

## **Final Report**

### **Legislative Education Study Committee Ad Hoc Subcommittee for Education Reform**

**December 2002**

*Mr. I.B. Hoover and  
Dr. David H. Townsend, Co-Chairs*

The Legislative Education Study Committee (LESC) Ad Hoc Subcommittee for Education Reform is pleased to transmit its final recommendations to the LESC for consideration for potential 2003 legislation. Included in this document are: 1) a history of the Ad Hoc Subcommittee; 2) a description of the formulation of its 2002 interim workplan and meeting schedule; and 3) a list of the Ad Hoc Subcommittee's recommendations to the LESC.

#### **History of the Ad Hoc Subcommittee**

In 2001, the Legislature passed a comprehensive reform bill, however, it was vetoed by the Governor on both fiscal and policy grounds. The funding provisions for the proposed education reforms were carried forward in a separate bill, which the Legislature passed, but was also vetoed. Both of these bills were endorsed by the LESC and contained the recommendations of the two-year (1998-2000), 64-member Education Initiatives and Accountability Task Force (EIATF), as well as some proposals recommended by Think New Mexico and the Greater Albuquerque Chamber of Commerce. The EIATF was appointed jointly by the President Pro Tempore of the Senate, the Speaker of the House, and the Executive. Its membership was diverse, with statewide representation and it included parents, legislators (past and present), educators, state and local school board members, business people and other professionals who came together and worked as a cohesive body.

In the 2001 interim, the LESC established the Ad Hoc Subcommittee for Education Reform to retain the momentum for education reform that had been developed by the EIATF and to ascertain that the EIATF's work and proposed initiatives for the success of New Mexico's educational system be continued and highlighted as an important and imminent need to make New Mexico's future citizens the brightest and the best. The subcommittee's intention was to introduce the 2001 reform bills with minor changes to reflect input from the various stakeholders and include the most current cost analyses. However, the major national economic downturn and New Mexico's current downturn in state revenue led the subcommittee to agree that it would not be prudent to re-introduce the 2001 reform bill without further scrutiny to find a permanent revenue source to pay for education reform. To ensure that the urgency and importance of the need to reform education would remain at the forefront of the Legislature and the public, the final 2001 interim recommendations of the Ad Hoc Subcommittee, endorsed by the LESC and submitted to the 2002 Legislature, were to support and sustain the continued funding of the reform initiatives that had been successful during the 2002 legislative session and to support a memorial to continue the Ad Hoc Subcommittee throughout the 2002 interim.

In 2002, the Legislature passed Senate Joint Memorial 12 (SJM 12), *Continue Education Reform Ad Hoc Committee*, that requested the LESC to continue its Ad Hoc Subcommittee for Education Reform during the 2002 interim, in order to continue highlighting the work of the New Mexico education community toward educational reform.

### **Formulation of the Ad Hoc Subcommittee 2002 Interim Workplan and Meeting Schedule**

In response to SJM 12 the LESC, at its August 2002 meeting, appointed the Ad Hoc Subcommittee for Education Reform consisting of 21 members, six LESC members and other representatives from education, the business community, and the public (see attached membership list). In its organizational meeting the Ad Hoc Subcommittee developed its 2002 interim workplan and meeting schedule and elected Mr. I.B. Hoover and Dr. David H. Townsend as co-chairs, who also served as co-chairs of the EIATF.

The primary goal in bringing about major education reform of New Mexico's education system for both the LESC and the EIATF has been to improve teaching and learning. The EIATF focused its work on the belief that no education system can be sufficient for the education of all children unless it is founded on the sound principle that every child can learn and succeed and that the system must meet the needs of all children by recognizing that student success for every child is the fundamental goal of education. Because the LESC, in its continuing study of education, centers its work on the improvement of student achievement and public school performance, its charge to the Ad Hoc Subcommittee was:

- to consider pertinent issues in the 2001 education reform bill that focus on these tenets;
- to develop realistic goals for implementation of education reform; and
- to report its findings and recommendations to the LESC for consideration for the 2003 legislative session.

