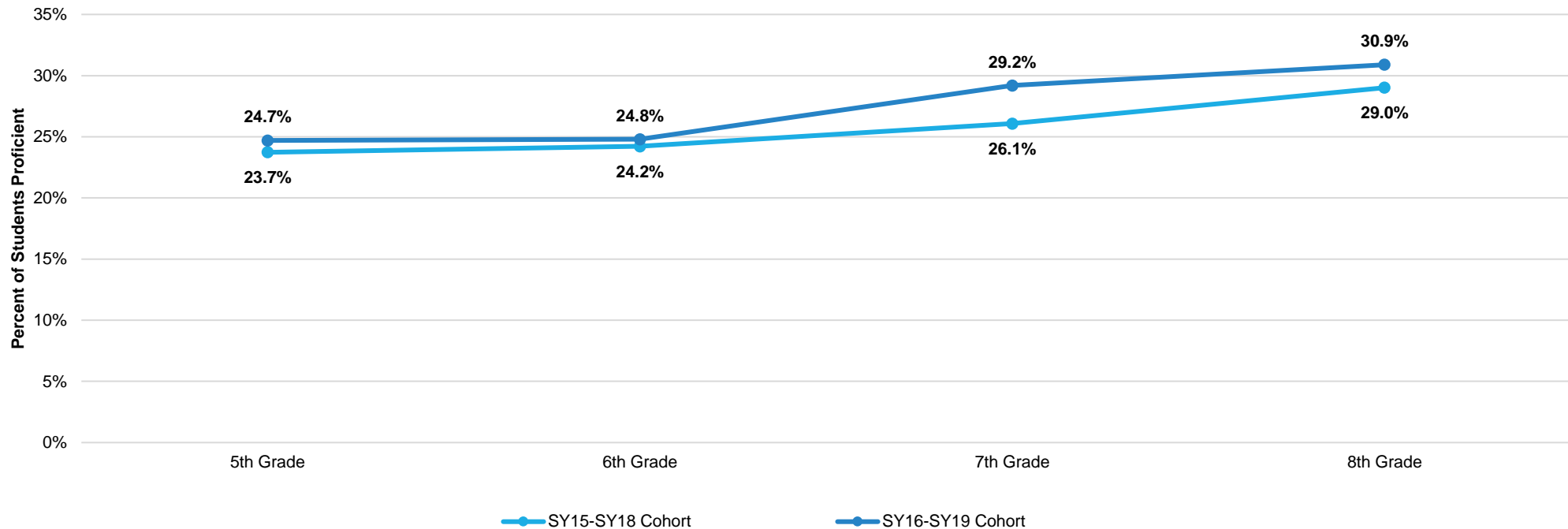
New Mexico Performance Outcomes

- 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 largely not used

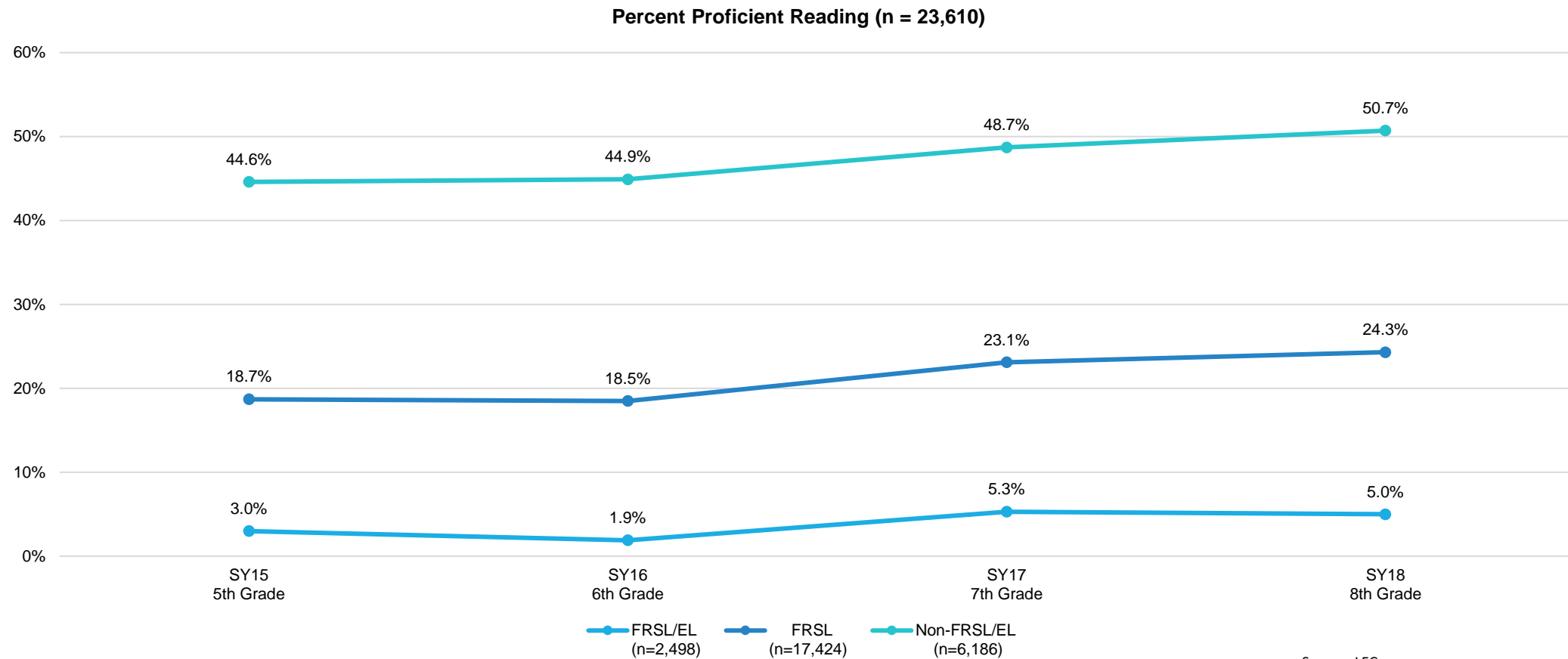


New Findings from NM Longitudinal Data: Students Gaining a Year's Worth of Learning Each Year & Improve Proficiency

Reading Proficiency on PARCC Test from Fifth through Eighth Grade,
SY15-SY18 (N = 23,696 Students), SY16-SY19 (N = 24,011)



