

**FOUR PILLARS:**  
Creating a World-Class Education System for New Mexico

**FUNDING TODAY'S SCHOOLS FOR NEW MEXICO'S CHILDREN:**  
Issues and Recommendations

## FOUR PILLARS: Creating a World-Class Education System for New Mexico

Education advocates profess an interest in creating a world-class education system for New Mexico, but we rarely define what that means or explore the common elements of education systems that are recognized as being “world class.”

For many years, the United States was revered as an education leader among nations largely because of three factors: our focus on educating the whole child, our access to universal secondary education and our success in expanding higher education opportunities beyond the elite class.

Today, however, other countries are taking the lead. Education experts note that this is not because the U.S. education system has gotten worse; rather, it is because our system has failed to evolve and respond to the challenges of our times.

Yet in New Mexico we remain committed to a vision of a world-class education system that does more than ensure our economic competitiveness; we also seek an education system that fosters democracy, advances society and promotes the rich cultural diversity of our state. We must sharpen our focus on a public school system that addresses poverty and promises to leave no child or family behind.

In a world-class education system, students learn how to:

- Work collaboratively;
- Think creatively;
- Incorporate higher-order thinking skills;
- Solve complex problems;
- Apply and analyze all forms of information, including current media and technology;
- Be skilled in listening and communicating across cultures; and
- Be aware of and able to evaluate the significance of world events and global dynamics.

If we are to understand what a world-class, globally competitive school system would look like, it is best to put aside many of the assumptions we now have about our current education system.

The recommendations of AFT New Mexico are crafted to move us closer to the policies and practices of internationally competitive and successful countries. Top-performing countries in international comparisons (for example, Finland, Japan and Singapore) have developed

strategies quite different from and opposite to strategies used in the United States. These successful countries have sought and accepted the advice of education experts; resisted the politicization of education policy; abandoned narrowly focused, test-driven standardized reform; and created public school systems that engage students, educators and entire communities.<sup>1</sup>

Commonalities among these countries include:

- Education policies and funding that emphasize equality of opportunity—that is, an allocation of resources with an awareness of students who are most in need;
- A focused alignment and vision of competent, qualified and caring educators from early teacher preparation in college and graduate school through an ongoing career in education;
- Student assessment that allows flexibility for teachers to respond to individual student needs in an ongoing “formative” process between the teacher and student, which emphasizes knowledge, not recitation, and is calibrated to measure student growth before teacher performance;
- Systems that balance centralization with decentralization;
- Trust in the professional experience of well-trained educators;
- Ongoing investment by society in the professional development of teachers throughout their careers;
- Freedom of expression and voice among educators who are represented by employee organizations.

One characteristic found in the top-performing nations is the participation of strong teachers unions in educational environments that are free of anti-union rancor. It is in the spirit of collaboration that AFT New Mexico submits these reports.

“Learning goes both ways. Other countries have learned a great deal from the United States, and now it is time for American educators to open their eyes to other nations’ globally-minded and future-focused practices, leverage existing assets, and create a truly world-class education system for this generation of students and generations to come.”

**—Vivien Stewart**

*A World-Class Education: Learning from  
International Models of Excellence and Innovation*

# FACTS: Professionalism and Respect

## Key for Success: A global perspective

In 2010 the Organisation for Economic Co-operation and Development (OECD), the Nation Center on Education, and national and international leaders embarked on a comparative study to discover what makes education systems successful and what the U.S. can learn to improve outcomes for students. A shared benchmark of high performing countries is that these countries have a high regard for educators as professionals and a culture of respect within their schools. Teachers are trusted to approach curriculum with a great deal of autonomy; they also have opportunities for research, development and curriculum design. Professional wages are universal.



**Maggie Reeder**  
Special education teacher  
Vado ES  
Vado, NM

"I work in a living skills classroom. My students have low academic, language and social skills. Most have physical disabilities and are on medication. These wonderful children are not my biggest challenge. My biggest challenge is the demonization of teachers in our education system.

"Administrators, parents, government agencies and even our very own students seem bent on blaming teachers for the social and economic failure all around us. We teach anti-bullying in the classroom but we can not seem to stop the bullying that we suffer as teachers."

## International examples:

### Finland

In Finland, ranked first in science and reading according to international standards, it is an honor to be teacher. Educators are given a highly regarded status in society and teaching is considered Finland's most respected profession and sought after career. Such status is not happenstance. In the 1980s, Finland made a deliberately created policy to make education an appealing profession. Finland created high standards and rigorous studies for aspiring teachers. In the classroom, Finnish teachers have a great deal of autonomy. Pay is not high compared to other European countries but is comparable with other professions. Over 90 percent of Finnish educators remain in the profession for the duration of their working life.

### Canada

Ontario (Canada), another high ranking country, places importance on culture, leadership, and shared purpose, rather than on accountability and incentives. Canada did experience a period of "teacher-bashing." Policy makers found this detrimental to school performance and made a concerted effort to end that era. Collaboration, teamwork and school-based innovation have since been key to developing solutions to improve education outcomes for diverse student populations.

### Japan, South Korea, and Singapore.

In Japan, teachers are by law some of the highest paid civil servants. But pay is not what attracts people to the profession; rather it is the status of being an educator. Similarly in South Korea, teachers are well-regarded as "nation builders." Japan as well as South Korea and Singapore value mentorship for new teachers. In Japan, new teachers receive a full-year of mentoring from an experienced teacher. That experienced teacher spends the whole year side by side with the new teacher.

### Sources

- "Lessons from PISA for the United States" (2011), <http://www.oecd.org/pisa/46623978.pdf>
- Teacher and Principal Quality, Center on International Education Benchmarking, (<http://www.ncee.org/programs-affiliates/center-on-international-education-benchmarking/top-performing-countries/finland-overview/finland-teacher-and-principal-quality/>)
- Sam Dillon, U.S. is Urged to Raise Teacher Status, New York Times, March 16, 2011

A world-class education system contains four pillars.



## FIRST PILLAR Professionalism and Respect

A world-class education system centers on a core value of respect.

A look at the global list of commonalities in successful school systems can be reduced to two words: professionalism and respect. School systems around the globe have elevated the place of education in their societies and recognized the professional status of teachers.

One element of professional respect is "voice." Educators in New Mexico feel they've lost a say in what happens in their classrooms. Curriculum is developed without them; they struggle with scripts and test-prep materials created by corporations with so-called experts who've never worked with children. The authentic use of testing as a measurement of student progress and need (*"Did my student grasp the math lesson in exponents and the English lesson in semicolons? Or do I need to re-teach?"*) has been replaced with a "gotcha" moment in teacher evaluation (*"This teacher failed to teach exponents and punctuation and therefore should be punished or placed on a path to removal"*).

Teacher evaluation does play a meaningful role in a professional environment. When done correctly, teacher evaluations offer professionals the opportunity for feedback and reflection on their work. An effective evaluation process also incorporates productive professional development opportunities.

In a world-class education system, educators are treated as professionals. This means they must be a part of any dialogue about education. The importance of collaboration cannot be overstated. In an educational setting, students absorb not only academic subjects but also lessons in how to work cooperatively



"My school consistently receives D and C grades because our students have learning and behavioral disabilities, and do not perform well on standardized tests. The first step to a better measurement of student growth is to ensure that those who set our education

policy have classroom experience. The second step in reform would be to use holistic assessment tools like student portfolios and teacher media portfolios. Then New Mexico should begin to fund education adequately, create state education laws to counter the mind-numbing deficiencies of No Child Left Behind, and decentralize administrative power from the PED to districts."

—Orion Cervi

Language Arts and Co-Head Teacher, Crystalline Alternative School, Taos



"I do many jobs from helping students with academics and physical therapy to changing diapers. My take home pay is \$570 per month. Yes, a month! We've had not even a cost of living increase in five years while our benefit payments continue to rise and my paycheck shrinks. But I've been told

my wages are decent! I was hurt on the job and could not live on Workman's Comp, so I had to drop my medical insurance. I am seeing a lot of employees hurt on the job. We need training to be more effective with our students and to avoid injury."

