



New Mexico Public Education: Mid-Session Review

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Presentation Overview

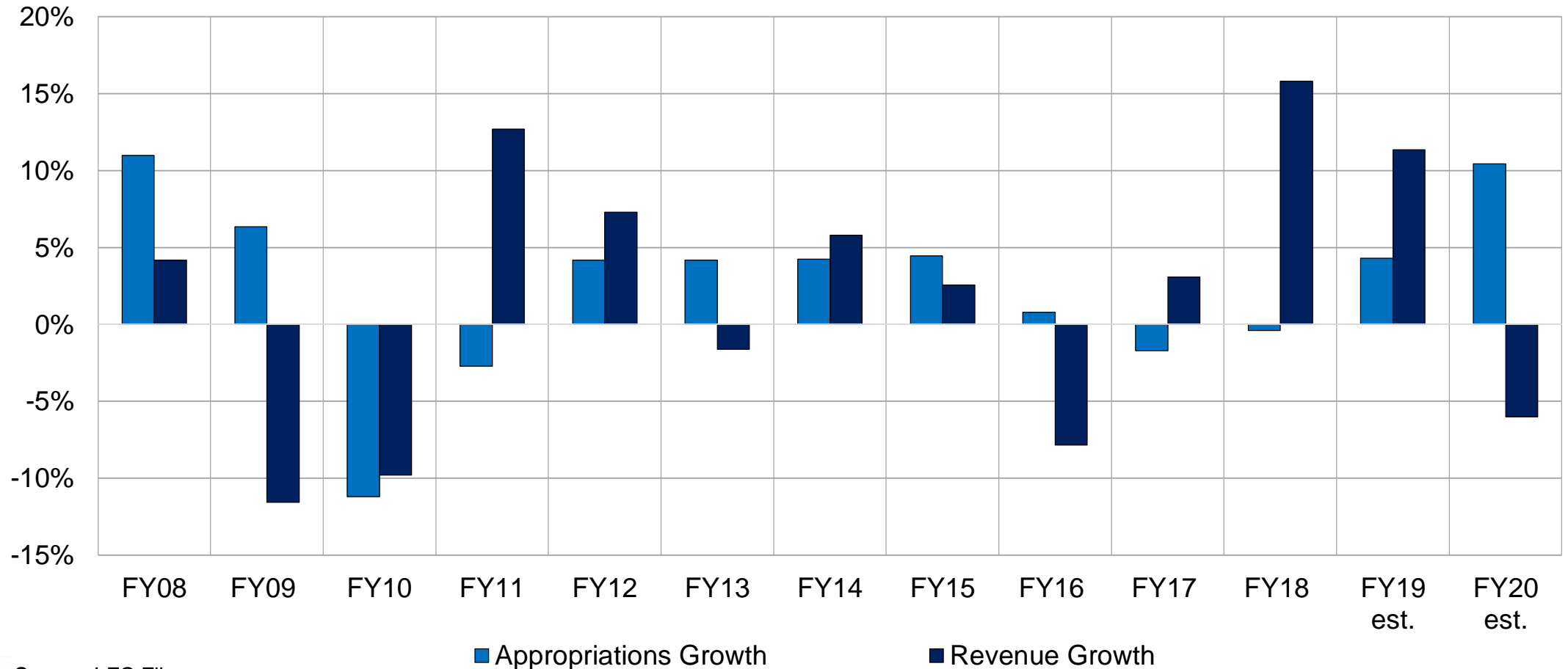


- Mid-Session Fiscal Summary
- Description of the New Mexico Sufficiency Lawsuit
- Review of Evidence-Based Programs



New Mexico's Fiscal Stability:

Recurring General Fund Year-Over-Year Revenue and Appropriations Growth



Source: LFC Files



FY19 and FY20 Overview

- \$1.1 billion in “New Money” in FY20.
- HB2 \$688 million.
- \$1.3 billion in “excess” one-time, non-recurring funding in FY19.
- Other major spending components – Roads, Capital Outlay, Taxes.



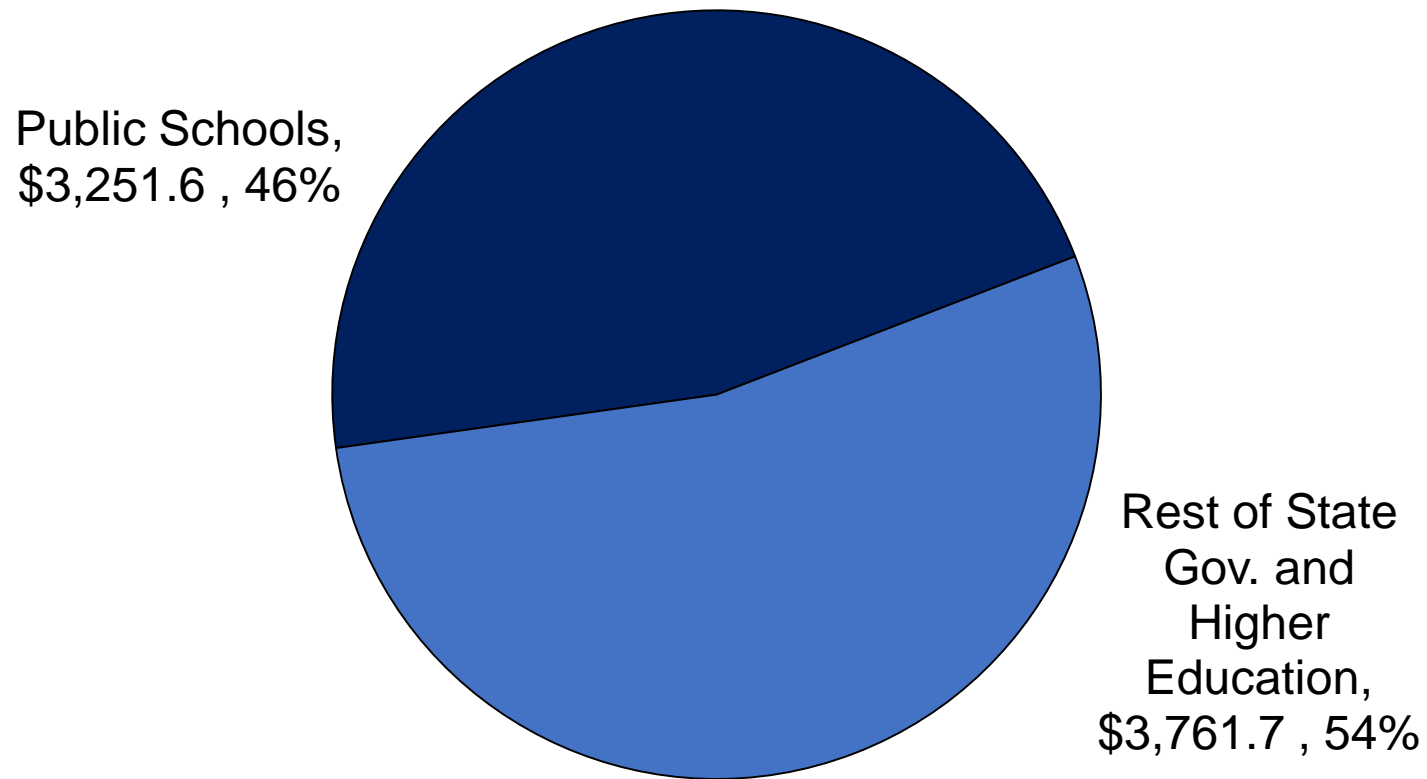
Source: LFC Files

Major Focus going into Session for LFC

- NCSL *No Time to Lose*
- LFC/LESC Interim Coordination
- High Quality Teaching and Effective School Leadership
- Extended Learning Opportunities, particularly for At-Risk Students
- Effective and Efficient Administration and Accountability.



New Mexico General Fund Appropriations Recommendation for FY20: \$7 Billion Total (in Millions)



Source: LFC Files

State Funding for Public Schools, FY20 HB2 Increases

Formula Funding:

- Allocated by a funding formula called the **State Equalization Guarantee (SEG)** formula.
- Instructional Materials Funding moved to operational funding in HB2.
- School districts and charter schools have discretion over how to spend operational funds.

**\$3.1
Billion**
(\$489 million,
19% increase)

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.

