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FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/13
LAST UPDATED 03/13/13 **HB** 112/HECS

SPONSOR HEC

SHORT TITLE Data in School Accountability Reports **SB** _____

ANALYST Roberts

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	Indeterminate	Indeterminate	Indeterminate	Recurring	General Operating

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
 Higher Education Department (HED)
 University of New Mexico (UNM)
 New Mexico State University (NMSU)
 Western New Mexico University (WNMU)

No Responses Received From

Eastern New Mexico University (ENMU)
 New Mexico Highlands University (NMHU)
 Northern New Mexico College (NNMC)

SUMMARY

Synopsis of Bill

The House Education Committee substitute for House Bill 112 (HB 112) amends the State and Private Education Institutions, Sections 21-1-26.7, 22-2C-11, and 22-2E-4 NMSA 1978, specifically the Annual Public Education Accountability Report to the Governor and the New Mexico Legislature, by adding specific language on requiring reporting on demographic categories to existing reports. The bill also proposes to add ethnicity and race, limited English proficiency, students with disabilities, poverty, and gender to reporting school data when reporting letter grades for each school. Lastly, the bill also proposes replacing the word “tests” with the word “assessments”.

FISCAL IMPLICATIONS

Fiscal impact is indeterminate at this time.

SIGNIFICANT ISSUES

The Public Education Department (PED) cites that the U.S. Department of Education (DOE) implemented ethnicity reporting in 2010 to include the two-part question that expands ethnicity and race to seven categories, including multiracial. The process for reporting the data collected to the Department is different than the process for the collection of data from individuals. When reporting data to the Department, educational institutions and other recipients will report aggregated racial and ethnic data in the following seven categories:

1. Caucasian, non-Hispanic;
2. Hispanic;
3. African American;
4. American Indian or Alaska Native;
5. Native Hawaiian or other Pacific Islander;
6. Asian; and
7. Two or more races.

The proposed language in HB 112 will include the seven categories listed above however this bill also proposes to include an “other” category, which currently is not reported in the U.S. DOE’s ethnicity reporting. The PED suggests language in HB 112 should match the U.S. DOE’s definition of racial and ethnic data reporting.

The U.S. DOE notes that there is no "multiracial" or "other race" category used when collecting data from individuals using this two-part question for ethnicity and race. However, a respondent may report having more than one race.

This bill modifies the required contents of the Annual Accountability Report required of the Higher Education Department (HED). The HED currently collects most of the accountability data from institutions. The institutions currently report student progress and success by gender and race and ethnicity. In addition, institutions report students who are attending on a student visa as non-resident aliens. Frequently, students do not report their race or ethnicity.

The NMSU cites that the community colleges in New Mexico and the public four-year institutions already provide an annual report to the state: the “Annual Accountability Report” and the “Performance Effectiveness Report” include many of the elements listed in HB 112. Several of the additional information points detailed in the bill could be added to an institution’s current year with further clarification and effort to develop reporting methodology consistent with the missions of each institution. Additionally, the state is participating in the “Complete College America” initiative which requires substantial data reporting on student progress and success by each institution.

In summary, much of the student data required by the legislation is currently collected in the HED DEAR data system and should be available for reporting. This will require additional programming. The remainder can be collected from existing U.S. DOE Integrated Postsecondary Education Data System (IPEDS) reports.

ADMINISTRATIVE IMPLICATIONS

The HED would be responsible in modifying the Department's Annual Accountability Report to include the new reporting detail in students. The HED notes that there are fiscal implications, but they are uncertain of the exact amount at this time.

OTHER SUBSTANTIVE ISSUES

The PED reports that school grading is part of state and federal statute that mandates accountability for all public schools. The Elementary and Secondary Education Act (ESEA) enacted in 1965, which was reauthorized in 2001 as No Child Left Behind (NCLB), requires schools to show annual improvement in mathematics and reading. In 2011, New Mexico lawmakers enacted additional requirements that schools demonstrate progress through a grading system similar to that applied to students, A-B-C-D-F (Sections 22-2-1 & 2, and Sections 22-2E-1 through 4; 6.19.8.1 NMAC).

The HED cites that much of this data added by HB 112 is already published by each institution in their accountability reporting and in internal reports. Similar data can be pulled from data annually reported by each institution as part of their IPEDS reports to the National Center for Education Statistics (NCES). The IPEDS web site maintained by the NCES provides tools that enable one to pull this data by any desired collection of postsecondary institutions. The HED also completes reports as part of the Complete College America (CCA) reporting that breaks down progress and success measures by even more detail than that requested in the bill.

The WNMU reports that the revision of the CCA report format would present the most challenging and potentially expensive modification of existing programs. This is a new collection process and may involve unanticipated expense and effort.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The HED notes that the existing annual accountability report would be unaffected. Further, the data requested in the bill from the Department would still be available from other sources.

MIR/svb