



NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

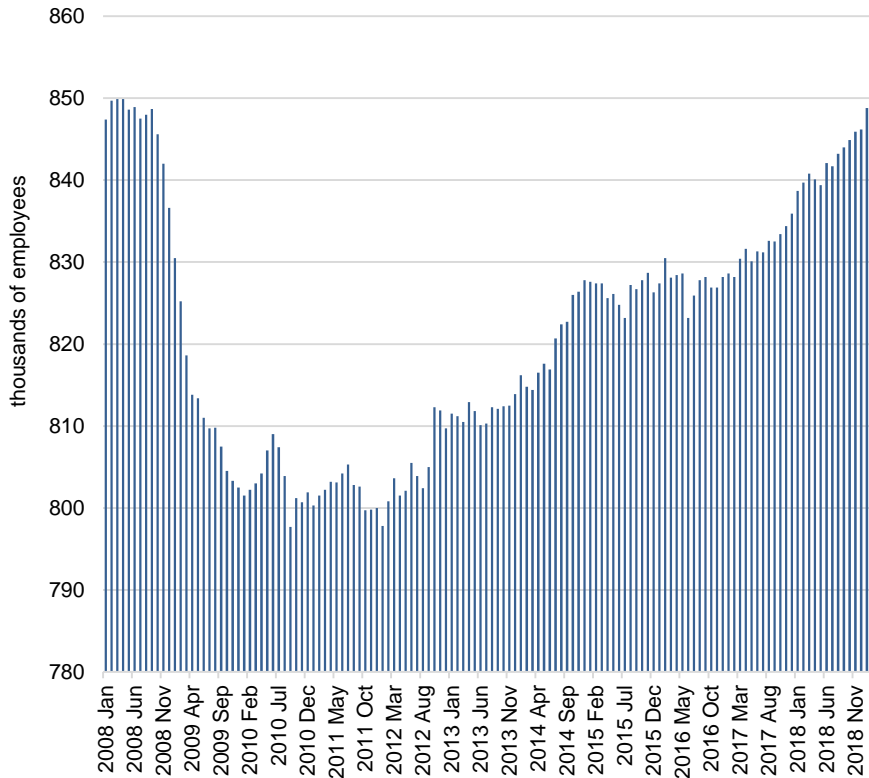
Legislating for Results

Charles Sallee, Deputy Director
Legislative Finance Committee
April 5, 2019



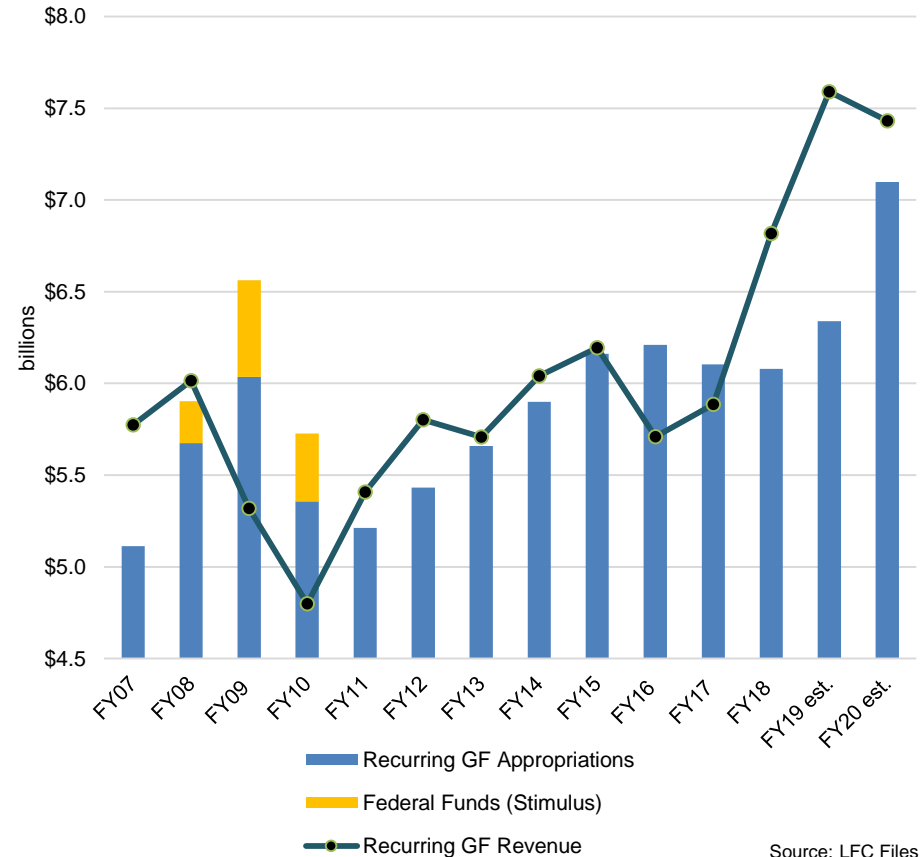
Lost decade of job growth, but growth rates are rising quickly, nearing pre-recession employment peak

Lost Decade: New Mexico Monthly Employment Levels



Source: Bureau of Labor Statistics (CES data)

Recurring General Fund Revenues & Appropriations
(including Great Recession federal stimulus offset)

