



MEDIA ALERT

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Administrative Spending Outstripped Classroom Spending in More Than Two-Thirds of New Mexico's School Districts Over the Past Decade

In 61 of New Mexico's 89 school districts, administrative spending grew faster than classroom spending over the past decade, according to a new analysis by the nonpartisan think tank Think New Mexico. Similarly, administrative spending grew faster than classroom spending in 50 out of 89 charter schools for which data was available.

Statewide, New Mexico's classroom spending grew by an average of 1.5% a year between 2006 and 2017. By contrast, administrative spending grew by an average of 2.1% a year over the same time period.

In its analysis, Think New Mexico defined "classroom spending" to include instruction (teachers, coaches, school supplies), student support (counselors, speech therapists, nurses), instructional support (librarians, information technology), and principals. "Administrative spending" included general administration (school board, superintendent), central services (business office, human resources, purchasing, warehousing, public information office), operations and management, and other support services (tax liability, emergency reserve, litigation costs). (The source data on charter and school district expenditures was provided to Think New Mexico by the New Mexico Legislative Finance Committee.)

Statewide, New Mexico spends an average of 57% of its education dollars on instruction, 13%, on student and instructional support, and about 30% on administration, according to the National Center for Education Statistics.

The difference in growth between certain sub-categories of classroom and administrative spending was substantial. For example, between 2006-2007 and 2016-2017, spending on central services grew by a total of over 41%. Meanwhile, the funds allocated to principals' office increased by a total of less than 4% over the same time period.

An example of one of the 61 school districts where administrative spending outpaced classroom spending was Albuquerque Public Schools (APS). In APS, classroom spending increased by an average of 0.8% per year over the past decade, while administrative spending grew more than twice as fast, 1.7% per year. That difference adds up with compounding: between 2006-2007 and 2016-2017, classroom spending in APS increased by 7.4% while administrative spending increased by 17.5%.

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By contrast, some of the state’s consistently high-performing districts like Corona, Los Alamos, and Des Moines grew their classroom spending at a faster rate than their administrative costs over the past decade.

Research indicates that how education dollars are allocated can determine how much impact that spending has on student outcomes. A 2003 study of 1,500 school districts in Arkansas, Louisiana, Texas, and New Mexico by the Southwest Educational Development Laboratory concluded that: “student achievement is linked to spending patterns, and money matters when spent on instruction.” The study found that, in general, high-performing school districts spend a larger percentage of their budgets on instruction and a lower percentage on general administration than lower-performing districts, and they also tend to employ smaller numbers of administrative staff.

Similarly, as Judge Sarah Singleton wrote in her 2018 ruling in *Yazzie/Martinez v. State of New Mexico*: “The evidence demonstrated that money spent on **classroom instruction programs** such as quality pre-K, K-3 Plus, extended school year, and quality teachers can all improve the performance of at-risk students and overcome the gap caused by their backgrounds.” (emphasis added)

Governor Michelle Lujan Grisham has supported the *Yazzie/Martinez* ruling and emphasized the need to get more dollars to the classroom, telling the *Albuquerque Journal* in a July 14, 2018 interview, “The administrative overhead in our schools is outrageous.”

During the 2019 legislative session, Think New Mexico is advocating for House Bill 77, which would limit the annual growth of school district central administrative spending to the Consumer Price Index (CPI) or the overall growth in the state education budget, whichever is lower. Classroom spending would not be limited. So, for example, if the governor and legislature were to pass a budget that increased overall education spending by 12%, and the CPI were 2%, school district and charter school administrative spending would be capped at 2% and all the rest of the new money would go to the classroom.

“As Governor Lujan Grisham and the legislature increase New Mexico’s education budget to address the serious shortfalls identified in the *Yazzie/Martinez* decision, House Bill 77 ensures that the lion’s share of every additional dollar will reach the teachers and students in New Mexico’s classrooms where the actual learning takes place,” said Fred Nathan, Executive Director of Think New Mexico.

HB 77 also directs the Public Education Department to publish a report each year showing how the percentage of each school district and charter school’s budget that was spent in the classroom so that parents and members of the public can see where the money is going.

More information, including the classroom and administrative growth rates of all school district and charters, is available on Think New Mexico’s website at: www.thinknewmexico.org.

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