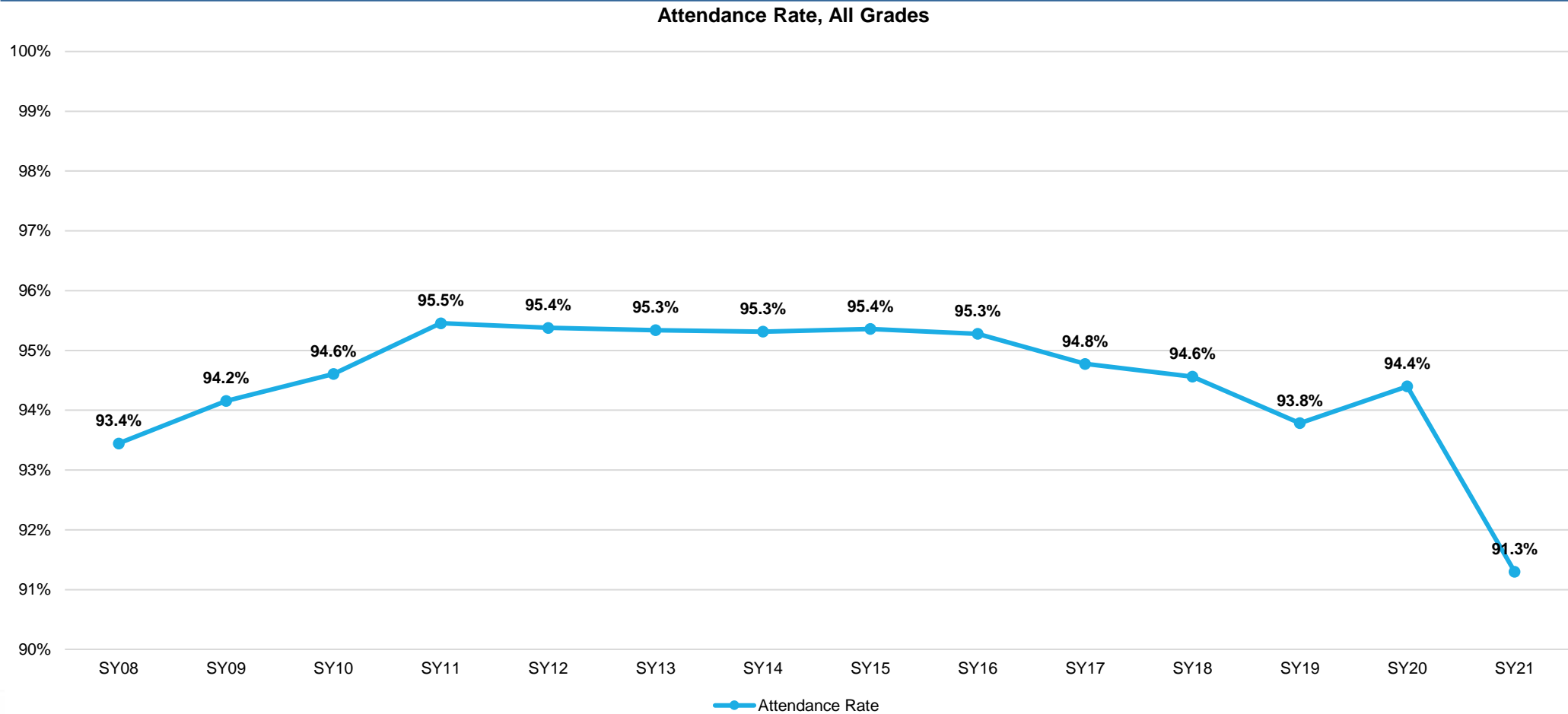
Achievement Gap - Reading



Source: LFC

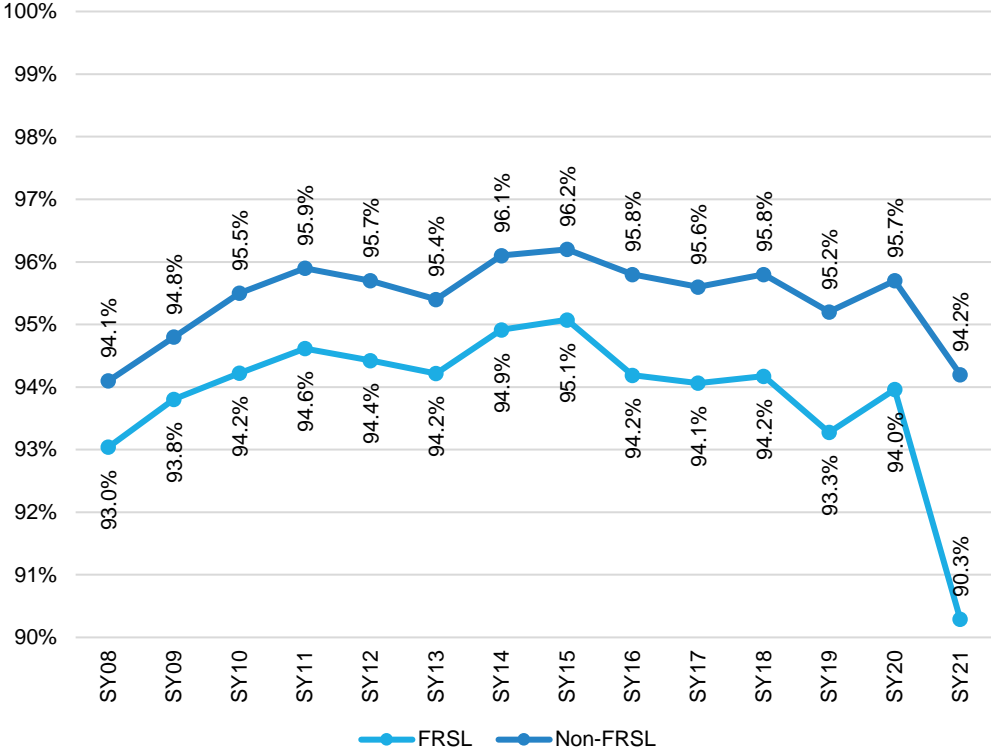


Longitudinal Data: Attendance Lagging Statewide Across All Grades, SY08-SY19

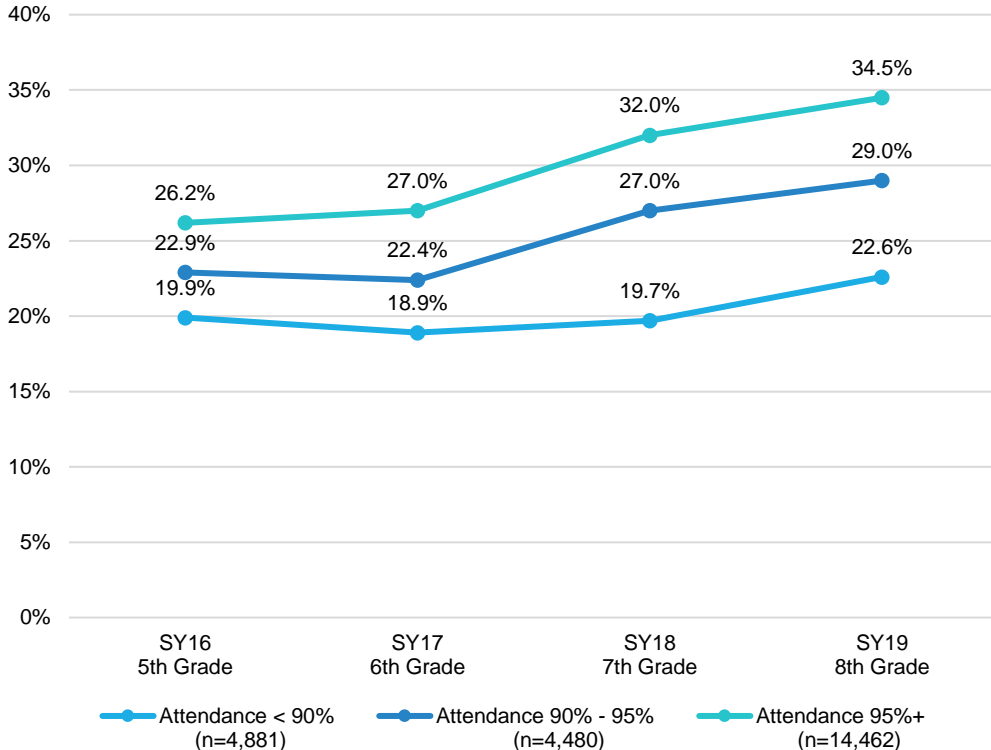


NM Longitudinal Data: No Surprise Attendance Impacts Outcomes

New Mexico Attendance Rate, All Grades

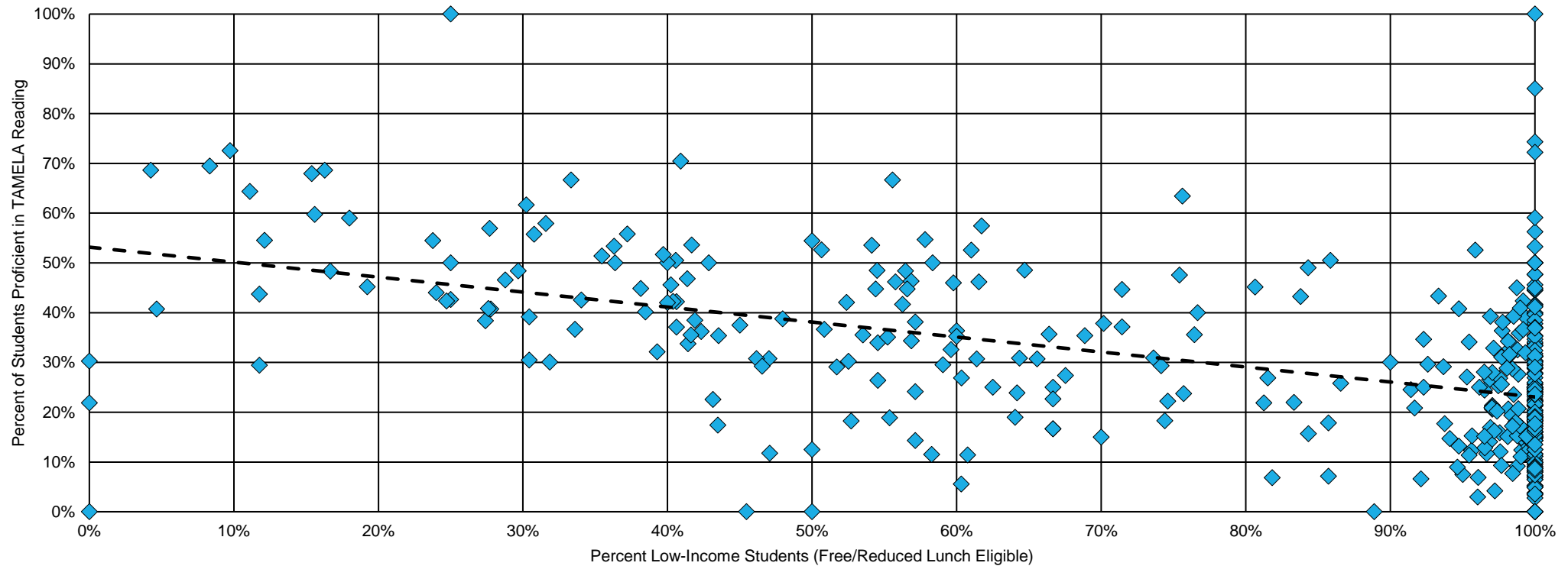


Percent Proficient Reading (n = 23,823)



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

Relationship between Elementary Schools' TAMELA 3rd Grade Reading Proficiency and Percent of Students with Low Income, SY19
(N = 407 New Mexico Elementary Schools)

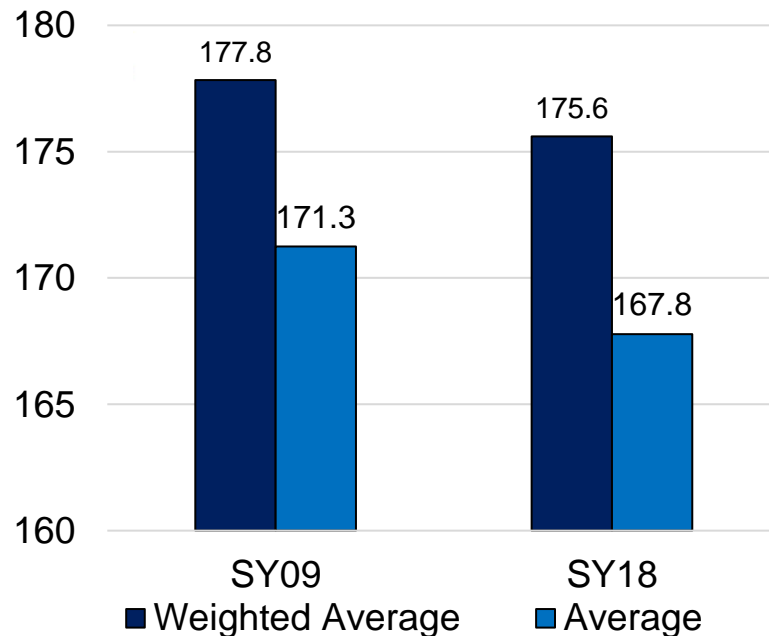


Source: LFC analysis of PED data.



Available Learning Time

THE TRADITIONAL 180 SCHOOL CALENDAR HAS SHRUNK IN NM



SCHOOLS ALREADY HAVE A LONGER SCHOOL DAY AND TOTAL HOURS EXCEED REQUIREMENTS

From a 2016 LFC Evaluation:

Almost all districts report they exceed the statutory minimum number of hours.

This allows for fewer days in the school calendar.

Schools added a weighted average of 79 hours to school days – the equivalent of 14 instructional days.

Source: LFC. (2018). Program Evaluation: Instructional Time and Extended Learning Opportunities. p.16
Note: LEAs weighted average instructional days were weighted by their percent of total student membership.



Available Learning Time

Not More of the Same

EXTENDING THE SCHOOL YEAR, IN PARTICULAR, CAN HELP TO MITIGATE THE SUMMER LEARNING LOSS THAT DISPROPORTIONATELY IMPACTS LOW-INCOME STUDENTS

70-80% of NM Students from Low-Income Families.

Students in New Mexico schools have an average summer break of 78 days, or over 11 weeks.

As a result, NM students have longer summer breaks than in most top-performing school systems globally.

BENEFITS OF ADDITIONAL LEARNING TIME

More time **engaged** in academic classes, allowing **broader and deeper coverage of curricula** and more individualized learning support.

More time devoted to **enrichment** classes and activities that expand students' educational experiences and **boost engagement** in school.

More dedicated time for teacher **collaboration** and **embedded** professional development