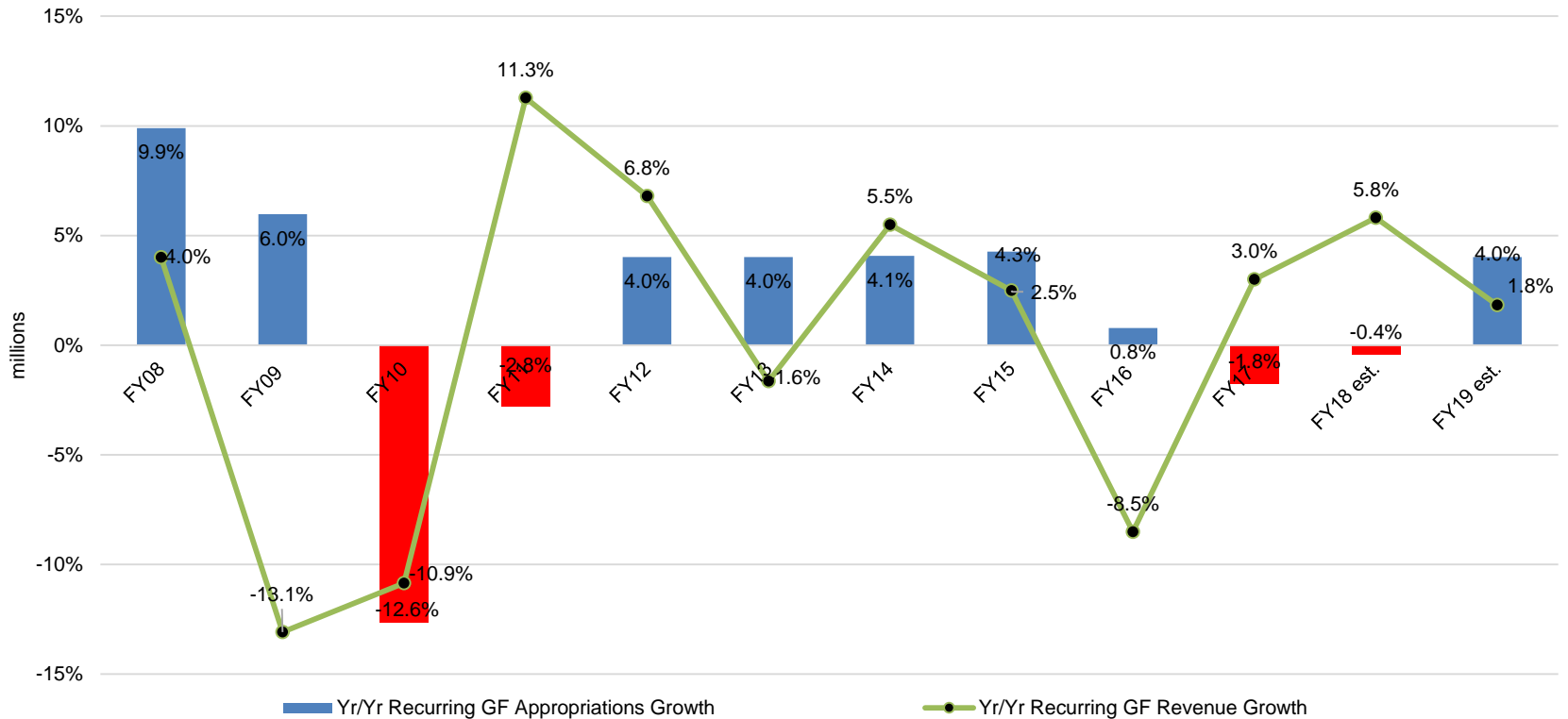


Source: LFC Files



Fiscal (In)Stability

Recurring General Fund Revenue & Appropriation Annual Growth

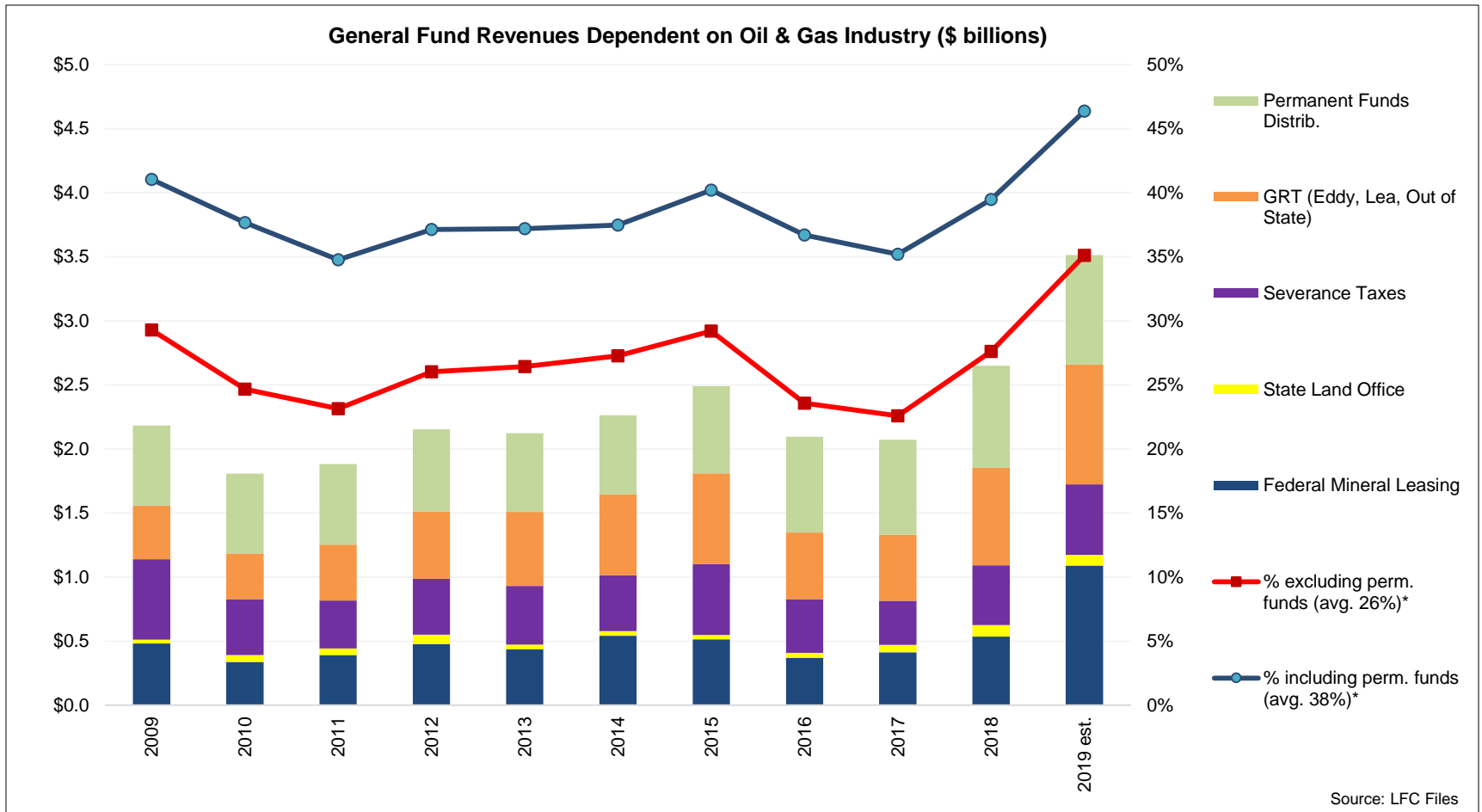


Source: LFC Files

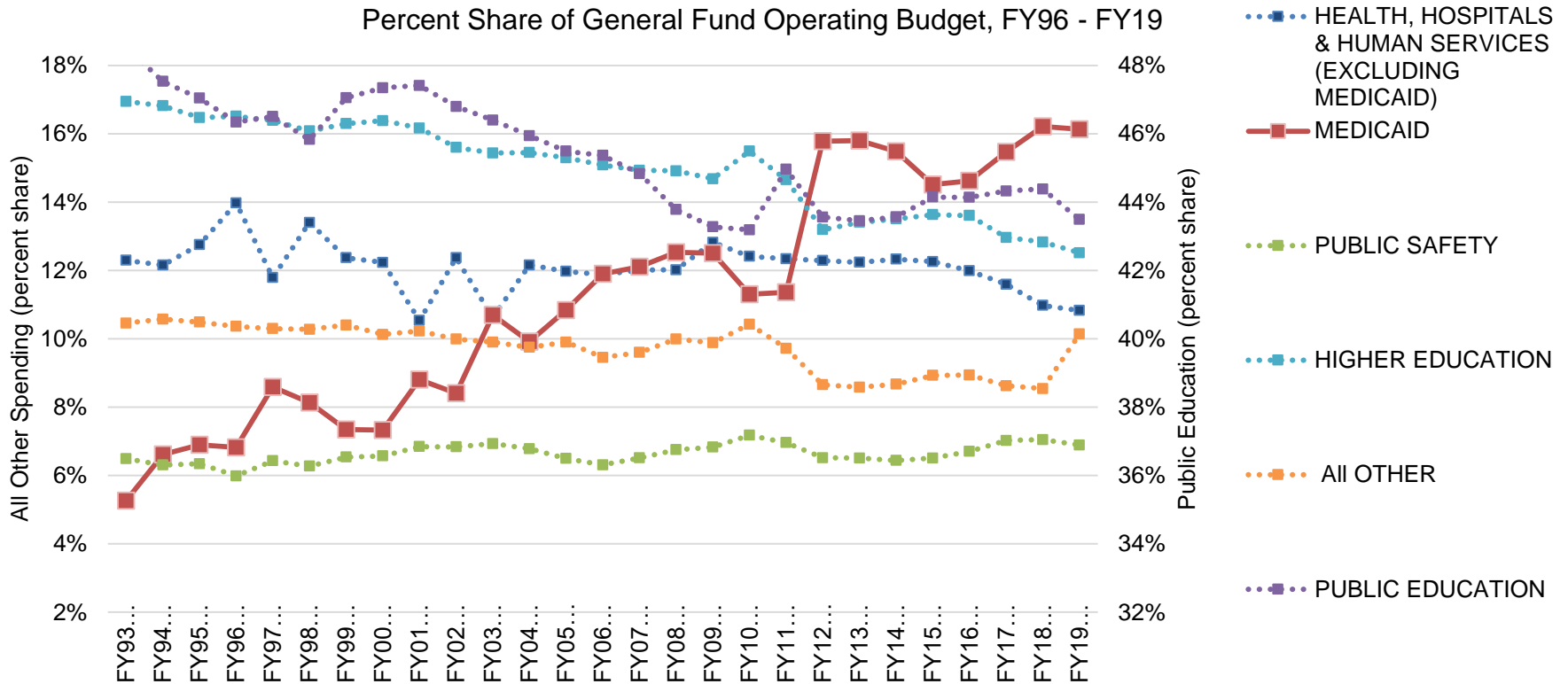




Growing Dependence on Revenue from Oil



Medicaid Rapid Growth: crowding out education spending, tripled since FY93



Source: LFC Files



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.
- Last year, the District Court ruled that:
 - 1) The **outputs** from public schools are “dismal” and therefore the....
 - 2) **Inputs** in the system, funding and program, must be insufficient to meet the needs of at-risk students; and
 - 3) PED has not provided sufficient **oversight** and auditing over how public education funding is locally spent.



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



Legislating for Results Tools

- LFC Integrates a mix of....
