

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/18/17

SPONSOR Kernan/Ingle LAST UPDATED _____ HB _____

SHORT TITLE Student Literacy & Interventions SB 403

ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY17 | FY18 | FY19 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|-------------------------|------|-------------------|---------------------------|-------------------------|
| Total | | See Fiscal Implications | | | | School District Budgets |

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB114
 Relates to HB185, HB354, HJR5, HM9, HM15, SB32, SB256, SB323, SJM1

SOURCES OF INFORMATION

LFC Files

No Response Received From
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 403 amends the Public School Code, requiring remediation programs, academic improvement programs, and promotion policies be aligned with requirements of the state assessment and accountability program and directing PED to establish a common standard screening assessment for student literacy. The bill allows school districts to use a PED-approved alternative assessment for student literacy. The bill further authorizes local school boards to approve remediation and special assistance programs for students in kindergarten through fourth grade, rather than first grade through eighth grade. Parents must be notified in writing and provided with reading strategies if their child is not proficient in reading, as determined by the statewide standards-based assessment or alternative assessment. At the end of kindergarten through fourth grade, the bill requires for students that are:

- academically proficient, promotion to the next grade;
- not academically proficient in reading, parental notification and required remediation;
- at the lowest level of academic proficiency in reading, parental notification and:
 - an additional year of instruction in the same grade with an academic improvement plan developed by a student assistance team (SAT) or

- promotion to the next grade with a SAT academic improvement plan if the parent signs a waiver.

The bill removes provisions for eighth grade academic retention, but establishes remediation for students in fourth through eighth grades, if required. The bill allows school districts to establish PED-approved transition programs for students who need intensive reading remediation and outlines procedures for parents, SATs, and superintendents regarding promotion to second grade for students with a serious reading level deficiency. The bill clarifies related definitions and provides additional reporting requirements for school districts and state-chartered charter schools.

FISCAL IMPLICATIONS

The bill does not make an appropriation. PED currently uses a kindergarten observation tool, Istation, and the Partnership for Assessment of Readiness for College and Careers (PARCC) exam for the state’s standards-based assessments, so no additional fiscal impacts are anticipated. The bill allows school districts and charter schools to develop their own alternative assessment, but explicitly requires those entities to assume all costs of the assessment.

SIGNIFICANT ISSUES

Sociologist Donald Hernandez found that children who do not read proficiently by the end of third grade are four times more likely to leave school without a diploma than proficient readers. Black and Hispanic children who are not reading proficiently in third grade are twice as likely as similar white children not to graduate from high school (about 25 vs. 13 percent). Hernandez found that the graduation failure rate for children who cannot read proficiently and are poor for at least one year is 26 percent, or more than six times the rate for all proficient readers. Overall, 22 percent of children who have lived in poverty do not graduate from high school, a figure about three times greater than the rate for children with no family poverty experience.

The PARCC assessments replaced the New Mexico Standards-Based Assessment in math and English in FY15. PARCC has five performance levels with one representing a student with the greatest need and five representing a student who demonstrates advanced performance. PARCC considers scores of four and five to be proficient and demonstrate a student is “on track to be college- and career-ready.” Over 24 thousand third grade students were assessed on the 2016 PARCC test for English language arts, with 18.4 thousand, or 75.8 percent, scoring less than proficient. Almost 6,800 third grade students, or 28 percent, scored at the lowest level. According to the 2015 National Assessment for Educational Progress (NAEP) reading results for New Mexico, the percentage of fourth grade students in New Mexico who performed below the NAEP proficient level was 77 percent.

PERFORMANCE IMPLICATIONS

Provisions of this bill may affect performance measures pertaining to proficiency rates of third, fourth, and eighth graders on the standards-based assessment. Additionally, effects on graduation rates, juvenile delinquency rates, and college remediation rates may be realized in future years.

