

**Funding Formula Study Task Force
June 26, 2007**

The Funding Formula Study Task Force (FFSTF), a committee appointed by the New Mexico State Legislature and the Governor and under the direction of the Legislative Council Service, has commissioned the American Institutes for Research (AIR) to conduct a comprehensive study on the current New Mexico public school funding formula.

The ultimate goals of this study include (1) obtaining public input on defining the goals, priorities and issues in public school finance, (2) determining what it will cost to provide an adequate education for all New Mexican students, (3) examining and potentially modifying the current funding formula to distribute the necessary resources and (4) assessing available potential revenue sources to fund these changes.

To accomplish these goals, the New Mexico Public School Funding study will be carried out in four major phases:

- ***Phase One: Public Engagement*** – Public input on definition of a comprehensive education. The purpose of this phase is three-fold: (1) to raise public awareness, (2) to identify how New Mexicans envision the goals of its public schools, and (3) to seek public input on what needs to be done to achieve those goals. This public input will be solicited through a series of town hall meetings, this website and targeted surveys.
- ***Phase Two: Cost Analysis*** – Costing-out educational instructional programs and goals. This second phase involves ***determining the costs*** of ensuring that all students in the state of New Mexico have access to the programs and resources necessary to achieve the goals set out in Phase One of the project. A series of panels comprised of carefully selected and highly qualified professional educators from the state will use these goals to design instructional programs and specify resources necessary to achieve these goals.
- ***Phase Three: Develop Funding Formula*** – Evaluate current funding formula and suggest modifications. In the third phase, AIR will use the results of the costing-out exercise as the foundation for, if necessary, recommending any necessary changes or modifications to the way schools are currently funded in New Mexico.
- ***Phase Four: Revenue Analysis*** – Analysis of existing and potential revenue sources. AIR will conduct an analysis of prospective revenue sources and identify potential revenue sources that could be called upon to provide the funding necessary to support a sufficient education across all school districts.

The June 26th meeting began with a progress report from AIR including the project overview. The goal statement developed as a result of completion of Phase I was provided:

It is the purpose of New Mexico Public Schools, in partnership with families, to prepare all students:

1. to be responsible citizens and family members,
2. for educational success, and
3. to obtain and maintain gainful employment.

Each and every student will be provided opportunity to meet these goals, regardless of need status (i.e., at-risk, English learner, special education, etc.) or type of community in which they reside (e.g., urban, suburban, town, or rural). To accomplish these goals, public schools will follow the New Mexico Administrative Code (NMAC) Commitment to Excellence, which acknowledges that developing an educated citizenry requires all partners of the educational community to share and support a vision of excellence (NMAC, Title 6, Chapter 30, Part 2).

The goals for New Mexico public schools encompass four indispensable and interrelated elements.

1. Underlying Philosophies

State-level goals of excellence should coexist and be balanced with appropriate individual and local goals. Students shall have access to a multicultural education, diverse and highly qualified teachers, necessary supports to achieve these goals, and a range of enhancement opportunities offered in local communities.

2. Content Standards

All public school students shall make positive and measurable gains through appropriate instructional programs aligned to state content standards and benchmarks. Children will be challenged to learn and succeed, drawing on their strengths through diverse and multiple learning styles.

3. Knowledge, Skills, and Personal Qualities

New Mexico high school graduates shall exhibit a range of knowledge, skills, and personal qualities that enable them to be successful, productive members of society. Schools, in partnership with families and communities, seek to promote personal qualities in ways that integrate with content curriculum and in conjunction with curricular and co-curricular activities.

4. Performance Goals

All students in New Mexico's public education system should have the opportunity to make demonstrable, appropriate growth each year on a wide range of measures. Students should be provided the opportunity to demonstrate learning outcomes aligned with standardized measures reflective of state, national, and international standards *and* to demonstrate growth in areas not captured by standardized tests. In addition, students graduating from New Mexico high schools should have the requisite skills to enable entry into college and/or entry into the work force without remedial needs.

As part of the Independent Comprehensive Study of New Mexico School Funding, the American Institutes for Research (AIR) commissioned a panel of experts to prepare papers providing a brief review of the existing educational research literature on what

factors contribute to student success. These papers draw not only from existing literature, but also from the New Mexico educational context. They can be viewed online at www.nmschoolfunding.org/results.html.

Phase II also included assembling Professional Judgment Panels. Six groups represented diversity throughout the state with two panels each from urban, suburban, and rural areas. Each panel was comprised of a superintendent, three principals, an EL specialist, special educator, a school business officer, and a teacher. Two activities were to consider:

1. **Design instructional programs.** Each panel will be responsible for designing instructional programs at the elementary, middle, and high school levels that will achieve the desired goals for all students served in New Mexico's public schools. The programs should address the following goals and priorities:
 - (a) the programs should be consistent with **New Mexico's expectations** for Students Receiving Primary and Secondary Education;
 - (b) the programs should be consistent with the **academic content standards** described in the New Mexico Administrative Code; and
 - (c) the programs should allow schools a full opportunity to achieve at **target levels of performance**.

For students in the early grades and preschool, this may mean designing an instructional program that addresses any learning delays with which students enter school. For students further along in their educational careers, it may mean addressing any educational deficiencies that may have developed while minimizing dropout rates and maximizing graduation rates.

2. **Specify resources.** With the program design in mind, we will ask each panel to delineate the specific resources and services necessary to deliver that program in every elementary, middle, and high school in New Mexico for the purpose of achieving the target performance levels.

At the Task Force meeting it was reported that the Professional Judgment Panels meet April 18 – 20, 2007 and the results were provided to the Stakeholder Panel on June 25th.

An extensive presentation of Phase II cost simulations was given. Compared were low poverty, high poverty, high poverty/EL, high mobility, high special education, and smaller schools at the elementary, middle, and high school levels for urban, rural, and suburban districts. Excluded were figures for sp-ed services, maintenance, capital outlay, debt service, and transportation. A graph was provided to show the comparison of district overhead rates by enrollment with the same exclusions. Districts spending above projected adequacy levels was 13/89 districts overall with 10 of those in rural districts, and 15 districts requiring dispersion of emergency supplemental funding.

It is acknowledged that geographic cost differences need to be considered and may be one of the most apparent adjustments made to the current funding formula. Labor market factors also will be considered as well as a quality of life differential.

Extensive information is available at www.nmschoolfunding.org.

