

# Legislative Primer

Charles Sallee, Deputy Director  
Legislative Finance Committee

*New Mexico School Boards Association*  
February, 2018

# Overview



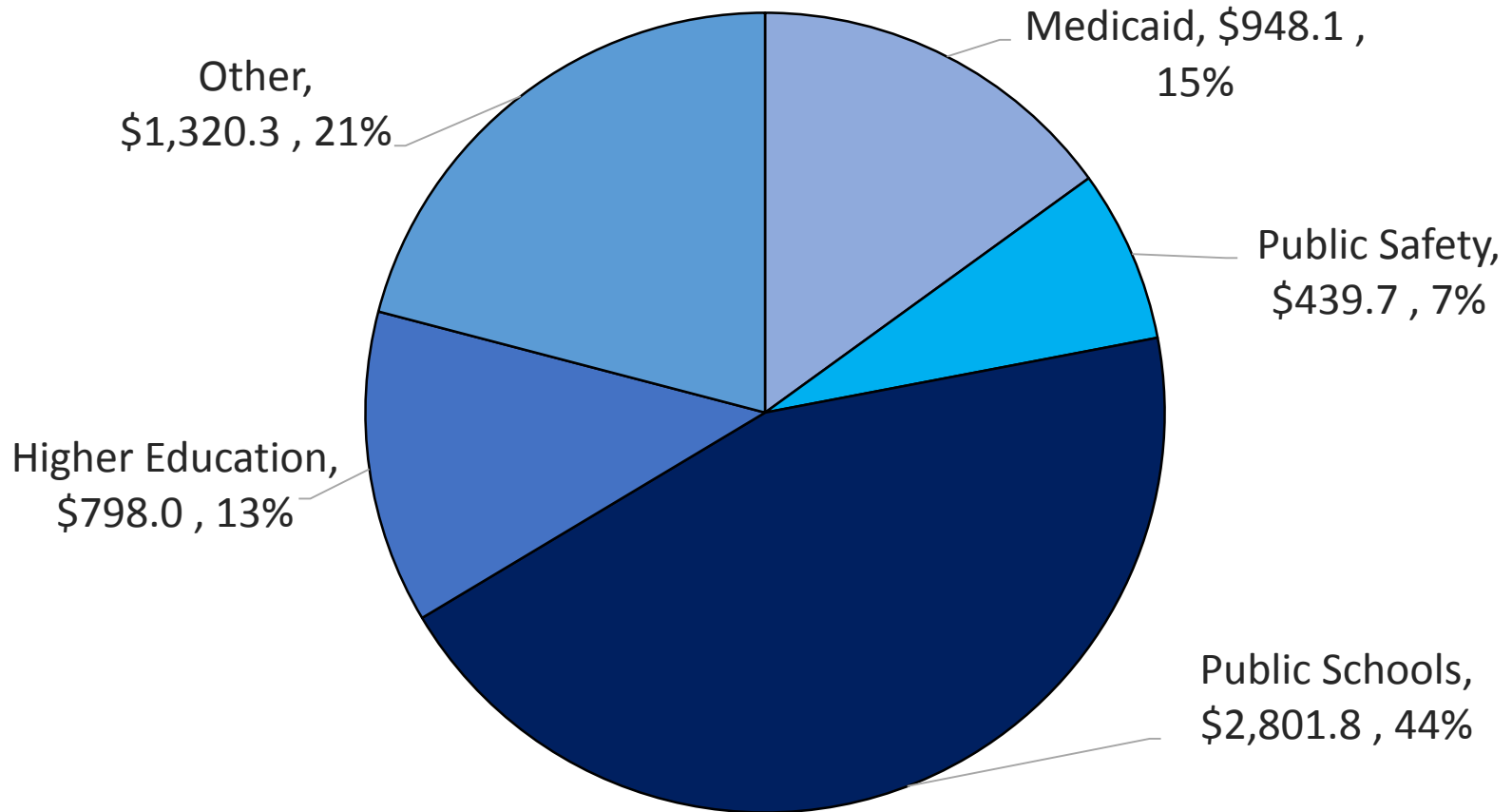
- ▶ Status of Budget
- ▶ Key Legislative Session Issues
- ▶ Strategic Challenges
- ▶ Education Success

# House Version of Budget:

General Fund Budget –  
FY19 \$6.3B  
(in millions)



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Source: House Version of Budget

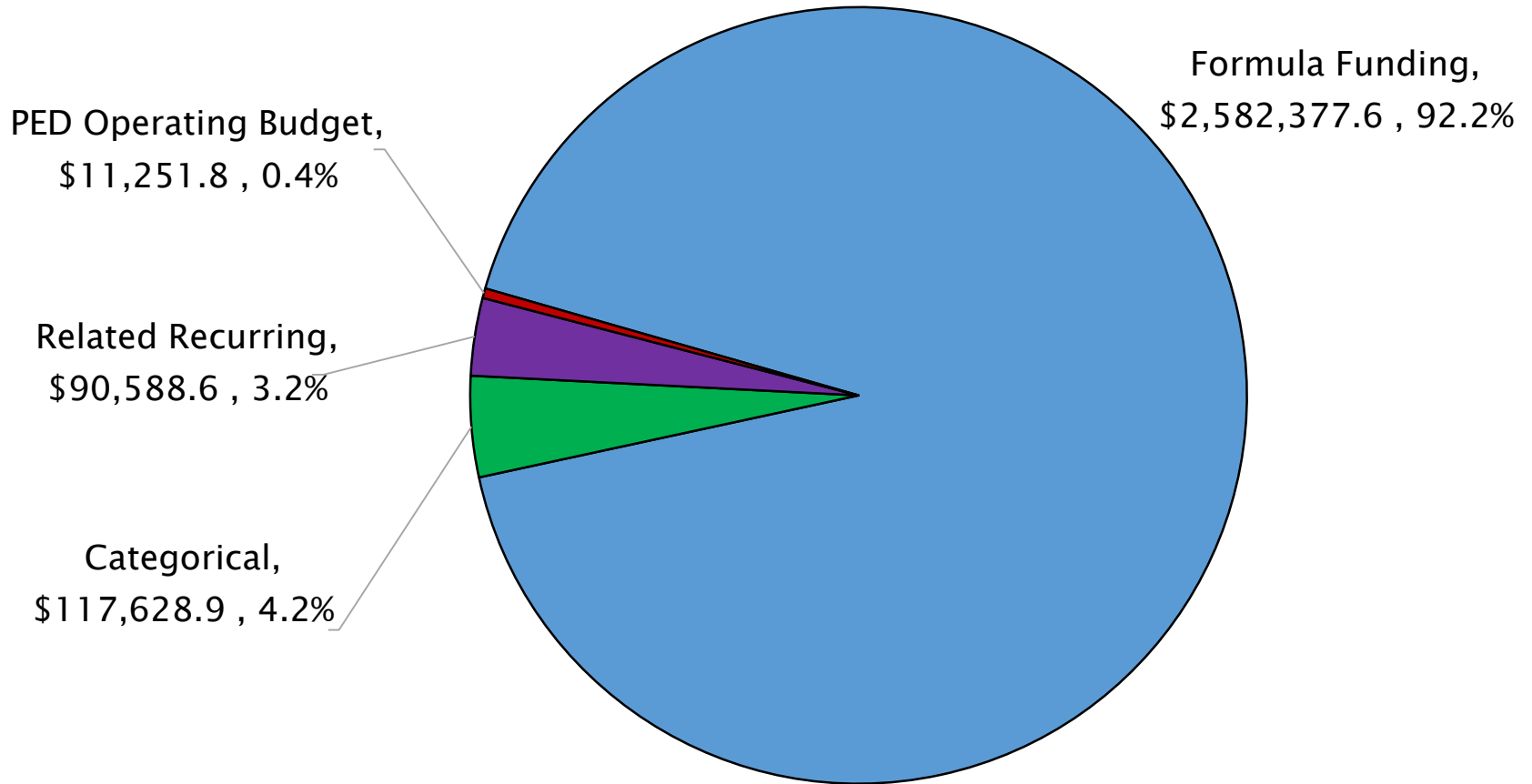
Note: Includes Compensation Increases

# House Version of Budget:

Public School Budget-  
FY19 \$2.8B  
(in thousands)



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Source: House Version of Budget  
Note: Includes Compensation Increases

# House Version of Budget:

Public School Budget–  
FY19 \$2.8B



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- ▶ **Formula Funding (Above-the-Line):** \$2.582 billion, up \$80.6 million (3 percent) from FY18
  - \$22.5 million to boost at-risk index
  - \$17.6 million to increase minimum salaries by \$2 thousand for each level
  - \$46.6 million for 2.5% average salary increase for classroom teachers and 2% for all other public school employees
- ▶ **Categorical Funding (Middle-of-Line):** \$117.6 million, up \$25.2 million (27 percent) from FY18
- ▶ **Recurring Related (Below-the-Line):** \$90.6 million, up \$2.4 million (3 percent) from FY18
  - Pre-K: \$29.0 million, \$8.0 million increase
  - K-3 Plus: \$30.2 million, \$6.5 million increase