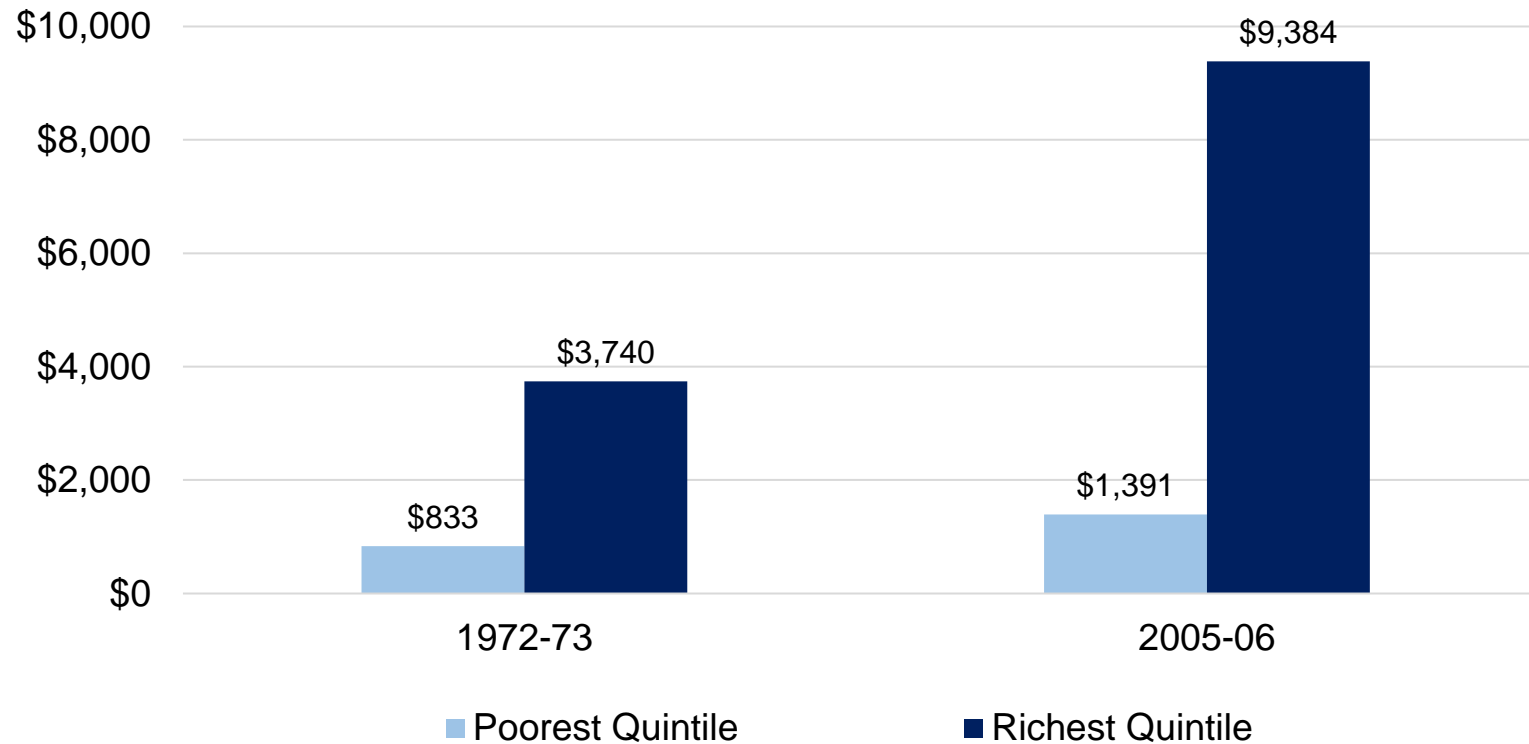
Source: NCTL



Available Learning Time

Vast Inequalities for Enrichment— Schools Can Level the Playing Field

U.S. Family Enrichment Expenditures per Child, 2012 Dollars



Source: LFC. (2018). Program Evaluation: Instructional Time and Extended Learning Opportunities. p.10;
Duncan & Murnane (2016). Rising Inequality in Family Incomes and Children's Educational Outcomes.

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



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

Addressing Student Outcomes

AT-RISK FUNDING USES

case management, tutoring, reading interventions and after-school programs that are delivered by social workers, counselors, teachers or other professional staff;

culturally relevant professional and curriculum development, including those necessary to support language acquisition, bilingual and multicultural education;

additional compensation strategies for high-need schools;

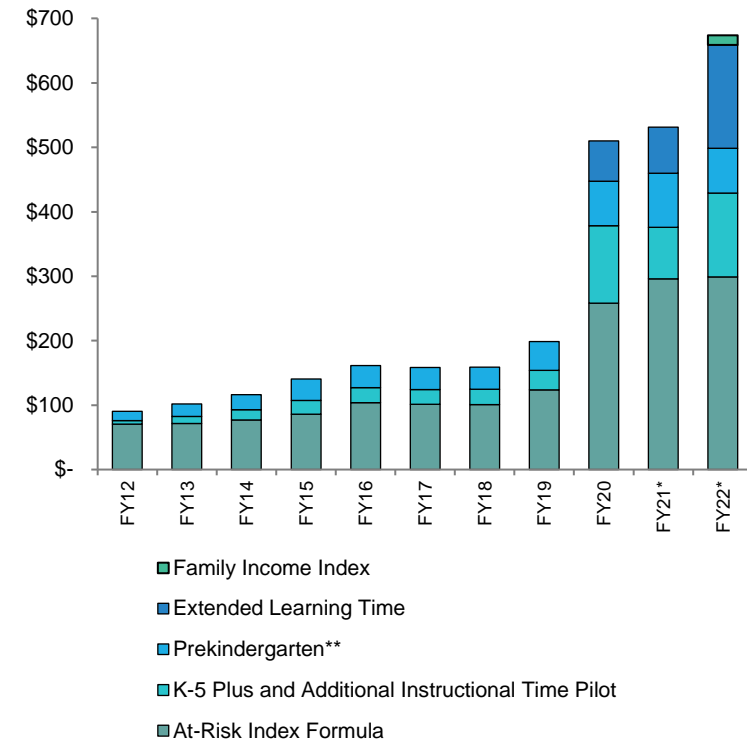
whole school interventions, including school-based health centers and community schools;

educational programming intended to improve career and college readiness of at-risk students, including dual or concurrent enrollment, career and technical education, guidance counseling services and coordination with post-secondary institutions; and

services to engage and support parents and families in the education of students.

ALMOST \$300 MILLION FOR THESE SERVICES AT LOCAL DISCRETION

At-Risk Student Program Funding
(in millions)



*Budgeted appropriation
**CYFD, PED, and ECECD



Addressing Student Outcomes

How Much At-Risk Funding Could be Available Per School?

School Size	At-Risk Formula Funds
200	\$ 276,498
400	\$ 552,995
800	\$ 1,105,991
1000	\$ 1,382,488
2000	\$ 2,764,977

At-Risk Formula Funding Generates about \$1,382 per low income student

Districts Charters have to account for funding

But don't have to spend it on low income students/schools



Addressing Achievement, Especially Post-COVID

K-5 Plus and ELTP

In April 2021:

- **K-5 Plus:** 33 of 89 districts and 35 of 97 charters planned to participate
- **ELTP:** 67 of 89 districts and 82 of 97 charters planned to participate

By September 2021:

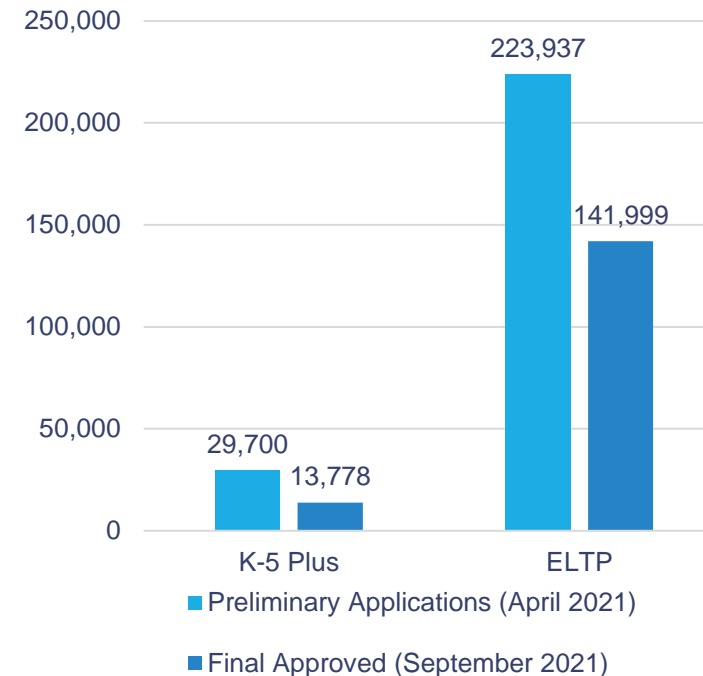
- **K-5 Plus:** 13 of 89 districts and 8 of 97 charters enrolled students
- **ELTP:** 45 of 89 districts and 73 of 97 charters enrolled students

K-5 Plus adds 25 days anywhere in school elementary school calendar. Designed to be combined with ELTP

ELTP adds 10 days (or equivalent hours for K5 Plus schools) for any school. AND funds after school, enrichment programs, and requires 80 hours of teacher professional development.

