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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/19

SPONSOR Padilla LAST UPDATED _____ HB _____

SHORT TITLE Social Workers in All High-Poverty Schools SB 31

ANALYST Liu

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
\$3,000.0		Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0 - \$4,593.3	\$0.0 - \$9,186.7	\$0.0 - \$13,780.0	\$0.0 - \$13,780.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 79, HB 121, HB 152

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
 Regional Education Cooperatives (REC)
 Children, Youth and Families Department (CYFD)
 Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 31 creates a new section in the Public School Code to provide every high-poverty public school a social worker by FY22. The bill allows PED to develop exceptions for school districts with fewer than 200 students (MEM) that works with an REC.

FISCAL IMPLICATIONS

The bill includes a \$3 million general fund appropriation to PED for expenditure in FY20 to ensure every high-poverty public school employs a licensed social worker. Any unexpended or unencumbered balance will revert to the general fund.

Approximately 260 public schools in FY19 were in school districts with more than 200 MEM that had at least 85 percent of students qualifying for FRL. It is unclear at this time how many of these schools currently employ a social worker. A 2017 report by the George Washington University Health Workforce Institute and School of Nursing found, nationally, individuals with a bachelor's degree in social work employed in elementary and secondary schools earned a median income of \$46 thousand. For individuals with a master's degree in social work, the median income was \$60 thousand. Average salaries for guidance counselors and social workers in New Mexico schools hover around \$53 thousand and approximately 352 social workers were employed in FY18. Assuming all 260 high-poverty schools required a new social worker at a cost of \$53 thousand each, the total statewide cost would be \$13.8 million.

Provisions of the bill phase the social worker requirement in thirds over the course of three years, which would make the first year cost up to \$4.6 million, using the aforementioned assumptions. Actual costs will be lower if high poverty schools already employ a social worker.

The executive and LFC FY20 budget recommendations for public school support include \$113.2 million to increase funding for at-risk students, which could be used to pay for social workers.

SIGNIFICANT ISSUES

On July 20, 2018, the 1st Judicial District Court issued an initial decision and order on the consolidated *Yazzie v. New Mexico* and *Martinez v. New Mexico* education sufficiency lawsuits, which found New Mexico's public education system failed to provide a sufficient education for at-risk, English language learner (ELL), Native American, and special education students. On December 20, 2018, the court issued its final findings and conclusions of law in the consolidated lawsuits. In both the initial decision and final findings, the court cited evidence highlighting areas where funding levels, financing methods, and department oversight were deficient. However, the court stopped short of prescribing specific remedies and deferred decisions on how to achieve education sufficiency to the legislative and executive branch instead.

The court ruling on the *Yazzie* and *Martinez* case found the state failed to provide sufficient resources for counselors, social workers, and other non-instructional staff that all students, especially at-risk students, need to succeed. Testimony from the case indicated most districts eliminated counselors, nurses, and social workers or reduced service time during budget cuts. Some schools prioritized social workers to serve high needs students, reducing services to the general student population that did not have individualized education programs (IEP). Others did not provide these services at all. The court acknowledged that high-performing schools have strong nonacademic supports, including counseling, social workers, nurses, and health clinics within schools.

The validity of FRL data as a measure of student socioeconomic status presents some challenges. National School Lunch Program (NSLP) thresholds for FRL may obscure important variation in household resources at both the top and bottom of the income distribution. Recent changes to the

legislation governing NSLP may limit the accuracy of the FRL measure. A series of provisions authorized by the U.S. Department of Agriculture in 2002 make it possible for schools in which many students are enrolled in the free lunch program to renew students' program registration for up to four years without updating information on students' household incomes.

Further, the Healthy, Hunger-Free Kids Act of 2010's Community Eligibility Provision (CEP), implemented nationwide in FY15, aims to allow schools or districts in which 40 percent or more of students are directly certified for enrollment in NSLP, based on their participation in other federal nutrition programs targeted at low-income families, to offer free lunch and breakfast to all students without collecting data on other students' household income. In 2016, more than 15 percent of U.S. students attended a school or district that participated in CEP. Increasing participation in CEP will likely create new challenges with using school-reported NSLP participation rates as a proxy for economic disadvantage.

Social workers working within school systems provide services to students to enhance their emotional well-being and improve their academic performance. School social workers are usually employed by the school district or an agency that is contracted with the school district to provide services. School social workers are often called on to help students, families, and teachers address problems such as truancy, social withdrawal, overaggressive behaviors, rebelliousness, and the effects of special physical, emotional, or economic problems. School social workers often also address issues such as substance abuse and sexuality in the higher grade levels. Social workers involved in community engagement with local mental health organizations and agencies also broadens capacity for appropriate referral and follow up and ensures continuity of care for children who require long term support or at highest risk for depression, anxiety and suicidality.

ADMINISTRATIVE IMPLICATIONS

REC notes the bill does not specify how much time a social worker will need to be employed by the school to meet the requirements of the bill.

RELATIONSHIP

This bill relates to House Bill 79, which makes an appropriation for community schools; House Bill 121, which specifies that behavioral health services a part of a basic sufficient education; and House Bill 152, which establishes educational standards for children in foster care.

SL/sb