# Other Key Issues



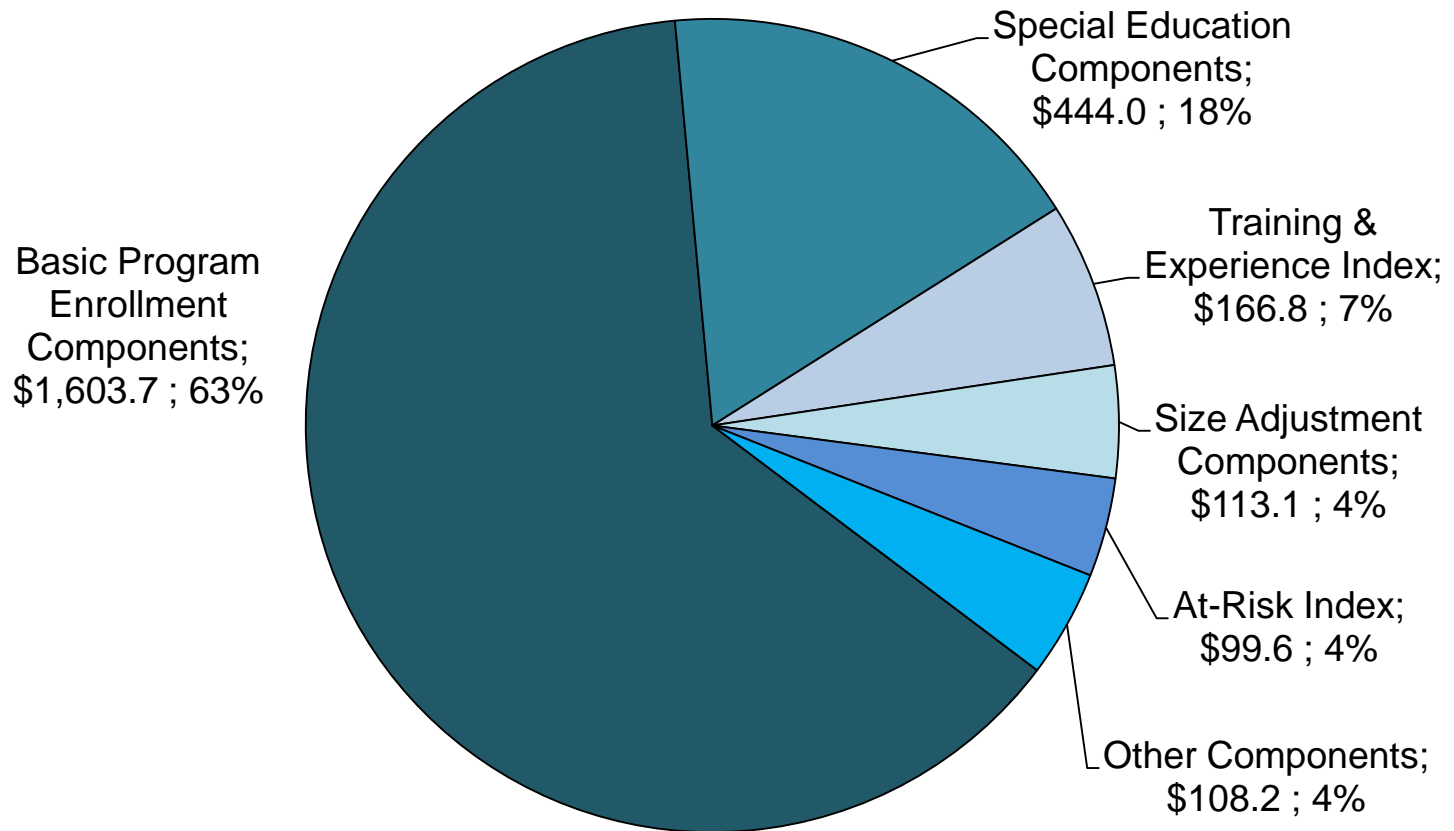
- ▶ Funding formula changes
  - Boost At-Risk Index
  - Align T&E to Three Tiered System
  - School Size Units
  - End Funding for Students Over 21
  
- ▶ Governor's Education Proposals
  - Exemplary Teacher Awards

# Funding Formula Components



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## FY18 Program Cost by Funding Formula Components (in Millions)

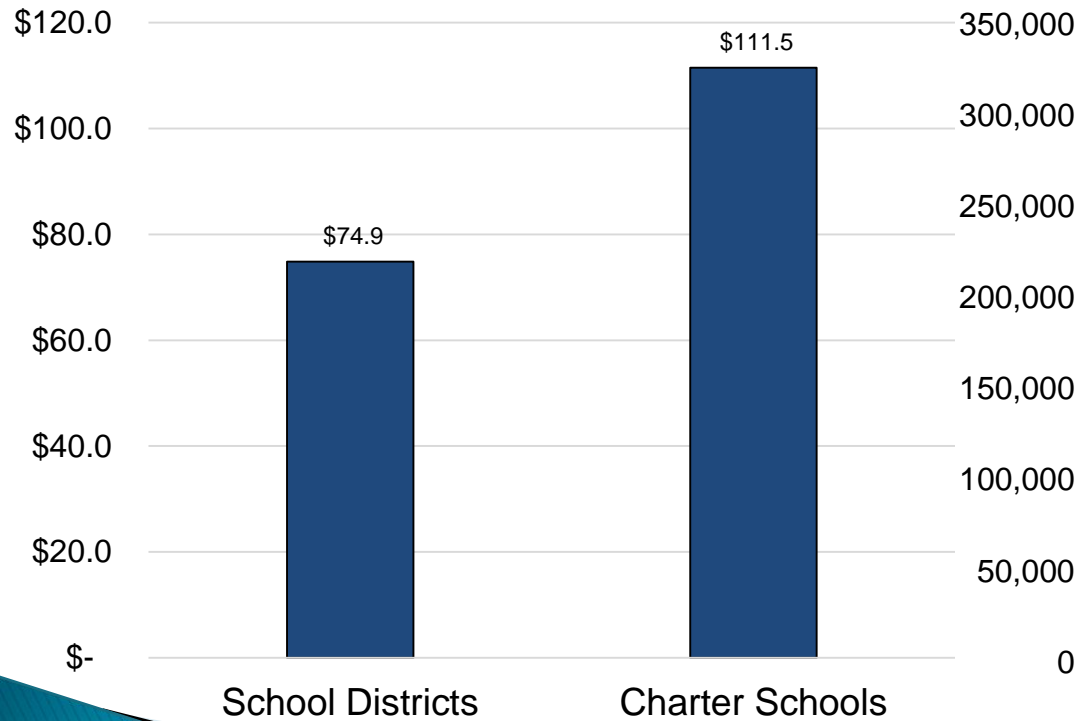


# Role and Financing of Charters

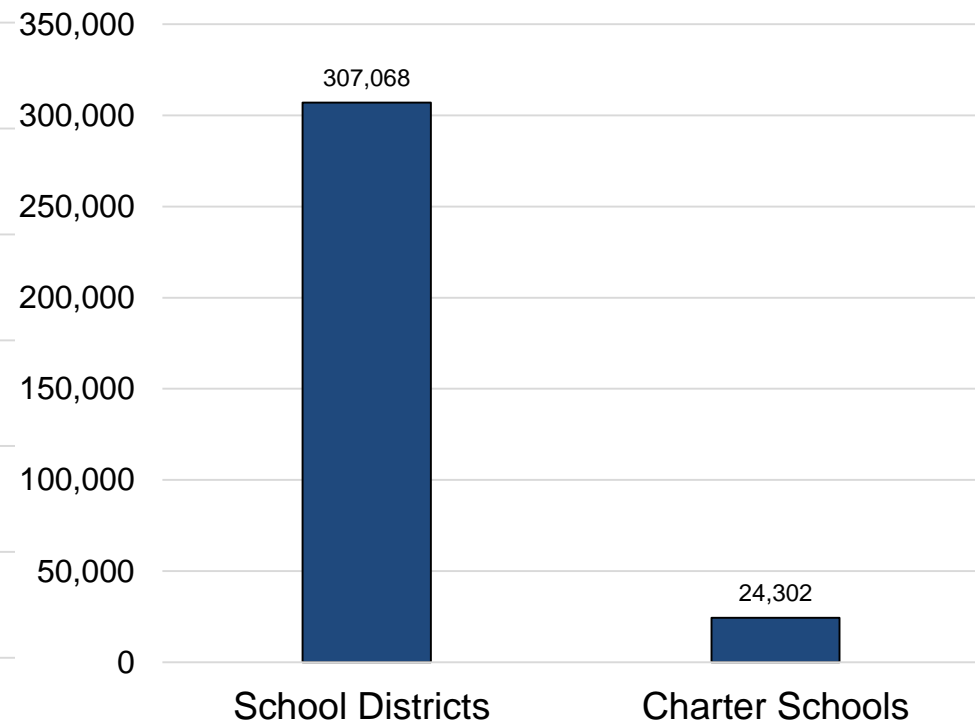


From FY08 to FY17 Charter Schools Received 60% of funding increases while educating 7% of students

**Change in Program Cost Funding from FY08 to FY17 (in Millions)**



**Student Enrollment, FY17**





# Strategic Challenges



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- ▶ Achievement Gap
- ▶ Aligning Finance Mechanisms with Policy Priorities – ROI
- ▶ Overall Performance and Financial Accountability
- ▶ Teacher Workforce
- ▶ Cross System Coordination

# Early Childhood



- ▶ Why is early childhood development so important?
- ▶ The most rapid period of brain development occurs in the first few years of life.
  - Early experiences influence the developing brain;
  - Stable, caring relationships are essential for healthy development;
  - Chronic stress can be toxic to developing brains;
  - Significant early adversity can lead to lifelong economic and health problems;
  - Early intervention can prevent the consequences of early adversity.