—Rhonda Law

Educational Assistant, Gil Sanchez ES, Jarales

with one another. Students emulate what they see in their environment. They need to witness creative collaborations and authentic teamwork among administrators, teachers and support staff.

Additionally, we envision an education curriculum that includes opportunities for students and the entire school community



# FACTS: Retention & Intervention

Retention alone (requesting or requiring that a student repeat a grade) is an ineffective method of raising student achievement and can have long term negative psychological effects on a child. The decision to retain a child should be rare, and made with input from the teacher and parent. Parents must be fully included in the decision-making process, and the social and emotional well-being of the child must be heavily weighed. Intervention programs that are targeted to students at risk of failure is a more effective approach than simple retention.

## Grade Retention

### Retention’s Long Term Effects Are Poor

- **Shane R. Jimerson, et al., “Winning the battle and losing the war: Examining the relation between grade retention and dropping out of high school,” *Psychology in the Schools* 39 (2002); 441**, available at [http://www.education.ucsb.edu/jimerson/retention/PITS\\_Drop-outRetention2002.pdf](http://www.education.ucsb.edu/jimerson/retention/PITS_Drop-outRetention2002.pdf). A systematic review of seventeen studies examining dropping out of high school prior to graduation demonstrates that grade retention is one of the most powerful predictors of dropout status
- **Shane R. Jimerson, “Meta-analysis of Grade Retention Research: Implications for Practice in the 21st Century School,” *Psychology Review* 30, (2001); 420-437**. Previous reviews of the impact of retention had found “Overall, the retained students had lower academic achievement, poorer personal adjustment, lower selfconcept, and held school in less favor than promoted students.” This study, updates the literature by reviewing 20 newer studies, finding results that similarly did not favor grade retention.

## Intervention

### Interventions That Help Children Are Necessary

- **Jennifer Sloan McCombs, Sheila Nataraj Kirby, and Louis T. Mariano, *Ending Social Promotion Without Leaving Children Behind: The Case of New York City (RAND 2009)***. The review of literature in this study found that retention alone does not appear to have long-term academic benefits for students. But programs that included interventions such as summer school have a more positive affect. Data from NYC’s intervention program found benefits from retention, but noted this was coupled with increased supports including tutoring and summer school.
- **William Mathis, *Review of Florida Formula for Student Achievement: Lessons for the Nation (June 2011)***, <http://nepc.colorado.edu/thinktank/review-florida-formula>. Places the Florida retention program in context of broader education policies. Retention was introduced at the same time as a number of other important reforms, including smaller classes, reading coaches and pre-literacy screenings. In addition, retained students received summer school, were give the opportunity to work with teachers with higher evaluations and other interventions.

to practice teamwork and problem-solving. Parents should be encouraged in well-crafted programs to participate in school activities, to communicate with educators and to join in their child’s learning.

A professional environment also requires fair compensation. We know that if we want to attract the best and brightest to the field of education, we must offer adequate salaries and a substantive career ladder. In New Mexico, salaries and benefits for educators are not competitive with the salaries these potential educators could find in the private sector.

A New Mexico teacher currently starts at about \$30,000 a year; after benefit payments and taxes, the teacher’s take-home pay is roughly \$1,700 a month. Statutory increases have not increased in five years, and few educators earn significantly more than \$50,000 annually.

Classified staff in New Mexico earn far below a living wage. In fact, the majority of educational assistants who work in New Mexico schools earn well under the federal poverty line of \$19,090 for a family of three.<sup>2</sup>

Often earning less than \$17,000 a year, many of these school employees collect food stamps and cannot afford the school system’s health insurance plans. Their children are among the 30 percent of New Mexico’s young people who live in poverty.

Most educators in New Mexico have not had a raise since 2008. At the same time, the amount these employees must pay for benefits like healthcare and retirement have risen significantly. Thus, educators are bringing home smaller paychecks every year. Many school employees have taken on second and third jobs. Others have quit or changed professions. All are demoralized.

In a world-class education system, all education employees would be paid a living wage, have access to affordable healthcare and



“Have you forgotten the public education employees? We love our jobs but we are the lowest paid employees in the state. I shop at thrift stores on discount days to have a wardrobe. I work at Library Services where I do all the accounting and ordering for the libraries district-wide. That is 600 accounts all together. I have to be responsible and accurate. And accountable, just like my legislators! We elected you to represent us. Please don’t forget us!”

—Carla Montañó

Acquisitions, Library Services, Albuquerque Public Schools



“The District keeps adding new schools but it doesn’t add classified employees to do the work. Custodial, secretaries, physical plant, nutrition services, warehouse/print shop, educational assistance—these are the people who keep the schools going. And it seems that when there is additional funding, the lowest paid employees never see the money. It trickles down from the top. It never makes it to the bottom. Our insurance rates went up and our take-home pay is less. I work a second job now. All I want is to be able to buy a house, and support my family and stop worrying about where our next meal is coming from. On \$20,000 a year, that’s not possible.”

—Sandra Romero

Secretary, Physical Plant Dept., Las Cruces Public Schools

be able to count on a modest but dignified retirement. In addition, a professional environment would encourage lifelong learning; professional development and training; constructive feedback and peer review; and job advancement.

# Observations from a Middle School History Teacher

Jim Coyle, Gadsen MS

I teach New Mexico History to 7th graders in southern New Mexico. My school district is 100 percent free and reduced lunch. The vast majority of my students are English Language Learners. I used to be able to teach most of the standards the state created for my position. Now the shift toward high stakes testing has radically altered the teaching and learning experience in my classroom. I am unable to teach my students half of what the state asks.

Today my biggest difficulty is students who are unprepared for my secondary class. Prior to high stakes testing, students arrived in 7th grade with a basic understanding of history as well as some social studies skills. But because elementary level instructors are now compelled to focus only on language arts and math, students come to my class with almost no knowledge of social studies. I have to teach basic skills like timelines, dates and map reading to students who should have been doing this work for years. I am expected to do this while also teaching my 7th grade content.

I could live with the lack of basic social studies skills when students come to 7th grade if they at least could read and write at grade level and do basic math. Unfortunately, this is not the case. Teachers have been so busy preparing students for the test that the students have become very limited in the scope of skills content they master. Additionally, when our students do gain knowledge, they very unsuccessful at applying it across the curriculum.



What has been created is a generation of students who cannot think for themselves and do not have basic skills or content knowledge. And tragically, they still are not passing the tests.

Another issue with high stakes testing is accountability. I have no problem with being held accountable for what I do. I have a huge problem being held accountable for what other people have, or have not, done. I can show with lesson plans, administrative evaluations, student evaluations and parental letters that I provide a meaningful education to my students. But with an evaluation system that is based (to ANY degree) on standardized test scores, all my success is pointless.

Politicians, the public and our “sound-bite-society” have attempted to reduce teaching to a score on a test. This is ridiculous. The idea that we even attempt to treat education like it’s a science is baffling. Testing companies and administrators can shout from the rooftops about “data-driven-instruction,” but no degree of shouting will change the fact that with all the variables faced daily, teaching is an art, not a science.

There are people who know how best to educate children. The teachers! Let them make the decisions.

One day, in my retirement, I imagine I will be sitting around with a bunch of other retired teachers and we will wonder, “What in the world did we do to those poor kids during the era of high stakes testing?”

**“If you want to give me more money, I will be happy to take it. But, truth be told, it would make me more comfortable but it’s not going to make me a better teacher. For that, reduce my class size. Get me a classroom assistant to do the copying and paperwork so I have more contact time with students. Create a fair evaluation system. And stop judging students, schools and teachers based on a test score.”** --Jim Coyle



## SECOND PILLAR Students As Individuals, Not Data Points

**A world-class education system recognizes that students are unique individuals and facilitates collaboration between educators, administrators and parents.**

Students are not standardized. They learn in different ways, and have varied needs and abilities. A world-class education system allows all students to reach their potential.