 - Research
 - Cost-Benefit Analysis
 - Policy Analysis
 - Budget Analysis
 - Performance Monitoring (Report Cards) &
 - Program Evaluation
- Into the policy and budget process, in addition to traditional approaches



Legislating for Results Tools – Performance Reporting

- Performance data helps highlight the need for additional oversight and attention through the budget process.
- LFC budget guidelines provide staff direction on using this information to aid in the LFC budget development.
- LFC also identifies traditional priority funding areas, K12, Medicaid, programs targeting vulnerable populations and public safety.



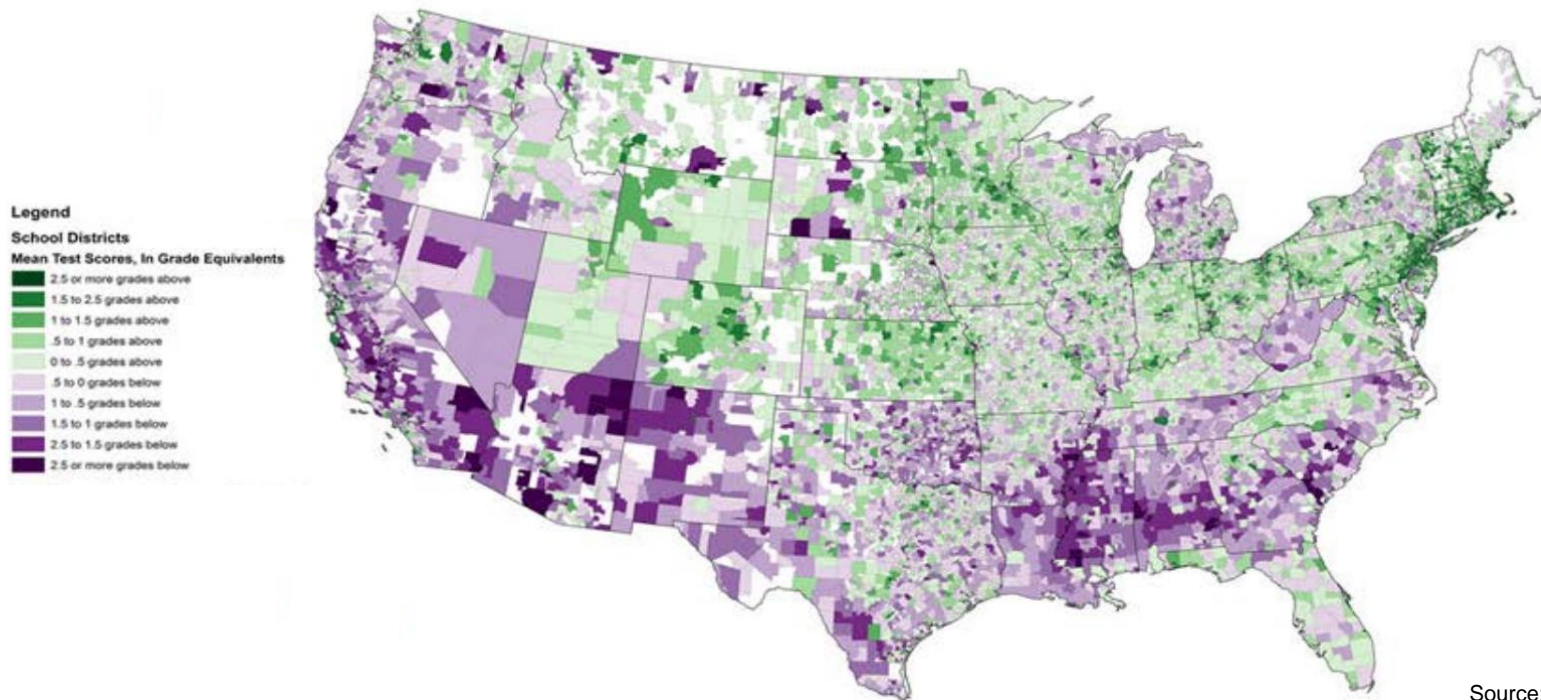
Legislating for Results Tools – Performance Reporting

Budget: \$2,594,274.2 **FTE:** N/A

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
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
					Program Rating
					R



