DOCUMENT RESUME

ED 223 375 RC 013 639

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TITLE Effects of Declining Enrollments: A New Mexico Study.
SPONS AGENCY New Mexico State Dept. of Finance and Administration, Santa Fe. Div. of Public School Finance.
PUB DATE Sep 82
CONTRACT 70-S-191
NOTE 59p.
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Comparative Analysis; Cooperation; *Costs; Curriculum Problems; *Declining Enrollment; Delivery Systems; Elementary Secondary Education; Expenditure Per Student; Government Role; Innovation; Operating Expenses; Population Trends; Program Costs; School Districts; Small Schools; *Staff Development; State Departments of Education; *Teacher Certification
IDENTIFIERS Funding Formulas; *Impact; Impact Studies; Multiple Endorsements; *New Mexico; *School District Size

ABSTRACT

Because 66 of New Mexico's 89 public school districts experienced declines in 1981-82 enrollments and most were unable to decrease educational costs at the same rate as their decline in enrollment, the legislature requested a study on effects of declining enrollment and possible adjustments to the school distribution funding formula to cushion adverse outcomes. Current literature, interviews, and data compiled by the public school finance division over a 5-year period (1975-76 to 1980-81) provide comparisons and demonstrate trends. Statewide forecasts indicate that declines will begin abating within 3 to 4 years, but there will continue to be school districts experiencing major unpredicted decreases in population which cannot be easily addressed within the current formula for distribution of state funds. Although the degree of negative impact from declining enrollments varies, reports of educational deterioration in some districts must be of paramount concern to planners and decision-makers. To adequately address declining enrollment problems, increased leadership and assistance from agencies and institutions throughout the state are needed. Among the recommendations are: greater flexibility in determination of standards for teacher certification, especially in the area of multiple certification, and expansion of course offerings in remote areas and incentives for nontraditional delivery systems. (BRR)

EFFECTS OF DECLINING ENROLLMENTS:

A NEW MEXICO STUDY

Prepared for

Public School Finance Division
New Mexico Department of Finance and Administration

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September, 1982

Prepared under Contract Number 70-S-191 for the Department of Finance and Administration, Public School Finance Division, State of New Mexico, 1982.

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Preface

The 35th New Mexico Legislature, 2nd session, 1982, passed a memorial requesting a study of effects of declining enrollments in the state's public schools.

The memorial noted that sixty-six of the eighty-nine public school districts in New Mexico experienced declines in their 1981-82 enrollments and that most are unable to decrease educational costs at the same rate as their decline in enrollment. In as much as this places a financial burden upon these school districts, the Public School Finance Division of the Department of Finance and Administration and the Legislative Education Study Committee were directed to study the effects of declining enrollment upon these districts and to investigate possible adjustments to the school distribution funding formula to cushion adverse outcomes.

The purpose of this report is to assist the Department of Finance and Administraton and the Legislative Education Study Committee in their preparation of recommendations to the state legislature. Current literature is reviewed, related statistics are presented, field investigations are reported, recommendations are proposed, and areas of further study are suggested, with hopes that this document will prove valuable to the legislature of the state of New Mexico in its quest for educational improvement within the state's public school system.

Introduction

According to statistics provided by the Public School Finance Division, student enrollment patterns have varied widely throughout the state, with 1975-76 to 1980-81 five year increases as high as 38.3% in one district and decreases as low as -46.2% in another. An overall decline in student enrollment continues with wide ranging impacts on the quality of education. Enrollments in New Mexico, which began their decline in the 1972-1973 school year, have declined by approximately 5.8% over the five year period from 1976-77 to 1981-82. Statewide average daily membership declined 1.26% in 1981-82 from the previous year and is projected to decline an additional 1.48% in the 1982-83 school year. Decline has meant school closings, school district reorganizations, personnel reductions, program cutbacks, school and community anxiety, and inadequacies in curriculum and supplies in educational environments. These shifts, however, have also meant, in some instances, an increased community involvement, more future planning, reduced teacher/student ratios, and renewed efforts to improve the quality of education within New Mexico's schools. A carefully planned, insightful response to the challenges presented by declining enrollments can both mitigate many negative effects and possibly even promote some positive outcomes.

Until recently, growth and expansion have dominated the American economic system and, subsequently, the American educational system. Historically, success in America had been gauged by simple increases in numbers and a correlated belief that more must automatically be

better. In the 1950's efficiency and output were the basis for a new look at the success of educational programs throughout the country. Quality was determined by growth curves, increased enrollments, consolidations, and expansion.

As the post-war baby boom reached the schools, growth presented new demands on the educational community in unparalled proportions, creating shortages in facilities, in teachers, and in programs to meet changing priorities. As a result of increased school populations, as well as external influences like the launching of Sputnik, and subsequent fears of Soviet acceleration in technology, more money was made available to education, particularly for science and mathematics instruction during the 1960's. To produce a more advanced scientific workforce, technical education received increased public attention and greater financial support. The scientific challenge presented by the space race was addressed in America with expanded curriculum offerings, new facilities, modified teacher education programs, school district consolidations, and increased revenues. As the economy expanded, more and more money went to the schools to solve identified problems of expansion, both in programs and populations. High expectations, optimism, and public support characterized this period. Continued growth was not only expected, but welcomed, with the belief that these numerical increases were surely in the nation's best interests.

Since the mid 1970's, these conditions have been substantially altered, catching many educational planners largely unprepared. Shifts in family structures, postponed parenthood, smaller families, and demographic developments, such as high mobility rates, have changed the focus of today's educational personnel, but forecasters of

population growth were unable to predict many of these dramatic forces. Growth estimates as late as the mid-1960's mistakenly predicted future increases in population, failing to foresee economic, political, and social developments that would put millions of women into the work world, and would create movements for women's rights, ecology and zero population growth. Societal values shifted, with unregulated growth especially receiving wide attention throughout the nation. As new policies were formulated, eyes were increasingly focused on the ecological and economic dangers of haphazard expansion.

These trends and values have placed an entirely new, and unpredicted, set of priorities on the educational community. Public demand for increased services to students has also grown, including special education programs, vocational education and bilingual education. Likewise, public support for education seems to be diminished, perhaps partially due to the average age of the total population increasing, causing the number of persons with a direct interest in the schools to decrease. Approximately 71% of the American population does not have children presently enrolled in schools.

An inflationary economy, unemployment, reductions in resources, and changing values have now been translated into fewer births, and therefore fewer students in the public schools. Nationwide enrollment projections forecast a leveling off of enrollment declines by 1985. Elementary schools will experience new growth first, followed by secondary schools. According to a report by the U.S. Census Bureau, Characteristics of Children and Youth: 1980, rapid changes in the number of school-age children in the United States in the next 20 years will continue to place new demands on educators. Census Bureau

projections report that the number of preschool children will increase from 16 million in 1980 to more than 19 million by 1990, then decrease to about 18 million by the year 2000. The population of kindergarten and elementary school-aged children is projected to rise steadily from 30 million to 1980 to 35 million by the year 2000. High school-aged children (14 to 17 years old) will decrease from 16 million in 1980 to 13 million by 1990, but this population is then expected to rise again to 16 million by the year 2000.

An analysis of problems created in these times of declining enrollment and a discussion of their implications for educational planners follow. Strategies are developed to cope with these difficulties, including some suggestions for possible alterations in the funding distribution formula to meet local school district needs. With careful planning and foresight, many adverse outcomes can be forestalled, or possibly even turned to advantages. Hopefully this study will contribute to a broader understanding of the issues and problems involved, providing helpful direction towards constructive educational solutions in the state.

Analysis

Several methods were used to investigate implications of enrollment declines in New Mexico. Shifts in demographic characteristics and in district expenditures were analyzed using data compiled by the Public School Finance Division. For purposes of this study statistics for a 5 year period (1975-76 to 1980-81) will be presented to provide comparisons and to demonstrate trends.

In addition to this statistical analysis, interviews were conducted to provide insights from personnel of various agencies in the state, including the State Department of Education, the Legislative Education Study Committee, the National Education Association, the Public School Finance Division, and the School Boards Association. Discussions were also held with school administrators, and teachers and community leaders of selected large, medium, and small school districts. While these interviews were primarily conducted with representatives from areas experiencing declines in enrollment, personnel from other districts were also included to provide a balanced perspective.

Statewide Enrollment

The 40-Day Average Daily Membership (ADM) in New Mexico school districts was 258,934 in 1981-82, representing a decrease of 3,073 students from the previous year. These figures represent the average of the 20th and 40th day actual student membership, including all students enrolled in grades 1 through 12.