# Early Brain Development



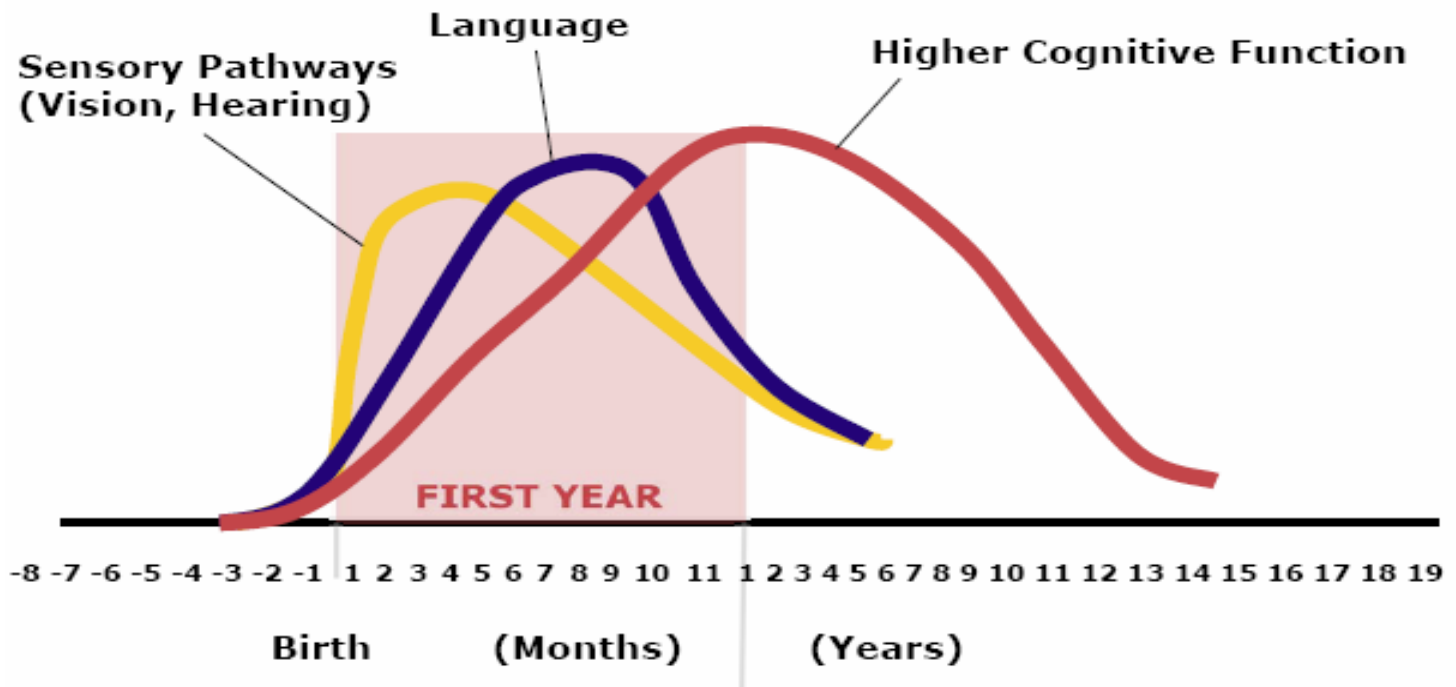
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Center on the Developing Child  
HARVARD UNIVERSITY

## Human Brain Development

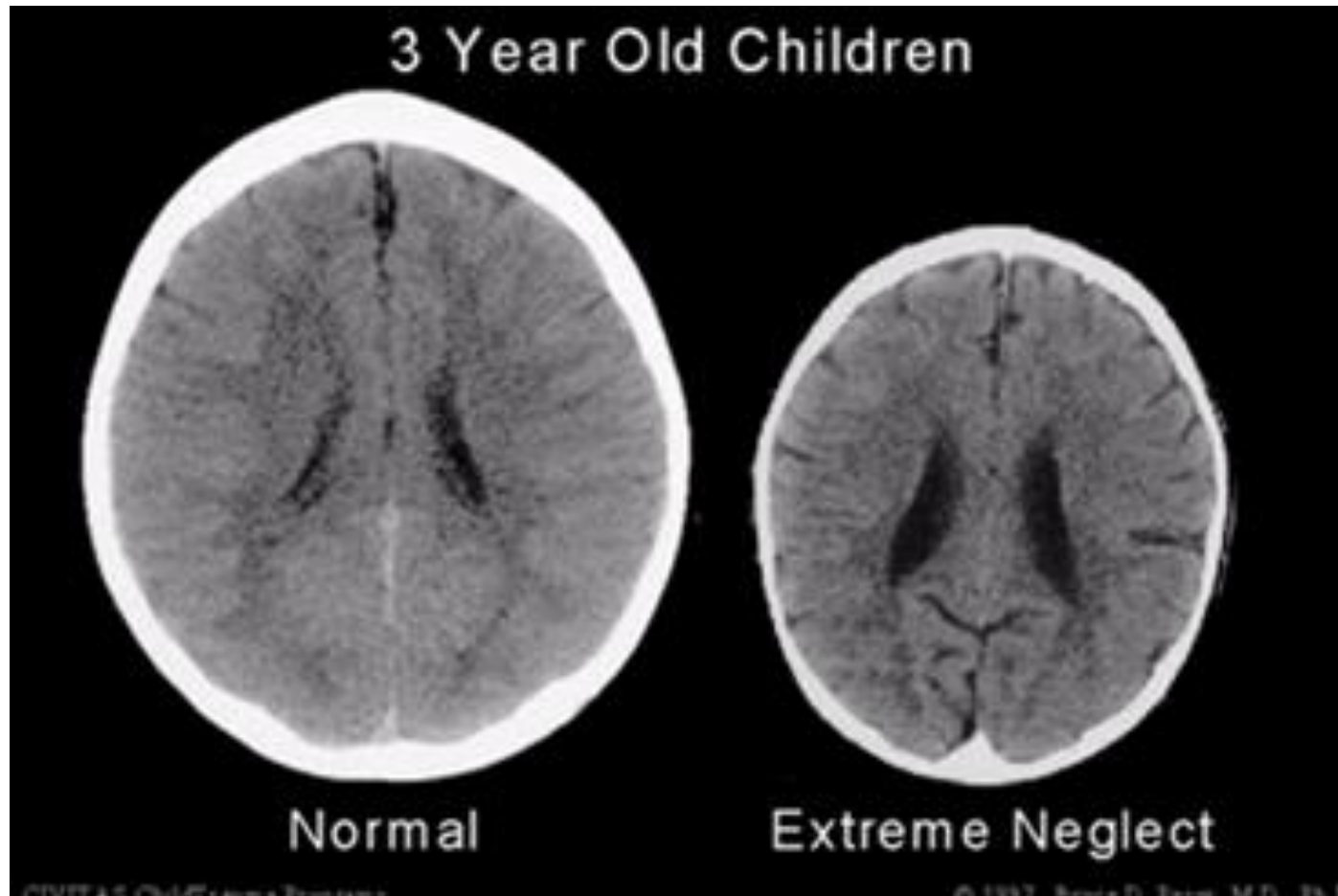
Synapse Formation Dependent on Early Experiences  
(700 per second in the early years)



# Early Brain Development



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Source: UNM HSC

# What We Know



- ▶ At high poverty schools, 80% of kids are behind their peers on the first day of kindergarten and 1 in 5 cannot identify a single letter.
- ▶ Almost half of 3<sup>rd</sup> graders are not reading at grade level and more than half are not performing at grade level in math.
- ▶ Medicaid pays for over 80% of births in New Mexico.
- ▶ NM Adverse Childhood Experiences (ACEs) are higher than the national percentages.
- ▶ 75% of young children in New Mexico have at least one risk known to impact health, education, development and 23 % of children are at moderate or high risk for developmental delays or behavior problems.

Education

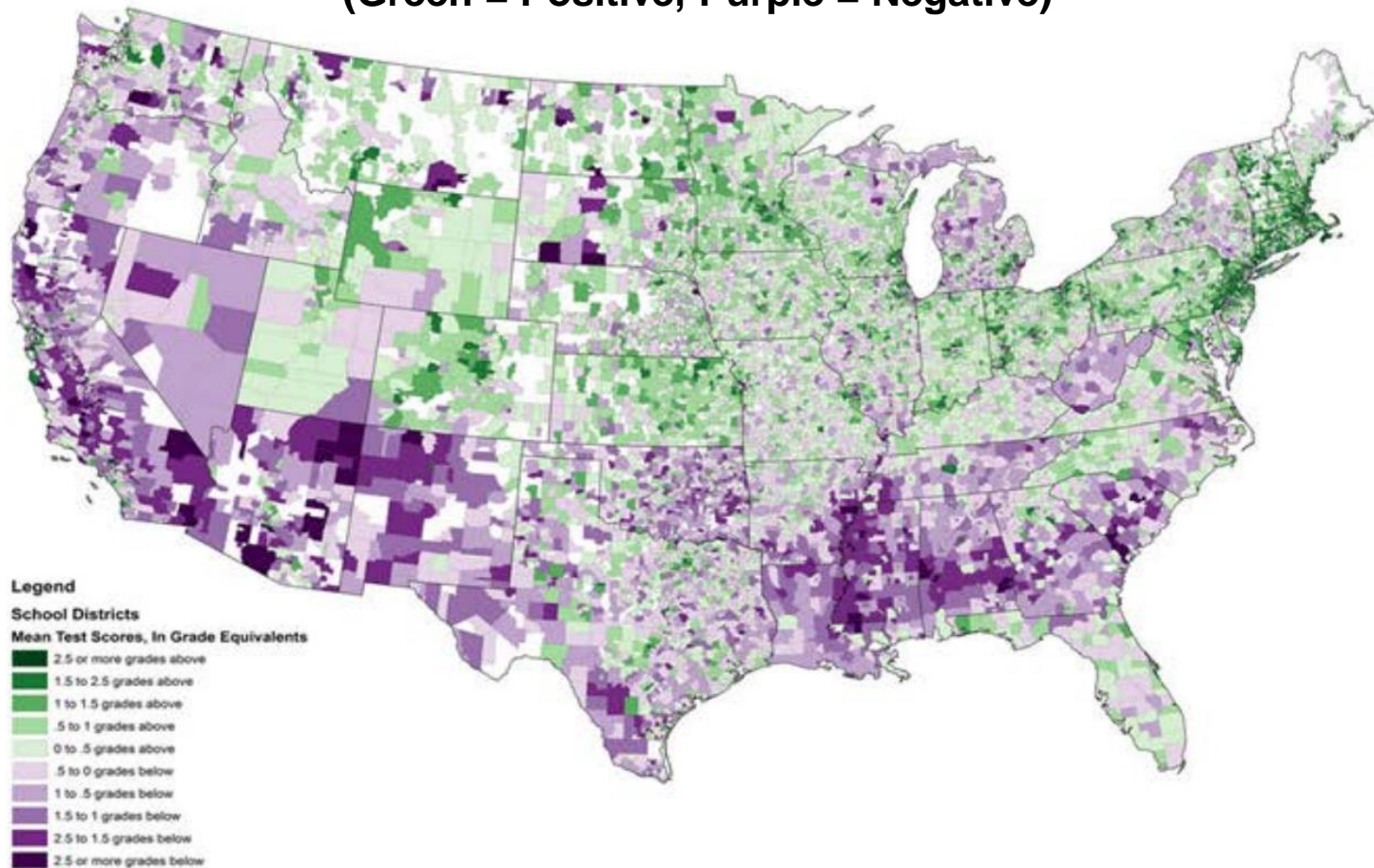
Health

# National Student Average Test Scores



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## National Student Average Test Scores, Grades 3-8, 2009-2013 (Green = Positive, Purple = Negative)



Source: Stanford Education Data Archive.