In an attempt to revise the 2001 education reform bill as necessary, the Ad Hoc Subcommittee reviewed the 2001 education reform bills, in light of the previous work accomplished by the EIATF, legislation passed in 2001 and 2002, and the work of the LESC; identified issues that needed further study; and organized itself into four clusters to conduct additional study and report their findings to the Ad Hoc Subcommittee for its consideration. The following four working committees were formed:

1. ***Teacher Quality and P-16 Initiative Working Committee***: Chair: Dr. Peter Winograd; Members: Representative Mimi Stewart; Ms. Elisa Sanchez; Ms. Flora Sanchez; Mr. Eduardo Holguin; and Ms. Christine Trujillo.

In order to address the statewide shortage of highly qualified teachers; the need for enhanced instructional leadership in the principalship; the requirements for improved teacher preparation, retention, and support through mentorship and professional development; the need to increase teacher accountability and compensation; and to meet the requirements of NCLB for highly qualified teachers, this working committee studied:

- teacher and principal preparation and licensure issues;
- teacher and principal compensation issues;
- teacher and principal recruitment and retention issues;
- mentoring and professional development;
- alignment of educational assistants with the requirements of the *No Child Left Behind Act of 2001* (NCLB); and
- the role and structure of a P-16 statewide system of education.

2. ***Support Services Working Committee***: Co-Chairs: Ms. Jacqueline DuBose and Dr. Jacki Pieracci Riggs; Members: Senator Ramsay L. Gorham; and Senator Mary Kay Papen.

In response to the Ad Hoc Subcommittee's discussion regarding the need to strengthen the ties between schools and parents, families and communities; to refine the role of Regional Education Centers in providing support to schools; and to address the unique characteristics and needs of students whose educational experience is influenced by economic, cultural, ethnic and linguistic differences, this working committee studied:

- parent, family, and community involvement issues;
- the role of the Regional Education Centers; and
- strategies for increasing the academic achievement of at-risk students with special attention to the state's diverse cultural and linguistic population.

3. ***Governance Working Committee***: Chair: Mr. Joe Guillen; Members: Ms. Jacqueline DuBose; Representative Rick Miera; and Senator Cynthia Nava.

In response to the Ad Hoc Subcommittee's discussion regarding the need to address the state and local governance issues in New Mexico's education with specific attention to increasing student achievement as a primary goal; to enhance accountability for teaching and learning at every level; to increase effective use of human and fiscal resources; to invite parental, community and public involvement; and to align New Mexico's educational system of public education into a comprehensive, unified entity, this working committee studied:

- the desirability and feasibility of creating a Cabinet Level Secretary of Education;
- ways to further the development of a statewide Pre-K through 20 system of public education;
- the current structure and function of the Regional Education Centers within the statewide system of public education; and
- the role of local school boards, superintendents, and principals in educational governance.

4. ***Sustainable Funding Sources Working Committee***: Chair: Mr. Fred Bender; Members: Mr. Michael J. Davis; Mr. Bud Mulcock; Senator Cynthia Nava; Dr. Jacki Pieracci Riggs; and Mr. Tim Walsh.

In light of the 2001 interim Ad Hoc Subcommittee's affirmation of the need to identify sustainable short and long term revenue sources to fund education reform; to better meet the new accountability requirements of NCLB; and to maintain the state's public education system at the highest level of quality to serve all students, this working committee studied a variety of potential funding streams to implement education reform, including:

- the distribution of the New Mexico Land Grant Permanent Fund;
- potential New Mexico Tax Code changes to increase the distribution of various tax revenues to support education reform; and
- cost savings and redirection of current education expenditures through fiscal and programmatic audits.

The issue of accountability, which was a major part of the EIATF's work, was excluded from consideration by the subcommittee, because the LESC's work during the 2002 interim included a thorough review of the entire section of accountability in the Public School Code. The LESC began its review of the Code in an attempt to reduce the Code, address the requirements of NCLB, and consider the major revisions made by EIATF.