### Engaging curriculum

In recent years, New Mexico has made a commitment to overhaul its teaching curriculum by adopting the Common Core State Standards, which are designed to teach students how to think creatively and solve problems. The standards require that students work in an interdisciplinary manner and engage in complex thinking.

Implementation of the Common Core should not be undermined by a shortsighted focus on high-stakes standardized testing. Rather than focus on teaching to the test, we can focus on proper implementation of the Common Core. This requires extensive professional development, because the Common Core standards challenge educators to rethink the way they teach.

### Opportunities for expression

A world-class education system also acknowledges that students learn and express themselves differently. Students need to have the opportunity to engage in music, art and other creative activities. Physical education also plays a concrete role in student learning; physical well-being and teamwork are a crucial part of a student’s education.

“As a secretary for the Science, Social Studies and Career Technology departments at my high school, I observe a lot. Stress levels are very high, especially for new teachers. They don’t have enough time to teach everything that’s required; many are teaching to the tests. Learning should not be drudgery. Students learn when they are engaged in what they are doing. It should be fun! I watch the costs of standardized testing going up. If some testing was eliminated, there would be more money in the budget for things that inspire our young people.”

—**Virginia Kachelmeien**

Secretary/Clerk, Los Alamos HS, Los Alamos

“I teach history of New Mexico and the U.S., and I also coach girls sports, volley ball, basketball, track and soccer. I sponsor the school’s History Club which at the moment has about 34 members. I am also co-chair of the SAT team and a member of the All Hazards team. The daily challenge for our social studies staff is a very large class load. I see a total of 187 students every day. This is due to the lack of funding in hiring and keeping teachers. With increased funding, we could hire more teachers, do a better job instructing the students and lower the stress level which would improve instruction all the way around.”

—**Teresa Ortega**

History teacher, Chaparral MS, Chaparral

## Multicultural and multilingual education

A world-class education system promotes and respects a student’s own heritage and community, and also teaches students to engage and learn from peers who have different backgrounds. This is critically important in the 21st century. Schools should provide multilingual and multicultural education.



# FACTS: Class Size Reduction

Class size reduction is associated with improving student achievement and other beneficial outcomes. Smaller classes are particularly effective for at-risk students and can lead to overall improvements in teacher quality.

## Research Finds that Class Size Reduction is Associated With Improved Student Achievement

- US Department of Education, *Identifying and Implementing Educational Practices Supported By Rigorous Evidence* (2003), available at <http://www2.ed.gov/rschstat/research/pubs/rigorousetid/index.html>. In this document the US Department of Education identifies small classes in the elementary grades as among just four successful interventions it has found to be supported by rigorous evidence.

- Alan Krueger, *Economic Considerations and Class Size* (2002), available at <http://www.nber.org/papers/w8875>. This study reanalyzes previous reviews of dozens of class size studies and finds that when studies are given proper weight, there are consistent findings that class size reduction is associated with improved learning.

- Douglas Ready and Valerie Lee, *Optimal Context Size in Elementary Schools: Disentangling the Effects of Class Size and School Size* (2007). Using data from the early childhood longitudinal study, the authors find both benefits to small classes and that large classes carry substantial disadvantages for students in early grades.

## Class Size Reduction has benefits beyond test scores.

- Raj Chetty et al., *How Does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project Star* (Sept. 2010), available at <http://www.nber.org/papers/w16381>. An analysis of the long term outcomes of the Tennessee STAR class size reduction experiment finds that students who were in smaller classes in kindergarten were more likely to attend college, own their homes and have retirement savings later in life.

- Harold Wenglinsky, *When Money Matters* (1997), available at <http://www.ets.org/Media/Research/pdf/PICWMM.pdf>. An analysis of NAEP 4th and 8th grade results that found that students in smaller classes did better, and that in particular the 8th grade results were driven by the relationship between smaller classes and improved student behavior and discipline.

## Class Size Reduction and Teacher Quality

- Christopher Jepsen and Steven Rivkin, “Class Size Reduction and Student Achievement: The Potential Tradeoff between Teacher Quality and Class Size,” *The Journal of Human Resources* (2007). This study finds that while California’s statewide class size reduction program led to hiring of less qualified and experienced teachers, it still had positive affects on student achievement.

## But does it work?



Yes



Yes, if adapted



No

- Emily Pas Isenberg, Center for Economic Studies, US Census Bureau, *The Effect of Class Size on Teacher Attrition: Evidence from Class Size Reduction Policies in New York State* (2010). This analysis of class size reduction and teacher retention in New York state found that a reduction in class size from 23 to 20 was associated with a 4 percent increase in teacher retention.



**Bernagene Shay**  
**2012-13 NEA-NM Central Region**  
**Teacher of Excellence**  
**5th grade teacher**  
**Martin Luther King ES**  
**Rio Rancho**

“Five years ago I had 20 students in a classroom in the building. This year I am in a portable trailer with 26 students plus six special ed inclusion students. I do not have enough desks for all of my students. Nor would there be room for all of the desks when the children are all there. As our numbers increase, our resources decrease even faster. Often now I have only one textbook for every two students. We must find a better way to help our children. Don’t forget them. They are our future!”

## Meeting students’ physical and emotional needs

To be successful, students need to be nurtured physically and emotionally. It is well established that there is a direct correlation between students’ family income level and their likely performance in the classroom. Poverty is the biggest indicator of student success: An absence of resources has a negative effect on a student’s performance. For example, students who do not have adequate nutrition have difficulty concentrating; students who experience high levels of stress at home are likely to have difficulty processing information; and students whose families lack stability often have difficulty with attendance.<sup>3</sup>

A world-class education system must address the whole student. In New Mexico, where more than 30 percent of children live in poverty, this is critical. Students depend on reliable transportation, quality after-school care and nutritious school meals. A world-class education system commits to making these services readily available to students. Additionally, schools should be safe places where students, regardless of their economic background, can depend on caring adults, have access to social services and enjoy positive interactions with their peers through extracurricular activities.



“Along with tutoring and Spanish testing, I offer bilingual ‘parent and student support’ which means I help my kids to have clothes, food, heat and anything that’s needed. If they are homeless, I try to find a place for them. Meanwhile I am below the poverty level myself. I used to get stickers and treats for my students but I don’t have the money to do so anymore.”

—**Eleanor Chavez**

Educational assistant, Emerson ES, Albuquerque



“A child’s day starts and ends on the buses. We are the first and last people they see. We notice the stress on these kids. My fellow workers too are under an incredible amount of stress due in no small part to making ends meet, but also to managing a bus of 75 kids, sometimes with no AC. I would love to have a lawmaker drive with me for just one day! We are always losing drivers. This compromises the safety of the children. It’s hard to retain drivers when they don’t earn a living wage!”

—**Mercy Chavez**

Special Needs Bus Attendant, Las Cruces Public Schools

“Standard Based Assessment is not a good way to assess a school. Students, to have meaningful lives, need to know more than what is currently assessed, and they count on us to teach it to them. The assessments don’t measure what students with special needs actually know. Some Special Ed students are given tests that they cannot read!”

—**Al Prewett**

Special Education Teacher K-6, Bluewater ES & San Rafael ES, Grants

# FACTS: Early Childhood Education

A major body of research finds that early education improves student learning outcomes and can lead to a large variety of other economic and social benefits. Investments in early learning are cost effective for the public given the fiscal and economic implications of their long term effects.

- W. Steven Barnett, “Long-Term Cognitive and Academic Effects of Early Childhood Education on Children in Poverty,” *Preventive Medicine* 27 (1998); 204–207. This paper reviews 38 studies of the long-term effects of early childhood programs on children in poverty. Early childhood education is found to produce persistent effects on achievement and academic success. Head Start and public school programs produce the same types of effects as better funded model programs, but at least some of the effects are smaller. Head Start, public school preschool education, and education in high-quality child care programs offer avenues for public investment to improve the long-term cognitive development and academic success of children in poverty.