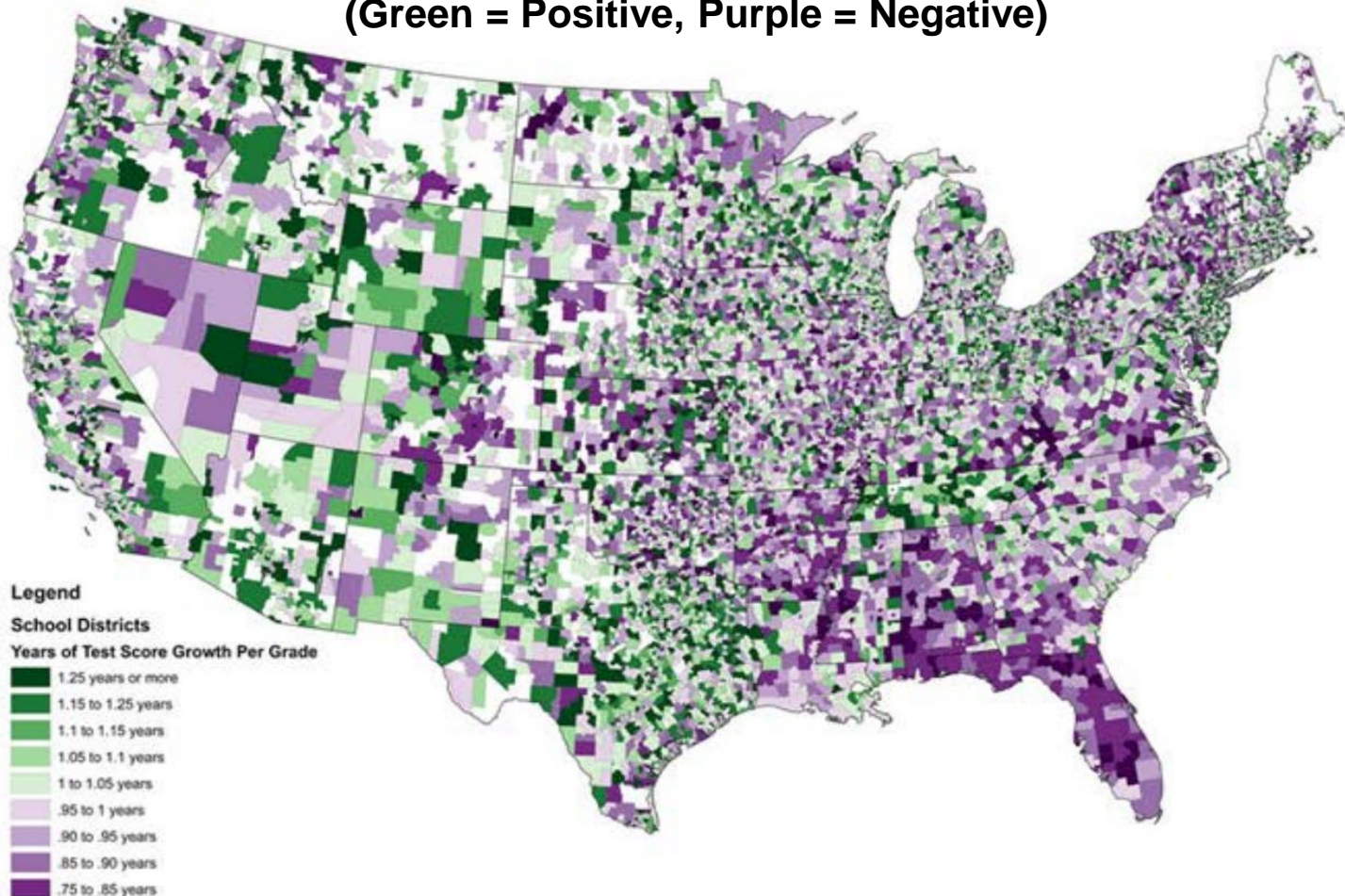


# National Student Average Test Score Growth



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## National Student Average Test Score Growth, Grades 3-8, 2009-2013 (Green = Positive, Purple = Negative)



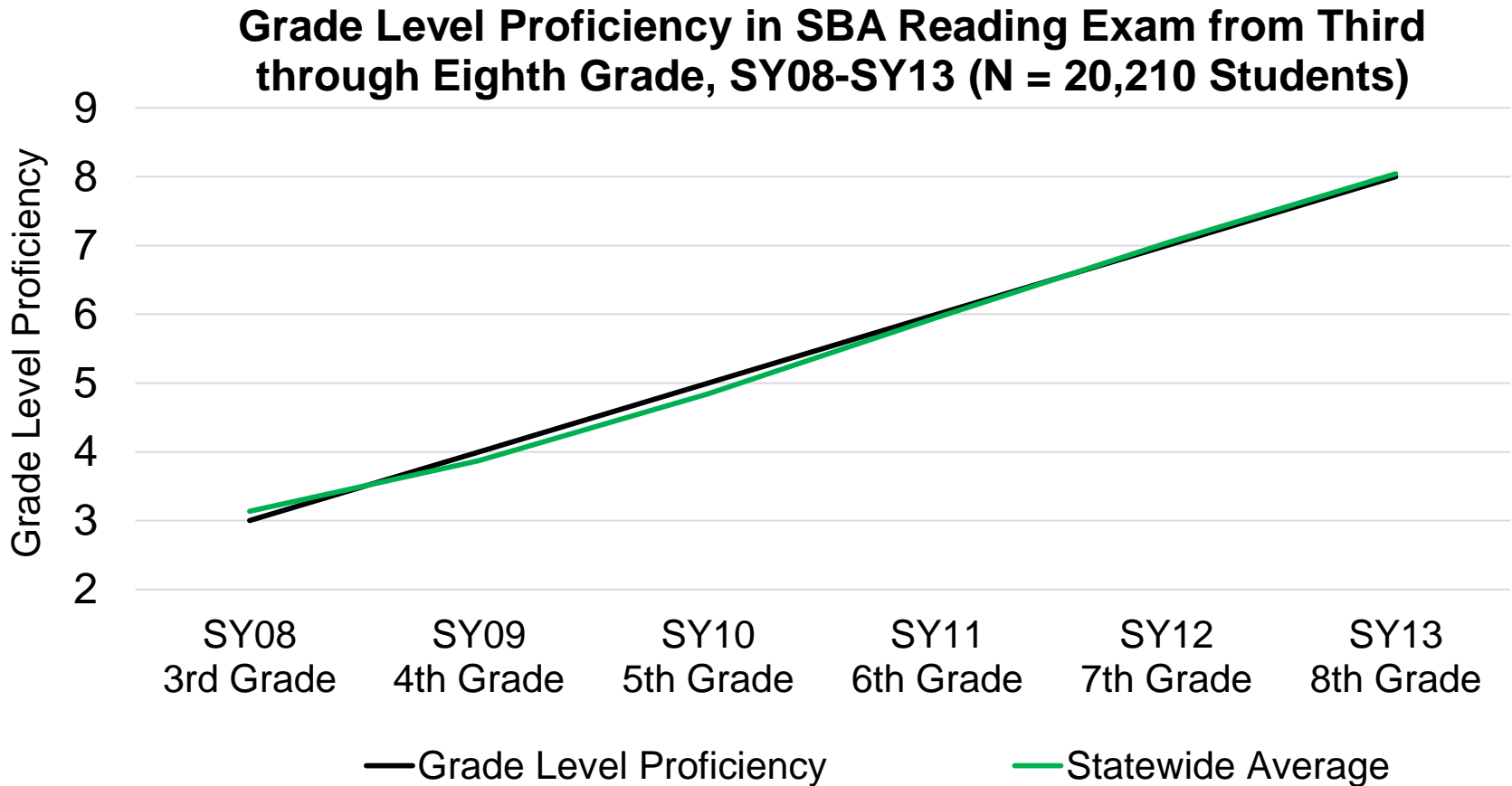
Source: Stanford Education Data Archive.

# Academic Growth



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In general, New Mexico schools produce a year of growth for each grade.



Source: LFC analysis of PED data;

Note: Average SBA scores for each year were divided by 40 (the SBA proficiency threshold score) and then multiplied by the grade level number. An SBA score of 40 in third grade would be a value of three in this chart.