## **Ad Hoc Subcommittee's Recommendations to the LESC for the 2003 Legislative Session**

Building on the work of the EIATF, the Ad Hoc Subcommittee embraced the EIATF's fundamental principles that success for New Mexico's students can only be accomplished by attracting and retaining quality teachers for schools; holding teachers, students, schools and districts accountable through an effective and reliable accountability system; and elevating the importance of public education in the state by designing a governance structure that at every level helps to ensure academic achievement.

With these tenets in mind, the Ad Hoc Subcommittee reviewed and approved the following proposed recommendations made by the four working committees, which include changes to the 2001 education reform bill, language changes for clarification, and other proposed initiatives.

### **Teacher Quality and P-16 Initiative**

The Ad Hoc Subcommittee supports the principle that the single, most important factor in improving student academic achievement is to ensure that a qualified and competent teacher is in every classroom and believes that New Mexico's primary focus must be to strengthen the teaching force by attracting and retaining quality teachers and to elevate and promote the status of the principal to instructional leader. The subcommittee believes that in order to accomplish this task, it is necessary for New Mexico to recognize that teachers must receive salaries commensurate with increased responsibilities and the levels of accountability demanded of professionals. In addition, increased compensation for principals is needed to strengthen their role as the instructional leader of the school. To this end, the subcommittee recommends:

- a. Implementing the three-tiered teacher licensure framework with a five-year phase-in, at a total cost of approximately \$220.3 million, with the following salary minimums indexed to the Consumer Price Index (CPI), according to the following schedule:
  - Year One (FY 04): bring all teachers making less than \$30,000 to \$30,000 and increase the base salary of the rest of the teachers by the projected CPI for FY 04. The starting salary of beginning teachers will be \$30,000;
  - Year Two (FY 05): \$35,000 to teachers in Level 2 and Level 3, plus CPI onto the base salary of \$35,000;
  - Year Three (FY 06): \$40,000 to teachers in Levels 2 and 3, plus CPI onto the base salary of \$40,000;
  - Year Four (FY 07): \$45,000 to teachers in Level 3, plus CPI onto the base salary of \$45,000; and
  - Year Five (FY 08): \$50,000 to teachers in Level 3 plus four years of CPI.

- b. Supporting the principal as instructional leader by implementing the salary schedule based on a factor of school size, but delaying its implementation until the 2005-2006 school year and replacing evaluation language in the 2001 education reform bill with language that principals demonstrate competencies measured by a “high objective uniform statewide-standard of evaluation” as required in NCLB. The subcommittee believes that principals must have more direct control over, and at the same time accountability for, their individual school’s achievement.
- c. Replacing EIATF’s proposal for professional development days as envisioned in the 2001 education reform bill with alternative language from NCLB that requires teachers’ knowledge and competencies to be measured using a “high objective uniform statewide standard of evaluation.”

The subcommittee believes that because of New Mexico’s diverse student population, teachers must be prepared to better address the cultural, linguistic, and learning style needs of students, strengthen their ability to incorporate technological advancement into instruction, and to meet the requirements of NCLB for highly qualified teachers in every classroom. To ensure that these objectives are accomplished, the subcommittee supports the following LESC recommendations regarding professional development:

- Establish a Professional Development Fund to be administered by the State Department of Education (SDE) and the Commission on Higher Education (CHE) for two specific professional development purposes:
  - 1) Require SDE to allocate money in the fund to local school districts to support professional development programs that focus on developing teachers’ abilities to effectively teach all students and to meet NCLB requirements;
    - & Require SDE to develop procedures and rules for application and award of money from the fund. Criteria for award of the funds must include a method to evaluate the effect of professional development programs on student success and must also detail which areas of the district’s Educational Plan for Student Success (EPSS) the professional development will address;
    - & Require that a one-day or short-term workshop or conference, which is not part of a school district’s plan, shall not be counted as a professional development activity;
    - & Require SDE to withhold funding from districts that, after one year, fail to meet criteria established in the application;
  - 2) Require CHE to allocate money in the fund to sustain professional development programs, such as Regional Education Technology Assistance (RETA), Strengthening Quality in Schools (SQS), Re:Learning New Mexico, the Center for Service Learning, Engaging Latino Communities for Education (ENLACE), Statewide Math/Science Partnership, Golden Apple, and World Class Teacher; and require CHE to evaluate each project prior to recommending continued funding.