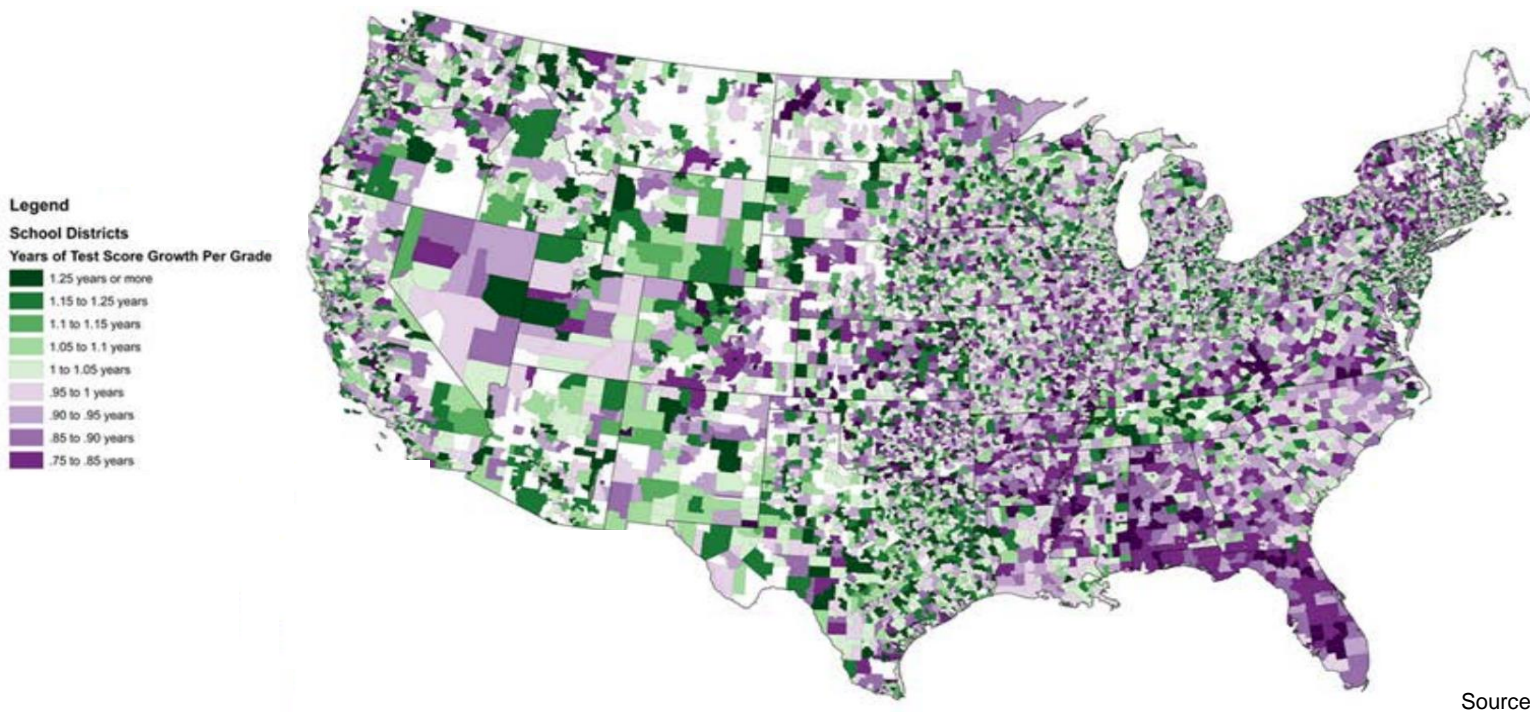
National Student Average Test Scores, Grades 3-8, 2009-2013 (Green = Positive, Purple = Negative)



Source: Stanford Education Data Archive.



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

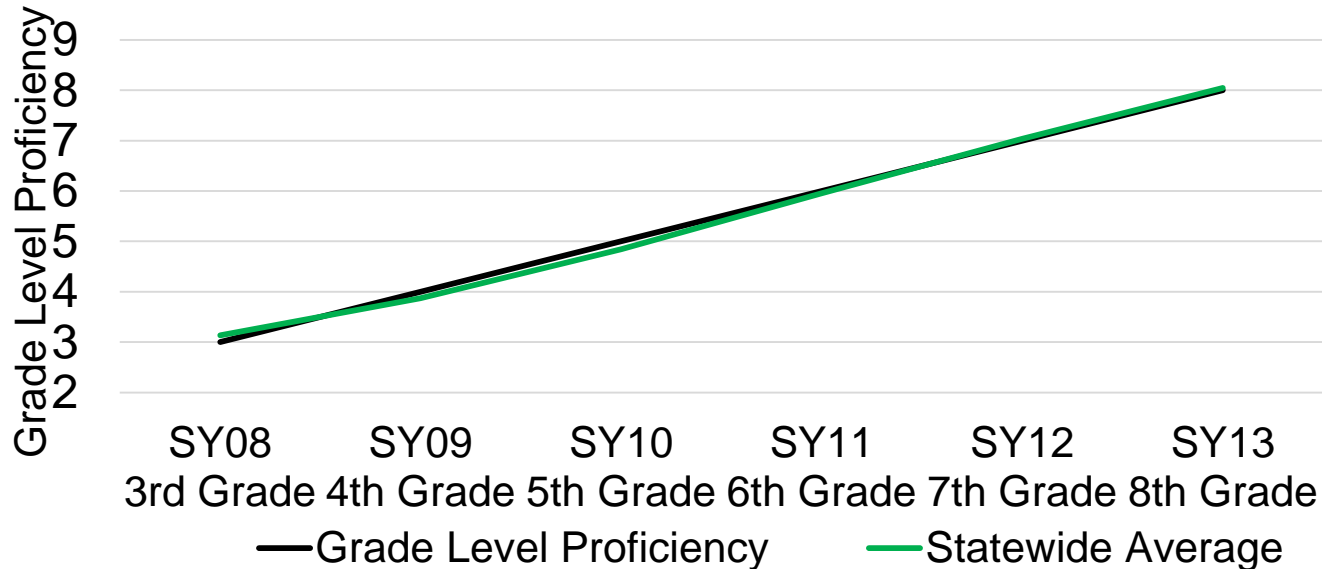


Source: Stanford Education Data Archive.