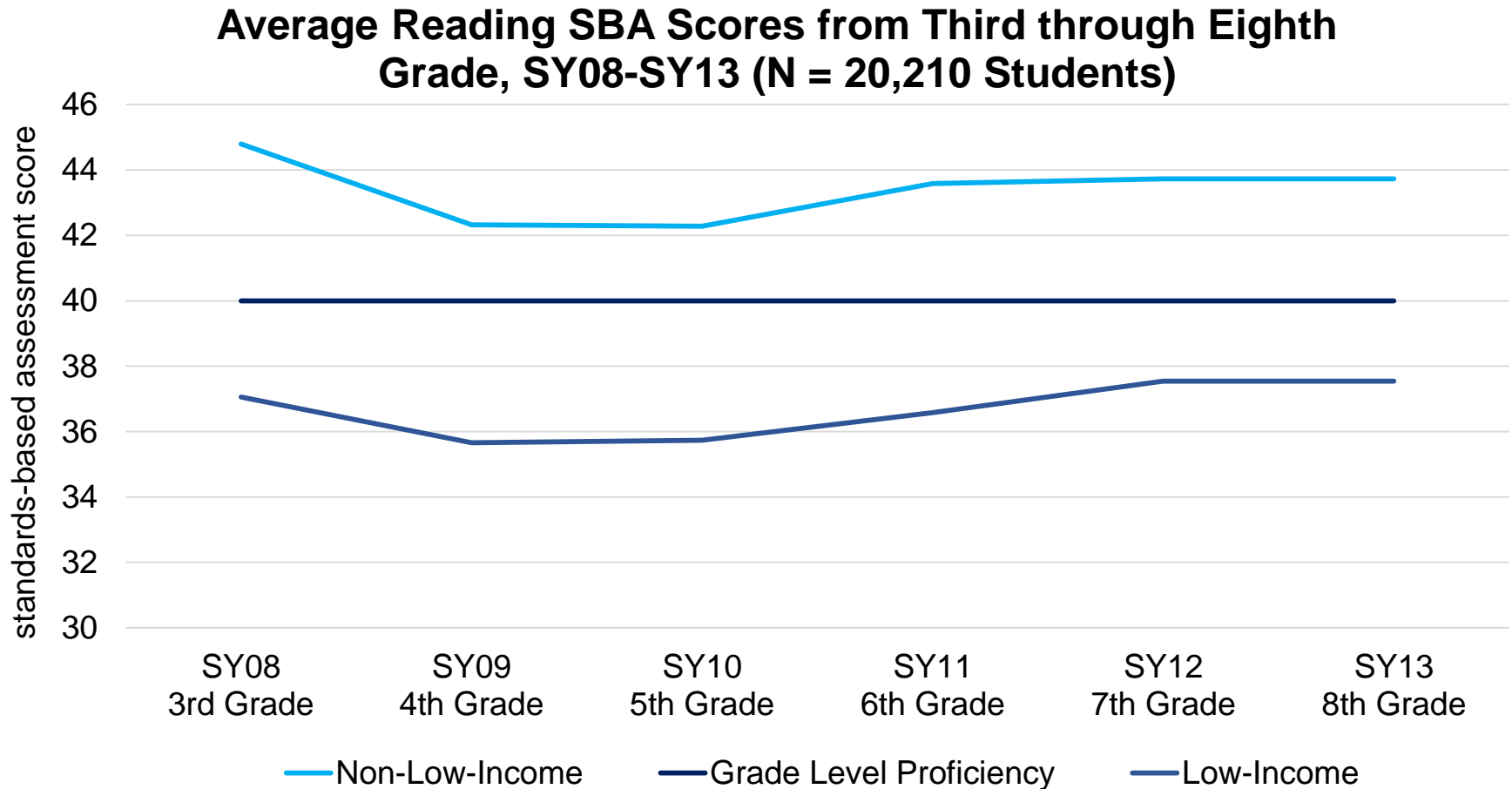


# Achievement Gaps



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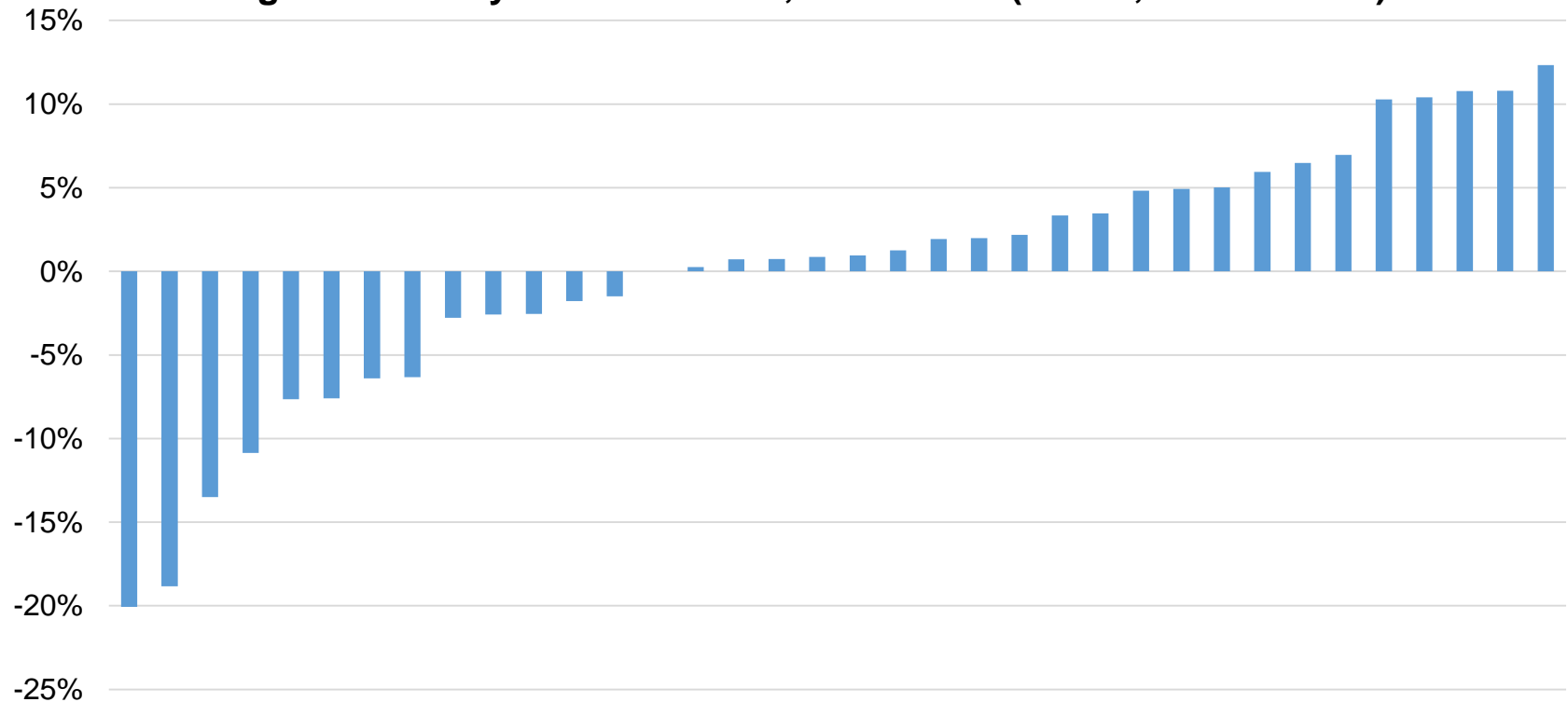
Despite annual academic gains, New Mexico's achievement gaps remain in place over time.



# Student Growth

Student test score growth varies widely across all school districts, despite a slight average gain in annual statewide student learning.

**Change in Percent of Students Proficient in SBA Reading from Third to Eighth Grade by School District, SY08-SY13 (N = 14,803 Students)**



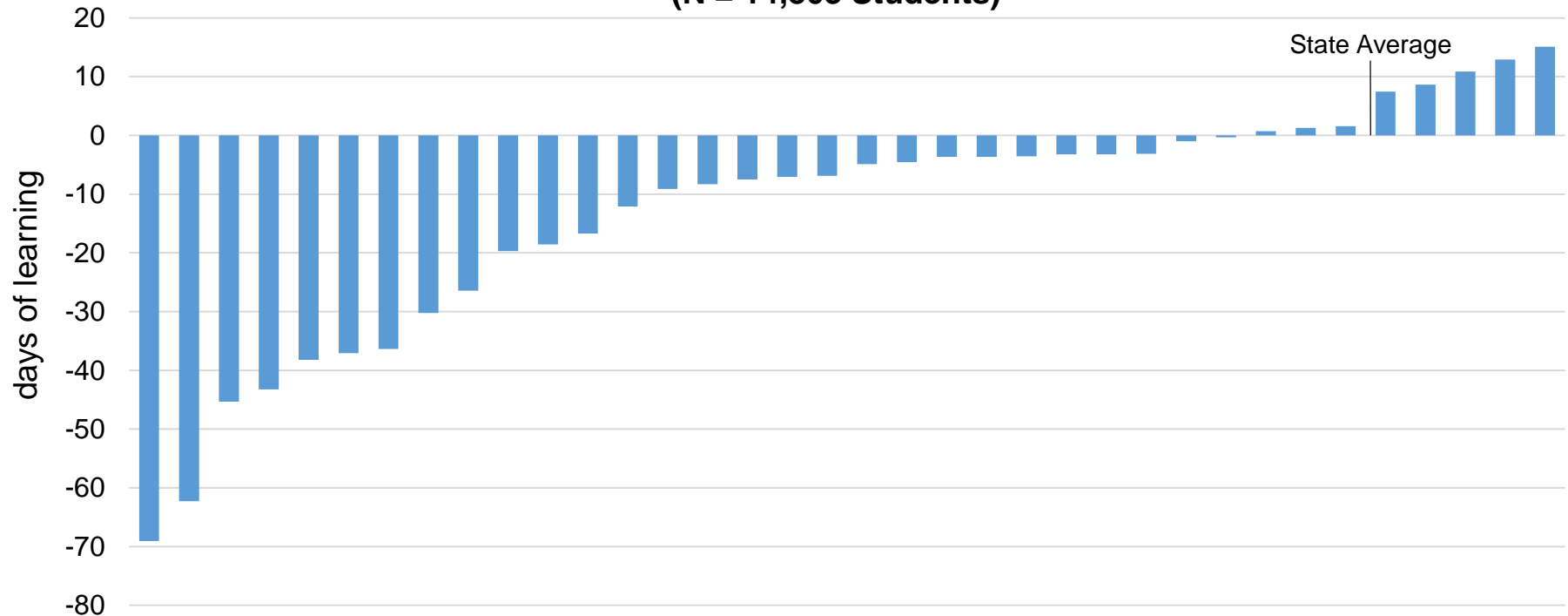
Source: LFC analysis of PED data;

Note: 36 Districts shown. Districts with fewer than 30 students with SY08 and SY13 SBA data omitted from chart.