**\$103
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.

**\$63.1
Million**

Source: LFC Files



Major Funding Items in Formula (HAFC - HB2)

- At-Risk Student Funding: \$113 million
- K-5 Plus Funding: \$119 million
- Extended Learning Time Programs: \$62 million
- Salary Increases (6%) and Increased Minimum Salaries (\$162.3 million)
- Instructional Materials (\$30 million) and a separate \$26.5 million special
- Bilingual program funding gets a 20% increase (\$6.9 million)
- Insurance, Fixed Costs, ERB Increases
- Much of the Funding is tied to HB5/SB1



Source: LFC Files

Categorical, Related Recurring, and Other Funding

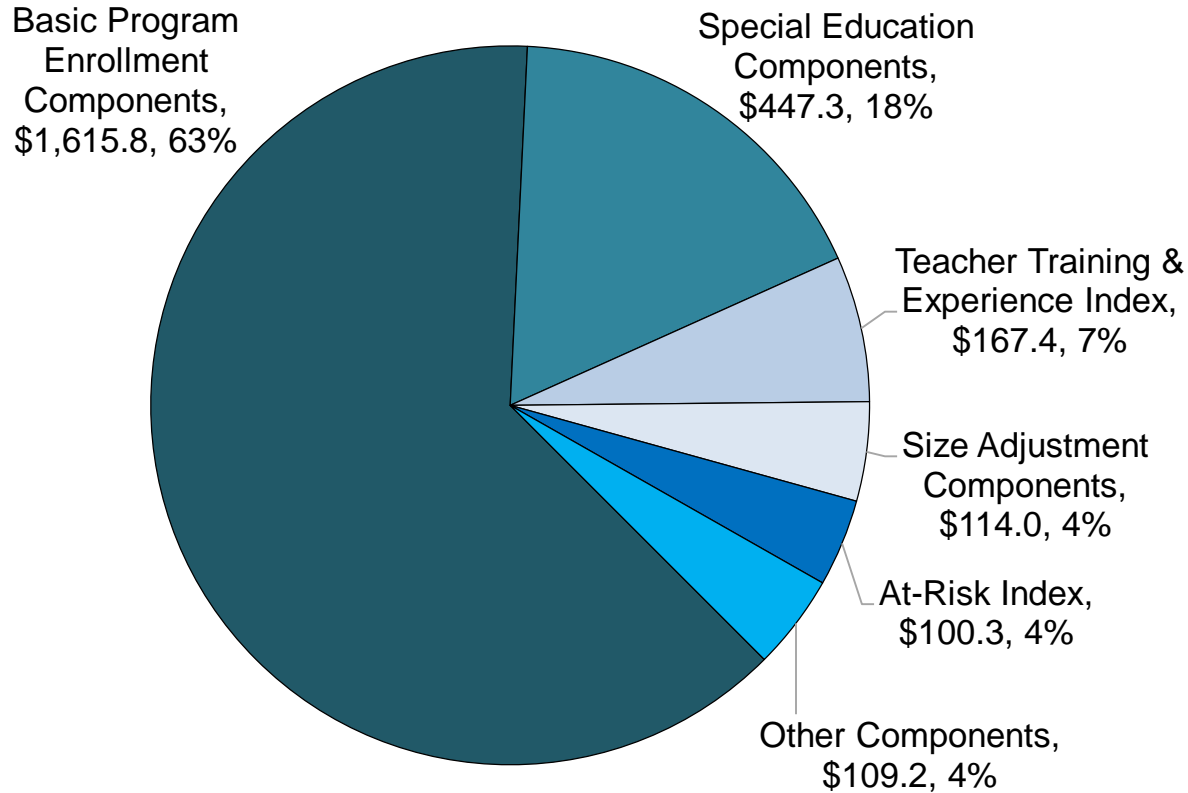
- Transportation: \$113.6 million
- PreK: \$42 million
- School Buses: \$33 million
- Teacher Loan Repayment: \$25 million
- State-Support Reserve and Education Reforms: \$65 million

Source: LFC Files.

Note: PreK funding includes federal funds.

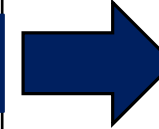


Final FY18 Public School Operational Funding Allocated by SEG Formula Components (in Millions)



Formula Components	Program Cost Funding	Percent of Total
Basic Program Enrollment Components	\$1,615.8	63%
Special Education Components	\$447.3	18%
Teacher Training & Experience Index	\$167.4	7%
Size Adjustment Components	\$114.0	4%
At-Risk Index	\$100.3	4%
Other Components	\$109.2	4%
Total	\$2,554.0	100%

Will increase
to \$240 million

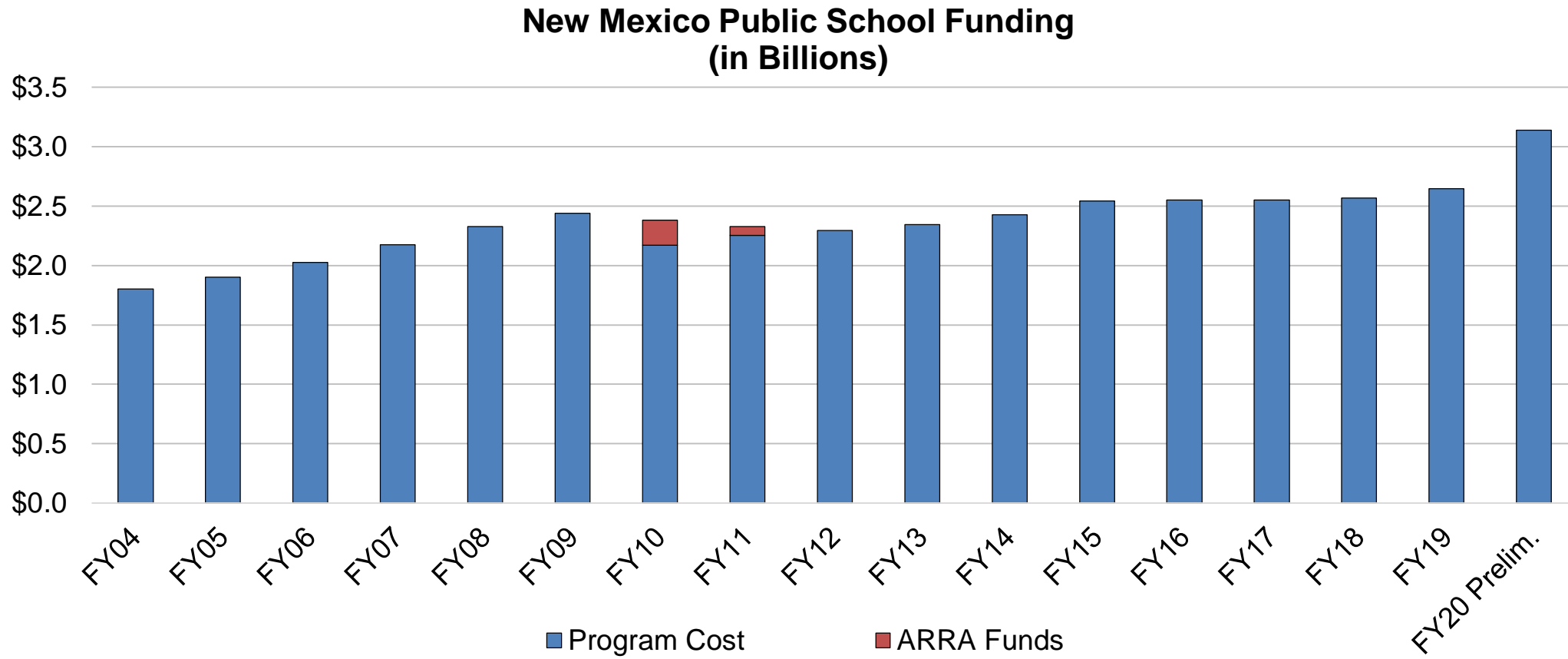


Source: LFC files.

Source: LFC analysis of PED data.



Historical New Mexico Public School Operational SEG Funding



Source: LFC Files.