Table I displays pupil enrollment (40 day ADM) in New Mexico's public schools from 1976-77 to 1981-82. The rate of decline increased steadily from 1976 to 1981. Between the 1980-81 year and the 1981-82 year, this rate was somewhat slowed.

Table I

Pupil Enrollment, 40-Day ADM

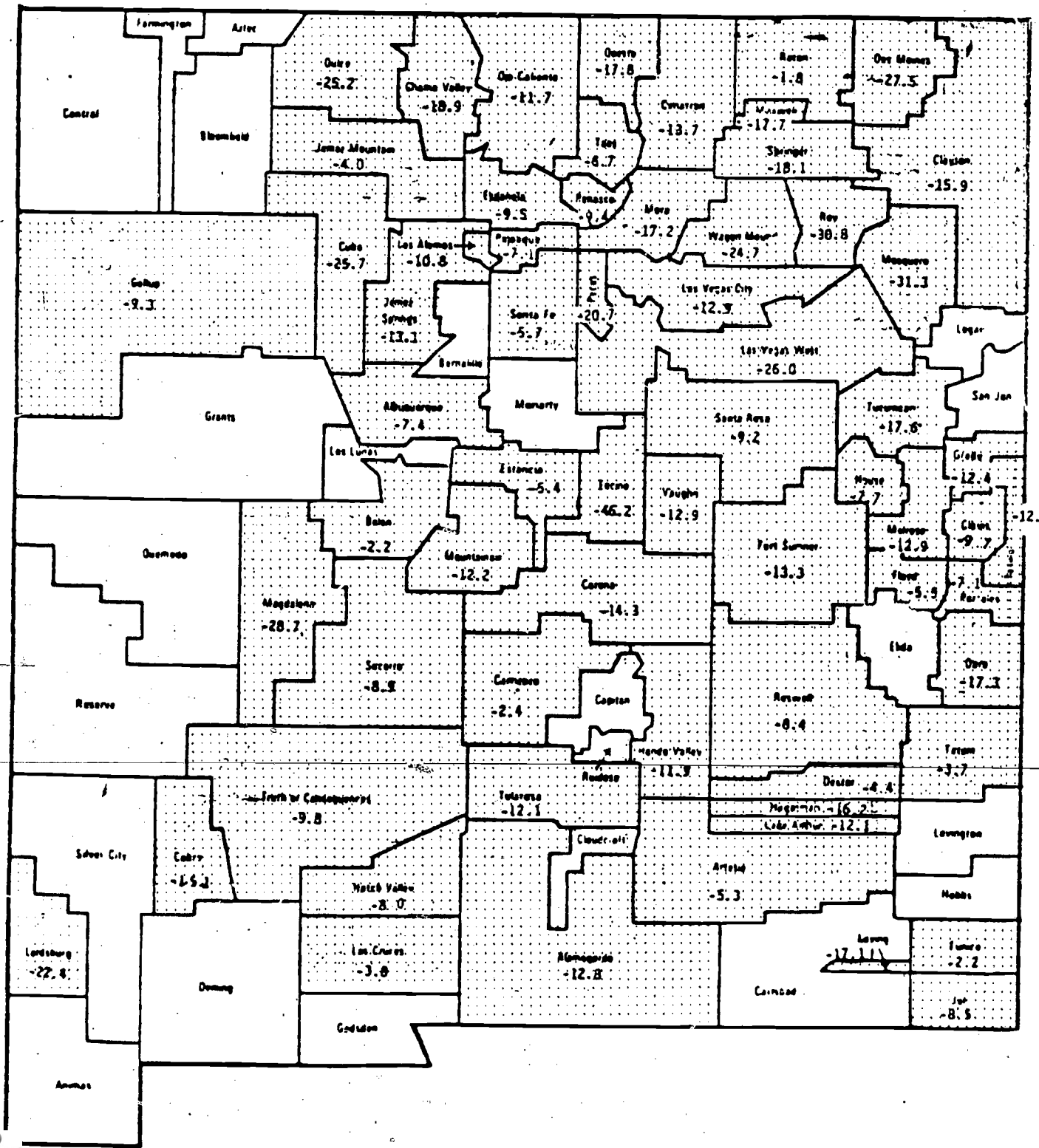
Year	Statewide Pupil Enrollment	Percent Change From Previous year
1976-77	274,918	
		-.84%
1977-78	272,596	
		-.94
1978-79	270,026	
		-1.32
1979-80	266,458	
		-1.67
1980-81	262,007	
		-1.17
1981-82	258,934	

A map of New Mexico school districts (Figure A) graphically demonstrates the extent of declining enrollment in the state, showing the districts affected, and the percentage of decline experienced by each in the five year period from 1975-76 to the 1980-81 school year.

Figure A: Declining Enrollment in New Mexico

Percentage Decline from 1975-76 to

1980-81



Operational Costs

The most direct impact of a declining enrollment is on school budgets. With allocations dependent upon student counts, during a period of decline, state funds are reduced primarily in proportion to a district's loss of enrollment. With "equalization" as a state goal, and a funding distribution formula driven by student membership, population shifts have created tension between the educational ideals and realities within the state's public school structure. Reduced operational funds do not correlate to reduced operational needs. Many fixed and semifixed expenses cannot be reduced in proportion to the decline, and the loss of revenue. While pupil/teacher ratios often drop somewhat during a period of decline, the need to provide teachers, administrators, rooms, heat, building maintainence, and insurance continues at approximately the same levels. The cost to educate twenty students in a classroom is not appreciably smaller than the cost of educating twenty-five students in a classroom.

Expenditures per pupil and percentage increases by year from 1975-76 to 1980-81 are presented in Table II. The dollar figures presented here represent net operational costs* per pupil, as published by the Public School Finance Division.

*Net operational costs are those essential for the operation of the instructional program.

Table II: Expenditures Per Pupil Per Year

Year	Expenditures Per Pupil	Percentage Increase
1975-76	$ 997	
		12.3%
1976-77	1,120	
		9.3
1977-78	1,224	
		13.6
1978-79	1,391	
		11.9
1979-80	1,556	
		14.1
1980-81	1,776	

Per pupil expenditures (net operational costs) have increased from $1,556 to $1,776 in the past year (a 14.14% increase). In the past five years (1975-76 to 1980-81) per pupil expenditures have increased from $997 to $1,776 (a 78.13% increase).

To better understand the real meaning of these dollar amounts, these statistics were adjusted to reflect effects of inflation during this same period. Using the Consumer Price Index calculated from July of one year to June of the following year (to correlate with the State fiscal year), the expenditures per pupil were recomputed to reflect the impact of inflation on the cost per pupil each year (See Table III).

Table III: Cost Per Pupil Per Year

Adjusted by Consumer Price Index

Year	$ Amount Adjusted by CPI at 1967 Constant Dollars	Percent Change
1975-76	598.18	
		6.5%
1976-77	637.09	
		2.4
1977-78	652.38	
		3.9
1978-79	677.78	
		-1.3
1979-80	669.10	
		2.3
1980-81	684.66	

The cost of education in New Mexico school districts based on net operational costs, appears to have increased an average of 12.25% annually over this five year period (See Table II). However, in light of adjusting for effects of inflation, increases in expenditures per pupil have only averaged about 2.8% annually over this time (as indicated in Table III). For the 1979-80 school year these expenditures actually decreased from the preceeding year.

Program cost is calculated by multiplying total program units by the legislatively determined "dollar per unit" value. Table IV shows the actual "dollar per unit" allocations granted by the state legislature over a recent six year period.

Table IV: Increases In "Dollar Per Unit" Allocation

Year	"Dollar Per Unit"	Percent Change
1975-76	$ 700	
		14.29%
1976-77	800	
		13.13
1977-78	905	
		12.71
1978-79	1,020	
		12.25
1979-80	1,145	
		9.17
1980-81	1,250	

These figures, when adjusted by the Consumer Price Index, demonstrate the value of these "dollar per unit" increases after adjustments for inflationary impact. Table V indicates these adjusted values.