# Student Growth

Student test score growth varies widely across all school districts, despite a slight average gain in annual statewide student learning.

**Average Annual Student Growth, in Days of Learning, from Third through Eighth Grade by School District, SY08-SY13  
(N = 14,803 Students)**

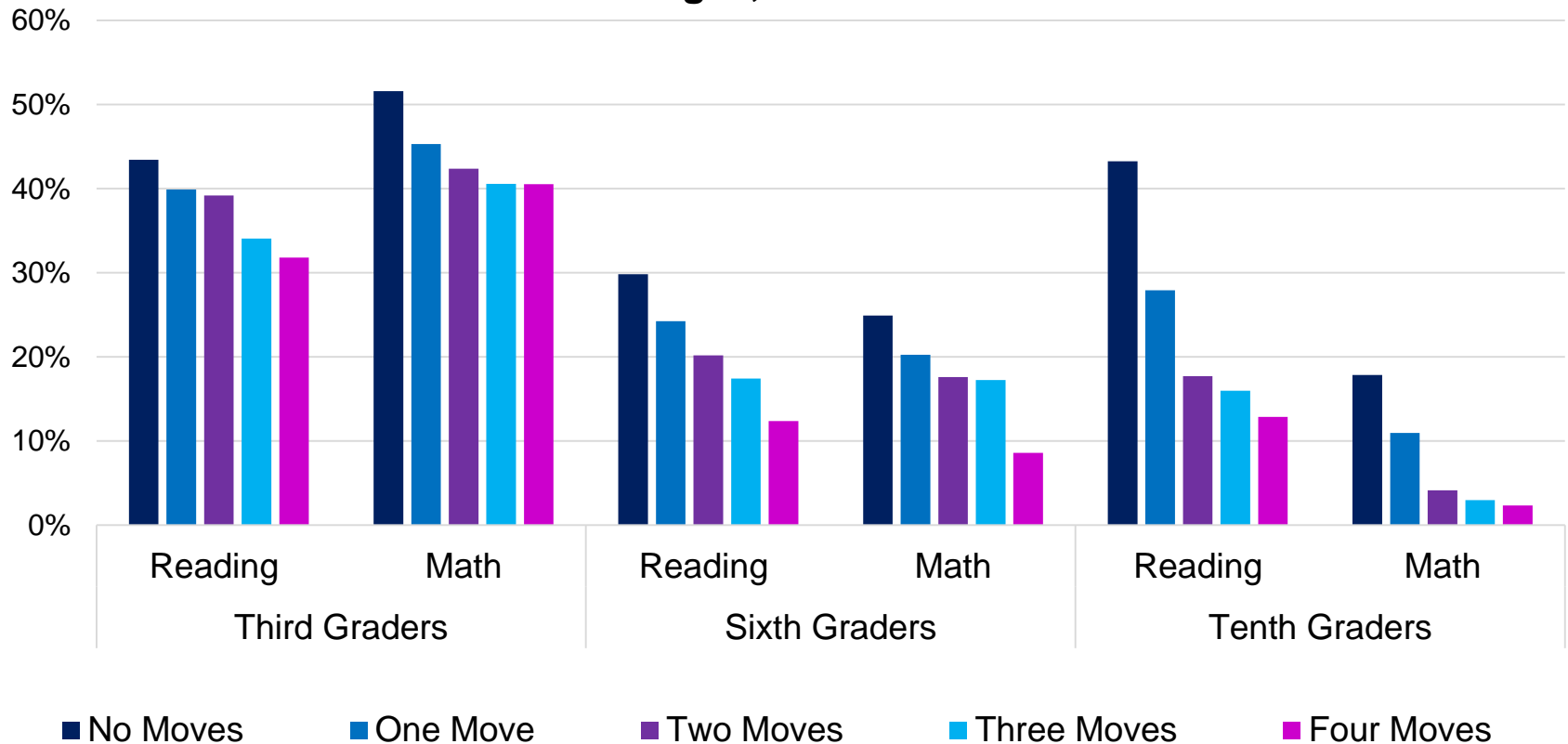


Source: LFC analysis of PED data; Note: Average growth score is the average difference of standardized SY13 SBA reading and math scores minus SY08 standardized reading and math scores. Thirty-six districts are shown on chart. School districts with fewer than 30 students with both SY08 and SY13 SBA data were omitted from this chart.

# Student Mobility

Students who change schools more often on average have lower proficiency levels than their peers.

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

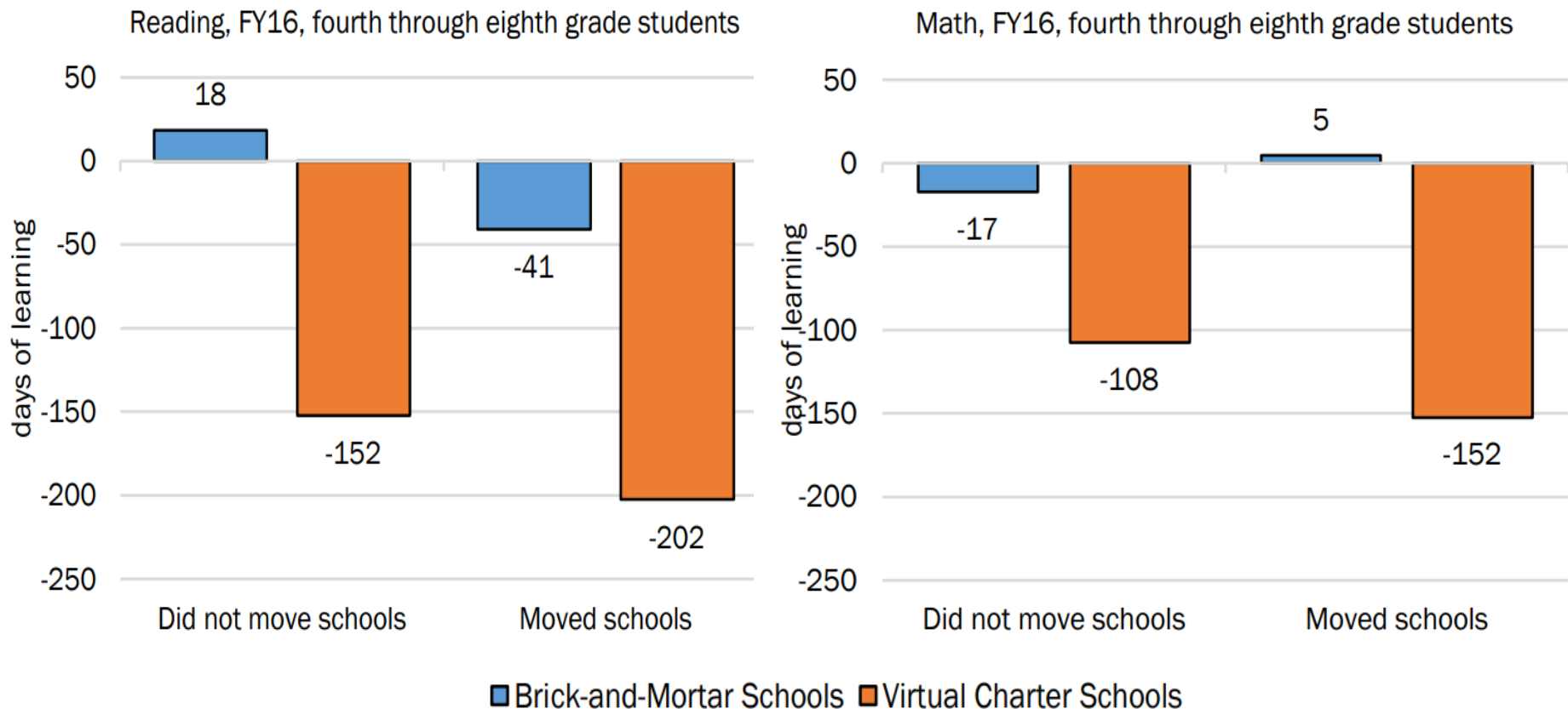


# Virtual Charter Schools



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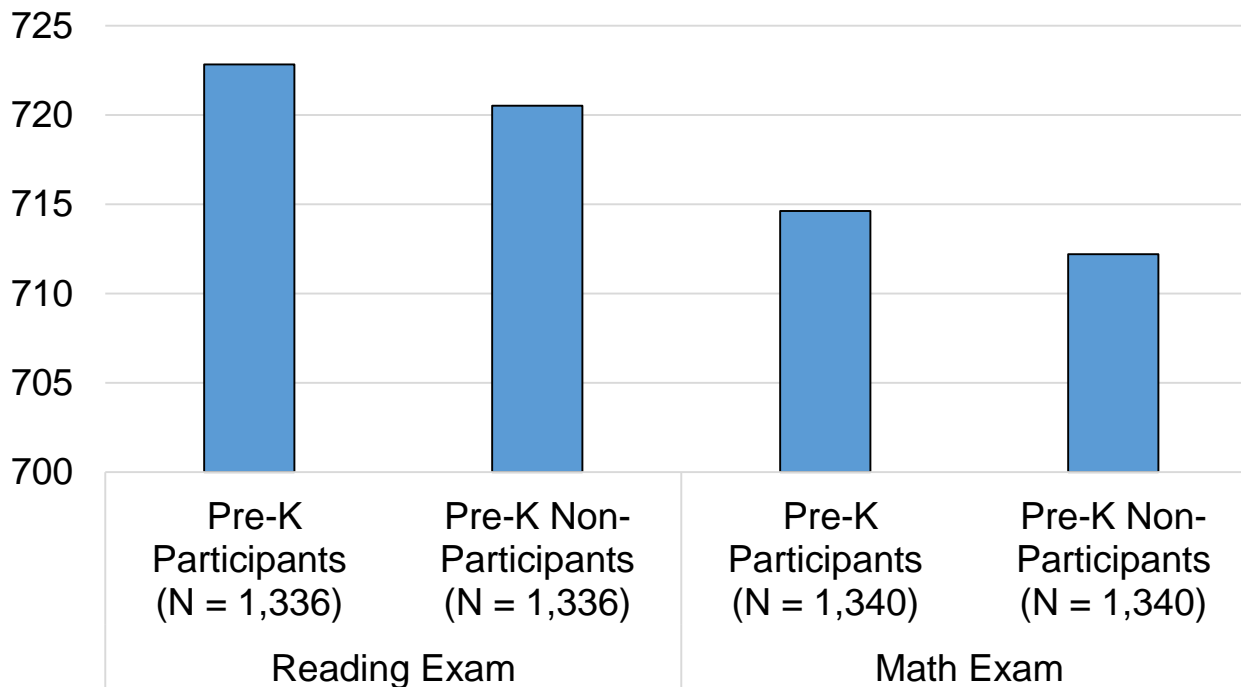
## Student Test Score Growth at NMVA and NMCA Compared with Brick-and-Mortar Schools



# Impact of PreK

LFC evaluations have repeatedly found prekindergarten produces a lasting and significant positive impact on student performance.