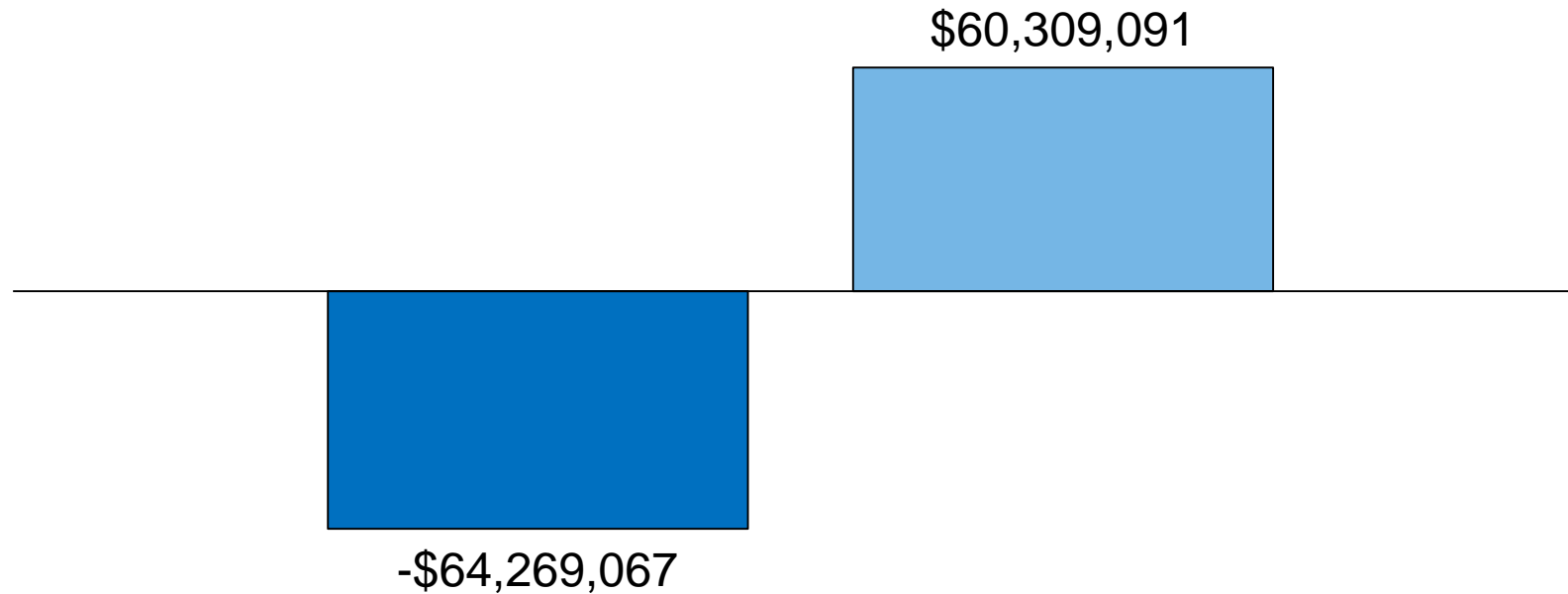
Note: ARRA refers to the federal American Recovery and Reinvestment Act of 2009.



Distribution of Increased Funding in the SEG Formula

Change in Formula Funding FY08-FY13*

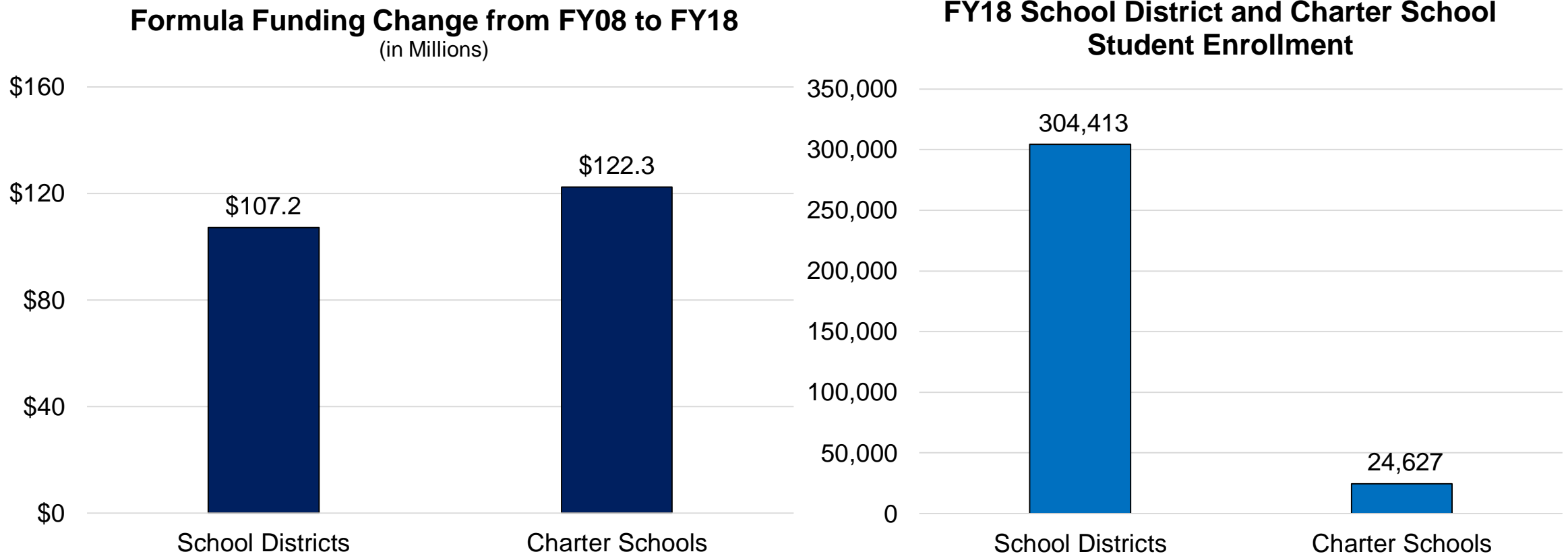
■ Districts ■ Charters



Source: LFC Files. *FY13 Preliminary. All other Final Funded Run Program Cost



Distribution of Increased Funding in the SEG Formula

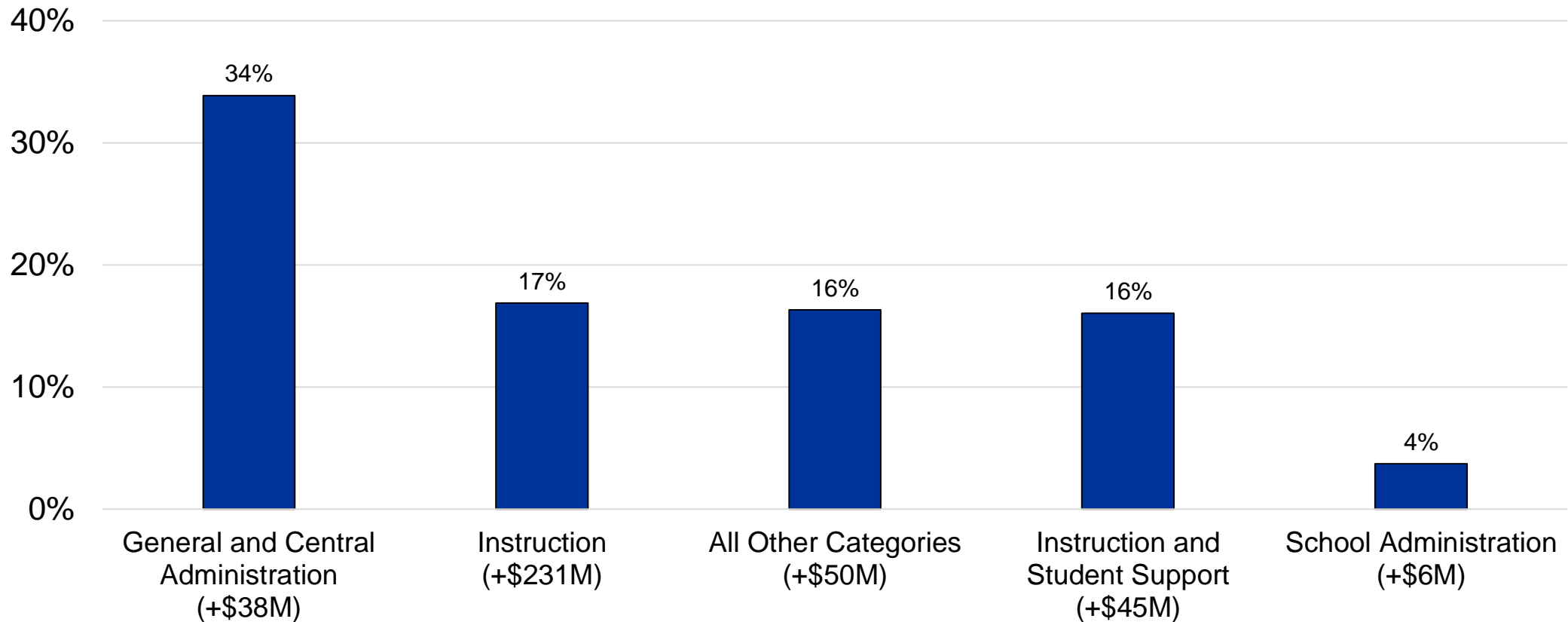


Source: LFC analysis of PED data.
Note: Formula funding measured as program cost.