- Gregory Camilli, Sadako Vargas, Sharon Ryan & W. Steven Barnett, “Meta-Analysis of the Effects of Early Education Interventions on Cognitive and Social Development,” *Teachers College Record* 112 (March 2010); 579–620. Positive results were found for children who attend a preschool program prior to entering kindergarten. Although the largest effect sizes were observed for cognitive outcomes, a pre-school education was also found to impact children’s social skills and school progress. Specific aspects of the treatments that positively correlated with gains included teacher-directed instruction and small-group instruction, but provision of additional services tended to be associated with smaller gains.

- Rodney J. Andrews, Paul Jargowsky and Kristin Kuhne, *The Effects of Texas’s Targeted Pre-Kindergarten Program on Academic Performance* (2012), <http://www.nber.org/papers/w18598>. This paper assesses the extent to which a large-scale public program, Texas’s targeted pre-Kindergarten (pre-K), affects scores on math and reading achievement tests, the likelihood of being retained in grade, and the probability that a student receives special education services. Participation in the program is associated with

increased scores on the math and reading sections of the Texas Assessment of Academic Skills (TAAS), reductions in the likelihood of being retained in grade, and reductions in the probability of receiving special education services. These results show that even modest, public pre-K program implemented at scale can have important effects on students’ educational achievement.

- Henry Levin Clive Belfield, Peter Muennig, Cecilia Rouse, *The Costs and Benefits of an Excellent Education for All of America’s Children* (October 2006), available at <http://www.literacy-cooperative.org/documents/The-costsandbenefitsofanexcellented-foramerchildren.pdf>. This analysis identifies early childhood education as one of five interventions that can help reduce drop out rates. The authors find that the highest quality programs will lead to substantial reductions in drop out rates and that the long term financial and economic benefits – including better health, lower rates of incarceration and higher earnings – alone more than make the program cost effective.

## But does it work?

☒ **Yes**

☐ **Yes, if adapted**

☐ **No**



**Stephanie DeBellis**  
**Kindergarten, Emerson ES, Albuquerque**

“For children in poverty, pre-school is imperative. These children come from homes with no lights, bedbug infestations, no books. In preK, they learn how to sit, listen, use scissors, recognize letters and numbers, stand in a line. But only about 30 percent of my kindergarten class came from pre-school this year. The difference in preparation is glaring. For every \$1 spent in pre-school, the district saves \$10 in remediation. Special Ed is VERY expensive. So let’s catch these beautiful children when their brains are forming. It’s an investment in our future.”



## THIRD PILLAR The Right to Succeed

**A world-class education system offers access to high-quality educational opportunities throughout every stage of life.**

AFT New Mexico envisions a system that provides high-quality early childhood education; excellent K-12 educational opportunities, including vocational education; affordable higher education; and access to lifelong learning. Support for this system is driven by the understanding that education sets the stage for a vital state economy, a tax-paying workforce, social and family stability, and a flourishing culture.

### • Early Childhood Education:

Access to high-quality early education provides the foundation for children to succeed. Through early education, cognitive and social skills are instilled and the foundation for academic learning is constructed. There is a vast need for improving early education in New Mexico. Only 25 percent of children in the state have access to good, affordable early childhood education. Meanwhile, due to lack of funding, early education centers struggle to stay open, struggle to provide meaningful learning opportunities, and struggle to pay staff.

### • K-12:

To be successful, K-12 education should focus on the needs of the whole child. Subjects such as arts and music are a vital part of a student’s education.

Schools should enforce statutory limitations on class size so that educators have ample time to focus on each student’s needs. Overcrowded classrooms lead to class management and student behavior problems that can undermine every student’s experience.

“Teachers today consume huge amounts of time in tasks related to paperwork and data collection with no connection to a real scientific review of the data. In other words, the district’s decisions are based on meaningless data with dire consequences for student education. It’s time to discard the focus on ‘teaching to the test.’ Let’s begin truly educating our children with a wide variety of topics and opportunities for deep and thorough explanation.”

—Ellen Mills

Special Education teacher, Mountain Elementary, Los Alamos

Students who are struggling should be identified before the third grade and given access to effective early interventions. Retention alone is an ineffective method of raising student achievement and can have harmful long-term effects. Retention should only be part of an approach that includes extensive interventions prior to and during any in-grade retention. Intervention programs that are targeted to students at risk of failure are a more effective approach than simple retention. Strategic interventions should be available through high school.

Students should have a variety of electives available to increase their interest in learning, help them gain valuable life skills and sustain their momentum towards graduation. Students should have access to vocational education.

### • Higher Ed:

All New Mexico students should have access to affordable higher education. This includes access to locally based community colleges as well as four-year colleges and research universities. Public funding should be maintained so that higher education is an authentic option for New Mexico students—regardless of income.



# FACTS: Individual Merit Pay

Individual merit pay is an approach to compensation that ties a teacher’s salary and bonuses to growth in student achievement as measured by standardized tests. For centuries, educational institutions in England, Canada and the U.S. have attempted to motivate classroom teachers with merit pay. After all this time, there is still no conclusive evidence that students do better when teacher are singled out for extra pay.

## Merit Pay Doesn’t Raise Student Achievement

### • Teacher Pay for Performance: Experimental Evidence from the Project on Incentives in Teaching (POINT). 2011 Mathew Springer, et al.

The National Center on Performance Incentives and the RAND Corporation found that a pay for performance program in the Nashville Public Schools showed no significant difference between students whose teachers received merit pay and those who did not. More than

80 percent of teachers agreed that POINT “did not affect my work, because I was already working as effectively as I could.”

### • Teacher Incentives and Student Achievement: Evidence from New York City Public Schools. 2011. Roland Fryer.

This study analyzes a “school-based randomized trial in over two-hundred New York City public schools” to assess the impact of teacher incentives on achievement. It found “no evidence that teacher incentives increase student performance, attendance, or graduation” nor “any evidence that the incentives change student behavior.”

## Merit Pay May Undermine the Collegial Atmosphere Necessary for Effective School Teamwork.

• **Teacher Performance Incentives And Student Outcomes. 2000. Randall Eberts et al. Upjohn Institute.** Research that notes that merit pay may not be compatible with “the inherent nature of the educational process. Education involves multiple stakeholders, disparate and conflicting goals, complex and multitask jobs, team production, uncertain inputs, and idiosyncratic elements contingent on the attributes of individual students, the efforts

and attitudes of fellow teachers, and the classroom environments. The complexity of the process may tend to mitigate the student achievement effects of reforms based on individual incentive pay.”

### • “Merit Pay and the Evaluation Problem: Why Most Merit Pay Plans Fail and a Few Survive.”Murnane, Richard J. and David K. Cohen. (1986). Harvard Educational Review 56(1):1–17.

Perhaps the most important analysis of merit pay, this research found merit pay programs survive the real world of schooling when they are not seen by faculty as a stick that is wielded by the administration, and that it is more likely to be accepted when tied to work responsibilities rather than administrator judgement or student outcomes.

## Merit Pay Can Distort Professional Practices

• **The Illusion of Paying Teachers For Student Performance. 1999. Wellford W. Wilms & Richard R. Chapleau. Education Week.** This review of the history of merit pay highlights examples of how performance compensation, as far back as the 19th century, has led to teaching to the test and other changes in instructional practice designed to garner short term test gains.

## Merit Pay Programs Have Not Sustained Themselves

• **Hatry, Harry P., John M. Greiner, and Brenda G. Ashford. (1994). Issues and Case Studies in Teacher Incentive Plans. Second edition. Washington, DC: The Urban Institute Press.** A major study of merit-based pay found that most (75 percent) merit-pay programs that had been in existence in 1983 and had been studied by the researchers were no longer operational in 1993.

## But does it work?



Yes



Yes, if adapted



No



## PILLAR FOUR Sufficient Funding

A world-class education system is built upon reliable funding structures so that entire generations of children are not punished by periodic economic recessions. New Mexico’s founders understood the importance of education and implemented a constitutional mandate to “sufficiently fund education.” The founders understood that education would be the pathway to empowerment for even the most impoverished New Mexicans. Nonetheless, education funding in New Mexico has been on a downward trend. Per-student spending as of 2012 was down from 2008 levels which according to an LFC report from that year stated that education was still underfunded. As a result, educators are forced do more with less.