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

Grade Level Proficiency in State Reading Exam from Third through Eighth Grade, SY08-SY13 (N = 20,210 Students)



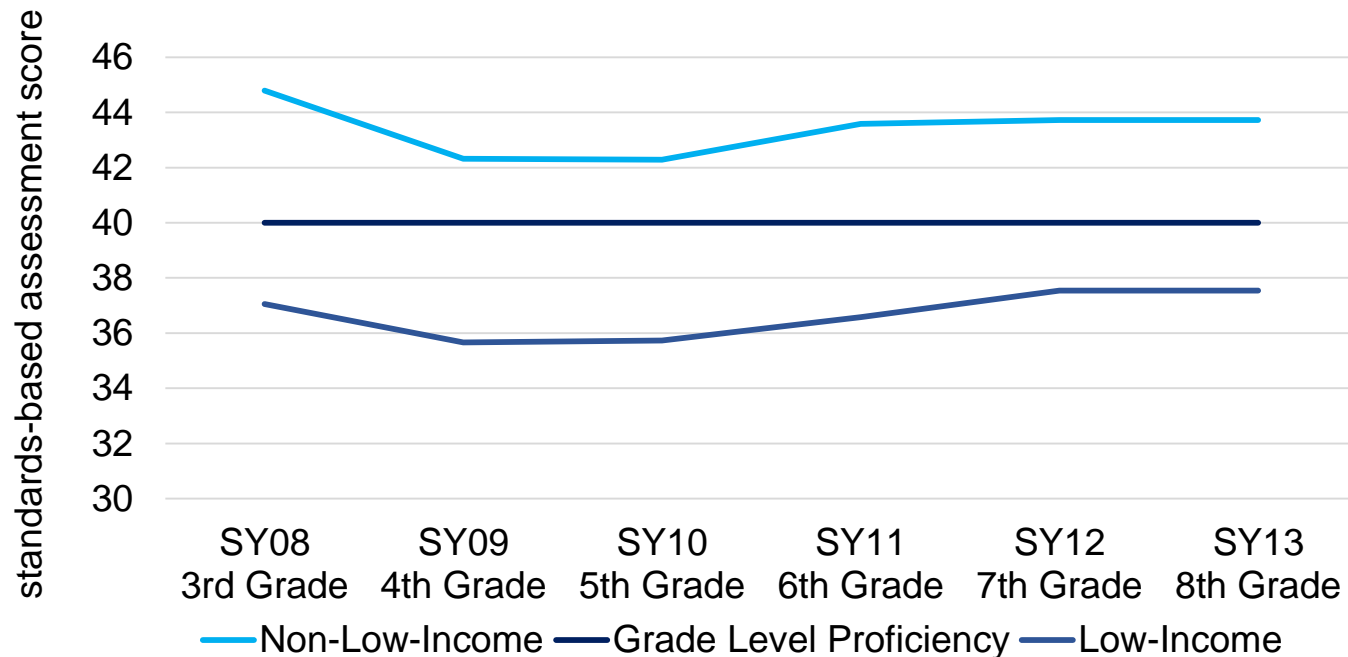
Source: LFC (2017) Longitudinal Student Performance Analysis, p.8

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



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

Average Reading SBA Scores from Third through Eighth Grade, SY08-SY13 (N = 20,210 Students)

