

Title: **Think New Mexico Launches New Initiative To Move \$100M From Admin to Classroom**
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Think New Mexico Launches New Initiative To Move \$100M From Admin to Classroom

In a report released Oct. 8, Think New Mexico calls for moving more than \$100 million a year from school districts' central administrative offices to the classrooms where the learning takes place.

Think New Mexico's new report, "Improving Our Schools by Reallocating Dollars from Administration to the Classroom," seeks to solve the riddle of why New Mexico's student outcomes have remained stuck at the bottom of the nation even as our education spending has increased.

Between 1993 and 2014 (the most recent year for which data is available), New Mexico rose from 44th in the nation to 36th in the nation for total annual spending per student, according to the National Center for Education Statistics.

Earlier this year, the National Education Association, which represents teachers, ranked New Mexico second in the nation for spending on education per every \$1,000 of personal income. Yet our student performance continues to lag behind many states that spend less per student.

One part of the explanation is that only about 57.2 percent of New Mexico's education budget is dedicated to instruction. While there is very little correlation between total spending and student outcomes, there is a much stronger connection between the

proportion of a state's education budget dedicated to instruction and student performance.

In its report, Think New Mexico highlights districts across New Mexico that already outperform the state average in terms of graduation rates and math and reading test scores. These districts also tend to spend a high proportion of their budgets on classroom expenses, such as teachers, coaches, counselors, nurses, educational assistants, and school supplies, rather than on administrative expenses in the central district office. Outperforming districts can be found in every part of the state, and include Corona, Dora, Elida, Farmington, Gadsden, Hobbs, Logan, Los Alamos, Reserve, Roy, Tatum and Texico.

The report highlights Texico in particular, which is a district of about 560 students that has a 95 percent graduation rate and is consistently among the top 10 districts in the state for its math and reading scores, even as the median family income in the district is about \$10,000 below the state average.

While Texico is a relatively small district, ranking 48th of New Mexico's 89 school districts based on its enrollment, it ranks 18th highest for efficiency in terms of the percentage of its budget that reaches the classroom. In other words, Texico delivers a higher proportion of its dollars to the classroom than 30 larg-

er districts in New Mexico that enjoy greater economies of scale.

Think New Mexico notes that New Mexico's school equalization formula, in which the state funds 70 percent of the overall education budget (a higher proportion than all but two other states), offers a pathway to reform.

Because state taxpayers provide most of the funding for New Mexico's schools, it is appropriate for the legislature and governor to make sure that those taxpayer dollars are spent as effectively as possible.

Based on the examples of the state's most successful districts, Think New Mexico urges the legislature and

governor to establish minimum percentages of each school district's budget that must be spent in the classroom, rather than on administrative expenses.

The minimum percentages would vary based on district size, as larger districts with greater economies of scale should be able to spend a higher proportion of their budgets in the classroom.

The report notes that the Public Education Department already sets goals of having school districts smaller than 750 students spend at least 65 percent of their budgets in the classroom, and districts larger than 750 students spend at least 75 percent of their budgets in the classroom – but 50 of the state's 89 school districts currently

fail to meet those targets.

Think New Mexico recommends that "classroom spending" be defined to include not only instruction, instructional support (e.g., librarians), and student support (e.g., counselors, nurses), but also principals, since the research suggests that principals can have a powerful positive impact on student achievement.

If New Mexico were able to shift just 4 percent of its \$2.7 billion from administration to the classroom, it would mean an increase of over \$100 million for proven education reforms, from K-3 Plus to pre-kindergarten to better pay for principals and teachers.

Think New Mexico's report recommends specific strategies for achieving administrative savings.

For example, New Mexico currently spends about \$70 million per year complying with state reporting requirements, about two-thirds more than our peer states. If New Mexico streamlined its state reports, that alone could reduce its administrative costs by more than \$46.5 million a year.

The report highlights other savings that can be achieved by reducing specific categories of school district administrative costs, such as "central services" (e.g., business office, purchasing, warehousing, distribution, publishing, duplicating and human resources), where savings can be realized by increasing cooperative pur-

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chasing.

See **THINK** on Page A3

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Continued from Page A2 Similarly, Think New Mexico notes that some districts spend money on public relations and hired lobbyists, and recommends that this money would be better spent in the classroom.

“The success of New

Mexico’s high-performing school districts demonstrates that maximizing dollars to the classroom is key,” said Fred Nathan, Executive Director of Think New Mexico. “Our proposed reforms follow the example of those high-performing districts and seek

to replicate their approach throughout the state.” Think New Mexico will be advocating for enactment of its recommended reforms during the 2018 legislative session.

Think New Mexico is the nonpartisan, results-oriented think tank that led suc-

cessful campaigns to make full-day kindergarten accessible to every child in New Mexico, repeal the state’s regressive food tax, and redirect millions of dollars a year out of the state lottery’s excessive operating costs and into college scholarships.