Table V: "Dollar Per Unit" Allocations Adjusted by Consumer Price Index

Year	"Dollar Per Unit" Adjusted by CPI at 1967 Constant Dollars	Percent Change
1975-76	421.69	
		7.9%
1976-77	455.06	
		6.0
1977-78	482.36	
		3.0
1978-79	497.00	
		-.9
1979-80	492.37	
		-2.1
1980-81	481.88	

"Dollar per unit" values appropriated to school districts by the state legislature have averaged an annual increase of 12.3% over this five year period (Table IV). When adjusted by the Consumer Price Index this average increase is reduced to an annual average of 2.78% (table V). In 1979-80 and 1980-81 the "dollar per unit" allocations actually decreased when adjusted by the rate of inflation during these years. These inflationary forces, in conjunction with enrollment contraction, contribute to the problems of school districts trying to maintain quality programs within constraints of professional standards.

A major impact of declining enrollments coupled with inflation throughout the state has been a shift in demand for available revenue to meet rising utility costs. This now represents a major expenditure in every school district budget. Examples of these increased utility costs demonstrate the budget implications.

For example:

(a) Total statwide expenditures in the line item "Heat for buildings" have increased from $3,110,787 in 1975-76 to a budgeted $7,269,596 for the year 1980-81. This represents an increase of approximately 134%. The 1981-82 final approved budget increased this line item to $9,789,715 representing approximately 35% increase over the previous year expenditures.

(b) The line item "Electricity" has increased from $4,408,831 in 1975-76 to $9,828,472 in 1980-81, representing a five year increase of approximately 123%. The 1981-82 final approved

budget shows an increase to $11,669,375, which constitutes approximately a 19% increase over the previous year.

Major shifts in dollar allocations of this nature are not addressed by the current distribution formula. As a student driven formula that determines allocations on the basis of enrollment, there is no process for responding to such dramatically increased fixed costs within these categories with increased dollars to offset today's high inflationary rates. Moreover, with utilities increasing 19 to 35%, and state allocations for operational expenditures increasing approximately 12% (See Table II), fear has been expressed that a diminished proportion of revenue is available for meeting instructional needs.

Overhead Costs/Fixed Charges Compared to Direct Costs

The Los Alamos Public Schools conducted a research study to determine that amount of their budget accounted for by overhead costs and fixed charges, as compared to total operating expenses. The study concluded that those costs which are not altered by declining enrollment, (i.e., overhead costs and fixed charges), comprised 35% of their total operating costs for FY 81. This study prompted a similar investigation for this report, to determine if a similar percentage breakdown is reflected in other New Mexico school districts. The data presented in Tables VI, through IX were compiled by the Public School Finance Division to assist in this study.

Using 1982-83 tentative budget information, fixed costs and overhead charges were compared with direct costs for four groups of school districts to determine the percentage of school district

budgets each would represent. Group One consisted of those school districts with an ADM of less than 300. In these smaller districts, the total for fixed costs averaged approximately 40% of their budgets, while the total for direct costs averaged approximately 60%. This information is reported by district in Table VI.

This same information for school districts with an ADM of less than 500, revealing an overall 42% to 58% comparison between overhead charges and fixed costs to direct costs, is presented in Table VII.

Table VI: Overhead/Fixed and Direct Costs

As Percentage of Total for School Districts

With ADM Less Than 300

School District	Overhead/Fixed Costs (% of Total)	Direct Costs (% of Total)
Encino	52%	48%
Mosquero	49	51
House	42	58
Corona	44	56
Roy	36	64
Maxwell	20	80
San Jon	45	55
Elida	43	57
Wagon Mound	48	52
Des Moines	43	57
Grady	44	56
Floyd	33	67
Vaughn	43	57
Dora	44	56
Hondo	43	57
Lake Arthur	43	57
Quemado	44	56
Melrose	44	56
Logan	47	53
Cloudcroft	27	73
GROUP TOTALS	40%	60%

Table VII: Overhead/Fixed and Directs Costs as Percentage of Total for School Districts with ADM Less Than 500

School District	Overhead/Fixed Costs (% of Total)	Direct Costs (% of Total)
Encino	52%	48%
Mosquero	49	51
House	42	58
Corona	44	56
Roy	36	64
Maxwell	20	80
San Jon	45	55
Elida	43	57
Wagon Mound	48	52
Des Moines	43	57
Grady	44	56
Floyd	33	67
Vaughn	43	57
Dora	44	56
Hondo	43	57
Lake Arthur	43	57
Quemado	44	56
Melrose	44	56
Logan	47	53
Cloudcroft	27	73
Loving	45	55
Carrizozo	41	59
Reserve	37	63
Mountainair	45	55
Hagerman	47	53
Cimarron	43	57
Texico	44	56
Capitan	30	70
Fort Sumner	48	52
Magdalena	45	55
Jemez Springs	53	47
Tatum	45	55
Ojo Caliente	51	49
Springer	48	52
GROUP TOTALS	42%	58%

A comparison of overhead charges and fixed costs to direct costs for school districts with an ADM greater than 500 and less than 1000 demonstrates a 42% to 58% average comparison. Table VIII displays these percentages by district.

Table VIII: Overhead - Fixed Costs and Direct Costs As Percentage of Total for School Districts With ADM Greater than 500 and Less Than 1000.

School Districts	% of Total For Fixed Costs	% of Total For Direct Costs
Dulce	49%	51%
Jemez Mtn.	47%	53%
Estancia	42%	58%
Animas	38%	62%
Dexter	40%	60%
Pecos	41%	59%
Penasco	48%	52%
Cuba	41%	59%
Questa	46%	54%
Chama	55%	45%
Mora	40%	52%
Jal	37%	63%
Eunice	34%	66%
Santa Rosa	39%	61%
Hatch	42%	58%
Lordsburg	39%	61%
Clayton	43%	57%
GROUP TOTALS	42%	58%

Table IX: Overhead/Fixed and Direct Costs

As Percentage of Total for School Districts With

ADM Greater Than 1000

	Overhead /Fixed Costs (% of Total)	Direce Costs (% of Total)
Pojoaque	43%	57%
Tularosa	42	58
T or C	39	61
Moriarty	38	62
Ruidoso	41	59
Zuni	44	56
Socorro	46	54
Las Vegas West	48	52
Tucumcari	45	55
Raton	41	59
Cobre	44	56
Las Vegas East	44	56
Aztec	44	56
Portales	40	60
Taos	45	55
Bernalillo	46	54
Bloomfield	43	57
Artesia	41	59
Lovington	40	60
Deming	41	59
Belen	48	52
Silver City	43	57
Los Lunas	48	52
Los Alamos	45	55
Grants	49	51
Espanola	45	55
Central	44	56
Gadsden	41	59
Carlsbad	45	55
Alamogordo	45	55
Clovis	40	60
Farmington	41	59
Hobbs	40	60
Roswell	42	58
Santa Fe	44	56
Gallup	46	54
Las Cruces	43	57
Albuquerque	48	52
GROUP TOTALS	45%	55%

The overall relationship of fixed overhead costs to direct costs, statewide, is approximately 44% to 56% for 1982-83 projected budgets. Thus, approximately 44% of a school's budget does not change as enrollment declines. While these figures do vary considerably from district to district, they at least provide some basis for assessing the proportions of a budget that are not as directly affected by incremental changes in enrollment.

The variations between these percentages determined for smaller districts compared to larger districts suggests a relationship that is inconsistent with the popular assumption that fixed costs represent a smaller proportion of total costs in larger school districts. The smallest districts (ADM less than 300) average 40% of their total budgets for fixed costs. School districts with ADM less than 500 average 42% of their total budgets for fixed costs, while school districts between 500 and 1000 ADM average 42% also. Larger districts with ADM greater than 1000 average 45% of their total budgets for fixed costs. These data suggest that smaller school districts allocate <u>smaller</u> portions of their budgets to fixed costs. Arguments supporting school district consolidation as a method for lowering fixed costs and thereby saving taxpayers' dollars appear less compelling in light of these data. While these findings need further exploration and analysis to clearly assess all the implications, they provide interesting directions for further study. A close analysis of management practices in those small districts with fixed costs in the 20% to 43% range could conceivably provide helpful information to offer districts interested in reducing fixed cost expenditures.