Programs and services continue to be cut even as school enrollment increases. Class sizes in many districts have far exceeded the statutory limits, which limits opportunities for all students. It is not acceptable to allow class sizes to exceed statutory limits when there is a funding shortfall.

Meanwhile, education is losing its attraction as a vocation—classroom stress has increased while take-home pay has decreased. To recruit and retain caring, competent and qualified individuals, and to provide them with the tools they need to be successful, we need to sufficiently fund education for New Mexican youth—from birth to career.



“For the past few years, we have not had sufficient funds for books and materials. This has a negative impact on how much our students learn, or do not learn, in the required curriculum. Let’s really put our children first. Do not allow education to suffer any more cuts.”

—**Mary Anne Rogers**

Pecos School District

“So much has changed in the last five years! Teaching positions have been cut and class sizes have increased. The art program is gone. Educational assistants have disappeared, so where there used to be two adults in the classroom, now there is only one. The custodial staff has been cut too, so maintenance in the school building has deteriorated. Students are now required to bring in classroom supplies that many families cannot afford, and teachers are expected to fill in the gap. As teachers take on more outside duties, we struggle to keep our focus on academics. Even though we haven’t had a raise in five years, we understand that teaching children is our priority. But what is the priority of the state?”

—**Libby Clinton**

Reading intervention teacher, Pecos elementary school,  
Pecos School District

“It is sad to see what has become of our economy. I make \$22,00 before taxes and I cannot afford medical insurance. I have colleagues who make much less. How are people supposed to survive on that kind of pay? Sad to say, we would be better off not working. We could go to the Income Support Division to collect welfare. We would get food stamps and housing, utility and cash assistance. Honest people with clean respectful jobs are in poverty. Can you please explain that to me?”

—**Patricia W. Espinosa**

Administrative Assistant, Facilities Department, Northern New Mexico College

### Bernagene Shay

#### 5th grade teacher, Martin Luther King ES, Rio Rancho

“High stakes testing has created a culture where the test is omnipotent. Learning is being ‘back-burnered’ to ensure that the students have good test-taking strategies. For the tests to be the means for teachers to receive pay increases is beyond ludicrous. It would be different if we followed the same students and ensured that they were making consistent annual growth. But comparing last year’s students with this year’s students is like comparing last year’s crop of apples to this year’s crop of blueberries. Sometimes it seems like the state wants to shut down the orchard altogether.”



# Letter to the State Legislature

## from a Custodian at Northern New Mexico College

December 11, 2012

To the State House of Representatives,

I live in Espanola, New Mexico and have been working for Northern New Mexico College for twelve years as a Custodian. I'm writing this letter today to inform the Representatives that the custodians here at the college haven't received a raise in five (5) years. I like my job and I enjoy coming to work every day. My job would be more enjoyable if I could earn a decent income. With the cost of living going up every day, I cannot live in today's economy without a cost of living adjustment.

I am a widow who is trying to support my son through college on my income. Since I lost my husband in 2011, I was not able to make my mortgage payments and I lost my home to a foreclosure. I have Multiple Sclerosis and refuse to let it take over me. I currently have no health insurance because I cannot afford the cost of insurance. It's either pay my medical insurance or pay my gas and light bill. I no longer take my medication or see a doctor due to not being able to afford medical insurance.

I urge the State to hear my plea and grant us a cost of living raise here at Northern New Mexico College.

Thank you for your attention to this critical issue.

Respectfully,

*Cindy Romero*



### RECOMMENDATIONS

- Find new revenue options for education and expand current options.
- Promote professional development around the Common Core standards.
- Pass a comprehensive teacher-evaluation framework that is based on student instructional needs and professional development.
- Continue to build on the career ladder created by the three-tier licensure system.
- Provide a living wage to all education employees.

### Endnotes

- 1 OECD Report, Lessons from PISA for the United States: <http://www.oecd.org/pisa/46623978.pdf>
- 2 U.S. Department of Health and Human Services, 2012 Federal Poverty Guidelines <http://aspe.hhs.gov/poverty/12fedreg.shtml>
- 3 [http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2010KCSpecReport/AEC\\_report\\_color\\_highres.pdf](http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2010KCSpecReport/AEC_report_color_highres.pdf) [Annie E. Casey Foundation report, Early Warning! Why Reading By The End of Third Grade Matters] pp. 15-21.  
2012 Federal Poverty Guidelines <http://aspe.hhs.gov/poverty/12fedreg.shtml>
- 3 [http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2010KCSpecReport/AEC\\_report\\_color\\_highres.pdf](http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/123/2010KCSpecReport/AEC_report_color_highres.pdf) [Annie E. Casey Foundation report, Early Warning! Why Reading By The End of Third Grade Matters] pp. 15-21.



*A Union of Professionals*

## **A CONTINUOUS IMPROVEMENT MODEL FOR TEACHER DEVELOPMENT AND EVALUATION**

With rare exceptions, teacher evaluation procedures are broken—cursory, perfunctory, superficial and inconsistent. Despite their deficiencies, such evaluations often form the basis for many consequential decisions, such as whether a teacher is deemed to be performing satisfactorily, receives tenure, or is dismissed for what is determined to be poor performance. Equally important, inadequate evaluation procedures miss a prime opportunity to systematically improve teacher practice and increase student learning. The American Federation of Teachers is proposing a way to change that.

Our framework for teacher development and evaluation has been created by union leaders from around the country, with input from some of America's top teacher evaluation experts. We propose regular, rigorous reviews by trained evaluators, including peers and principals, based on professional teaching standards, best practices and student achievement. The goal is to improve public education by helping promising teachers improve, enabling good teachers to become great, and identifying those teachers who shouldn't be in the classroom at all.

Teacher development and evaluation must be a vehicle to achieve the mission of public schooling. And that mission must evolve from the outmoded, industrial model of education that currently exists in far too many places, to a new paradigm that will prepare students for today's knowledge economy. In addition to offering students a rich and rigorous academic foundation, a well-rounded education includes helping students develop critical and creative thinking skills, as well as other skills that will prepare them to lead productive lives and contribute meaningfully to society. Their teachers must have a system of professional growth and evaluation that reflects the sophistication and importance of their work, which is the aim of the AFT's continuous improvement model for teacher development and evaluation.

### **Principles for Effective Teacher Development and Evaluation**

Any valid approach to evaluation necessarily will consider both outputs (test data, student work) and inputs (school environment, resources, professional development). And it must include deconstructing what is working and should be replicated, as well as what isn't working and needs to be abandoned.

Student test scores based on valid assessments should be one of the performance criteria, as should classroom observations, portfolio reviews, appraisal of lesson plans, and student work.

### **The Structure of the New Approach**

This new approach represents a shift in how we think about overall school-system quality. The education community as a whole and all of its actors are responsible for providing every student the opportunity to learn and thrive. Teacher performance is one element of system quality—but not the only element. Accountability and responsibility for quality lie with teachers, administrators, other school staff and other community members.

The following components comprise the AFT's approach to teacher development and evaluation:

- **Professional Teaching Standards.** Every state should have basic professional teaching standards that districts must use as the basis for how they evaluate teachers. These standards can be augmented to meet the specific needs of the community. Standards should spell out what teachers should know and be able to do.