**Average 8th Grade FY16 PARCC scores of  
SY07 PreK Participants and Non-Participants**

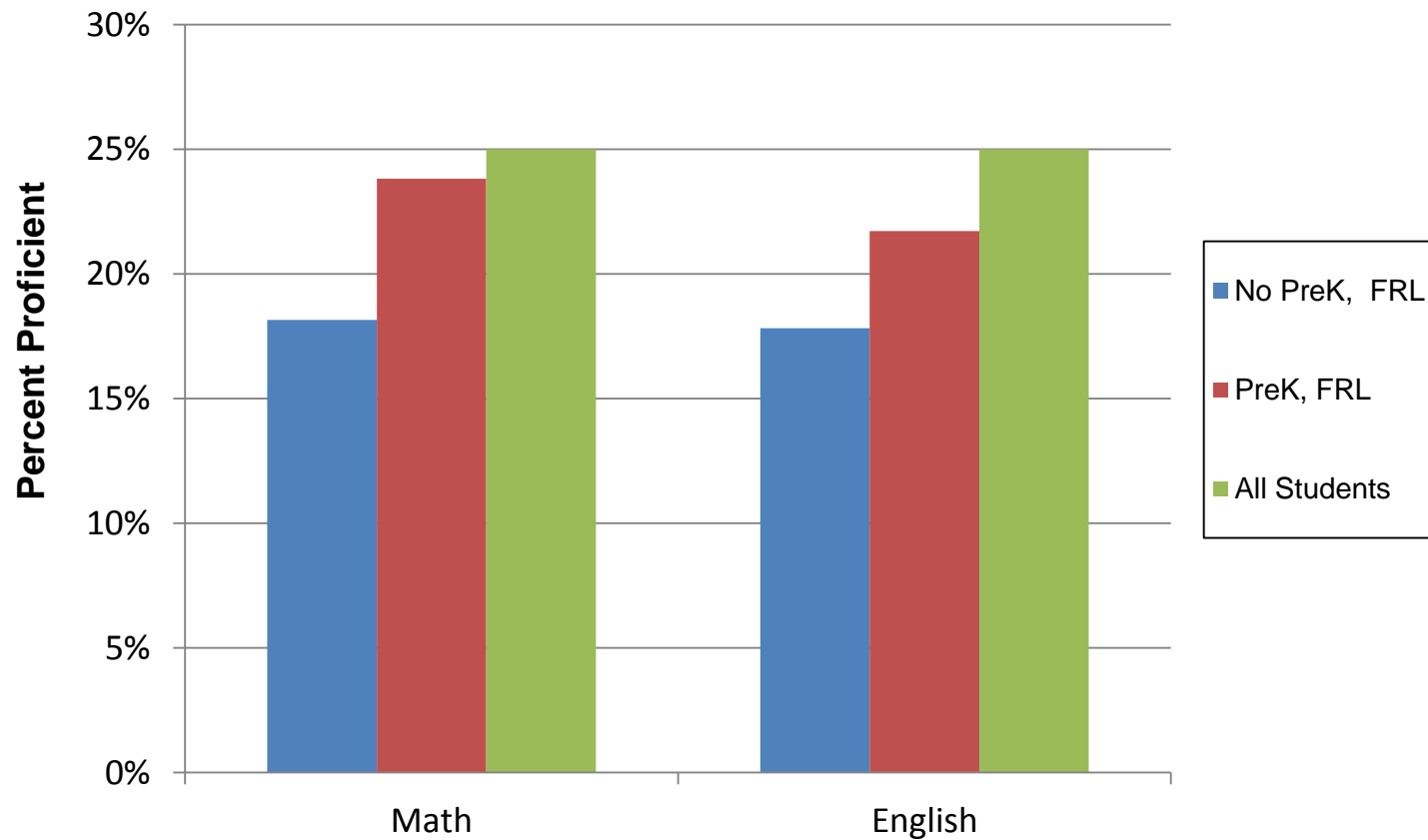


- Improved 8th grade PARCC performance in both math and reading.
- Reduced special education participation by 43%.
- Nearly eliminates the need to retain students by third grade.

# Impact of PreK



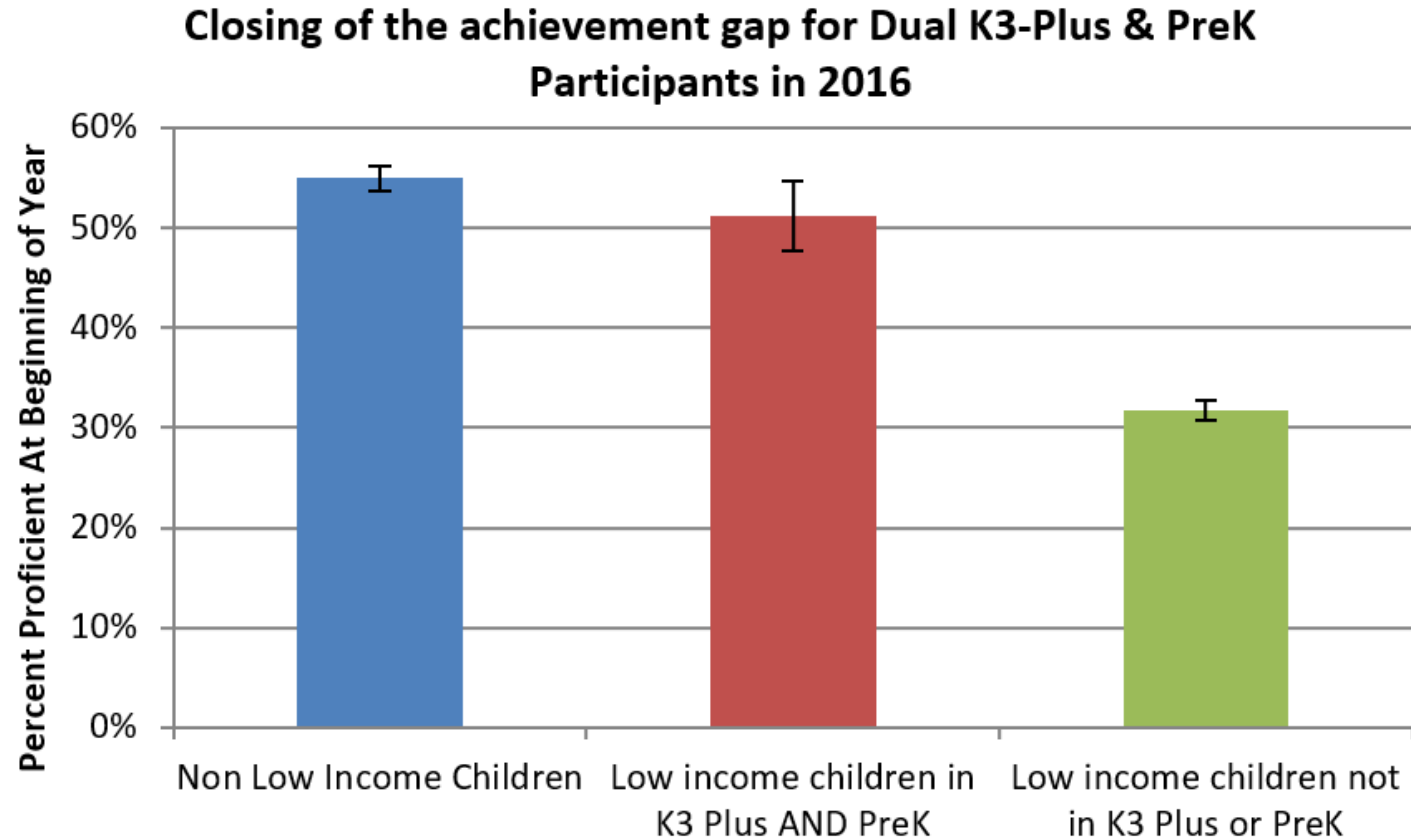
**FY15 Student Third Grade Proficiency by PreK Enrollment**