Declining Enrollment Survey Results

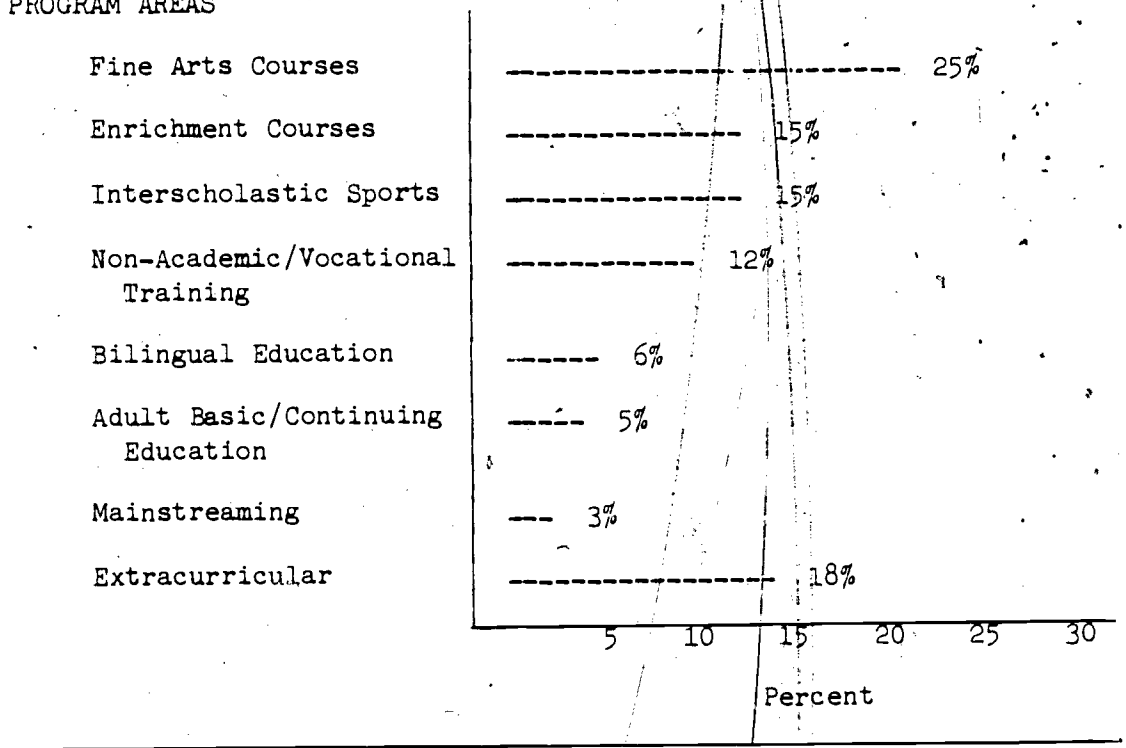
The most recent available study on declining enrollment in New Mexico was completed by Dr. Richard A. King at the University of New Mexico (July 1982). Sixty of New Mexico's school superintendents participated in the study, designed to further understand the implications of declining enrollments for public education in the state. These superintendents reported reductions of personnel and educational programs, perceived changes in quality of education, and the desirability of a change in the state funding distribution formula to mitigate effects of declining enrollments in their districts.

In Dr. King's survey, state superintendents indicated that reductions in staff have already begun (in 52% of these districts). An additional 25% of the respondents expect reductions to occur in the near future. Not only are school districts reducing personnel, with subsequent effects on educational programs, they are also faced with the unfortunate community and staff upheaval these reductions often entail.

Many superintendents suggested in free response questions that reductions in staff positions would occur before reductions in program. Program areas most affected by cuts have included, as indicated in Table X, fine arts courses, enrichment courses, extracurricular activities and non-academic vocational training, followed by bilingual education, adult basic and continuing education, and mainstreaming of special education students.

Specific program areas affected by reductions, or likely to be affected in the next three years, were tabulated. These results are shown in Table X.

Table X: Reductions in Programs



School district superintendents also reported their perceptions of changes in the quality of education provided in their respective districts due to declining enrollments during the past several years. More than half of the responses indicated that the quality of education has improved somewhat; 33% of the responses noted that quality has improved substantially. In further investigation of Dr. King's findings, conducted for this report, personal interviews with superintendents of selected districts throughout the state revealed that a primary cause of improvement in quality is often the reductions in pupil/teacher ratios created by declining enrollments. Increased individualization of instruction within smaller classes was perceived to result in higher quality of teaching.

Dr. King's survey also questioned the district superintendents to determine the degree of impact on student performance, teacher performance, pupil/teacher ratios, space utilizaiton and program offerings. Only two superintendents indicated considerable deterioration in any of the areas listed (program offerings). The most positive response was in the area of pupil/teacher ratios, which had been either enhanced considerably, or somewhat enhanced. In a free response question, answers indicated that the morale of students and teachers was perceived to be low due to the pressures generated by declining enrollments. The results of this questioning are displayed in Table XI.

Table XI: Effects of Declining Enrollment (% of Superintendents responding)

Characteristic	Enhanced considerably	Enhanced somewhat	No change	Deteriorated somewhat	Deteriorated considerably	No response
Student performance	5%	32%	37%	3%	0%	23%
Teacher performance	5	30	37	3	0	25
Pupil-teacher ratio	17	40	15	5	0	23
Space utilization	12	35	23	5	0	25
Program offerings	2	13	27	30	2	27
Other (student-teacher morale specified)	0	0	0	0	3	97

According to these superintendents, their declining enrollments have resulted in improved space utilization and pupil/teacher ratios. An argument could be made that these improvements account for student and teacher performance improvement as smaller, less crowded classrooms have created a better learning environment. Program offerings, however, have deteriorated, which might indicate that loss of funding has forced some school districts to decrease educational offerings to their students.

Declining Enrollment Strategies and Recommendations

While many creative ideas and suggestions were presented by those interviewed for this study, these strategies will not be comprehensively reviewed, unless they relate to a statewide program or require governmental support outside the local school district*. Recommendations will be proposed and explored in this section to assist in investigation of the problems presented by declining enrollments. An increased leadership role provided by a variety of state agencies and colleges of education is recommended to assist local school districts with problems created through declining enrollments. Retraining teachers for future roles, evaluating program directions, developing budget priorities, providing technical assistance, disseminating information, and improving communication need to be addressed by agencies and institutions invested in educational improvement.

In the 1981-82 school year, the State Department of Education found it necessary to issue 516 certification waivers to teachers assigned to areas which their certification did not cover. "Substandard," one year certificates were issued to an additional 311 teachers. Waivers and provisional certificates are issued to almost every district within the state, as so few are currently able to completely meet fully endorsed certification standards currently in regulation. (Only three districts in the 1981-82 school year did not require either waivers or provisional certificates.) For these

* For a more complete description of strategies for implementation at local and state levels, see King (1982).

reasons, a common and recurring theme among local administrators is the need for multiply certified teachers. Smaller school districts are especially pressed, given demands upon their relatively small staff to meet state minimum educational standards through providing the required variety of course offerings.

To date this problem has somewhat been alleviated through the issuance of temporary certificates and waivers by the State Department of Education. Teachers receiving temporary certificates and waivers are then required to complete university courses to achieve standard certificates in the additional areas they have been requested to teach. This places a particularly difficult burden on teachers in outlying areas of the state, where work and family obligations interfere with extensive travel to obtain additional coursework. Requests have been made for permanent or extended certification waivers, and for reductions in graduate course requirements for teachers seeking certification in additional areas. Fears that these stategies would lead to lowered standards of educational quality have caused the State Board of Education to resist these proposals and university planners to look with disfavor on program reductions for special situations.

The pressing need to address this problem, however, should not continue to go unresolved. As reported in the study "New Mexico's Very Small School Districts" (Swift, 1982), the top concern which prevents a comprehensive program, as reported by superintendents in small New Mexico districts, are multiple certification and endorsement barriers. Teachers are often required to teach in more than one area. Receiving second endorsements can be an extremely taxing problem. For example, a teacher with 54 hours in Social Studies, with

Social Studies teacher certification approved by the State Department of Education, can be faced with requirements to take an additional 24 hours to be certified in Civics through the program at the University of New Mexico. Taking two summer courses each year, it would involve 4 years of summer courses for this teacher to be certified in this closely related area. A careful examination of subject "cluster areas", with emphasis on streamlining requirements for second endorsements in a closely related subject area could be most beneficial to many New Mexico school districts. Math and Science combinations, Language Arts combinations, and Social Studies combinations, designed to alleviate some of these large course requirements for teachers seeking multiple certification, would minimize the need for so many waivers and temporary certifications. Program quality in the schools would not be jeopardized, and teachers would increase their ability to be responsive to the particular needs of the district by being prepared to provide instruction in a broader range of course offerings.