Source: LFC analysis of PED data.
Note: Enrollment measured as student membership (MEM)



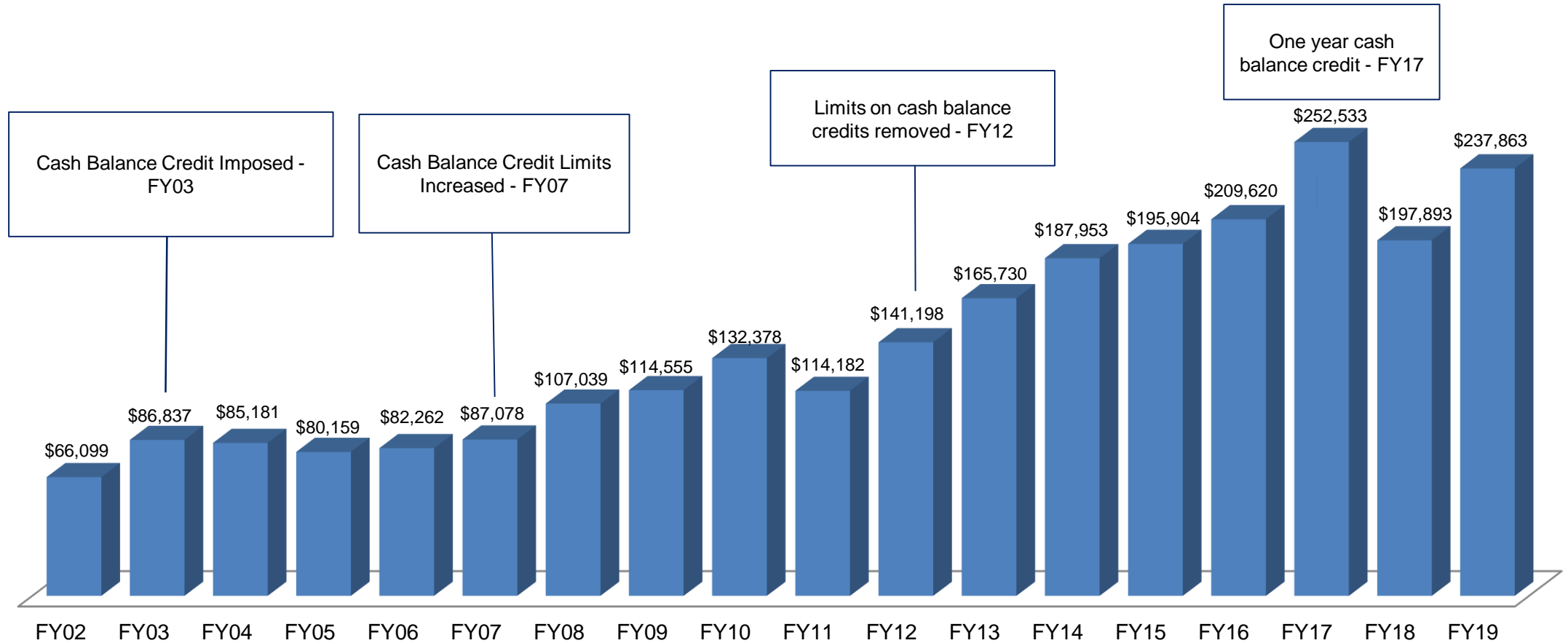
Percent Increases in Public School Operational Spending: \$370 Million (16 Percent) Total Increase from FY07 to FY17



Source: LFC analysis of PED data



Public Schools: Statewide Unrestricted Cash Balances in Operating Budgets (in Thousands)



Source: LFC analysis of PED data



New Mexico Public Education: Academic Performance is Well Below Targets.

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Program Rating	R
Fourth-grade students who are proficient on standards-based assessments in reading	25%	25.2%	30%	29.1%	Y	
Fourth-grade students who are proficient on standards-based assessments in mathematics	23.1%	23.1%	30%	25.6%	R	
Eighth-grade students who are proficient on standards-based assessments in reading	25.7%	27.9%	30%	29%	Y	
Eighth-grade students who are proficient on standards-based assessments in mathematics	19.2%	20.2%	30%	20.8%	R	
Recent high school graduates who take remedial courses at higher education institutions	43.1%	37.2%	<35%	NR	R	
Four-year cohort graduation rate	71%	71%	75%	NR	R	

Source: LFC FY18 Fourth
Quarter PED Report Card p.2



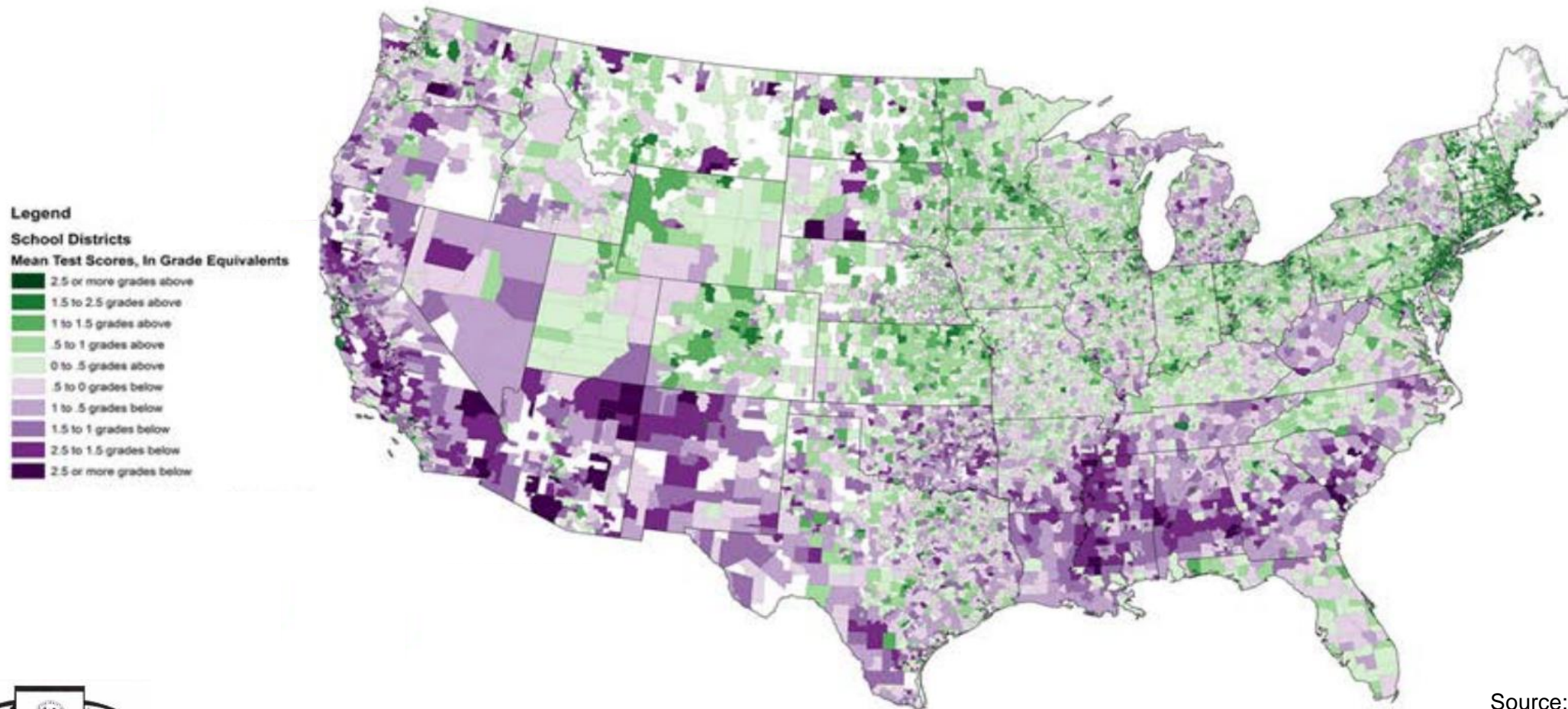
New Mexico Education Sufficiency Lawsuit: *Yazzie and Martinez v. State of New Mexico*



- 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 July and December, 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.