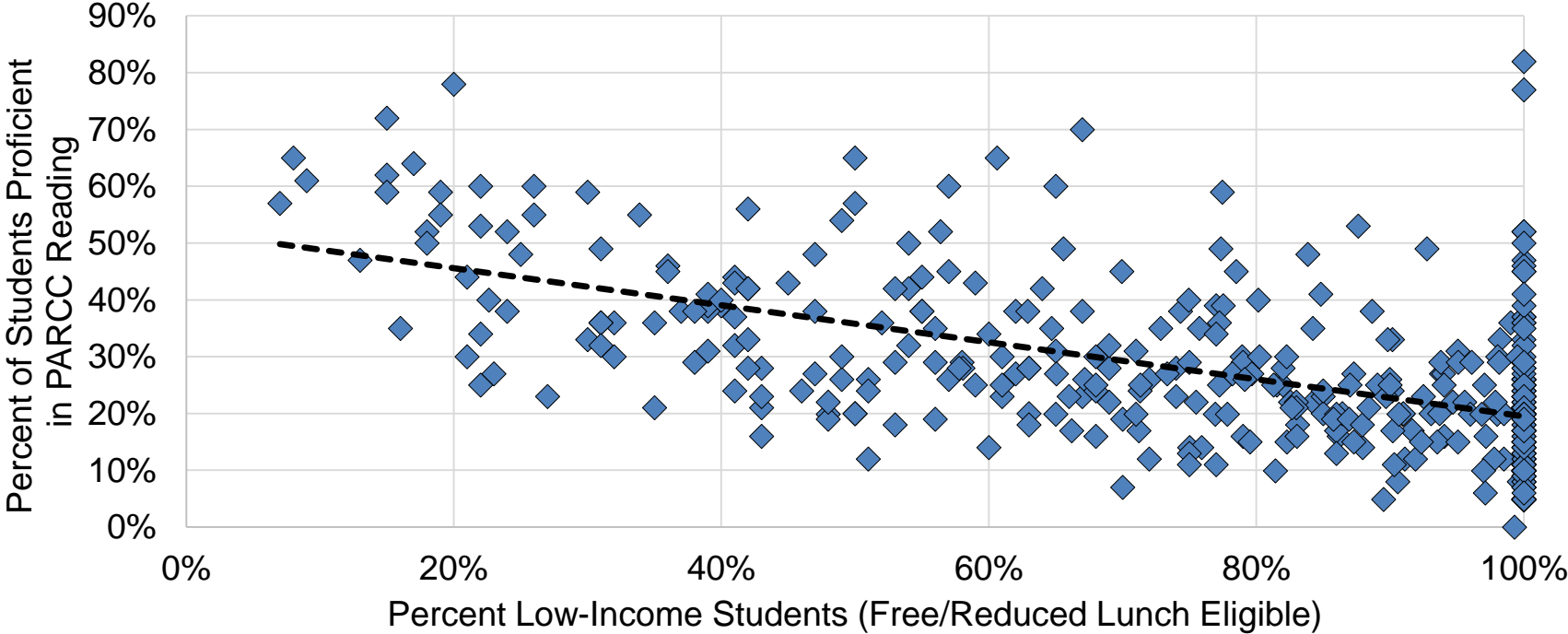


Source: LFC (2017)
Longitudinal Student
Performance Analysis.
p.8



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

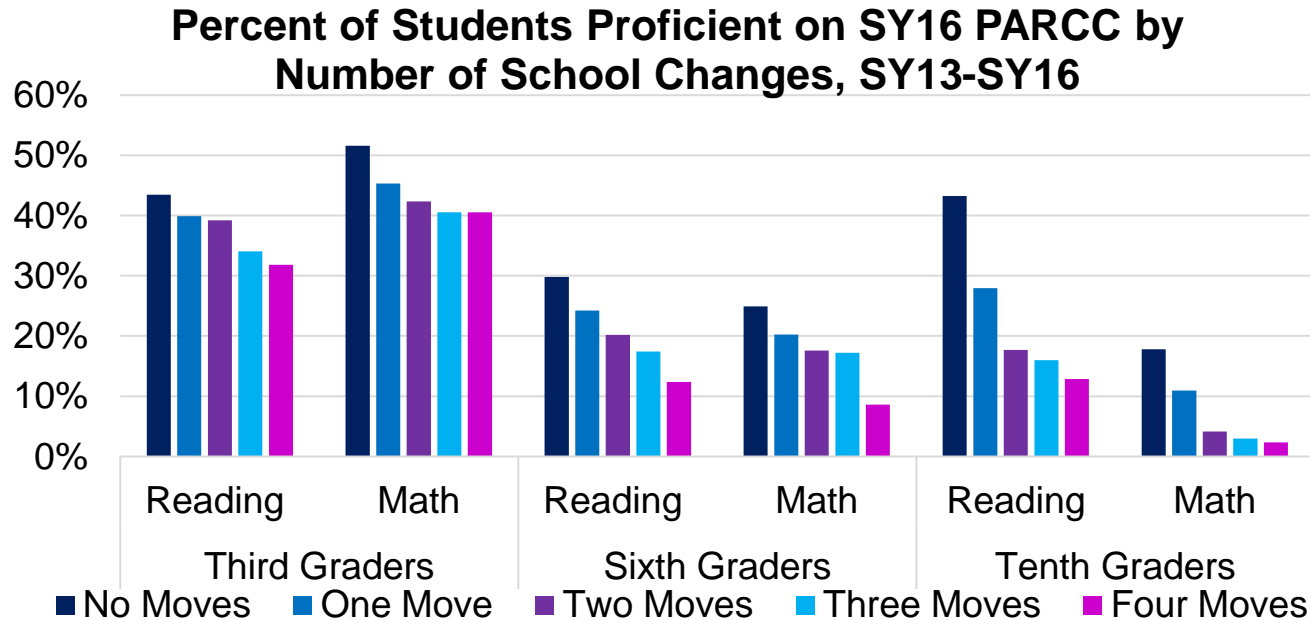
Relationship between Elementary Schools' PARCC 3rd Grade Reading Proficiency and Percent of Students with Low Income, SY17
(N = 399 New Mexico Elementary Schools)



Source: LFC analysis of PED data.



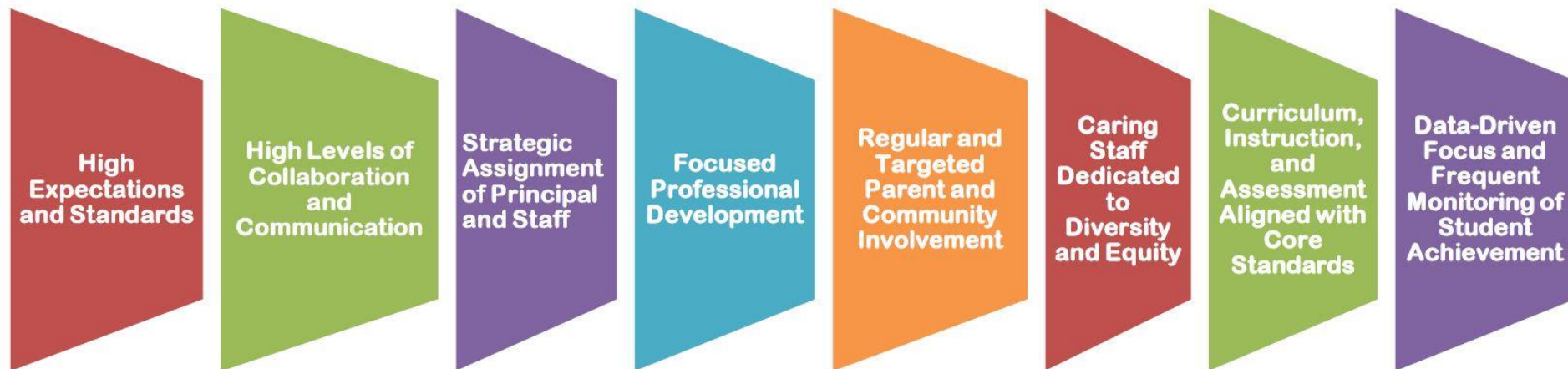
Longitudinal Data: Student Mobility affects Student Academic Achievement



Source: LFC analysis of PED data.



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



Cost-Benefit Analysis of “What Works” in Public Education

Table 4. Summary of Teacher Quality Interventions

Intervention	Evidence of Positive Impact	Benefit-to-Cost-Ratio	Chance Benefits Will Exceed Cost	Effect Size on Test Scores
Teacher professional development	Strong (<i>depends on model</i>)			
<i>Use of data to guide instruction</i>		\$132	98%	0.117
<i>Targeted</i>		\$38	79%	0.071
<i>Online, targeted</i>		\$9	61%	0.020
<i>Induction/mentoring</i>		\$0	38%	0.046
<i>Not targeted</i>		\$6	60%	0.000
Teacher coaches/consultant teachers	Strong (<i>depends on model</i>)			
<i>Content-focused coaching</i>		\$190	94%	0.107
<i>Online coaching</i>		\$93	92%	0.082
<i>Literacy collaborative</i>		\$32	99%	0.428
<i>Coaching</i>		\$28	81%	0.060
Teacher experience	Strong	\$13	99%	0.058
Teacher performance pay	Strong	\$22	87%	0.019
Incentives for hard to staff subjects/schools	Strong		<i>Not in RF</i>	
Teacher evaluation systems	Promising		<i>Not in RF</i>	
Teacher residency programs	Promising		<i>Not in RF</i>	
National Board Certification	Mixed or Inconclusive*		<i>Not in RF</i>	
Grow Your Own programs	Mixed or Inconclusive		<i>Not in RF</i>	
Teacher graduate degrees	No Effect	\$0	7%	0.000

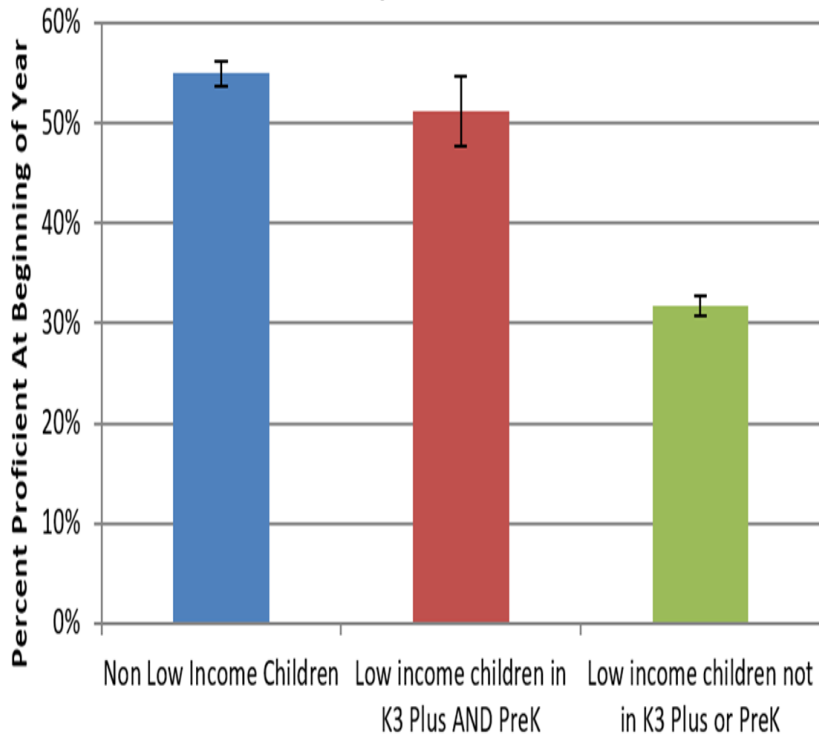
* Indicates that program is included in a social policy clearinghouse
 Source: Results First, using New Mexico assumptions

For just one cohort of students, raising the graduation rate for economically disadvantaged students to the statewide average would translate to long-term taxpayer benefits of over \$100 million.