Another possible resolution of this dilemma, to ensure high quality teaching and to preserve the integrity of the profession, is the enactment of a new set of requirements for certification that would meet the needs of school districts while at the same time alleviate the travel, expense, and inconvenience of university attendance. Many teachers have both expertise and instructional competence in areas they cannot now be certified to teach, because they lack a given number of hours in university programs. Formal, inflexible standards might be replaced with on-site assessments of teaching expertise and skill. Supervised by the State Department of Education,

such assessment would be conducted on location in schools, with classroom observations, oral and/or written testing, professional recommendations, and conferences with the teacher and administrators. This evaluation process may possibly be as effective as current techniques for determining certifiablity of teachers, and would allow flexibity in current standards that often exclude quality teachers from teaching in closely related subject areas.

To insure a balanced, fair evaluation, on-site observation teams could include, for example, representatives from district administration and instructional staff, local community leaders, university and State Department of Education personnel. Cooperation from university education programs, State Department of Education, teacher associations, teacher centers, etc. could, in addition, be coordinated to provide instructional services, on-site training, and support services to teachers applying for multiple certification through this mode.

Certificates available on the basis of experience and ability could increase both the availability of competent staff and the quality of education. While a total revamping of certification standards might not be necessary, these proposals could be considered as a means for attaining certification in multiple areas, once a teacher has met standard requirements for initial certification.

Teachers who return to universities for additional course work currently receive extra salary compensation based on the number of hours successfully completed. Those teachers who might choose an alternate certification process would be working additional hours to obtain inservice training, to participate in evaluation processes, to compile supportive data, to spend time with State Department and

university trainers, and so forth. Additional compensation for this time should be included in local salary schedule plans at a somewhat reduced rate. For example, most additional certifications in secondary education require approximately 24 more hours of coursework. A teacher being certified through an alternate mode might be entitled to receive credit for salary benefits of half this number, adding 12 credit hours for purposes of salary determination. This type of strategy would provide extra incentive for teachers willing to work these additional hours for the benefit of their school district.

Colleges of education should also be encouraged to increase offerings in remote areas of the state, possibly through establishment of telecommunications networks or institution of more "on-site" courses. Incentives for such nontraditional delivery systems should be explored by the New Mexico Board of Educational Finance and the state legislature. Relaxed regulations on extension courses for state funding of post-secondary education, and increased funds to offset costs for travel or telecommunications networks, could be examined to find workable incentives.

The establishment of teacher centers, within school districts or on a regional basis, is another proposal worthy of consideration for the advancement of instructional expertise in the schools. Managed by practicing teachers, centers are already successfully operating in some New Mexico school districts to assist in skill improvement in a wide range of subject areas. Local teacher directed programs are often more successful training approaches because they can generate more support, interest, and trust than programs developed entirely outside the district. These programs, however, need the commitment and

cooperation of administrators and teachers, and they also need technical and funding assistance from the state. In conjunction with an earlier proposal, participation in teacher center activities, and completion of in-service training through the center, could then be considered by evaluation teams when conducting "on-site" assessments for multiple certification purposes.

Primary areas of impact in times of declining enrollments include the stress, uncertainty, and pressure created by shifts in priorities, programs, staff, and budgets. Many superintendents interviewed referred to these problems as among their primary concerns. Districts experiencing declining enrollment often find it necessary to compensate for the loss of funds by reducing program offerings. Fine arts, enrichment courses, vocational training, bilingual education, adult basic and continuing education, and special education mainstreaming programs have all been effected to varying degrees throughout the state. These impacts have been addressed with a wide variety of strategies, each distinct to the local needs and priorities of the districts. While many districts are to commended for their planning, creativity, and adaptability, the negative impacts of declining enrollment are nonetheless detrimental to overall educational quality.

Morale is of paramount importance in child centered environments where enthusiasm and investment are crucial to outcomes. The uncertainties created by declining enrollment can often lead to staff and community dissatisfaction, which influences students' attitudes and abilities to achieve. While positive district leadership can help to mitigate these effects, and sometimes can even turn them to more positive directions, this is an area where a coordinating agency like the

State Department of Education could impact outcomes. Adaptability and flexibility are key to this endeavor. Providing help in developing alternative schedules, in implementing dynamic approaches to in-service staff development programs, in promoting ways to encourage community support for the schools, and in widening communication throughout educational settings would promote positive attitudes toward constructively meeting these new challenges. Declining resources can either discourage and lessen commitments, or become a rallying, cohesive force to draw people together and strengthen their resolve. Central to meeting this challenge is support, from within communities, and from without.

Leadership and coordination must be provided to facilitate programming and planning within local districts. While more substantial funding would perhaps alleviate some of the problems confronted locally, this would not constitute a solution to a variety of other difficulties that need to be addressed. While solutions must be implemented locally, leadership in preparation, direction, and expertise is necessary to reduce trial and error approaches, and provide guidance that would eliminate false starts and wasted energy. The day to day realities of operating a school system often prevent the needed attention to long range planning required for an optimally functioning program. With these concerns in mind, the issues faced by declining enrollment in particular should be addressed more comprehensively through substantial investment of expertise from state agencies and universities.

Greater involvement of state agencies in identifying priorities and in implementing programs should enhance long range planning conducted by local district personnel, students, and community members. The importance of needs assessments and enrollment projections in district program planning and development cannot be understated. Currently, enrollment projections have been cooperatively developed by the Public School Finance Division and local school districts on an annual basis to provide information necessary for future planning. While some districts have been able to develop their own very sophisticated data projections, others simply make educated inferences based upon personal observations of migration patterns within their respective areas. A more coordinated and scientific approach throughout the state might be of great benefit to educational planners in the field.

A recurring theme expressed in interviews for this study was the desire to upgrade teaching skills and improve curriculum, to enable schools to more adequately cope with the problems of declining enrollment. In-service training programs for professional staff of each school could profoundly alleviate some of the negative impact of declining enrollment, as teachers and administrators learn new techniques and strategies for school and classroom management. Many school district personnel have expressed an interest in exploring new alternatives, and are willing to expend the extra time and energy needed to bring success to innovative endeavors.

In recognition of this need, State Department personnel have conducted a variety of in-service training workshops throughout the state. While the State Department of Education tries to offer assistance with

in-service training upon the request of school district personnel, many administrators are reluctant to request this assistance because of past negative experiences with department policies and personnel. The State Department of Education's role as monitor, accreditor, and evaluator creates friction with local district personnel that is somewhat inherent in the job performance and role expectations of the department. Negative experiences in this arena appear to impinge on requests for training and technical assistance from the department. In addition, the State Department cannot respond to each request for assistance in staff development or technical program assistance due to staff limitations. Approximately thirty to forty requests of this nature were denied just this past year.

Thus, the lack of availability, the generality of assistance offered in the past, previous negative experiences with the department, and reluctance to invite the state monitors' into a school (the mere invitation could be viewed as an acknowledgment of program deficiencies) cause the State Department of Education to be less effective in its efforts to provide training assistance to local school districts. Improved public relations, increased availability of staff to conduct in-service training, in more specific target areas, and increased visibility as a supportive agency offering services and guidance could help improve this unfortunate situation.

Given the present inability of the State Department to meet the educational training needs of some local school districts, a particular emphasis on operating as a referral agency for local districts to identify other organizations or sources of materials, resource people, and so forth, would benefit those districts requesting

assistance. A heavier concentration on the development of a sophisticated networking system maintained within and coordinated by the State Department of Education could be most beneficial to school districts working toward staff improvement and creative curricula.

As the state begins to achieve full service to all students eligible for special programs, enrollments in these areas have grown disproportionately. During the 1975-76 school year, there were 3,702 FTE (Full Time Equivalent) children enrolled statewide in early childhood programs (40/80 ADM). In contrast, in the 1980-81 school year there were 9,192 FTE children enrolled in these programs (40/80 ADM), representing an increase of approximately 148%. Similarily, enrollment in special education programs during this five year period, increased from 5,021 to 9,187, representing approximately an 83% increase.

New Mexico is to be commended for the developement of these most important early childhood and special education programs, especially given requirements for additional staff, and with smaller pupil/teacher ratios. As these and other educational programs become more individualized, pupil/teacher ratios must inevitable decrease to offer the improved quality of education sought by a concerned and caring populace.

The pupil/teacher ratio (PTR) for New Mexico school districts averaged 18.2 in 1980-81. This ratio includes grades 1 through 12 and special education classes. The ratio for grades 1 through 12, excluding special education classes, averaged 19.4. Comparing these ratios to the 1975-76 school year indicates progress in lowering

ratios, with a PTR five years earlier of 21.5 for grades 1 through 12, including special education classes. Excluding special education, the PTR for grades 1 through 12 was 22.3.