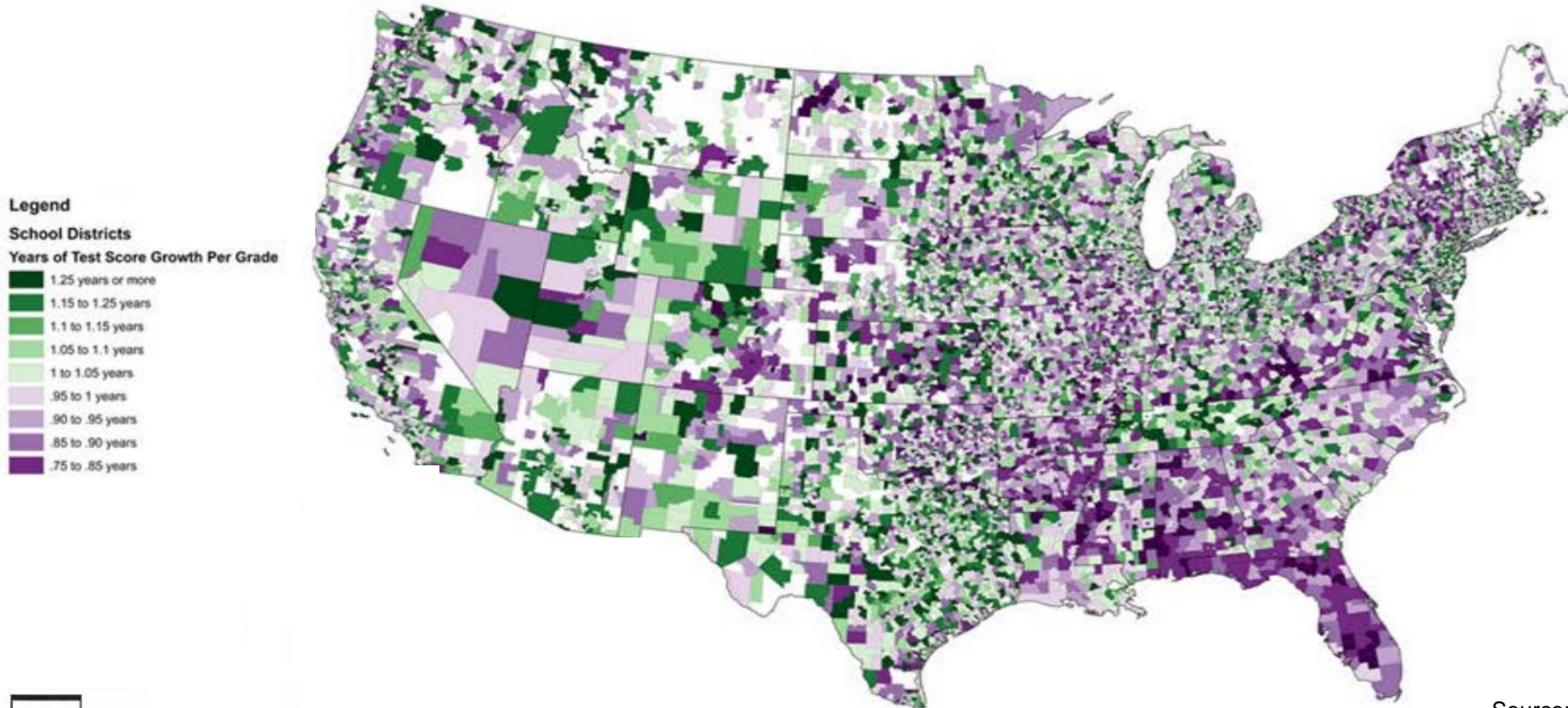
National Student Average Test Scores, Grades 3-8, 2009-2013 (Green = Positive, Purple = Negative)



Source: Stanford Education Data Archive.



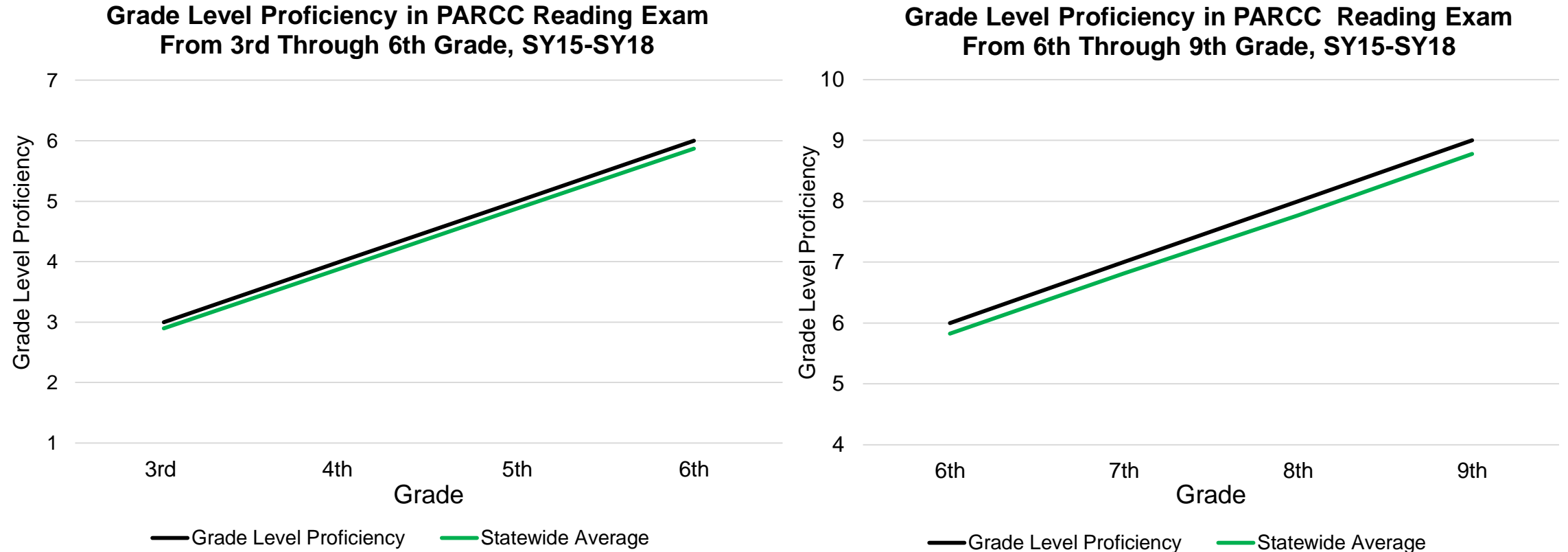
National Student Average Test Score Growth, Grades 3-8, 2009-2013 (Green = Positive, Purple = Negative)



Source: Stanford Education Data Archive.



Findings from NM Longitudinal Data: Students Generally Gain a Year's Worth of Learning Each Year



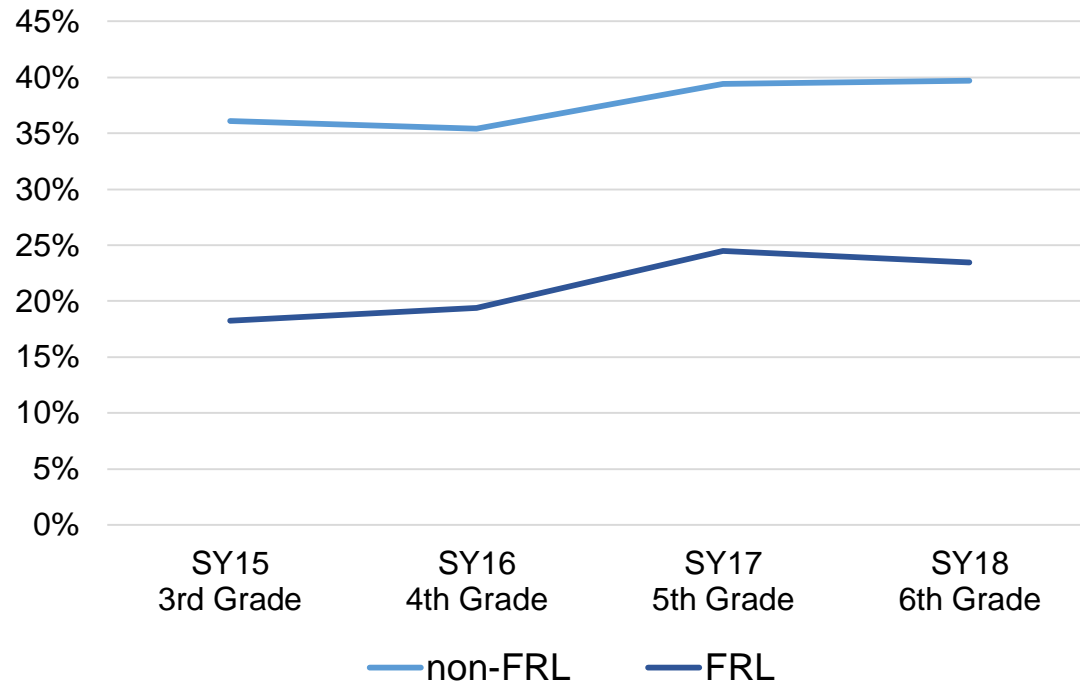
Source: LFC analysis of PED data.