ADMINISTRATIVE IMPLICATIONS

The bill will increase PED and public school duties. PED will need to ensure department rules conform to the changes proposed in this bill, and will be required to approve alternative screening assessments. If a school district or charter school chooses to use a PED-approved alternative assessment, the bill requires administration of the assessment on three occasions throughout the school year:

- The first assessment will occur no later than the end of the first nine weeks,
- the second assessment will occur during the month before the end of the first semester, and
- the third assessment will occur during the last nine weeks of the school year.

School districts are required to identify and provide remediation to first through eighth grade students who are not proficient. The bill expands local school board approval of remediation programs to kindergarten but removes fifth through eighth grade.

Ongoing parent-teacher communication is implied in the bill, and written notifications to parents are required if a student is not academically proficient in reading before February of each year. Additionally, parents must be contacted regarding their decision on the student's promotion from, or repetition of, the current grade two weeks before the end of the school year if the student scores at the lowest level of academic proficiency in reading. The bill requires school districts and charter schools to provide multiple notifications and opportunities for parents to make determinations about their student's promotion or retention status. School districts and charter schools may make a determination if no parental response is received by July 1 and the remaining SAT makes a unanimous decision on the student's promotion or retention status. Timing of these notification deadlines may be problematic, given that PARCC test results were released in October 2015 and August 2016 for assessments taken during the 2014-2015 and 2015-2016 school years, respectively. As such, identification of reading deficiencies beginning in third grade may be not be recognized before a student is already promoted to the next grade.

Provisions of this bill apply to school districts and state-chartered charter schools. The bill requires a SAT to be composed of the student's teacher, school counselor, school administrator, next-grade reading teacher, and parent as well as a certified reading specialist and student advocate, if applicable. School districts and charter schools will be required to address any potential scheduling issues of the SAT if the parent requests an in-person meeting.

The bill requires school districts and charter schools to include in PED reports and the annual accountability report required by Section 22-2C-11 NMSA 1978:

- the percentage of academically proficient students, including reading levels, by school;
- the number of students scoring in the lowest proficiency categories;
- the number of non-proficient students whose parents received and returned signed written notifications allowing the student to be retained; and
- the number of non-proficient students who were promoted because parents did not sign written notifications allowing the student to be retained.

The bill requires PED to include the aforementioned data in annual school and school district accountability reports.

CONFLICT, RELATIONSHIP

This bill conflicts with HB114, which amends provisions related to kindergarten through third grade reading remediation, promotion, intervention, and retention policies.

This bill relates to HB185, which limits statewide school testing days; HB354, which expands the definition for school-age person and acceleration opportunities; HJR5, which prohibits enforcement of new school mandates without sufficient funding; HM9, which requests a study on middle school preparedness; HM15, which allows for school academic acceleration; SB32, which expands K-3 Plus eligibility; SB256, which extends instructional time minimums for kindergarten through sixth grade; SB323, which allows for early kindergarten enrollment; and SJM1, which requests a study on innovative assessments.

OTHER SUBSTANTIVE ISSUES

Traditionally, students learn to read in kindergarten through third grade so they can read to learn in the upper grades. Early reading proficiency is a leading indicator of future academic success. A child who cannot read by the fourth grade will continue to fall behind their peers and, without remediation, academic proficiency will continue to decline as reading improvement changes most dramatically in the early years. Long term effects include failing classes, dropping out, and the inability to compete in higher education and the workforce. Ensuring students can read is critical to improving student achievement and closing the achievement gap.

Current law requires school boards to approve district-developed remediation and academic improvement programs to provide special instructional assistance to students in first through eighth grade who do not demonstrate academic proficiency. Despite this statutory requirement, a large percentage of students fail to achieve proficiency on the state's standards-based assessment each year. During the 2015-2016 school year, only 24.2 percent of third graders scored proficient or above on the English language arts assessment for the PARCC test. Research indicates that passing students on to the next grade when they are unprepared neither increases student achievement nor properly prepares students for college and future employment. At the same time, research also shows that holding students back to repeat a grade without changing instructional strategies may be ineffective. Retention and social promotion, if not accompanied by effective programmatic intervention, fail to provide long-term benefits for low-performing students.

SL/sb