LEAs can replace in-service days for instruction and have similar teaching contract length.

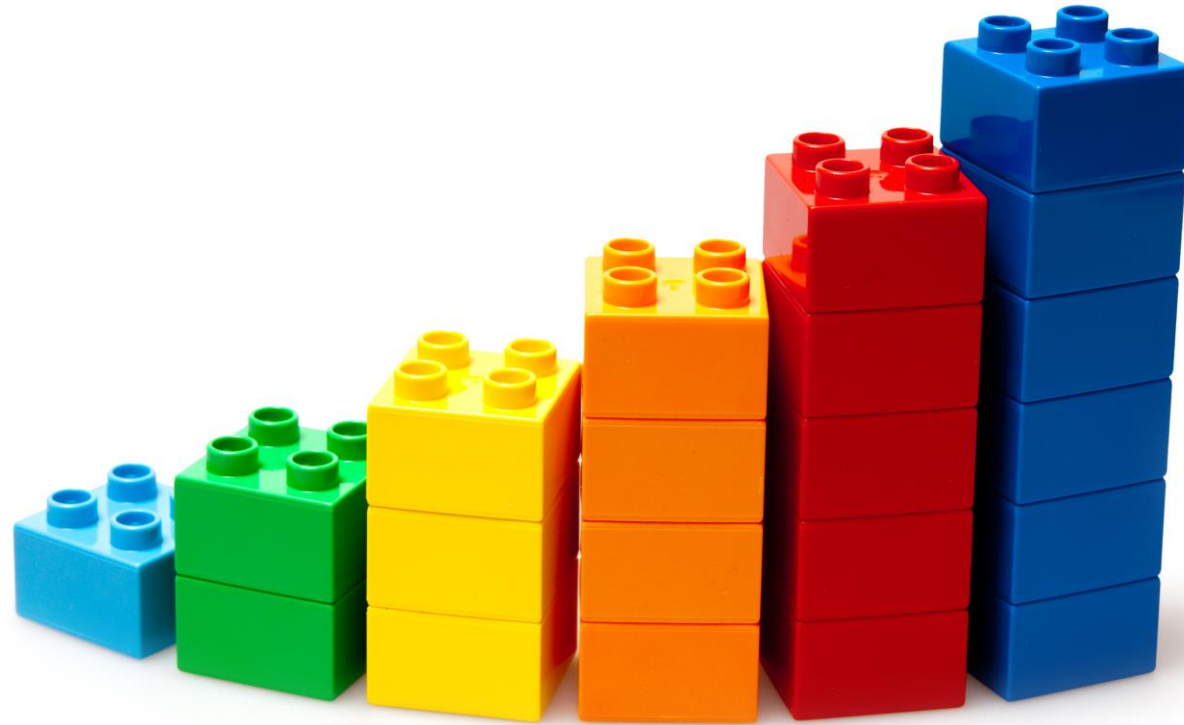
Planned Student Participation in K-5 Plus and ELTP