Note: Average state reading scores for each year were divided by 750 (the proficiency threshold score) and then multiplied by the grade level number. A score of 750 in third grade would be a value of three in these charts.

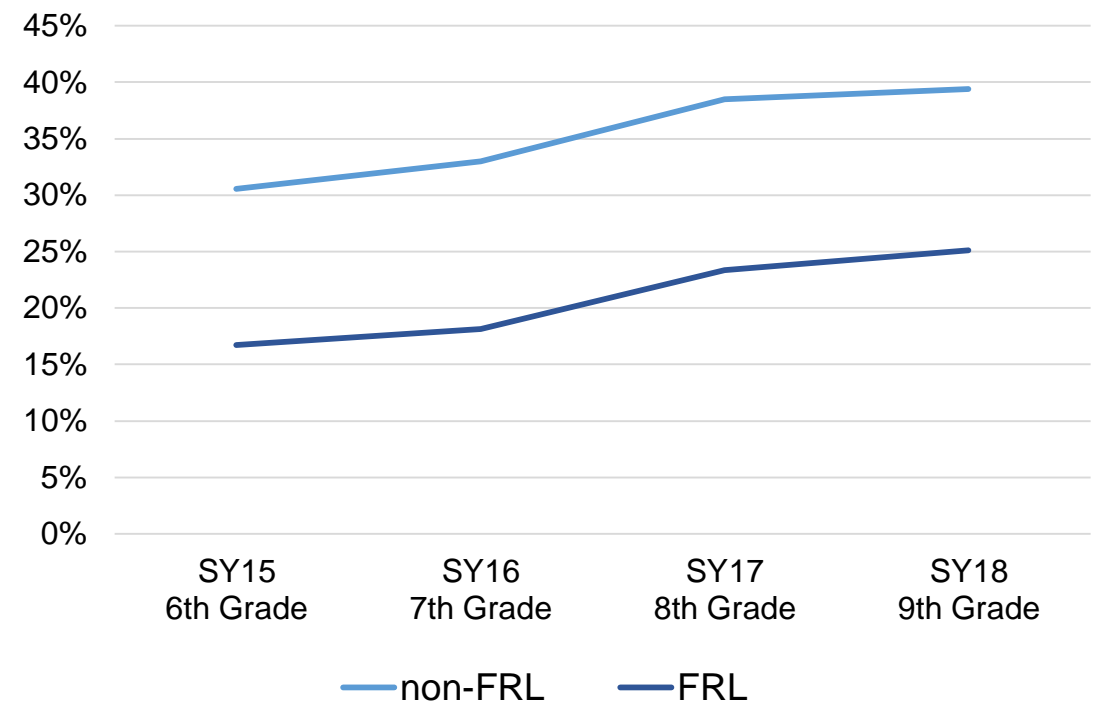


New Mexico Achievement Gaps: Low Income Students Start Off Academically Behind

**Percent of Student Proficient in Reading
Grades Three through Six, PARCC scores
SY15-SY18**



**Percent of Student Proficient in Reading
Grades Six through Nine, PARCC scores
SY15-SY18**



Source: LFC analysis of PED data.



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

**High
Expectations
and Standards**

**High Levels of
Collaboration
and
Communication**

**Strategic
Assignment
of Principal
and Staff**

**Focused
Professional
Development**

**Regular and
Targeted
Parent and
Community
Involvement**

**Caring
Staff
Dedicated
to
Diversity
and Equity**

**Curriculum,
Instruction,
and
Assessment
Aligned with
Core
Standards**

**Data-Driven
Focus and
Frequent
Monitoring of
Student
Achievement**



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

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

- New Mexico should systemically prioritize implementing programs and education interventions proven through rigorous research to improve student outcomes and that are cost beneficial.
- Targeting increased spending on certain populations of students with evidence-based interventions yields better and more cost-beneficial results than simply increasing funding.
- Results First report focuses on evidence-base for the following school interventions:
 - Teacher Quality – Page 14.
 - Extended Learning Time – Page 17.
 - Non-Academic Supports – Page 19.
 - Teaching and Instructional Practices – Page 21.
 - College and Career Readiness – Page 23.
 - Class Size – Page 25.
 - Charter Schools – Page 28.



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



While there is no silver bullet for improving outcomes, analysis can help identify evidence-based practices to improve student and teacher success.

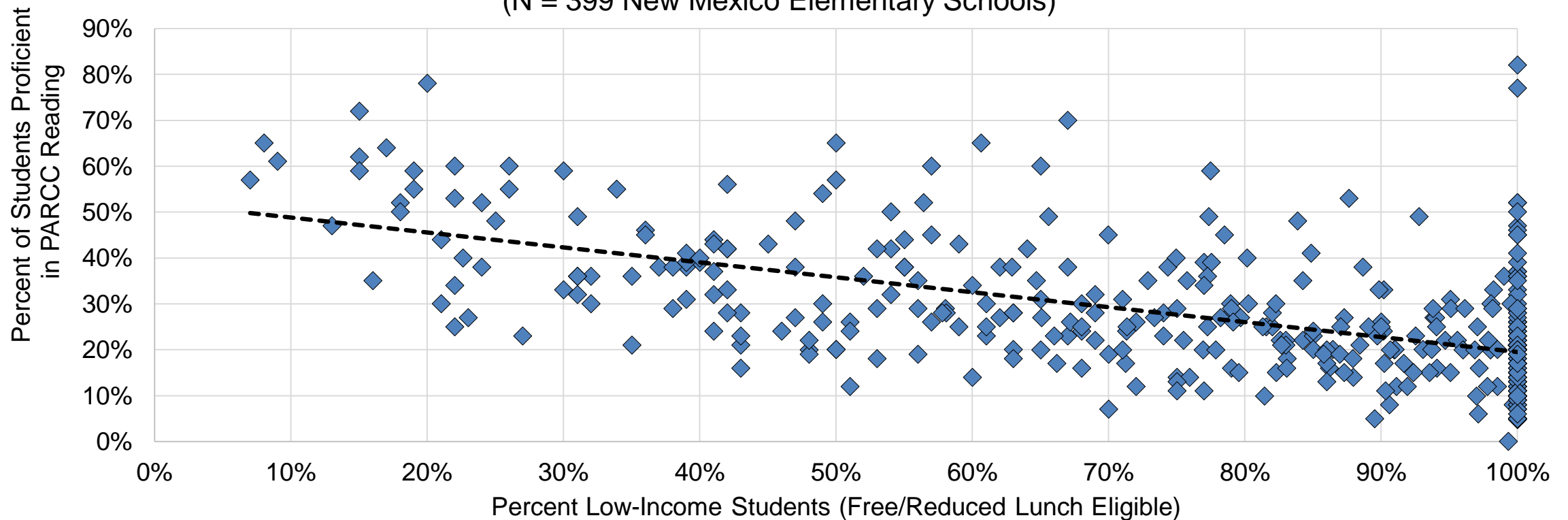
- Class size reduction can have modest positive effects on student outcomes in early grades, but is less cost-beneficial in later grades.
- Teacher professional development on data-driven instruction has greater cost-benefit impact than other types of professional development.
- Creating more time for student learning and enrichment can improve outcomes, but additional time must be high quality.



Source: LFC (2019) Results First: Education Initiatives. p.1, 17, 25, and 31.