Arguments presented suggesting that the problems of declining enrollment should be met by increasing pupil/teacher ratios within our schools should be actively refuted. One of the major sources of educational improvement within the state has been the ability to reduce class size, to foster individualized programs that can meet the special needs of students. Problems of vandalism and crime, adolescent alienation, teacher burn-out, dissatisfied parents, community disrespect, and lowered academic standards are all addressed through reductions in these ratios. While it is true that some districts in more isolated areas of the state have excessively low pupil/teacher ratios, this difficulty is a joint function of location and low enrollments. Reluctance to eliminate programs from the curriculum is commendable in small districts struggling to keep quality offerings for their students. Rather than looking for strategies to eliminate this progress, educational planners need to continue their efforts to hold on to the improvements gained through years of hard work fighting for upgraded educational standards, including smaller classes.

A majority of school districts within the state have already had to face the need to reduce staff, and they will undoubtedly continue and even increase this activity as enrollment and revenue continue to decline. The desire to reduce staff as fairly and painlessly as possible is widespread. Wide participation in the development of Reduction in Force (RIF) policies, including teachers and community leaders, is central to acceptance of the inevitable need to reduce

staff. When these decisions are made indiscriminately, without guidelines generated from many sources, antagonism and recalcitrance are often the result. (The advantages of developing policies through consensus can far outweigh the disadvantages of additional time and energy spent in the process.) While the State Department of Education has taken an active role in assisting local school boards in the development of RIF policies, recommendatons on participatory procedures within the communities are also needed. The technical assistance being provided at present has been commended by educational leaders, but processes implemented by local school boards, on occasion, exclude input from school personnel and the community. Stronger leadership in this area could be highly beneficial to future attitudes toward educational institutions throughout the state. Teacher dissatisfaction can be reduced, community criticisms can be honestly met, and awareness of the tremendous difficulties being faced by educators can be enlarged through this process. Active support to broaden participation in decision-making from state and local leaders in education could serve to influence school boards' to not take the easy way out in their policy development processes.

Reductions in force are occuring as much as possible through attrition, as employees retire or leave the schools for other reasons. High stress created by RIF needs to be mitigated in every way possible to maintain morale, and provide stability to whatever extent is feasible. One way to achieve this goal would be to strive for inducements within the retirement plan to encourage early retirements. This has already been somewhat achieved by the 1981 change that allows

retirees with 30 years service, rather than 35 years service, to retire with full benefits. Reducing years of service necessary for retirement tends to promote earlier retirements, suggesting that further reductions in years of service required would continue encouraging this trend.

A second area for study in this regard is a form of payment for accumulated sick leave. Four school districts (Springer, Jal, Dexter, and Belen) currently have devised such incentives. Lump sum payments for accumulated sick leave upon retirement, especially in this era of high inflation and tight money, are high motivators for potential retirees. Retirement bonuses are being implemented in many states where declining enrollments have been severe, with high levels of success in reducing the work force with minimum amounts of stress and dissatisfaction. Further investigation is required to determine the feasibility of implementation of these suggestions.

Another area of major concern, especially aggravated in times of declining enrollments, is the need to develop shared services between districts, particularly in the more isolated areas with smaller numbers of students. Some school districts have, over the years, developed cooperative programs for sharing, including jointly hiring staff who then travel between schools, and they have offered specialized programs for students of both districts.

While financial inducement for encouraging these activities appear to be supported by the majority of districts experiencing decline, reports of the problems involved in this approach are also abundant. Where such approaches have been implemented, they have often been abandoned after experimentation because they created more

disharmony and disorganization than was acceptable. Concerns regarding which district is responsible for evaluation and payment of a commuting teacher, the amount of time spent in traveling versus the actual amount of teaching time, the disruption of schedules within the schools involved, and jealousies surrounding the credit for success or failure of programs have created considerable disenchantment with this approach. Total abandonment of these strategies would be most unfortunate, but the problems incurred locally must be appreciated also. While the difficulties encountered do not seem totally insurmountable, it would be most useful for these issues to be examined and solutions developed which could assist local school districts in their dilemmas. State level support through a coordinating agency (e.g., intermediate unit) made available to districts wishing to implement such programs seems worthy of further consideration.

Modern technology appears to offer additional hope for means of developing cross-district sharing of resources. Satellite television hook-ups and computers have created considerable discussion as possible strategies that might be implemented at the local level. A summer "Smallest Schools" workshop (July, 1982) explored possible use of high technology equipment. Participants expressed strong interest in investigation in the use of satellite dishes, dedicated telephone lines, closed circuit television, and software for microcomputers. Here again, a centralized organizational system to assist in investigation, compilation, and dissemination of information might offer very constructive assistance to school districts investigating methods to develop alternative modes for improving local programs through shared services and cooperation.

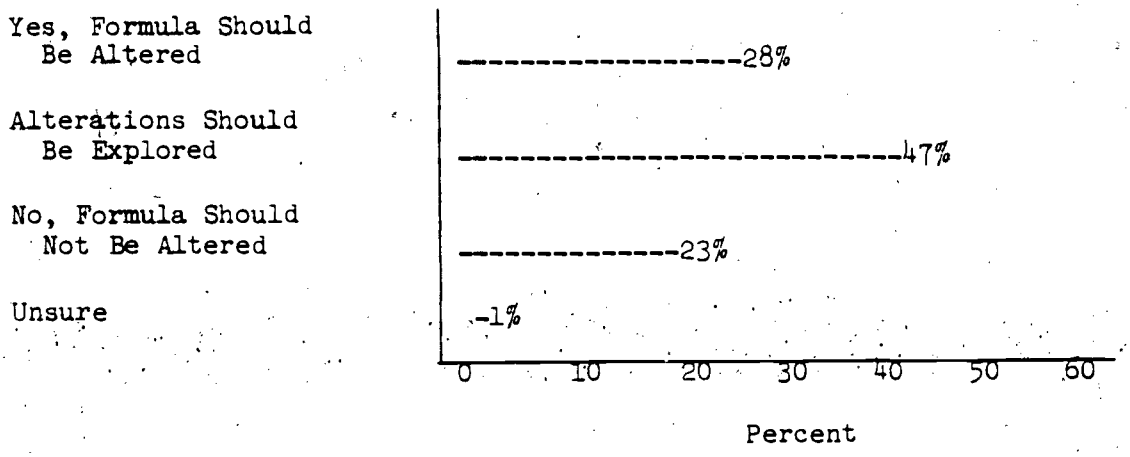
Adjustments to School Funding

The New Mexico funding distribution formula represents a major accomplishment achieved through the efforts and cooperation of many concerned, foresighted, and knowledgable planners. The driving concept of "equalization" has been nationally acclaimed and emulated. The method of distribution of public school funds, and the share of state dollars being appropriated to education (projected to be 51.5% of the General Fund revenues available in 1981-82) have promoted many viable, strong programs.

The formula, however, is not a static instrument. Since its inceptive in 1974, it has been modified to adapt to changing needs of school districts and to statewide changes that impact educational priorities. Large declining enrollments clearly qualify as a force which has caused profound educational impacts; consequently interest has grown in studying possible alterations in the formula to be responsive to the needs of school districts affected greatly by losses of students.

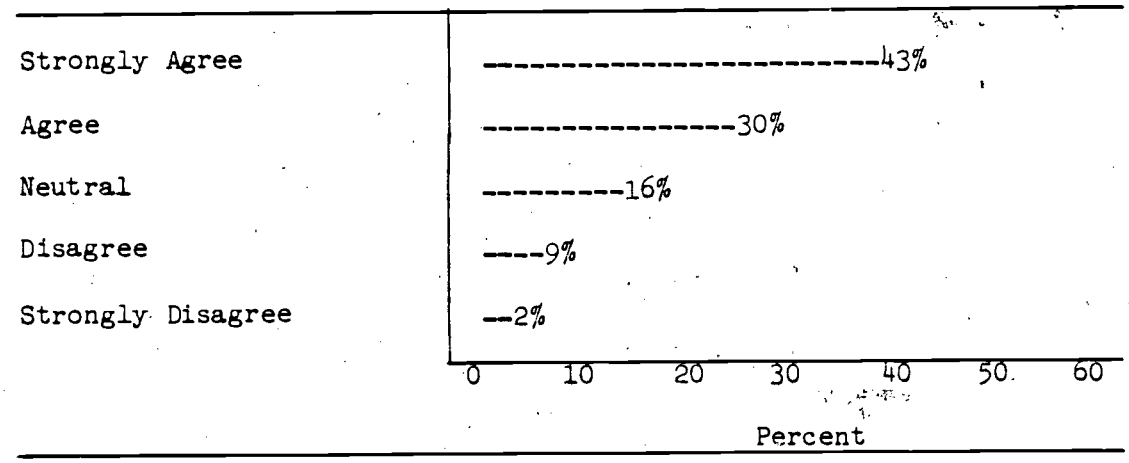
Asked if the New Mexico funding distribution formula should be altered to recognize the additional costs of maintaining quality programs in districts faced with declining enrollments, almost half of the respondents to Dr. King's survey of district superintendents wanted further exploration in this area, with changes implemented if such funding were determined to be warranted. Twenty-eight percent of the respondents indicated that the formula should be altered to address declining enrollment problems experienced by districts. Only 23% of the respondents indicated that the formula should not address this issue. Table XII displays these responses.