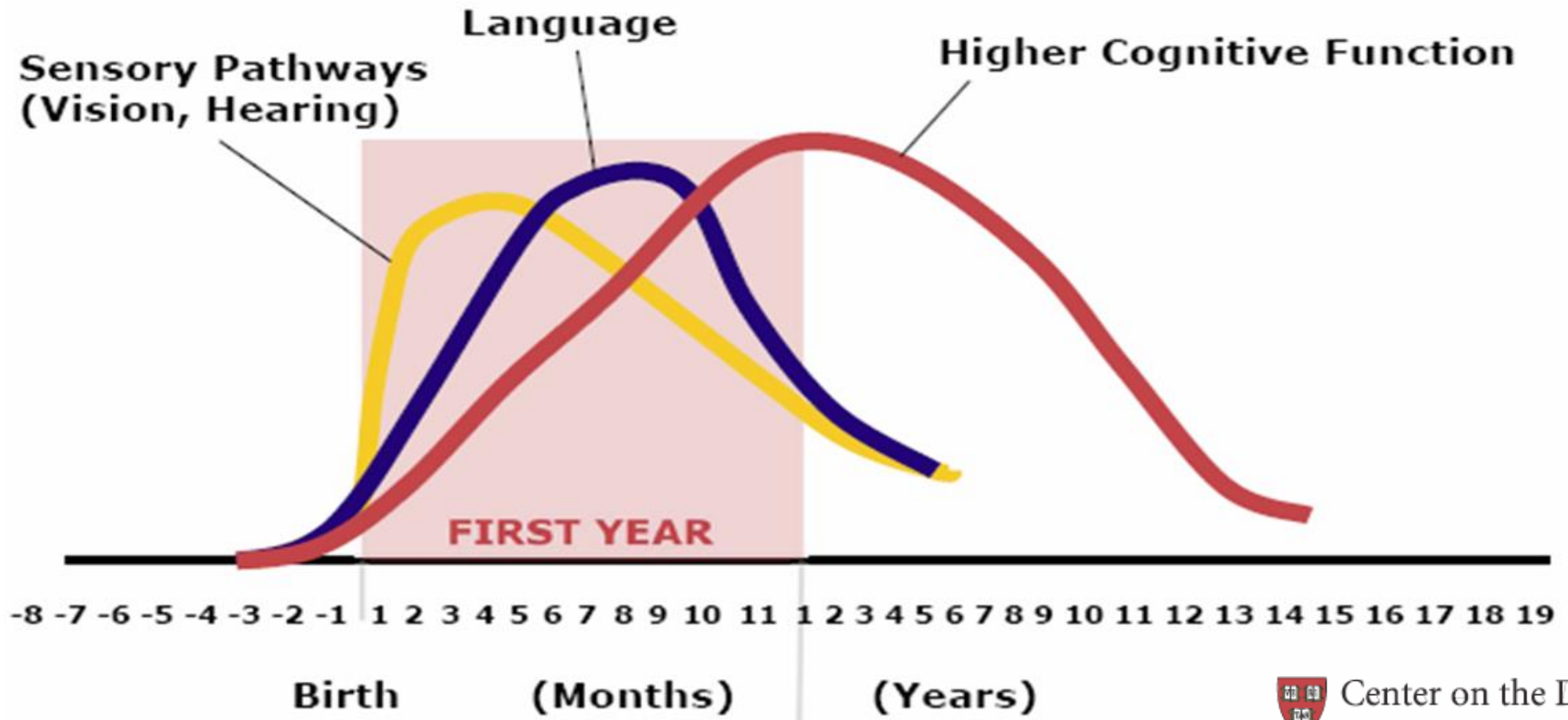
Source: PED



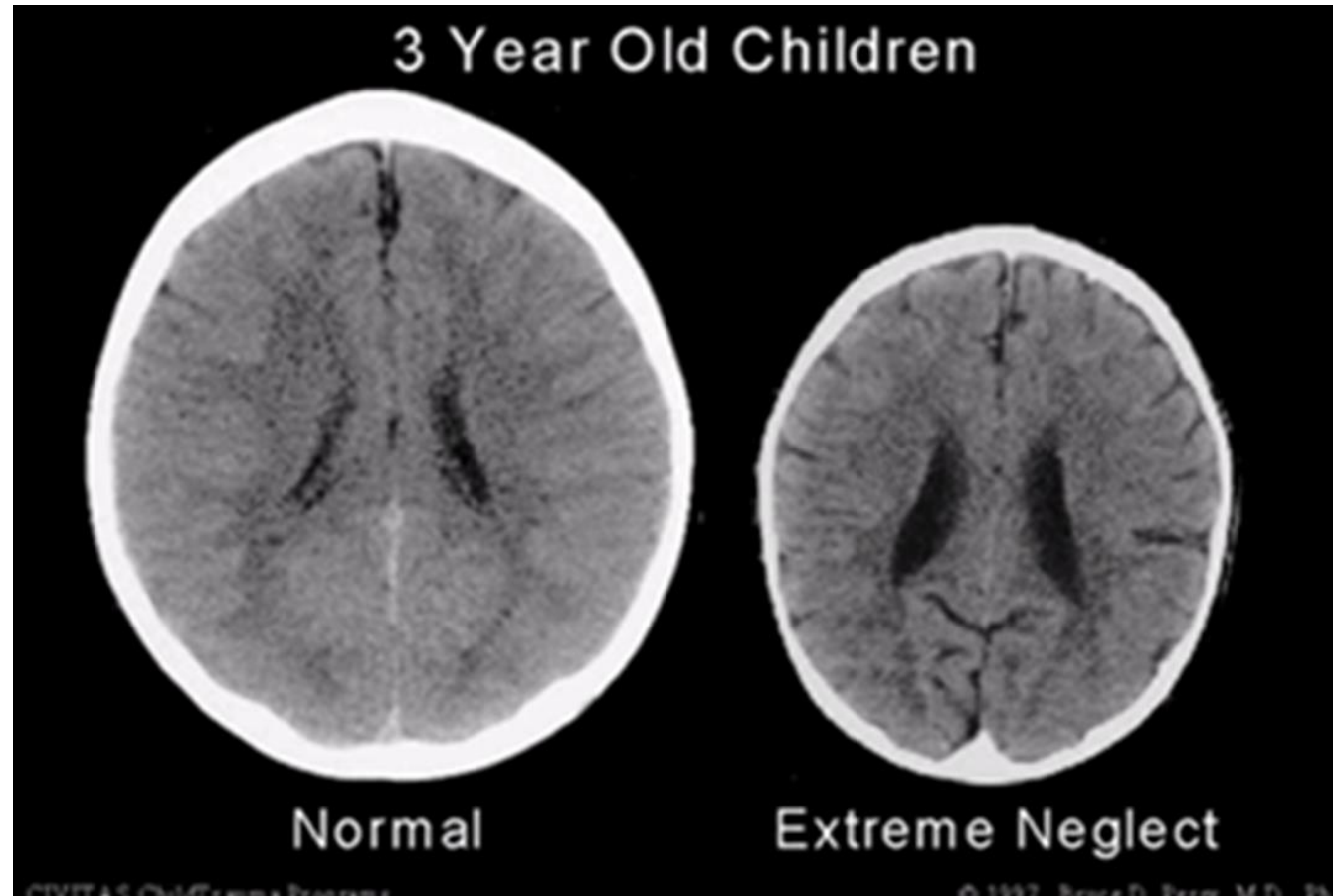
Research Evidence and Funding for Early Childhood Programs and Interventions



Human Brain Development: Synapse Formation Dependent on Early Experiences.



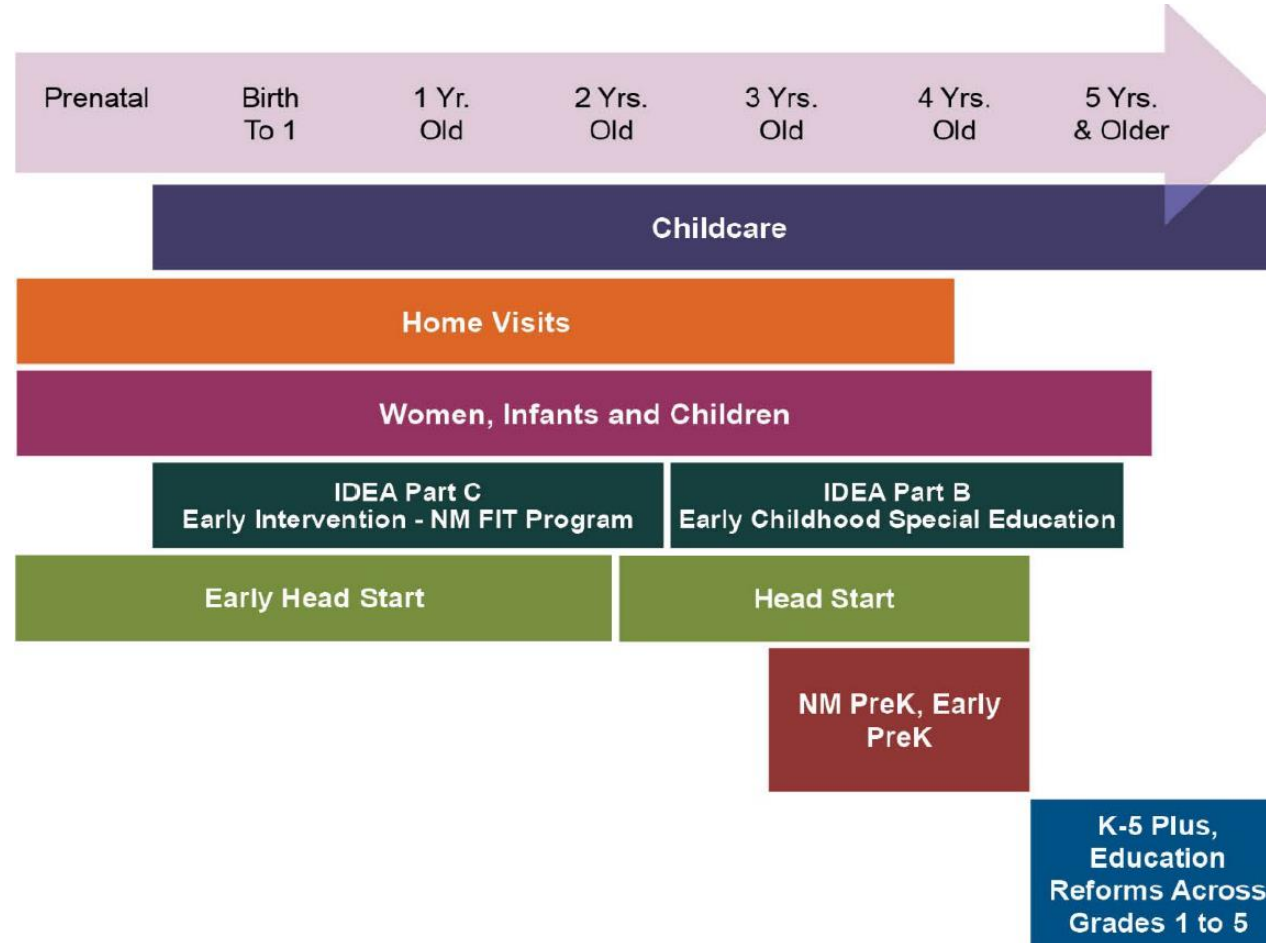
Human Brain Development: Early Experiences are Crucial



