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FISCAL IMPACT REPORT

SPONSOR Stewart ORIGINAL DATE 02/08/14
LAST UPDATED _____ HB 295

SHORT TITLE Early Literacy Act SB _____

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$11,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 295 enacts a new section of the Public School Code to create the “Early Literacy Act” and appropriates \$11.5 million to the public school reading proficiency fund for expenditure in FY15 and subsequent years for early literacy intervention, instruction and remediation for kindergarten through third grade students.

FISCAL IMPLICATIONS

The appropriation of \$11.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall not revert to the general fund.

To be eligible for state funding, an early literacy program must provide for the educational needs of students deficient in language and early literacy skills, integrate early literacy interventions into the curriculum, use certified instructors who receive annual professional development in the science of teaching reading and require background checks for instructors in accordance with the School Personnel Act.

SIGNIFICANT ISSUES

Statute currently prohibits the use of the Public School Reading Proficiency Fund for kindergarten through third grade students. The Public School Reading Proficiency Fund, Section 22-8-43 NMSA 1978, may only be used for awards for public middle, junior and senior high schools that implement innovative, scientifically based reading programs. Statute requires PED to develop procedures and rules for the application and award of money from the fund, including criteria upon which to evaluate innovative, scientifically based reading programs. Public schools receiving funds must show evidence that they are using quality, scientifically based reading research to improve reading proficiency and shall develop individualized reading plans for students who fail to meet grade level reading proficiency standards.

The Early Literacy Act created by this bill establishes requirements that must be met by school districts and charter schools to be eligible to apply for and receive state appropriations made for early literacy. The bill does not require that all school districts and charter schools establish an early literacy plan. To be eligible for funding, a school must annually prepare and submit an early literacy program plan to PED. The bill defines an early literacy program as including programs of education through which students receive language and early literacy skills intervention, targeted intensive instruction or remediation from kindergarten through third grade. An early literacy plan must include the following:

- Three-year implementation plan;
- Educational Plan for Student Success (EPSS) for each school in the district with a focus on reading for elementary schools;
- The screening assessment that will be used to identify students who are deficient in reading with an assurance that the assessment will be administered in the first nine weeks of school in kindergarten through third grades;
- The process the school will use: to notify parents of reading deficiencies; to create a reading improvement plan for a deficient student; and if a parent refuses intervention;
- The early literacy programs offered to deficient kindergarten through third grade students; and
- A professional development plan in the science of teaching reading.

The bill includes definitions of “deficient in reading”, “early literacy program,” “intensive targeted instruction,” “intervention,” “reading improvement plan,” “screening assessment,” and “student assistance team.”

PED’s analysis indicates the bill does not provide a consistent research-driven plan for students deficient in reading and the bill is disruptive to the department’s Reads to Lead initiative (early literacy initiative). However, PED staff noted concern with language included in House Bill 3 that directed \$11.5 million included in HB 3 for early literacy intervention to the public school reading proficiency fund, noting that the fund requires allocations be made for scientifically based reading programs and the Reads to Lead program is not scientifically based.

PED also notes concerns that the bill does not require the use of a uniform screening assessment; though the department notes 85 of the 89 school districts in the state currently use a uniform screening assessment.

PED notes the bill does require school districts and charter schools to address how they would use their budgeted funds in their early literacy plan. Providing this information is critical for districts and charter schools to plan how the appropriation provided through the bill will be used to target effective reading instruction for students to ensure that the funds are used directly for the intended purpose to impact reading instruction and student reading proficiency.

PERFORMANCE IMPLICATIONS

The appropriation supports improved early reading proficiency.

ADMINISTRATIVE IMPLICATIONS

PED will be required to issue guidelines for the develop and implementation of early literacy programs, administer and reinforce the provisions of the Act, and assist school districts and charter schools in developing and evaluating early literacy programs.

Local school boards and governing bodies of charter schools seeking funding will be required to review the early literacy plan created by the school, monitor progress of implementation, and make appropriate recommendations to improve the early literacy program by August 1 annually. PED will also be required to review the early literacy programs and provide recommendations for improvement by August 1 annually.

DUPLICATION, RELATIONSHIP

HB 259 is identical in Sections 1 through Sections 6. HB 259 does not include an appropriation.

House Bill 93 and Senate Bill 45 are related - Academic Success Through Remediation Act

TECHNICAL ISSUES

The bill includes a definition of “reading improvement plan”; however, the term is not found anywhere else in the act.

Paragraph D of Section 5 requires the Secretary of PED to provide recommendation for improvements to programs but it does not specify to whom the recommendations should be made.

Section 6 refers to “early literacy programs” being eligible for state funding. Technically, it would be a school district or charter school that is eligible for funding for their early literacy program. The introduction would be better stated if it read, “to be eligible for state funding, a school district or charter school’s early literacy program shall:”

RSG/ds