- **Standards for Assessing Teacher Practice.** To assess how well teachers meet these standards, multiple ways to measure teacher effectiveness should be used (classroom observation, lesson plans and materials, portfolios, etc.). Students' test scores based on valid assessments should be considered by determining whether a teacher's students show real growth while in her classroom (not by comparing the scores of last year's students with those of this year's students). Other student outcomes also matter, including attendance, commitment, engagement and the mastery of life skills.
- **Implementation Standards.** Effective evaluation requires spelling out how the evaluation system works, including details such as how teachers are involved, who evaluates them and how often, what criteria will be considered, and how the results of the evaluation will be used.
- **Standards for Teaching and Learning Conditions.** A school must be conducive to teaching and learning for achievement to occur. Conditions that affect outcomes include teachers' time, facilities and resources, teacher empowerment, school leadership, professional growth opportunities, and the school climate and safety. All members of the school community are responsible for these conditions. These elements of a school's professional context should be assessed regularly.
- **Standards for Systems of Support.** Programs to support professional development and growth should be available throughout a teacher's career. Any teacher identified as not meeting standards must be given sufficient opportunity to improve. Professional development should be guided by the results of evaluations and include efforts such as induction, mentoring and coaching.
- **Accountability.** Once a valid and comprehensive system of teacher development and evaluation is in place, districts can formulate a fair process for tenure, career ladders and, when necessary, removal of ineffective teachers who do not improve.

Some observers may be surprised by the AFT's determination to lead the way to a more rigorous system of teacher development and evaluation that includes among its components frequent and consequential assessments and the use of student test results. However, teachers, as well as students, benefit when their colleagues are well prepared and supported, and suffer when they aren't.

The AFT recently asked our members: When your union deals with issues affecting both teaching quality and teachers' rights, which of these should be the higher priority—working for professional teaching standards and good teaching, or defending the job rights of teachers who face disciplinary action? By a ratio of 4 to 1, our members chose the former. They—and the AFT—want a fair, transparent and expedient process to identify and deal with ineffective teachers.

Teachers want to do the best for their students, they want to be treated as professionals, and they want their union to advance the quality of the teaching workforce.

The AFT proposal strives to achieve those aspirations by continuously improving and informing teaching so as to better educate all students.



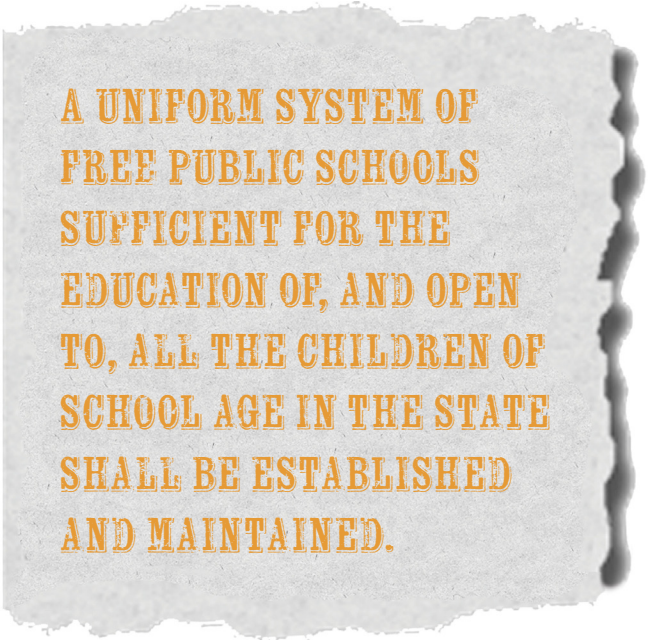
**FUNDING TODAY’S SCHOOLS FOR NEW MEXICO’S CHILDREN:  
Issues and Recommendations**

Article 12, Section 1 of the New Mexico Constitution mandates: “A uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state shall be established and maintained.” To fulfill this obligation, New Mexico has created a tradition of seeing that equitable resources are provided for education. New Mexico relies less on local dollars to fund schools than any other state except Hawaii and Vermont.<sup>1</sup> As a result, children in our poorest communities are more likely to have an equal share of education resources than similar children in other states.

This is a proud tradition, but even the most equitable distribution of funds is not enough when the level of funding is inadequate to the need. Three dynamics—the Great Recession, a growing population and a progressive decrease of enhanced funding for education from the state’s permanent fund—have caused a worsening education situation. We are now doing far less to meet the needs of our children than we have done in the past while their needs are rising precipitously. In addition, decreases in federal funding for programs that New Mexico’s schools rely on provides a fourth dynamic of concern.

The aftermath of the Great Recession casts a shadow on New Mexico schools and children. Simply put, the recession placed more of our families in poverty. Rising poverty created a greater need for public investment to keep children on the right track. At the same time, the recession robbed schools of resources to make that investment, which resulted in further suffering for our children. With the recession beginning to fade, many New Mexicans will seek to embrace a “new normal” of austerity and lowered expectations. We owe it to our children to build a different path by investing in their futures.

We believe that in past years New Mexico, like many other states, could have done a better job of investing in certain areas, including early childhood and K-12 education. In 2008, the American Institutes for Research found that New Mexico needed to increase funding by 14.5 percent in order to achieve an adequate and equitably financed system of public education. Rather than make that investment, the state has disinvested. We owe our children more.



The Great Recession’s Effect on Our Families: Poverty

To fully understand the situation of public education in New Mexico, it is essential to understand the impact of the Great Recession. It may sometimes be easy to forget the tectonic nature of the harm it has done to our society. Some facts:

- In February 2008, there were 909,260 jobs in New Mexico. By the worst moment of the recession for the state (November 2010), New Mexico had lost 51,254 jobs, more than one out of every 20. Since then, 9,400 jobs have been added, leaving the state with a deficit of 41,800 jobs; this has raised concerns because the state population continues to increase. <sup>2</sup>
- In 2007, there were 309,000 New Mexicans on Medicaid. As a result of the recession, that number had risen to 454,000.<sup>3</sup>
- In July 2007, prior to the recession, there were 231,000 New Mexicans receiving supplemental nutritional assistance. By July 2012, that number had increased to 440,000—90 percent more than in July 2007.<sup>4</sup>
- In 2011, New Mexico had the highest poverty rate in America: at 22 percent.<sup>5</sup>

The economic dislocation and unemployment resulting from the recession have had a negative impact on New Mexico’s families. In the short term, unemployment almost doubles the risk of mortality. In the long term, the unemployed have a 15 percent greater annual risk of mortality <sup>6</sup> caused by limited access to healthcare and a higher likelihood of social dysfunction. Job loss increases the chance of domestic violence in households<sup>7</sup> and also leads on average to large permanent reductions in family income.<sup>8</sup> The scarring effects of unemployment reach across generations. A study of the intergenerational effects of mass layoffs in Canada found that children whose fathers were laid off had 9 percent lower earnings as adults than children whose fathers did not experience employment shock.<sup>9</sup> As such, unemployment has dramatically increased the need for public spending on social supports nationwide.

The Great Recession’s Effect on Our Families: Foreclosure

One key element of the recession that sets it apart from prior economic slowdowns is its roots in the housing market. The impact of the housing slump is still being felt in New Mexico—four years after the recession began. In September 2012, the state’s foreclosure activity was still above the national average; the foreclosure rate in New Mexico was the nation’s 12th highest.<sup>10</sup>

As with joblessness, foreclosures coincide with the development of a variety of physical and psychological ailments. Communities with greater numbers of foreclosures experience higher rates of heart disease, diabetes and high blood pressure. One study found that more than a third of financial advisers working with people in foreclosure reported having at least one client who was considering taking his or her own life.<sup>11</sup>

For children, foreclosure has serious consequences, the worst of which is homelessness. New Mexico has the sixth highest proportion of homeless children in the nation.<sup>12</sup> Between 2007 and 2010, the number of homeless children in the state nearly doubled—rising from 8,500 to 16,000. Even if foreclosure does not result in homelessness, its effects on children are profound. Children who change schools, particularly midyear, have a higher chance of poor outcomes; moreover, students who are already in the classes that receive these mid-year transfers have increased chances of poor outcomes. <sup>13</sup>

The Great Recession’s Effect on Public Finance

In calendar year 2007, New Mexico had tax revenue of \$5.15 billion. That number did not change in 2008, but it slid to \$4.3 billion in 2011. Controlling for inflation, revenues in 2011 were 23 percent below 2007. In the first two quarters of 2012, revenues were better than 2011, but still far from reaching pre-recession levels.