Source: UNM Health Sciences Center



New Mexico's Early Childhood System



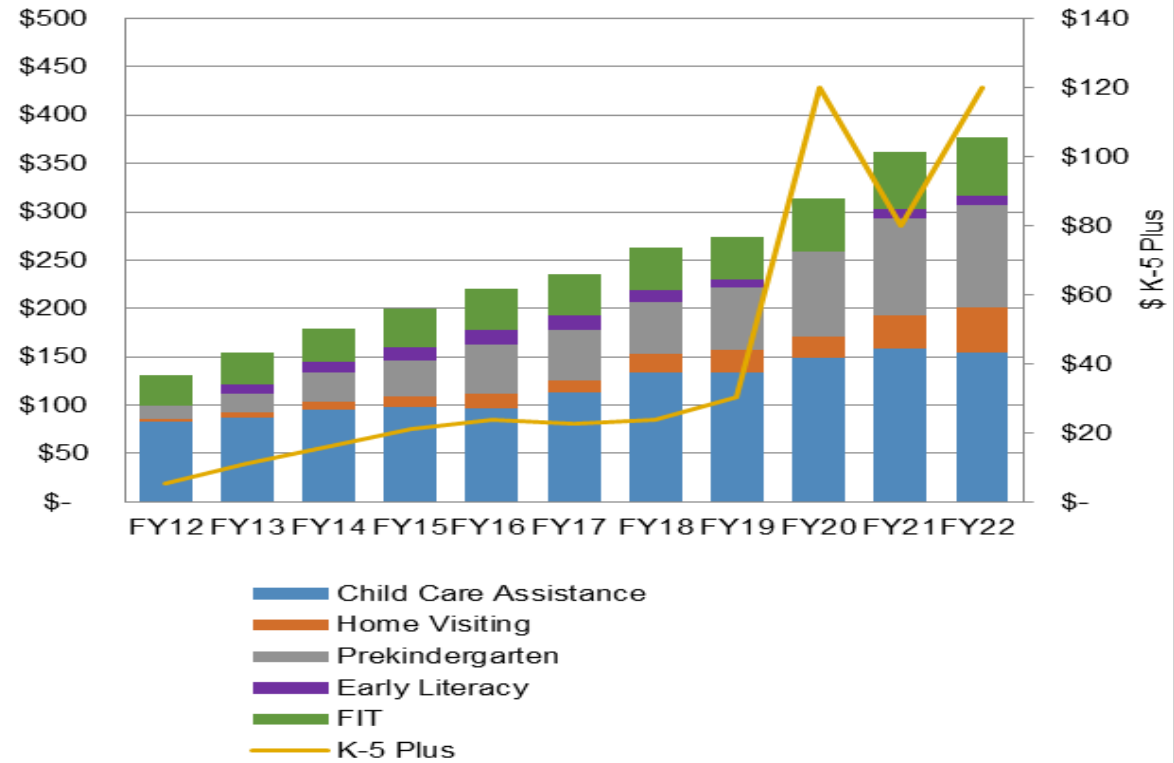
Source: LFC Files.



Data-Driven Appropriations: Data has informed State Investment in Early Childhood Programs



**Chart 1. Recurring
Early Childhood Funding History
FY12-FY22
(in millions)**



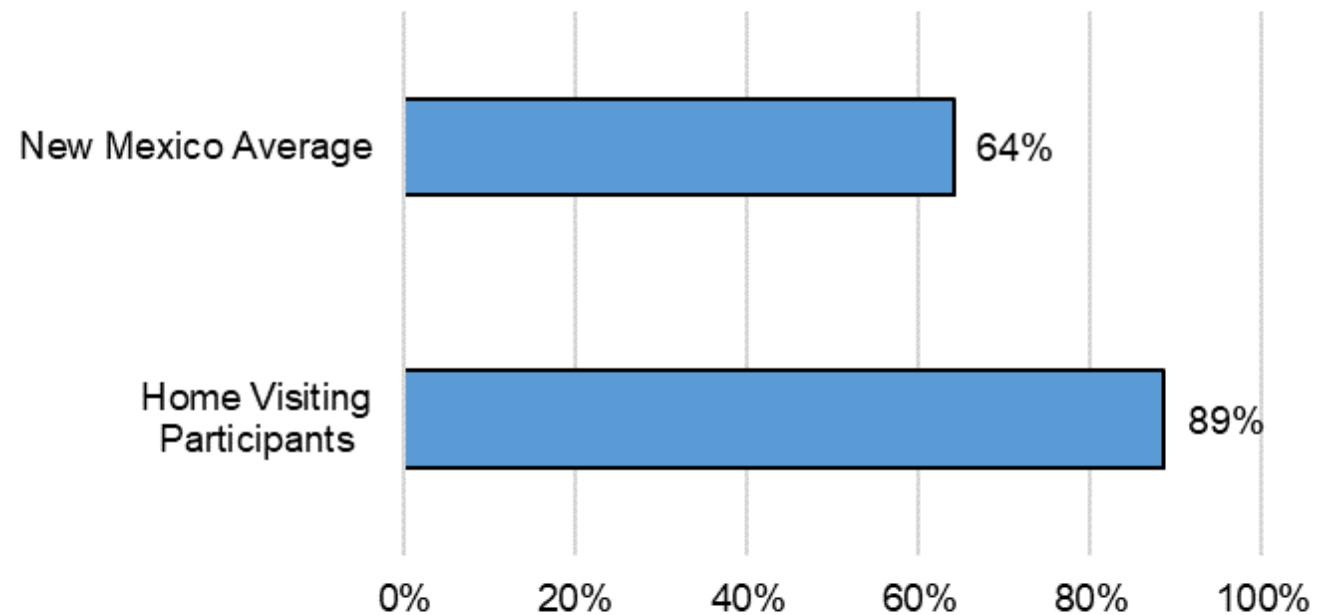
Source: LFC Files.



Home Visiting

- Home visiting consists of multiple programs (such as Nurse Family Partnerships and Parents as Teachers) dedicated to intensive parent education.
- Home visiting is voluntary and has been shown to effectively reduce child abuse and improve health.

New Mexico Mothers Accessing Prenatal Care in First Trimester, FY19



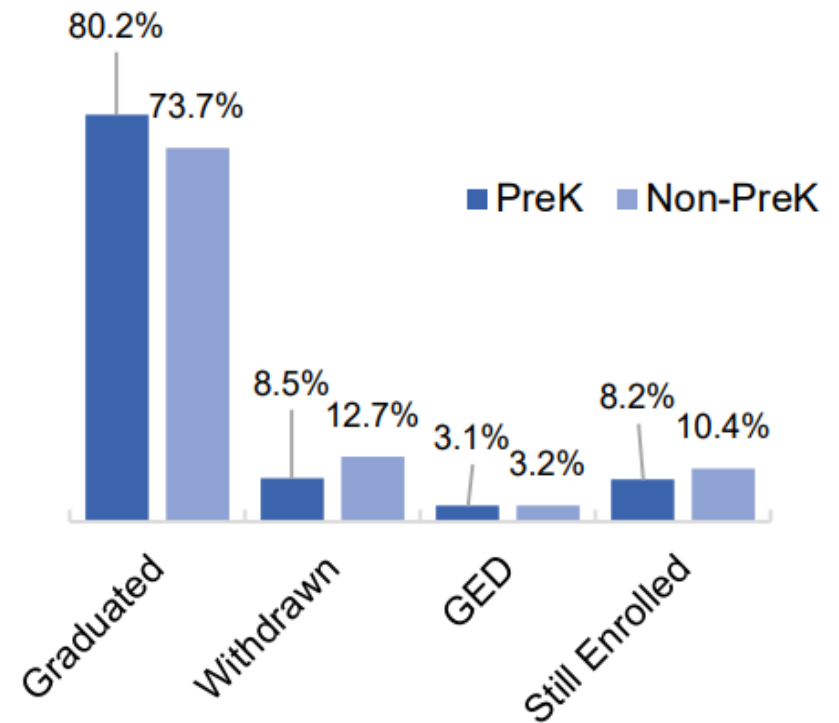
Source: UNM Cradle to Career Policy Institute. (2020). FY19 Home Visiting Outcomes Report. p.21.