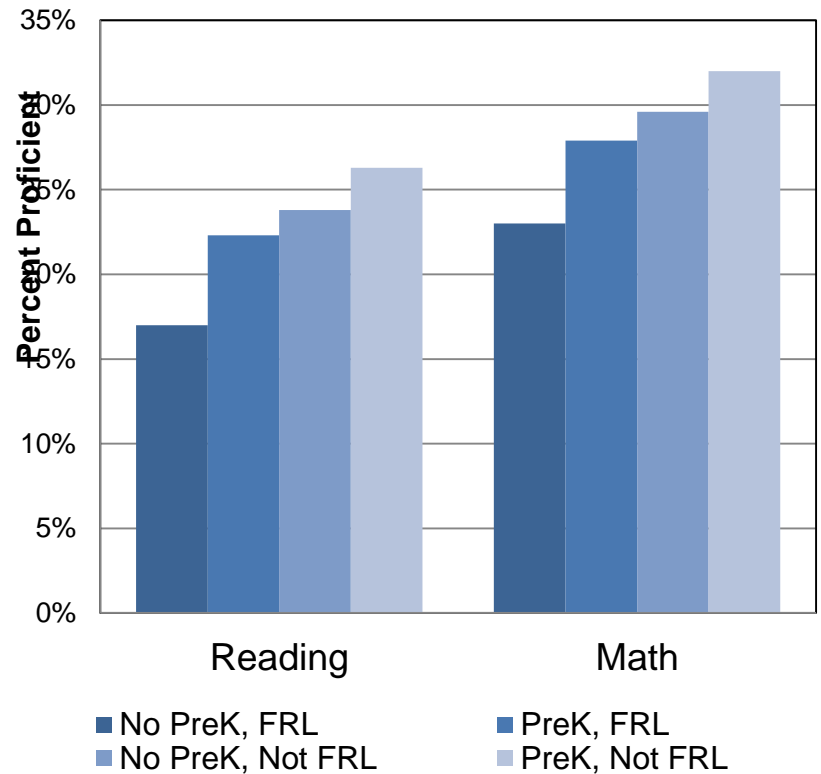


NM PreK and K-3 Plus

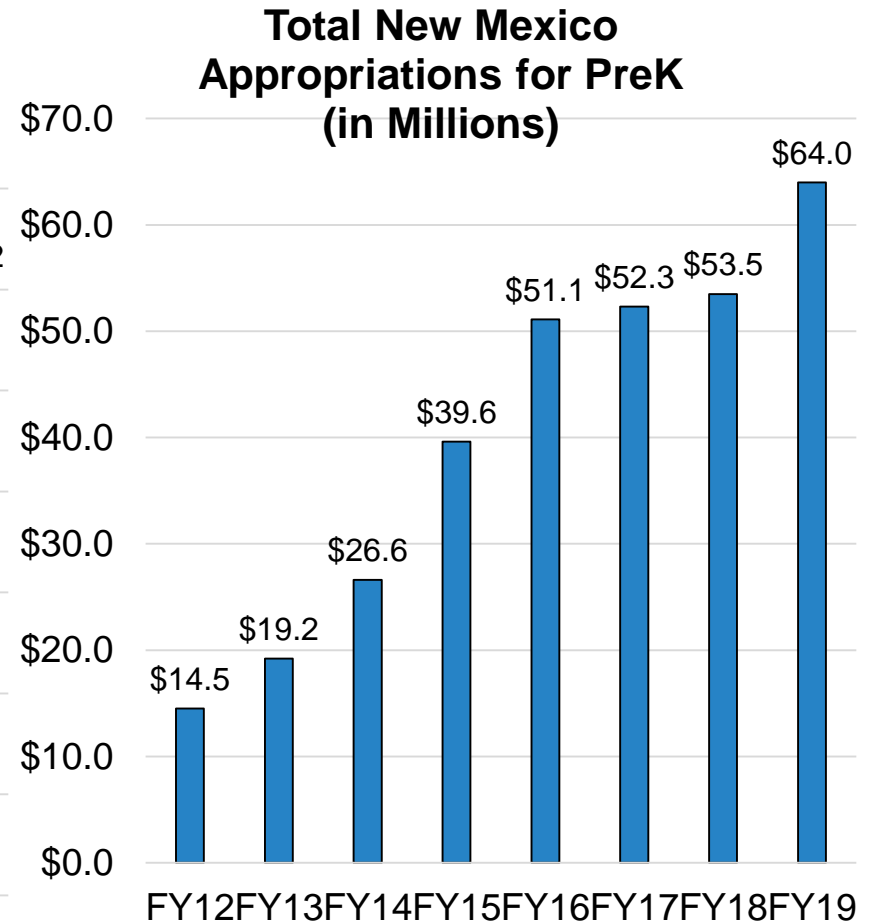
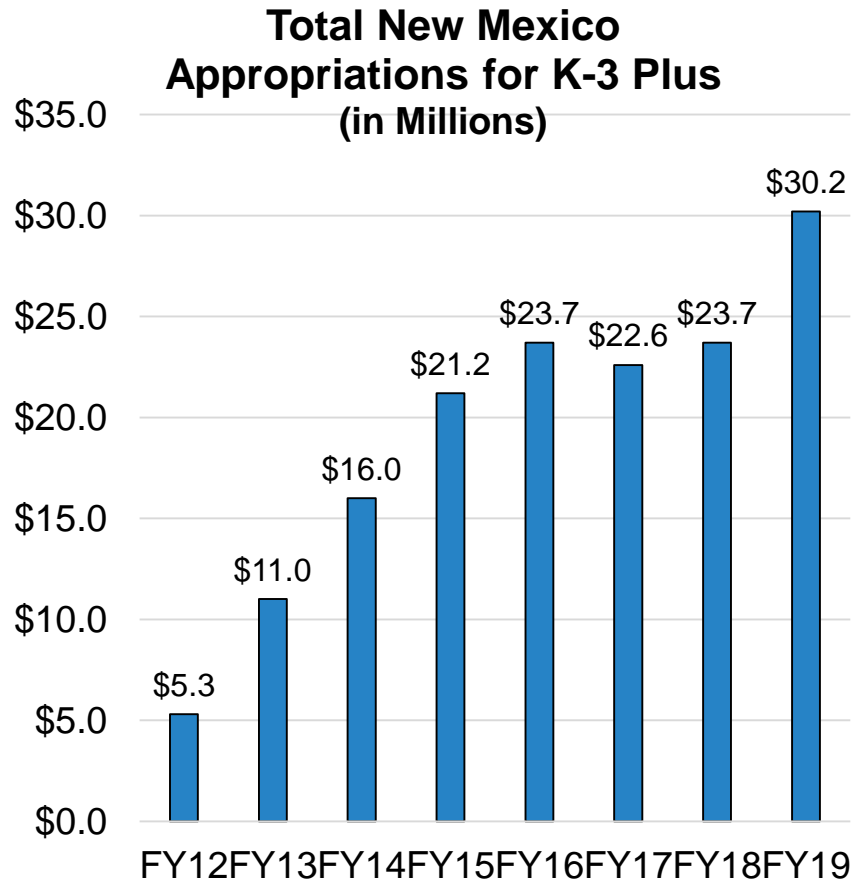
Closing of the achievement gap for Dual K3-Plus & PreK Participants in 2016