Table XII: School Superintendent's Opinions on Formula Alteration



Many researchers have encouraged the use of financial incentives to promote district cooperation and sharing of services (e.g., film libraries, personnel for specialized subject areas, science laboratories, etc.) to offset programmatic limitations due to decline. When New Mexico administrators were asked in Dr. King's survey to indicate if they approve of provisions for incentives to facilitate sharing services, their responses were highly supportive. Over 70% indicated agreement with state incentives to encourage inter district cooperation (See Table XIII).

TABLE XIII DISTRICT OPINIONS ON PROVISION OF FINANCIAL INCENTIVES



Superintendents in Dr. King's survey also reported that increased funding would result primarily in improved salaries for both certified and noncertified staff, in meeting contractual obligations made before unanticipated declines in enrollment, and in funding in-service training programs to accelerate programs and improve educational quality. At the secondary level, priorities identified included strengthening of vocational-technical programs, maintaining college preparation and enrichment programs with small classes, and offering alternative curricula within the schools. Non-core curricula, including art and music, the humanities, and media center development were also identified as areas in need of more funding.

Various strategies have been proposed to counterbalance the effects of rising fixed cost expenditures. Suggestions to remove these costs from the formula altogether have been proposed, as well as proposals to adopt a new factor within the formula to compensate districts for rising costs of utilities, insurance, facility maintenance, and other fixed expenditures. The currently used separate formula for determining transporation allocations has been cited as a model for this strategy. With "fixed costs" representing approximately 44% of a school districts budget averaged statewide, further investigations of these proposals appear warranted.

School districts faced with declining enrollments, nonetheless, must make budgetary cutbacks. While supporting quality programs within these districts must remain a high priority, adjustments must also be made to reduce costs. These problems have been addressed for ten years, with a resulting variety of carefully planned, creative, and courageous approaches being implemented. School districts have,

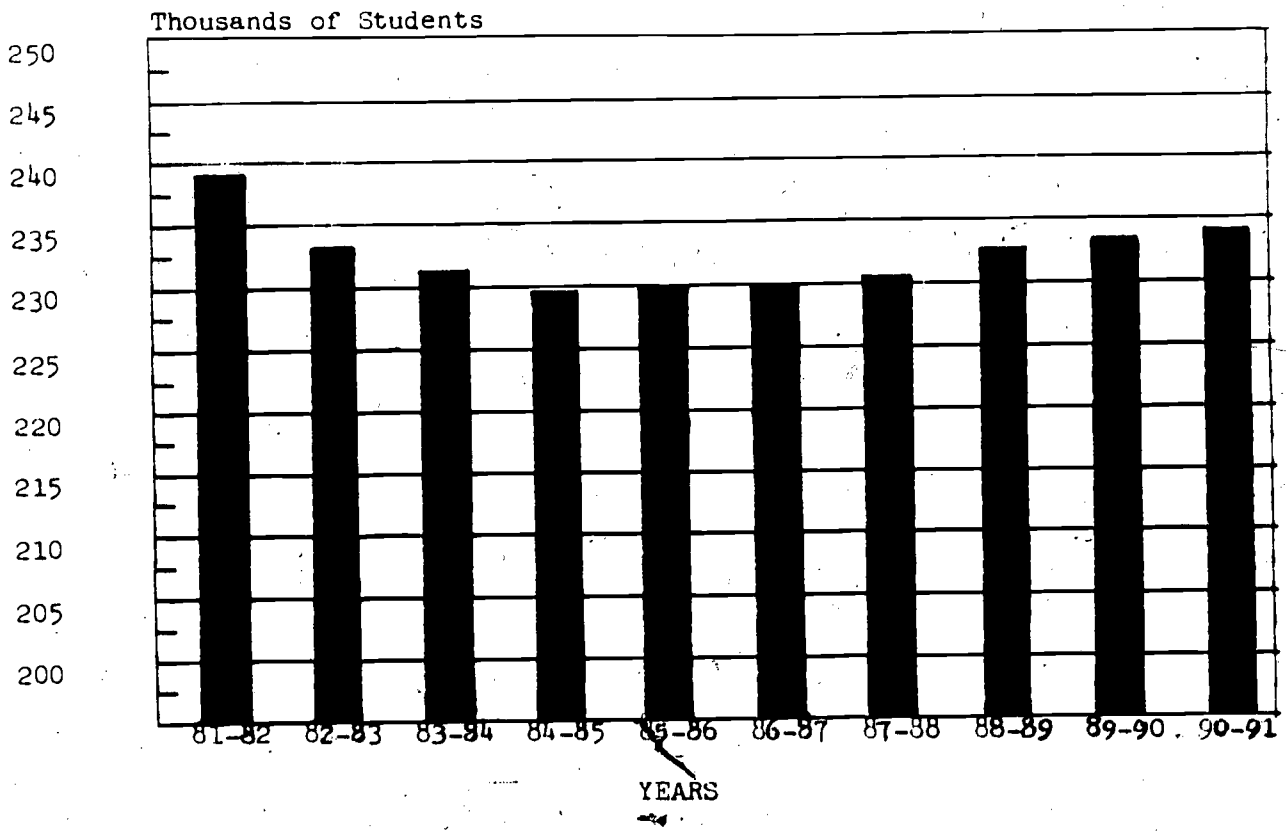
in fact, made sacrifices and adjustments to meet many of the demands placed on their programs by declining enrollments.

The Public School Finance Division has issued enrollment projections for each school district. Total school attendance projections are forecast in the following chart for grades 1 through 12. These projections indicate a stabilization of total enrollment beginning in 1985-86, with increases in enrollment projected for the subsequent years through 1990-91. While this trend is encouraging, it is important to note that increases are expected in the primary grades during this period, but high school enrollments are projected to continue decreasing through 1987-88.

Table XIV: New Mexico Total School Attendance

GRADE 1-12

Projected ADM



In light of these demographic trends, and concerns with the integrity of the formula, the following five major considerations relevant to a discussion of alterations in the New Mexico funding distribution formula need to be reviewed.

(1) The rate of decline in enrollment appears to be diminishing, with anticipated stabilization projected within three to four years.

(2) School districts have, through sacrifice and planning, managed to adjust and survive declining enrollment impacts for the past ten years. This is not to argue that there have been no negative impacts, as surely there have been, but perhaps the worst is almost over.

(3) Resources are dwindling, inflation has become a way of life, and state revenues are not likely to substantially increase in the near future.

(4) Inherent in the concept of "equalization", districts that experience declining enrollment must be expected to make adjustments and reductions whenever possible that are somewhat commensurate with the loss of students.

(5) Given the instability of enrollment patterns, migration unpredictability, and business failures, there will continue to be school districts within the state that experience major unpredicted falls in population that cannot be easily accomodated within school systems without wrecking havoc on programs and subsequently the quality of education within those districts.

While nearly all New Meixco school districts have coped with declining enrollments, those whose educational programs have been most negatively affected are districts descr oed within category 5. These districts require special attention, as their problems are more dramatic, more pressing, and may have higher negative impact on the education of New Mexico's children. Major economic losses within a community create emergency situations within a school district, particularly when dramatic losses in enrollment cannot be accomodated through increased frugality or adjustments in budget priorities. Further study of funding distribution formula alterations for these "emergency" occurances is, therefore, recommended.

Financial guarantees to address emergency declines, could be based on a strict formula to augment objectivity. A number of considerations should be included in the development of any formula alteration. The Education Commission of the States, (1980) reports that several states do now recognize the severe impact of major declines in enrollment by adjusting state allocations when the rate of decline is greater than a given percentage. Other approaches to this dilemma have included a form of "save-harmless", which would guarantee a school district either the same or a percentage of the prior year's funding. Enrollment averaging is also implemented in some states in order to slower the impact of decline, without rewarding districts with bonuses when decline is experienced.