Prekindergarten (PreK)

- Prekindergarten was run by PED and CYFD but will be consolidated under the newly created Early Childhood Education and Care Department (ECECD).
- In 2019, the National Institute for Early Education Research (NIEER) ranked New Mexico 17th nationally for state spending per child enrolled in prekindergarten.
- Recent LFC analysis indicates the 2006 New Mexico prekindergarten cohort had a four-year high school graduation rate 6.5 percentage points higher than students who did not attend prekindergarten.

New Mexico
Four-Year Graduation Rates for 2019
(Prekindergarten Participants from 2006)

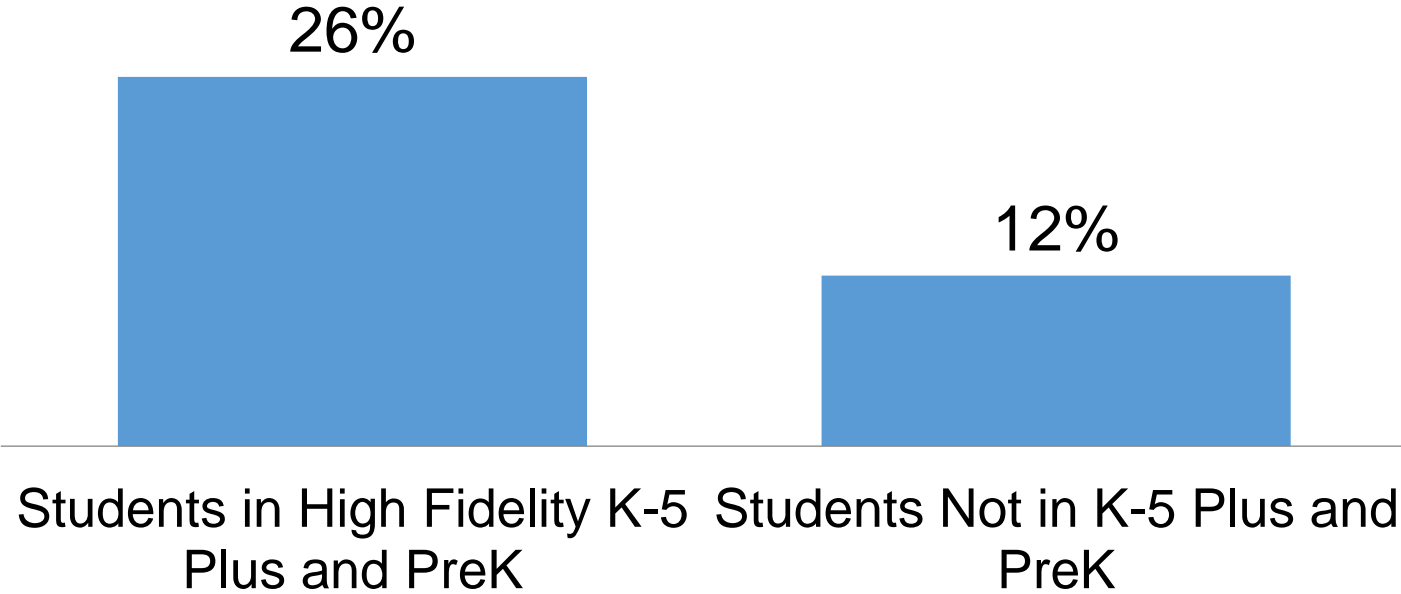


Source: LFC. (2020). Program Evaluation: Prekindergarten Quality and Education Outcomes. p.7



PreK and K-5 Plus can help close the Achievement Gap

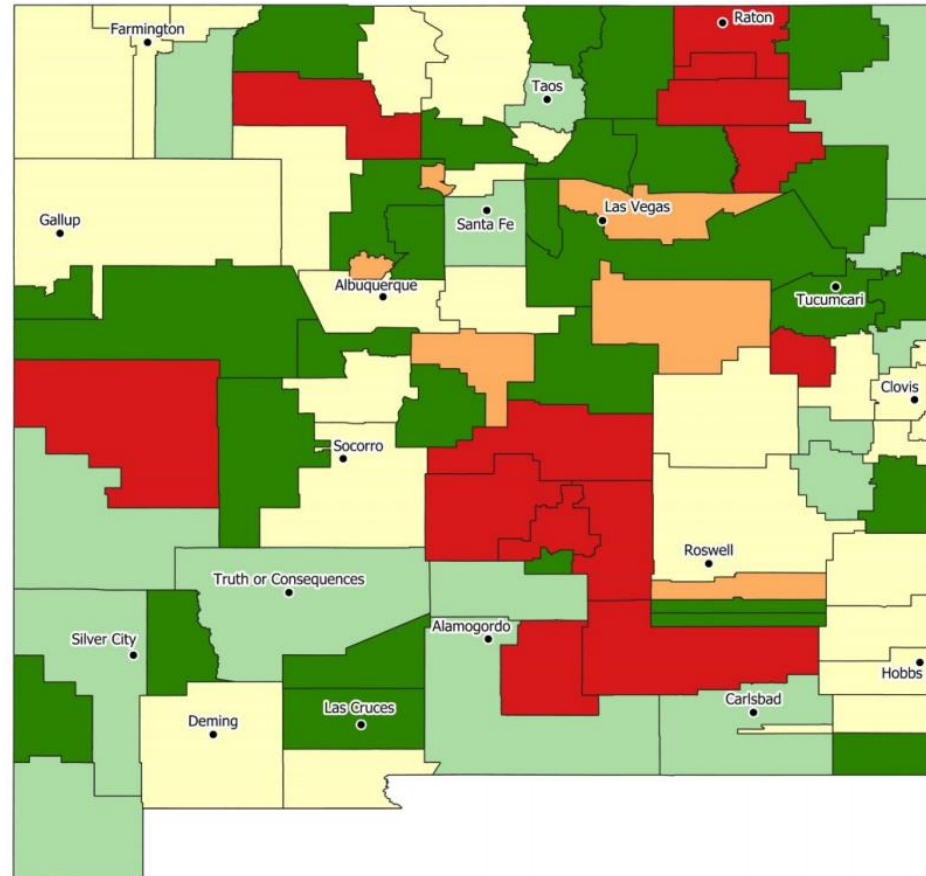
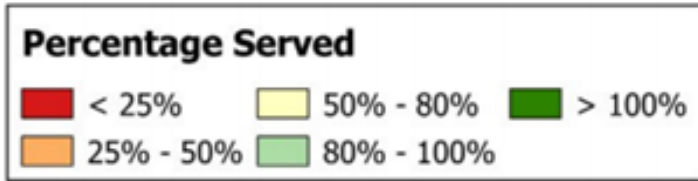
Low Income Students in Both Prekindergarten and K-5 Plus Reading Proficiency on Istation



Source: LFC Files



The Need for Program Coordination: Services for 4-Year Olds by School District, 2018-20



Source: LFC 2019 Early Childhood Accountability Report. p.5



Conclusion



- New Mexico has booming 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.





NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

For More Information

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

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