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

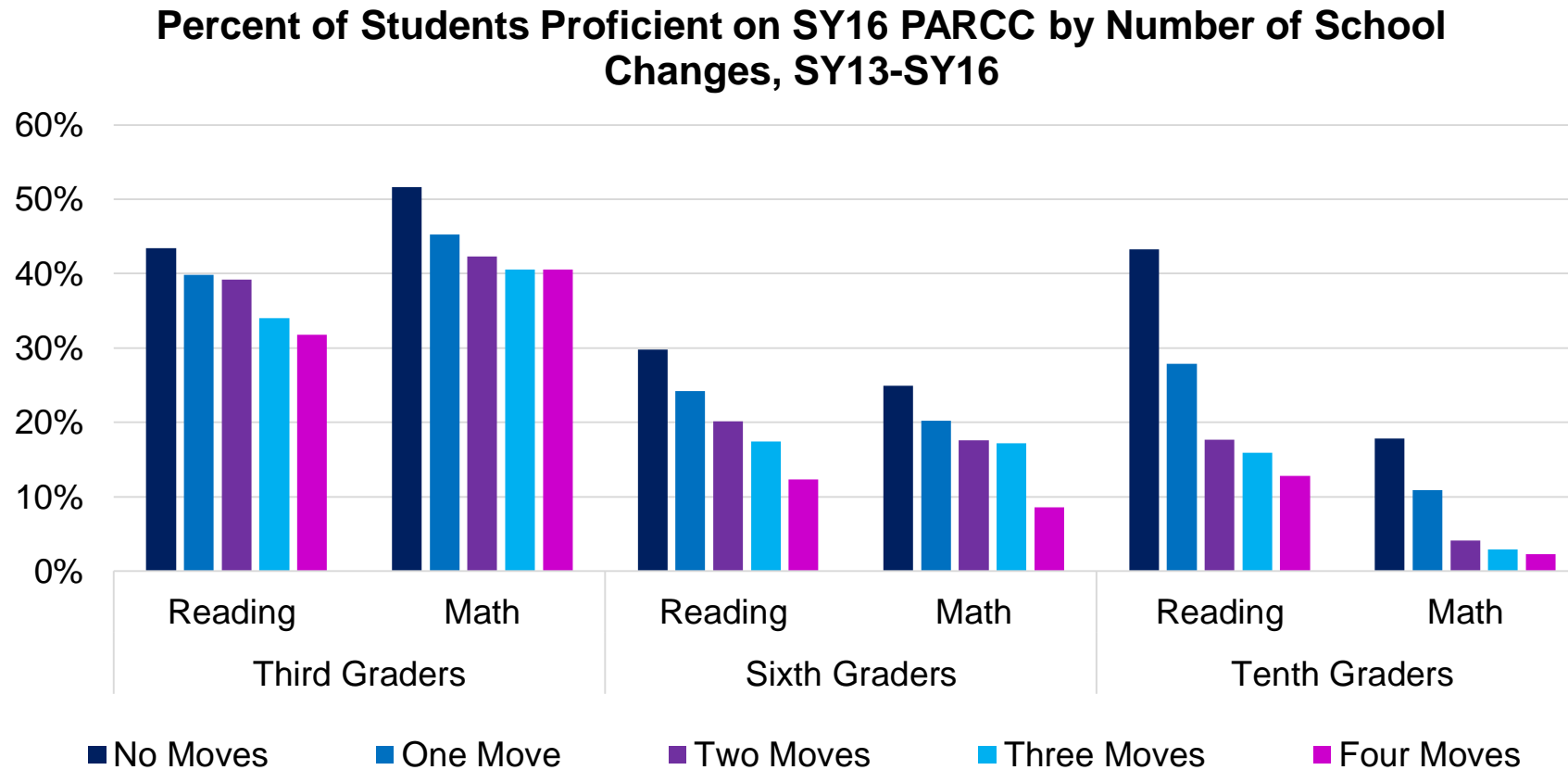
Relationship between Elementary Schools' PARCC 3rd Grade Reading Proficiency and Percent of Students with Low Income, SY17
(N = 399 New Mexico Elementary Schools)



Source: LFC analysis of PED data.



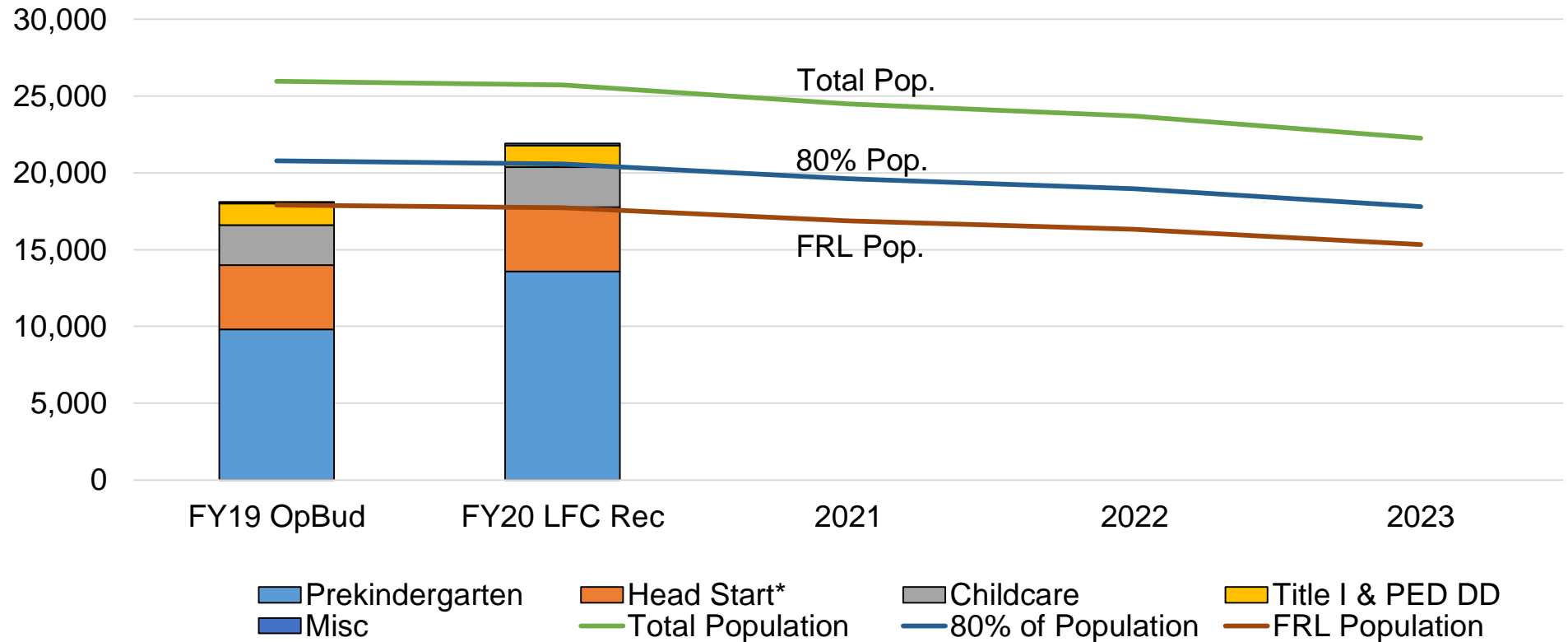
Longitudinal Data: Student Mobility affects Student Academic Achievement



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



New Mexico 4-Year-Old Service Capacity: Care and Education



Source: LFC Files, DOH

Notes: Represents funded slots not accounting for children enrolled in multiple services or seasonality