- d. Recommending that the current statutory definition of teacher professional development be aligned with the guidelines provided in NCLB for developing extensive professional development activities for school districts that:
  - improve teachers' knowledge of the subjects they teach and the ability to teach those subjects to all of their students;
  - are an integral part of the school and district plans for improving student achievement;
  - provide teachers, administrators, and other educational support personnel with the strategies, support, knowledge and skills to help all students meet the New Mexico standards and benchmarks;
  - are high quality, sustained, intensive, and focused on the classroom; and
  - are developed and evaluated regularly with extensive participation of educational personnel and parents.
- e. Requesting the LESC to study the issue of the training and certification of educational assistants to identify needs and resources related to improving their knowledge, skills, and status, in light of the requirements of NCLB.
- f. Eliminating the voluntary teacher incentive pay pilot program in the 2001 reform bill. The subcommittee believes that incentives to attract and retain a qualified and effective teaching force are essential, but prior to implementing a teacher incentive pay plan, New Mexico must increase teachers' base salary framework, ensure salaries are at parity with other states, and become more competitive.

## **Support Services**

The subcommittee supports the principle that in order to provide an environment conducive to teaching and learning, schools must have the necessary services to help them perform and operate efficiently.

- a. Eliminating the proposed Standards and Assessment Council in the 2001 education reform bill to assist the State Board of Education (SBE) to accelerate the ongoing work of the accountability system because SBE has appointed an Assessment and Accountability Council. The purpose of this council is to provide input, direction, and guidance to ensure that 1) the overall mission of the accountability system is implemented efficiently and in a timely manner; and 2) addresses school districts' concerns regarding issues related to assessment and rating schools. The subcommittee further requests SBE to include representatives from the business community on its Assessment and Accountability Council.
- b. Retaining the Family Resource Center provisions of the 2001 reform bill and recommending funding through the Temporary Assistance for Needy Families (TANF) for public schools in which 80 percent of students are eligible through the free or reduced-fee lunch program. The subcommittee believes that it is imperative to strengthen the partnership between schools and parents, families, and communities through provision of intermediary services for students and their families to access social and health care services.

- c. Supporting a memorial to study the implementation of aligning early care education programs in New Mexico to establish a universal system of preschool education for three- and four-year-old children statewide. The subcommittee believes, in light of national research, in the value of providing support services to New Mexico's youngest population to enhance its school readiness and to reduce the achievement gap.
- d. Requesting the LESC to consider establishing an Office of Accountability to act as an independent evaluation unit that would provide accountability oversight through review and monitoring of the statewide accountability system. The subcommittee believes that in order to improve the accountability system's effectiveness and strengthen its credibility with the public, an external evaluation body located outside of SDE and reporting directly to the Legislature and the Executive is necessary. This office would be similar to the federal government's General Accounting Office (GAO).

## **Governance**

The subcommittee believes that student success is largely dependent upon a governance structure that is efficient, effective, and accountable. The driving force behind the subcommittee's recommendations in governance is accountability: students, parents, and all New Mexicans should have a right to expect educational excellence and to know who to hold accountable for the successes and failures of the educational system.