# Impact of PreK with K-3 Plus



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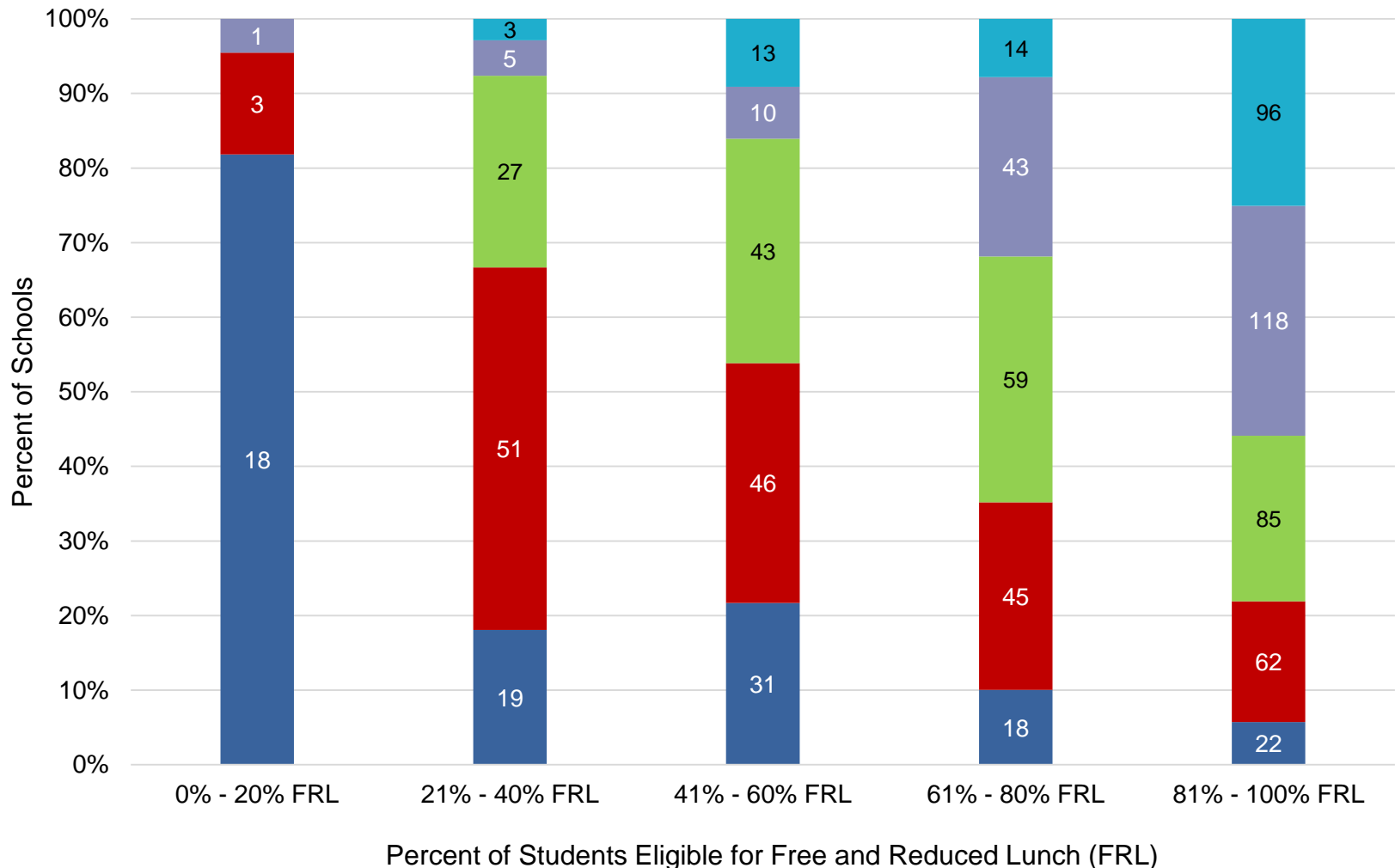
Source: LFC analysis of PED and CYFD data;  
Error bars are 95% Confidence Intervals



# 2017 School Grades by Percent of Low-Income Students



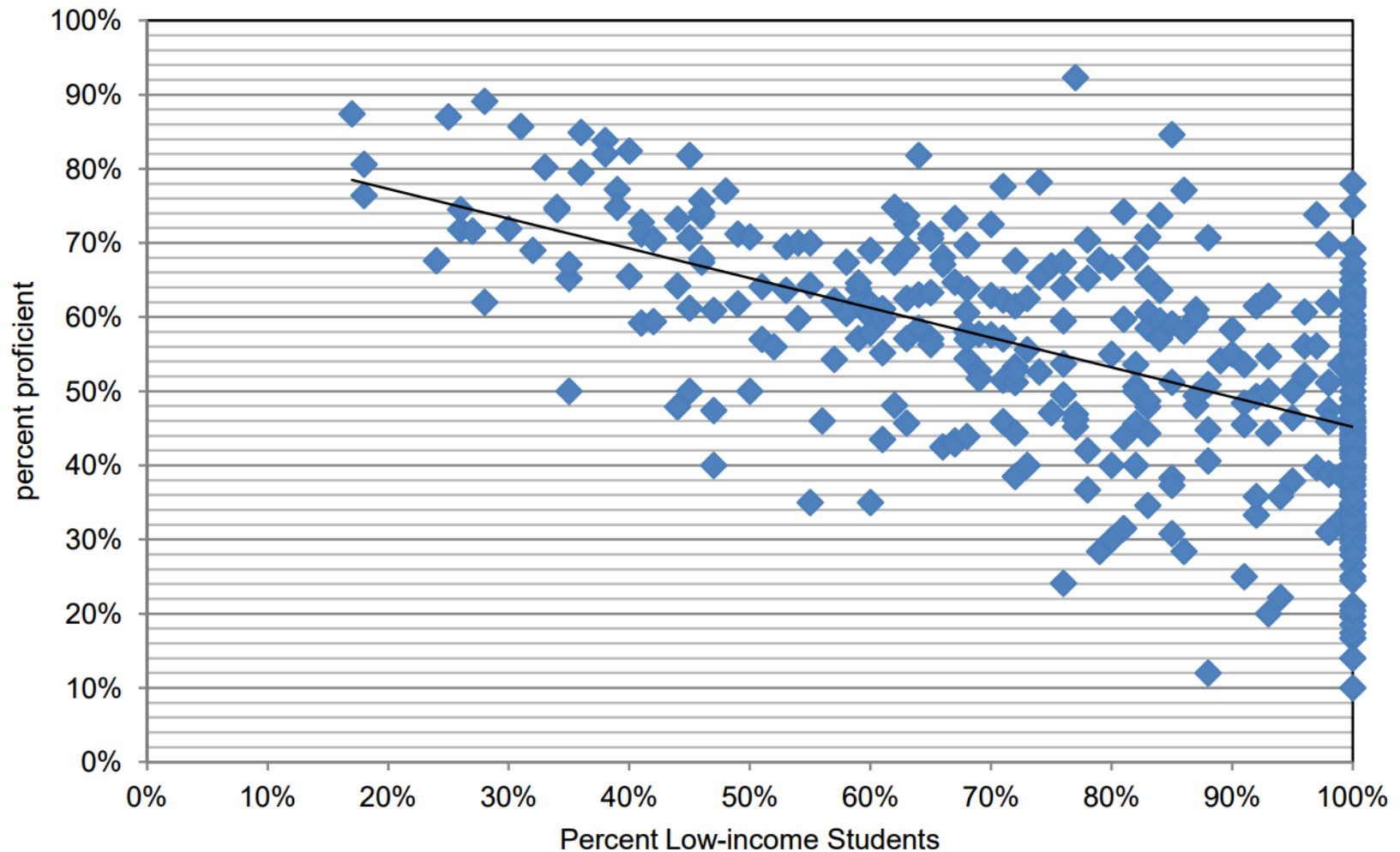
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# Third Grade Reading by School Poverty Level, FY13



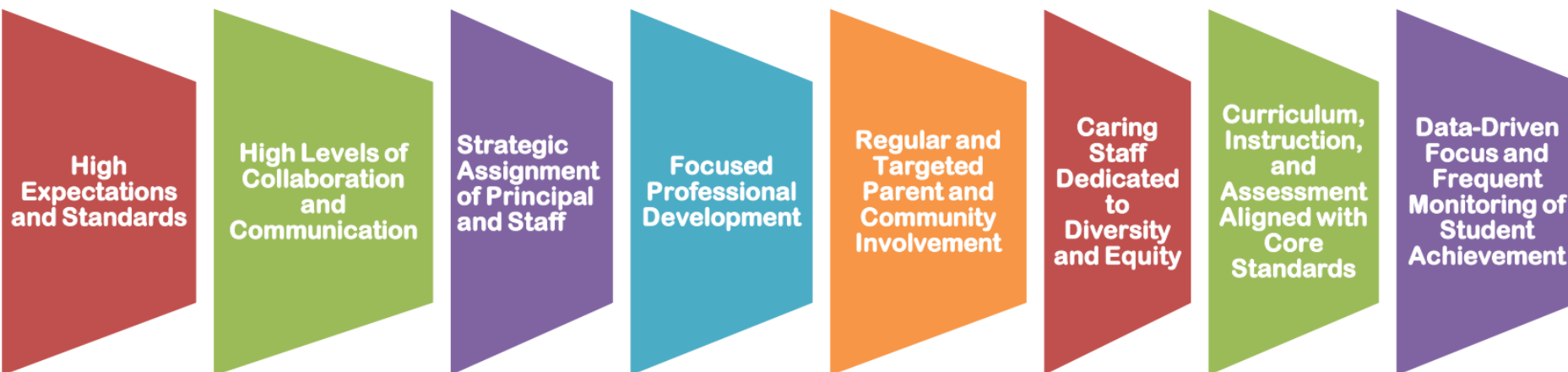
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# Eight Characteristics of High-Performing Schools



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# Education Success

- ▶ Expand “What Works” & Make Sure Implemented Correctly
  - Early Childhood Investments, including PreK & K3+
- ▶ Focus on Transition to Post-Secondary
  - Boosting High School Graduation by 2,600 graduates (10 points) would yield \$700 million in long-term benefits
  - We can identify a handful of schools to make targeted investments that will yield big results

# Legislative Finance Committee

## ▶ On the Web:

<http://www.nmlegis.gov/lcs/lfc/lfcdefault.aspx>

- Session Publications – including budget
- Report Cards
- Program Evaluations

Charles Sallee, Deputy Director  
Sunny Liu, Public Schools Analyst  
325 Don Gaspar  
Suite 101  
Santa Fe, NM 87501  
Ph: 505-986-4550  
[sunny.liu@nmlegis.gov](mailto:sunny.liu@nmlegis.gov)