State Revenues (in \$ millions)					
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2007	1,202	1,472	1,210	1,267	5,151
2008	1,138	1,562	1,185	1,267	5,152
2009	1,181	1,081	711	1,136	4,109
2010	1,042	1,238	806	1,305	4,391
2011	1,171	1,369	403	1,343	4,286
2012	1,256	1,403	NA	NA	NA

Population Growth

Overall enrollment in New Mexico’s schools continues to grow. Between 2008 and 2011, New Mexico had the ninth fastest rate of enrollment growth among states, gaining 9,000 students and growing at seven times the rate of the nation overall.<sup>14</sup>



“The District keeps adding new schools but it doesn’t add classified employees to do the work. Custodial, secretaries, physical plant, nutrition services, warehouse/print shop, educational assistance—these are

the people who keep the schools going. And it seems that when there is additional funding, the lowest paid employees never see the money. It trickles down from the top. It never makes it to the bottom. Our insurance rates went up and our take-home pay is less. I work a second job now. All I want is to be able to buy a house, and support my family and stop worrying about where our next meal is coming from. On \$20,000 a year, that’s not possible.”

—Sandra Romero

Secretary, Physical Plant Dept., Las Cruces Public Schools



United States Enrollment Changes, 2007-11									
STATE ABBR (SCHOOL)	TOTAL STU- DENTS (STATE) [2007-08]	TOTAL STU- DENTS (STATE) [2010-11]	Change	Percent	STATE ABBR (SCHOOL)	TOTAL STUDENTS (STATE) [2007-08]	TOTAL STUDENTS (STATE) [2010-11]	Change	Percent
TX	4,674,832	4,935,715	260,883	5.6%	MD	845,700	852,211	6,511	0.8%
DE	122,574	129,403	6,829	5.6%	AR	479,016	482,114	3,098	0.6%
CO	801,867	843,316	41,449	5.2%	MO	917,188	918,710	1,522	0.2%
SD	121,606	126,128	4,522	3.7%	WV	282,535	282,879	344	0.1%
KS	468,295	483,701	15,406	3.3%	NC	1,489,492	1,490,605	1,113	0.1%
VT	94,038	96,858	2,820	3.0%	MN	837,578	838,037	459	0.1%
WY	86,422	89,009	2,587	3.0%	IN	1,046,764	1,047,232	468	0.0%
OK	642,065	659,911	17,846	2.8%	HI	179,897	179,601	-296	-0.2%
NM	329,040	338,122	9,082	2.8%	WI	874,633	872,286	-2,347	-0.3%
NE	291,244	298,500	7,256	2.5%	PA	1,801,971	1,793,284	-8,687	-0.5%
TN	964,259	987,422	23,163	2.4%	MS	494,122	490,526	-3,596	-0.7%
LA	681,038	696,558	15,520	2.3%	MA	962,958	955,563	-7,395	-0.8%
IA	485,115	495,775	10,660	2.2%	MT	142,823	141,693	-1,130	-0.8%
SC	712,317	725,838	13,521	1.9%	CA	6,343,471	6,289,578	-53,893	-0.8%
NV	429,362	437,149	7,787	1.8%	FL	2,666,811	2,643,347	-23,464	-0.9%
AL	742,919	755,552	12,633	1.7%	IL	2,112,805	2,091,654	-21,151	-1.0%
VA	1,230,857	1,251,440	20,583	1.7%	NY	2,765,435	2,734,955	-30,480	-1.1%
GA	1,649,589	1,677,067	27,478	1.7%	AZ	1,087,447	1,071,751	-15,696	-1.4%
UT	576,244	585,552	9,308	1.6%	CT	570,626	560,546	-10,080	-1.8%
NJ	1,382,348	1,402,548	20,200	1.5%	RI	147,629	143,793	-3,836	-2.6%
ID	272,119	275,859	3,740	1.4%	NH	200,772	194,711	-6,061	-3.0%
ND	95,059	96,323	1,264	1.3%	ME	196,245	189,077	-7,168	-3.7%
WA	1,030,247	1,043,788	13,541	1.3%	OH	1,827,184	1,754,191	-72,993	-4.0%
KY	666,225	673,128	6,903	1.0%	MI	1,692,739	1,587,067	-105,672	-6.2%
OR	565,586	570,720	5,134	0.9%	DC	78,422	71,284	-7,138	-9.1%
AK	131,029	132,104	1,075	0.8%	US	49,290,559	49,484,181	193,622	0.4%

The Permanent Fund

New Mexico is blessed by abundant natural resources and the foresight of a U.S. Congress that created a Land Grant Permanent Fund (LGPF), 83 percent of which is owned by New Mexico’s public schools.<sup>15</sup>

The fund’s body comes from leases, royalties and disposition of millions of acres of surface land and mineral resources. <sup>16</sup> It still earns hundreds of millions per year directly from the land, but most of the current income comes from the fund’s investment returns. A portion of the proceeds of these investments are sent to the general fund and used, as appropriate, to fund public services.

The state constitution sets the amount of the fund body that can be used to pay for services in a given year. That number traditionally has been 5 percent of the value of the body. In 2003, New Mexico voters approved a temporary increase to 5.8 percent until 2012, and then to 5.3 percent between 2013 and 2016, with it returning to 5 percent in 2016. About 20 percent of funding for public education in 2012 came from the LGPF.<sup>17</sup>

The permanent fund suffered an initial shock during the start of the Great Recession, leading to reduced payouts in 2008, but it has recovered and according to recent reports, the body has regained its losses and is now at \$11 billion.<sup>18</sup>

Land Grant Permanent Fund Balances and Payouts 2001-12 (in \$ millions) <sup>19</sup>			
Fiscal Year	Beginning Market Value	Ending Market Value	Beneficiary Distributions
2000	\$7,312.2	\$7,931.0	\$344.3
2001	\$7,931.0	\$7,418.5	\$322.1
2002	\$7,418.5	\$6,696.1	\$283.1
2003	\$6,696.1	\$6,807.6	\$332.7
2004	\$6,807.6	\$7,636.4	\$400.7
2005	\$7,636.4	\$8,251.1	\$432.4
2006	\$8,251.1	\$9,099.0	\$477.6
2007	\$9,099.0	\$10,673.1	\$499.5
2008	\$10,673.1	\$10,270.4	\$462.2
2009	\$10,270.4	\$7,928.5	\$521.5
2010	\$7,928.5	\$8,846.4	\$525.5
2011	\$8,846.4	\$10,696.2	\$535.9
2012*	\$10,696.2	\$11,244.0	

\*Through Sept. 30, 2012.

Unfortunately, as the fund balance is rising, the amount being paid out of the fund is decreasing because the constitutionally scheduled enhanced payouts have begun to phase out. This decrease will take almost \$30 million from public education next year, assuming an \$11 billion fund, 83 percent of which is devoted to schools.



“Current SBA testing and data collection ignores multi-intelligence and learning styles. SBA testing is a torture season for many special education students. A bright student with autism, after a prolonged session of SBA math testing, jumped out of his seat and told me he was moving from “crazy one to crazy two.” He cried, ‘I don’t think I can hold on.’ Just the drastic daily schedule changes during the testing period create much anxiety with students, as well as emphasizing the whole issue of feeling inadequate. Educators need to return to teaching students rather than teaching to a test. Professional development time has evolved into learning to use the tools rather than perfecting the art of teaching. We need that time to refine teaching skills.”

— **Peggy Stielow**

Retired teacher, Rio Rancho School District

Great Recession, the child poverty situation in New Mexico worsened dramatically. In 2011, about 157,000 children (30.7 percent) in New Mexico lived in poverty.

We know that children in poverty struggle to succeed in school and need more intensive supports. Such supports, including smaller classes, provision of health and counseling services and summer learning opportunities, cost money. Yet the state of New Mexico has been a leader in disinvestment in our schools.