- a. Supporting a joint resolution to create a Cabinet level Secretary of Education within the Governor's Office. To achieve the goals of improving student achievement, increasing accountability, and enhancing economic development in the state for New Mexico's promising future, the subcommittee believes that the creation of this position in the Executive's Cabinet provides strong, identifiable leadership and responsibility for education.
- b. Supporting a memorial to recognize the Teacher Education Accountability Council as New Mexico's preschool through postsecondary education advisory council (Pre-K-20 initiative) to provide guidance in the creation of aligned policy between public schools and higher education. The subcommittee believes that this initiative will yield the necessary structure of a comprehensive and unified system of education in New Mexico.
- c. Eliminating the Regional Service Centers as envisioned in the 2001 education reform bill and retaining the current statutory structure of the Regional Education Centers (RECs). The subcommittee believes that the existing structure of RECs is sufficient in meeting school districts' needs, but a more decentralized model of service delivery through the State Department of Education (SDE) is desirable. Therefore, the subcommittee suggests that the LESC encourage SDE to regionalize its functions to provide support and technical assistance to school districts.

- d. Retaining the provisions in the 2001 education reform bill that, aside from employing the district superintendents, relieve the local school boards from direct personnel and student disciplinary responsibilities, to enable them to redirect their focus on educational policy; assigning superintendents the role of CEO in their school districts, to include personnel responsibilities; and allowing superintendent contracts to be issued for up to four instead of three years. The subcommittee believes realigning educational policy responsibility to local school boards and assigning organizational accountability at the level closest to the classroom will ensure the greatest efficiency resulting in high student achievement.
- e. Retaining current statutory language in the School Personnel Act so that no school employee loses due process rights currently provided for under the School Personnel Act.

### **Sustainable Funding Sources**

Because improving education in New Mexico is the number one priority of its citizens, the subcommittee's work focused on identifying sustainable funding sources to successfully implement educational reform in New Mexico. The subcommittee believes that a permanent revenue funding source that may consist of various revenue streams must be identified and specifically designated to education.

The subcommittee requests the estimated yield from the following funding sources be earmarked exclusively to fund education reform and recommends:

- a. Supporting a joint resolution to increase the distribution from the Land Grant Permanent Fund (from 4.7 percent to 5.5 percent), which should yield approximately \$47.0 million annually.
- b. Increasing the Motor Vehicle Excise Tax by one-half of one percent, which should yield approximately \$20.0 million annually.
- c. Amending the Property Tax Code to dedicate two mills on the net taxable value of property to public schools

or if the above recommendation is not feasible

supporting a joint resolution for a constitutional amendment to increase the statewide property tax millage limit from 20 to 22. Either one of these measures should yield approximately \$62.8 million annually.

- d. Phasing out the Los Alamos National Laboratory's Gross Receipts Tax exemption over five years, which should yield approximately \$10.0 million annually.

The total annual funds that would become available over the next five years through enactment of these four measures is estimated to be approximately \$139.0 million per year or \$699.0 million over a five-year period.

- e. The final recommendation in finding funding resources is to support a memorial to study the merits of joining the Western States Education Initiative being promoted by the State of Utah to address federal policies related to enabling acts, property taxes, natural resource royalty revenues, and relationships to school trust lands that it claims have been neglected and mismanaged. Utah estimates a significant increase in funds available for education among participating states.

## **Special Election**

The Ad Hoc Subcommittee determined that the imperative for funding and implementing a statewide program of education reform warrants consideration of holding a special election in FY 04 for education reform. The purpose of the special election would be to highlight the seriousness and urgency for educational reform in New Mexico's public schools and to gain widespread public support through an effective public awareness campaign. The following joint resolutions would be presented:

- the Cabinet Post for a Secretary of Education;
- an increase in the distribution of the Land Grant Permanent Fund;
- an increase of the Statewide Property Tax by two mills;
- the Teacher Loan for Service Act; and
- the LESC's recommendation for a Teacher Loan Repayment program.

## **Issues Eliminated**

The following reform issues contained in the 2001 education reform bill were eliminated because legislation to enact these initiatives passed or have been already accomplished through other means:

- the Beginning Teacher Mentorship program which is in current statute (passed by the Legislature in 2001);
- retirement issues because the Return to Work law was passed in 2001; and
- the proposed Education Regulation Review Task Force because the LESC began a review of the Public School Code in the 2002 interim and will begin making recommendations to the Legislature for the 2003 session related to accountability and teacher and educator quality.