There are two problems with a simple "save-harmless" approach to alterations in the funding distribution formula (King, 1982). One limitation is that this technique fails to address the "degree of

enrollment decline relative to district size". Smaller districts experience greater hardships, earlier in decline cycles; a funding formula must address this inequity to preserve fairness. The second limitation of this plan is that it fails to take into account the longevity of the decline. An "emergency" distribution could address this problem on a yearly basis, if a district's losses were determined to be of sufficient magnitude to qualify for extra assistance each year.

Any formula change considered to respond to these "emergencies" must, while recognizing the importance of cushioning the burden, not totally underwrite it. A concern for economy should be incorporated by not allocating funds to cover the entire percentage loss. Again a percentage level of support could be determined to offset the severe impacts without encouraging a district to postpone reductions altogether.

Small school districts, with an ADM of less than 300, are considerably less flexible in the alternatives available to them for accomodating severe losses and should receive due consideration. If a decline of 5% were determined to warrant additional funding, for example, a smaller percentage, perhaps 3% would need to be considered an "emergency" situation in school districts with smaller populations. Eighteen school districts within New Mexico experienced losses in enrollment greater than 5% during 1981-82. Thirteen of the nineteen small school districts experienced enrollment declines in excess of 3%.

Further investigations are required to determine the acceptable percentage of decline to be recognized, and the actual arithmetic form

for such a formula adjustment. Total program units (Line W: Revenue Worksheet I-A) or basic program units (Line I) might be used as the vehicle for determining the amount of additional support to be given. Analysis of the impact of using each figure would be required to determine the effect of size adjustment, of the training and experience index, and so forth. But for a district meeting the above emergency decline condition (i.e., decline of 3% or 5% depending on district size), a possible factor to address that districts' need might be as follows.

The difference between the current year's program units and the previous year's program units represents the number of units the district has declined. An example of the formula computation, using total program units, is as follows.

15,320	Total Program Units, previous year
- 15,280	Total Program Units, current year
40	Number of Units Declined.

This difference might then be multiplied by a given percentage previously determined to be the proportion of decline to be cushioned. Using the information acquired through the study of proportions for fixed costs (averaging 44% of the budget statewide) and direct costs (averaging 56% of the budget statewide), it appears advisable to incorporate this information into a final determination of the percentage to use to underwrite the declining enrollment loss. A uniform percentage to be applied statewide representing the entire fixed cost plus a proportion of the operational costs, would thereby assure that districts would not be penalized in areas they control to a lesser degree, while encouraging reduction in areas where there is more flexibility.

If it were decided to underwrite fixed costs (44%) plus an additional 20% to account for some of the direct costs, for example, the percentage multiplier would then be 64%. Continuing the above example, the forty units declined would then be multiplied by 64%.

$$40 \times 0.64 = 25.60 \text{ units}$$

The declining enrollment factor for this sample district would be 25.60. This resulting factor would then be added to the current year's total program units.

	15,280.00	Current year units
+	25.60	Declining enrollment factor
	15,305.60	Modified Program Units

These modified units would be recognized for purposes of funding school district operations. This sample formula represents an attempt to provide some cushion for school districts that experience major declines in enrollment, while also providing immediate incentive to reduce costs in those areas (direct costs) where reductions are more feasible.

The primary rationale for addressing the financial problems created by declining enrollments through inclusion of a new formula factor for funding determination is the desire to bring more objectivity and less partiality to the allocation process. Unfortuantely this approach cannot entirely eliminate manipulations of programs and budgets to capitalize on increased funding. Moreover, a funding formula factor may minimize the ability to address critical problems of individual school districts. The impacts of enrollment decline vary from district to district, depending upon past planning and preparation, and upon varying abilities to reduce staff, close buildings, and reallocate resources.

Given these problems with a factor included within the funding formula, a different approach also warrants further investigation by educators and legislators. The establishment of a supplemental emergency fund available to school districts experiencing high declines in enrollment might be advisable. To avoid the possible unfairness of biased determinations of need by a single person or department, a "declining enrollment" commission (DEC) could be established to make these determinations. Representatives from a variety of interested agencies could be appointed to the DEC. This commission should include representatives of governmental agencies (e.g., Public School Finance Division, Legislative Finance Committee, Legislative Education Study Committee, State Department of Education), organizations (e.g., School Boards Association, New Mexico School Administrator's Association, and teacher's associations), and several individuals from outside the educational community.

A commission empowered to determine emergency allocations to districts experiencing declining enrollment could, theoretically, be more responsive to needs of local districts than can a funding formula factor. Such factors as the longevity of decline, size of schools and districts, and the particular programmatic and financial impacts projected for each should be considered by the DEC in making allocations.

Formula alterations and supplemental emergency funds should receive continued investigation to determine as precisely as possible implications for each school district, as well as for the state as a whole. While declines in enrollment appear to be stabilizing overall, some school districts will continue to be confronted with large fluctuations in population. Because unpredictable changes are inevitable

and unavoidable, it is highly advisable for the state to establish an objective, equitable, and responsive mechanism to respond to these future challenges.

Summary

Declining enrollments (with an overall decline of approximately 7% since 1972) have been impacting education in New Mexico for ten years. Projections nationally and statewide forecast that these declines will begin abatement within the next three to four years. However, given the instability of local enrollment patterns, migration unpredictability, and business failures, there will continue to be school districts within the state that experience major unpredicted decreases in population which cannot be easily addressed within the current formula for distribution of state funds.

The degree of negative impact from declining enrollments varies throughout the state, but reports of educational deterioration in some districts must be of paramount concern to planners and decision-makers. Educational program offerings have been reduced or eliminated in these districts. Administrators report reductions in fine arts courses, enrichment courses, extracurricular activities, non-academic vocational training, bilingual education, adult basic and continuing education, and mainstreaming of special education students. Unless additional forms of relief are provided, educational programs in severely impacted areas are threatened with lowered standards, reduced offerings, increased pupil/teacher ratios, and denial of educational opportunities to some children.

Discussions with educational leaders and analysis of demographic and financial data reported in this study have led to a belief that to adequately address declining enrollment problems, an increased leadership and assistance role from agencies and institutions throughout the

state is needed. A variety of areas are identified where further assistance would be advantageous, particularly in providing coordination, dissemination of information, statistical data, alternative approaches, and support for cooperation and communication. While final choices for addressing declining enrollment must be made on a local level, there are a variety of avenues for coordination and support to assist in these decision-making processes. A summary of specific recommendations formulated for consideration based upon this study follows:

(1) Assist in providing greater flexibility in determination of standards for teacher certification, especially in the area of multiple certification. Explore the possibility of "on-site" evaluations to assist in determination of competence in related subject "cluster" areas for additional certification endorsements.

(2) Encourage the expansion of course offerings in remote areas of the state and provide incentives for nontraditional delivery systems.

(3) Implement staff development programs on a regional or district basis through the establishment of teacher centers.

(4) Coordinate programming and planning needs for areas experiencing decline, with technical expertise and information dissemination available on a broader basis, especially in the areas of needs assessments and enrollment projections.

(5) Support the area of communication, within and between districts, to increase public awareness of the problems

encountered, to reduce stress and improve morale, and to elicit community support in a time of reduced resources available to the schools.

(6) Assist local school boards in the development of procedures to be followed in the enactment of policy designed to confront personnel reductions resulting from decline to minimize school and community conflict.

(7) Develop a statewide referral system to assist local school districts in seeking professional input for teacher in-service programs and curriculum development.

(8) Review retirement policy and benefits for school staff, with continued emphasis on inducements to promote early retirement.

(9) Support the maintenance and continued improvement of pupil/teacher ratios. This includes community and legislative understanding of the educational importance of maintaining low ratios.

(10) Coordinate and encourage local school district cooperation to implement creative shared services programs throughout the state.

(11) Study possible alterations of the funding formula, specifically to recognize the difficulty of reducing fixed costs during dramatic enrollment declines due to severely altered economic conditions.

(12) Consider establishing a Declining Enrollment Commission, comprised of educational leaders throughout the state,

mandated to allocate supplemental funds to school districts experiencing major declines in enrollment.

As John Thomas Thompson wrote in Policymaking in American Public Education (1976), "Education is one of the most intimate functions of government - it deals with people's most prized possession, their children." These recommendations are made in hopes that further investigation, study, and strategy implementation will result in additional improvements to the education of New Mexico's children.

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