*Includes American Indian Head Start Programs (slots)=685

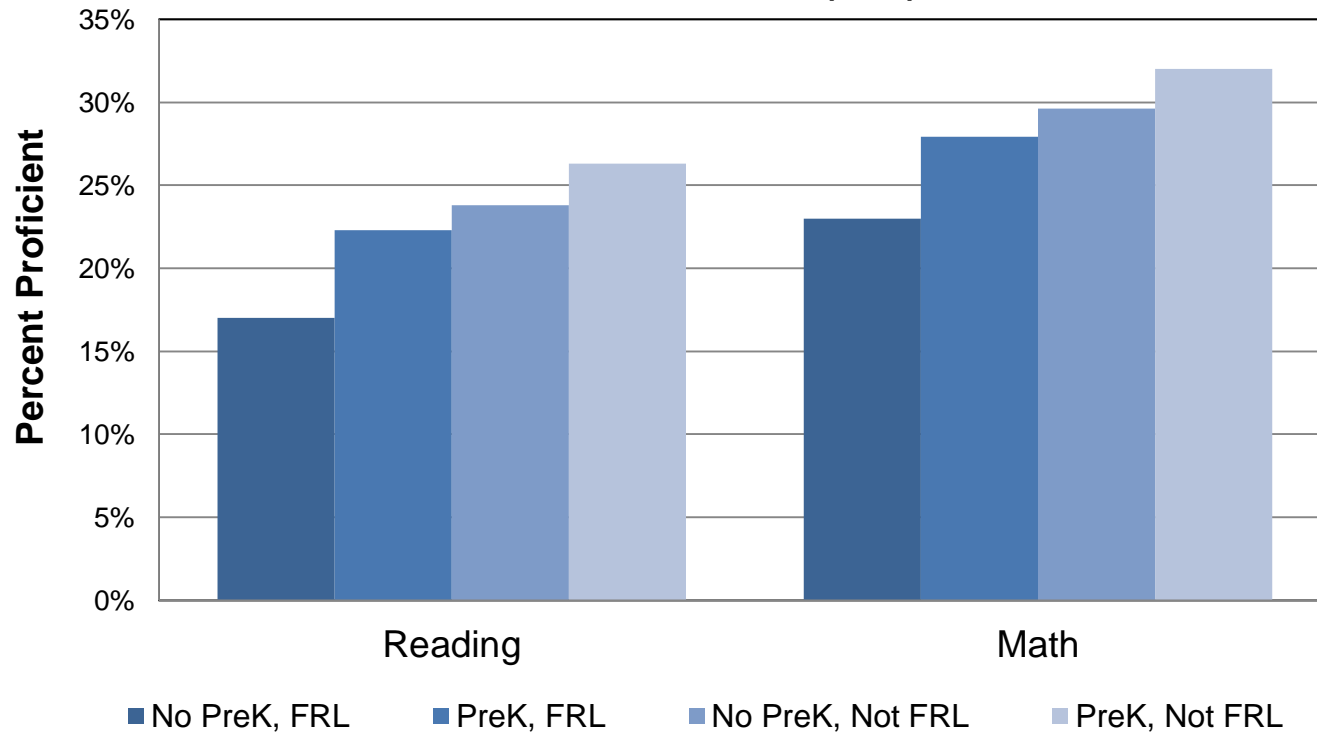
+Estimated from free/reduced lunch participation rates in New Mexico public schools (185 percent of federal poverty level)

Misc=City of Albuquerque and City of Santa Fe funded slots

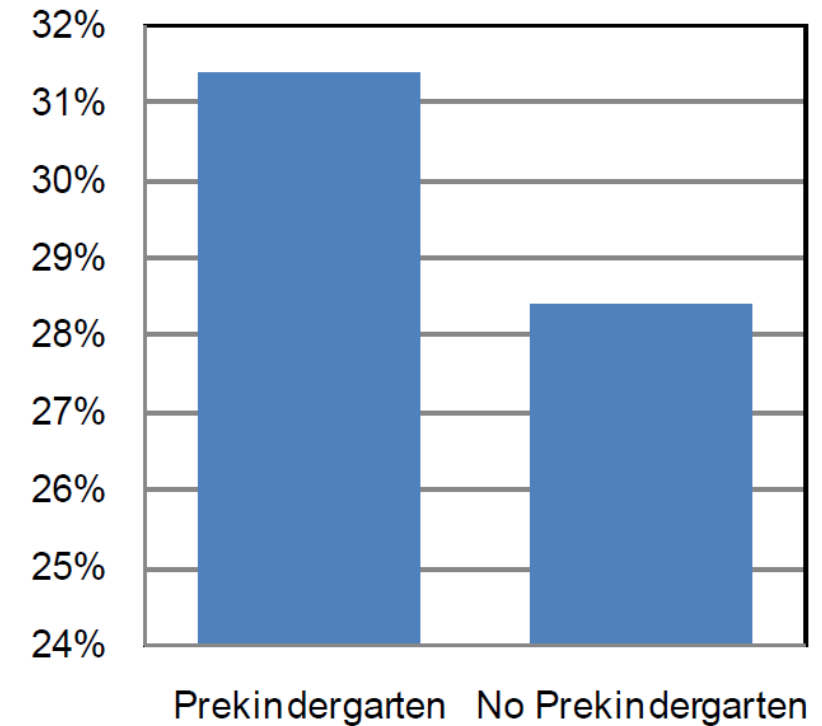


Prekindergarten Performance

Student Third Grade Reading Proficiency by PreK Enrollment and Free and Reduced Lunch (FRL) Status, FY16



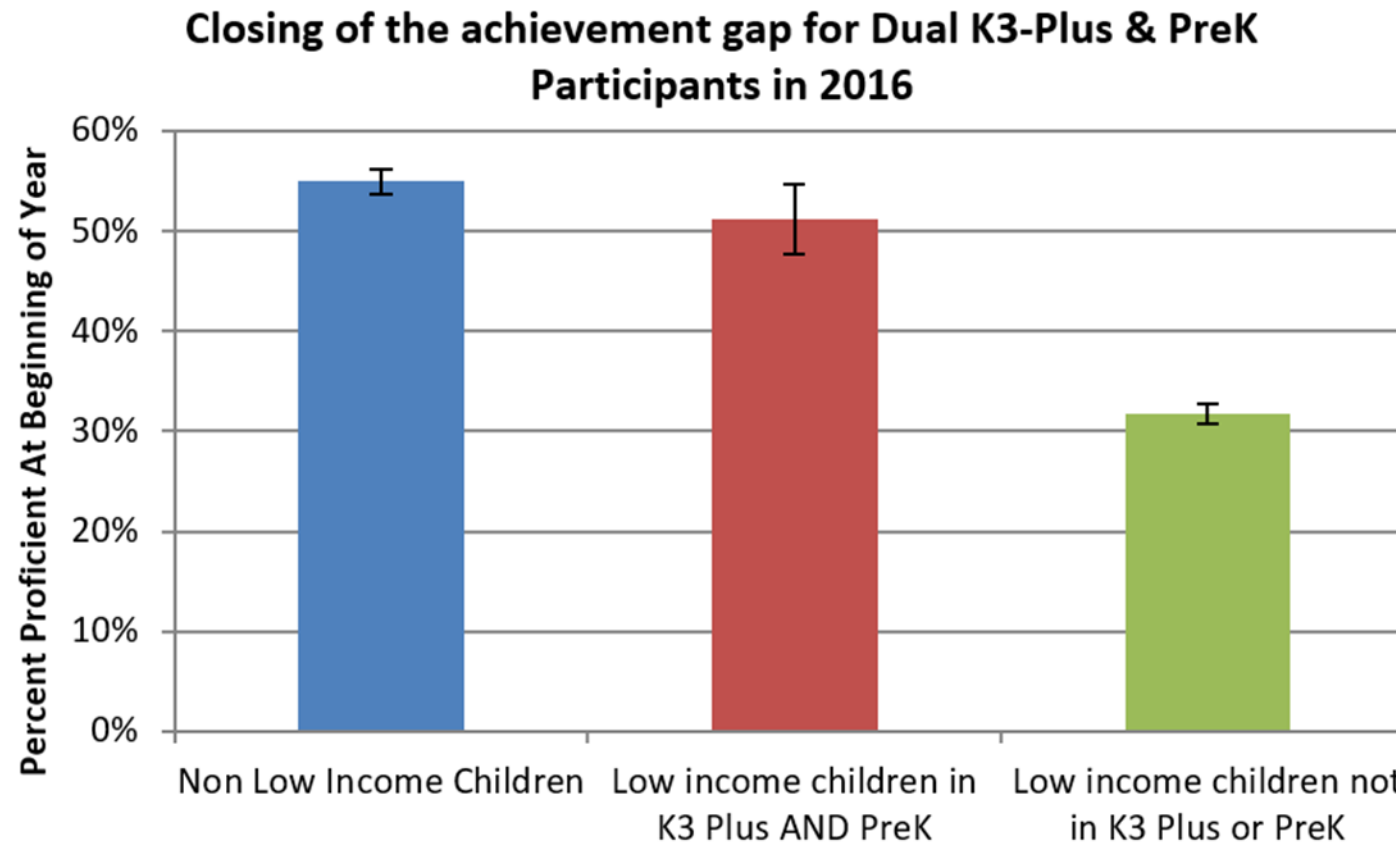
Prekindergarten Participation and 5th Grade PARCC Reading Proficiency in FY16



Source: LFC 2017 Early Childhood Accountability Report. p.7



PreK and K-3 Plus can help close the Achievement Gap



Source: LFC 2017 Early Childhood Accountability Report. p.9



Conclusion



- The state's response to the education sufficiency lawsuit will likely lead to significant changes for New Mexico public education.
- New Mexico needs to strategically target funding to what works and monitor education spending.





For More Information

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

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