Child Poverty in New Mexico 2008-11			
Year	Children	Children in Poverty	Child Poverty Rate
2008	492,703	119,016	24.2%
2009	507,142	128,111	25.3%
2010	511,975	153,558	30.0%
2011	512,460	157,383	30.7%

New Mexico has had a 10.8 percent cut in real state aid per pupil since 2008, or \$814 per pupil according to the Center on Budget and Policy Priorities.<sup>21</sup> According to the center’s analysis, New Mexico spent, adjusted for inflation, \$7,513 per student in 2008 and only \$6,699 per student in 2013. Only 15 states have recorded harsher cuts on a percentage basis. Because New Mexico relies so heavily on state aid, the cuts are, on a dollar-per-pupil basis, the fifth largest

### The Impact on Schools

Previous sections of this report focused on how the recession increased the stress on New Mexico families while limiting the public’s ability to help. Nowhere is this dynamic more evident than in public education. In 2008, some 119,000 children (24.2 percent) of New Mexicans under age 18 lived in poverty.<sup>20</sup> Helping these children is a key challenge for our schools and our communities. As a result of the

Per-Pupil Spending			
	FY 2008	FY 2012	FY 2013
State Equalization Guarantee	\$2,273,000	\$2,225,000	\$2,274,000
Inflation Adjusted Total Spending	\$2,472,000	\$2,253,000	\$2,274,000
Pupil Count	329,040	336,361	339,406
Inflation Adjusted Per-Pupil Spending	\$7,513	\$6,697	\$6,699
Net Change Since 2008		\$(816)	\$(814)

Along with these cuts, school districts have seen greater shares of money earmarked for the Public Education Department’s initiatives.<sup>22</sup> This year, the Public Education Department will ask for \$60 million in recurring expenses, an increase of about \$20 million from last year. This “below the line” spending has made tough budget choices unnecessarily harder for school districts. We believe that education money is best spent at the local level where school boards have discretion and can work with educators and the community to set spending priorities and policy.

By the end of the last school year, New Mexico had cut a net of 1,955 full-time equivalent jobs from its public schools, with 1,570 of those jobs being instructional staff. Only six districts added staff.

In the coming years, New Mexico is expected to run surpluses. In the 2013 fiscal year, revenue is reported at \$254 million above the previous fiscal year’s spending levels.<sup>23</sup> For the 2014 fiscal year, the state is projected to have a \$282 million surplus.<sup>24</sup>

Having the state run surpluses while not investing in schools, given the cuts from previous years, is adding insult to injury. Now is the time to do even more to invest in the future of New Mexico.



“I have worked in the South Bronx, Harlem, San Francisco, Dallas and the Navajo Nation for years. I know a lot about at-risk children and how they fail. Legislators must focus on the root of the problem: the system is set up for kids to fail. Our kids can’t read or comprehend and once they’ve fallen behind, they rarely catch up. Meanwhile our legislature tries to turn our schools into machines run on a business model. It spends education dollars on technology and computers. Do you want your child to have a relationship with a computer, or with a caring person? Think of all the money that could be directed towards students instead of testing companies! Educators know what works but there is no money for it: small groups, individual support, classes to teach parents how to help their kids and literacy centers for parents and children that operate throughout the year. When will government concern itself with the very basics, like how kids learn to read?”

—**Kathleen Kurpiel**

Teacher, Chee Doge ES, Gallup



## Revenue Options

Moving forward, New Mexico has a number of options it can take to restore funding and thereby provide needed services for its children.

**Spend Surpluses on Education.** The states’ budget surpluses should be used to restore its per-pupil state aid and appropriated directly to school districts. This money is critical to getting teachers back in the classroom and should be put in the hands of local school boards that will know how best to spend it to serve students and the community.

Given the state’s strong cash balance<sup>25</sup> and business-friendly tax code, the most prudent course for the state is to invest the money in its students and schools. Along with helping students, the money will provide a jolt to the state’s economy whose employment growth is projected to be only 1 percent in FY 13 and 1.2 percent in FY 14.<sup>26</sup> Every dollar in government spending returns on average \$1.58 in economic growth.<sup>27</sup>

**Do No Harm.** When funds are insufficient, cutting taxes is not the solution. That means not passing any tax cuts that will exacerbate the pressures on services. While low taxes may be one part of a good business climate, research tells us that schools, roads and other public services are far more important.

We understand that some in the business community would like to see New Mexico change the structure of the corporate income tax in order to reduce taxes on New Mexico mining and manufacturing firms. While we believe there is an appropriate role for the state to support job creation by these New Mexico companies, this change, the “single sales factor” would likely benefit larger corporations at the expense of small business and public services.<sup>28</sup> We believe that lawmakers should avoid making this or other changes that will lead to further disinvestment in schools.

**Land Grant Permanent Fund.** The Legislature should place in front of voters an amendment to the constitution that increases the payout from the permanent fund to a level that restores school funding, allows for additional payouts for early childhood education and K-12 while providing safeguards to maintain the fund’s stability.

AFT New Mexico’s advocacy on this issue is well known. We believe the fund is a unique resource that should be put to work on behalf of our children and that it can be used to help build a system of supports from early childhood through college.

**Reform Corporate Subsidies and Tax Increment Financing.** New Mexico has several major state finance programs that ostensibly are designed to support job creation by companies in the private sector. Given that many of our current problems are the result of a lack of good jobs, it is vital for these programs to be effective. If they are not effective, and used to simply pad corporate bottom lines, they should be discontinued and the funds be put to better purposes.

A recent report by an economic development organization called Good Jobs First looked at five of the biggest state programs. It found that New Mexico lacked sound and consistent policies to ensure that subsidies were used properly. New Mexico earned a grade of D+ and only the Dakotas, Alaska and the District of Columbia had worse scores. In particular, New Mexico should be strengthening penalties, providing more active review of programs, and better

disclosing information about enforcement and regulation.<sup>29</sup>

**Return to 2003 personal income tax rate system.** New Mexico’s 2003 personal income tax cut disproportionately benefits the state’s wealthiest taxpayers. A family making \$22,000 pays the same personal income tax rate (4.9 percent) as a family making more than \$100,000. Since the enactment of the cuts, the bottom 40 percent of taxpayers have received no benefit while the state’s highest earners, (those making over \$295,000) averaged a \$13,277 tax cut.<sup>30</sup>

In 2009, New Mexico’s least-well-off families (those making less than \$13,000) paid about 12 percent of their household income in state and local taxes, while a family with an income above \$610,000 paid only 6 percent.<sup>31</sup> A restoration of pre-2003 income tax rates could generate as much as \$450 million in additional revenue.<sup>32</sup>

**Return to the 2003 capital gains tax system.** The state should include in this rollback a return to its pre-2003 capital gains tax and equalize the tax with New Mexico’s personal income tax. The current rate, at around 2.4 percent, disproportionately favors the wealthy. The vast majority of the benefit of the cut, 76 percent, has gone to New Mexicans earning more than \$200,000. A restoration of the pre-2003 level would generate \$51 million with a limited impact on the state’s economy as “there is little connection between lower capital gains taxes and higher economic growth.”<sup>33</sup>

**Combined Reporting.** The Legislature should build on the last session’s momentum<sup>34</sup> and pass a law that requires all of a corporation’s components that operate as a single business enterprise to be taxed as one entity. By treating the subsidiaries as one entity, New Mexico would no longer allow companies to gain tax benefits by transferring funds from one of their entities to another.

Every state west of the Mississippi River—with the exception of New Mexico and Oklahoma—mandate combined reporting.<sup>35</sup> Those states recognize that preventing multistate corporations from using tax shelters in Delaware or Maine is an issue of basic fairness for locally owned small businesses. Out-of-state companies that rely on New Mexico’s schools, roads, police officers, firefighters and courts to thrive should pay their fair share. Requiring combined reporting would generate between \$60 million and \$80 million to maintain and strengthen these vital services.<sup>36</sup>

**Taking Combined Reporting to the Next Level.** Combined reporting laws are an effective tool to prevent multistate corporations from sheltering income in U.S. tax havens, but they do little to affect the overseas “off shoring” of revenue. Massachusetts, Montana and West Virginia, however, extend combined reporting to income in those countries that have been designated by the federal government as tax shelters, such as Bermuda and the Cayman Islands.

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