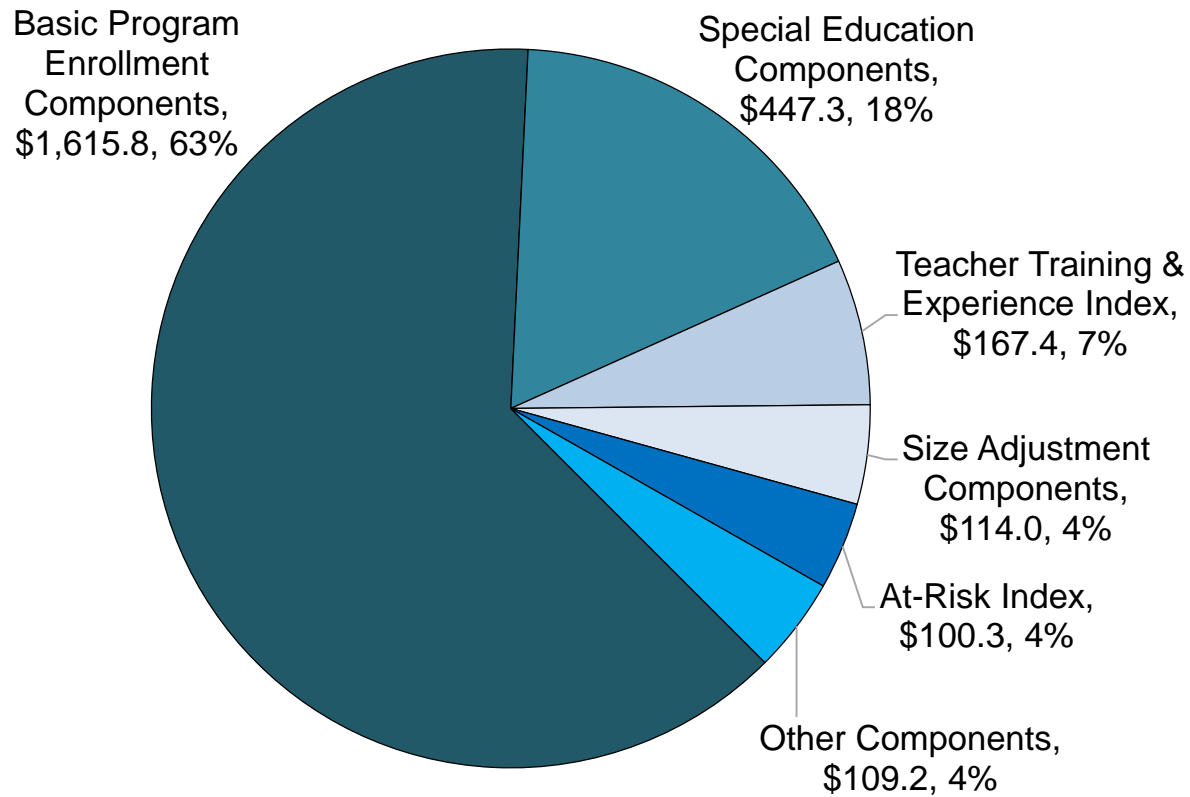
Student Third Grade Reading Proficiency by PreK Enrollment and Free and Reduced Lunch (FRL) Status, FY16



Fiscal Analysis and Investment Strategies



Fiscal Analysis



Legislative Focus: Public Schools

Recurring budget of \$3.2 billion for FY20, an unprecedented \$448 million (or 16 percent) increase from the prior year

Companion legislation significantly responding to Martinez and Yazzie v. New Mexico sufficiency lawsuit

Funding for at-risk students, extended learning time (longer school day and school year), bilingual and multicultural education, and rural schools

Six percent raises for all school staff and minimum salary increases for teachers and principals

Funding for school buses, instructional materials, and professional development

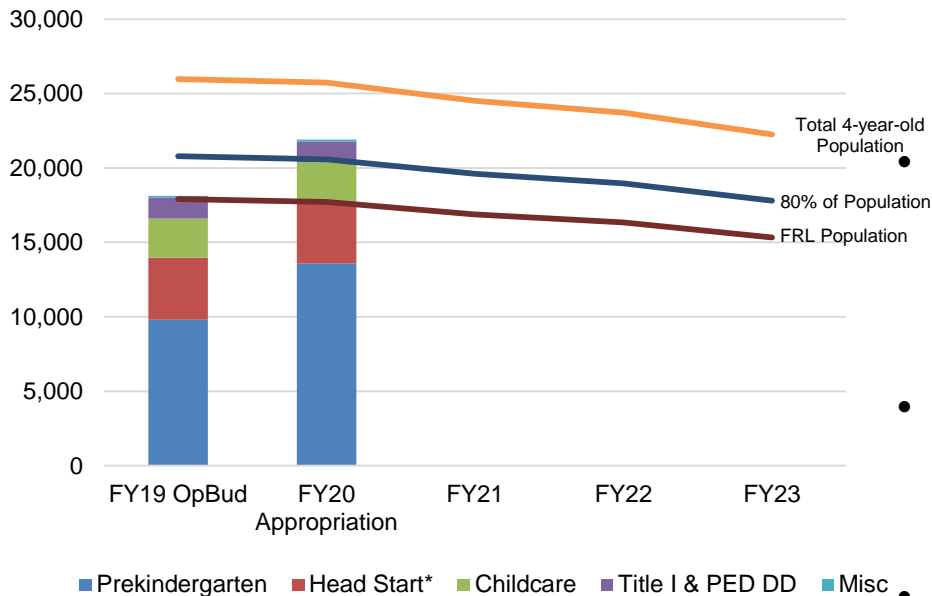
Funding to help teacher loan repayment, support adult basic education, and expand career technical education

LFC studies show evidence these programs improve student outcomes and will be game changers over time



Legislative Focus: Early Childhood

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.

Children accessing more than one service is <1,100.

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

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

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

FY20 appropriation is prior to governor action on HB2

- Over \$438 million for early childhood programs, a \$125 million (or 40 percent) increase from the prior year
- Excluding the extended school year K-5 Plus initiative, early childhood programs still up \$36 million (or 12.6 percent)
- Over 80 percent of 4-year-olds are funded for early childhood education and care services
- Legislation establishing a new early childhood education and care department



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For More Information

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

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