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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/19
LAST UPDATED 3/10/19 **HB** _____

SPONSOR Stewart

SHORT TITLE School Support & Accountability Act **SB** 229/aSEC/aHEC

ANALYST Gaussoin

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$1,000.0 - \$5,000.0	\$4,000.0 - \$5,000.0	\$5,000.0 - \$10,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 92.

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From
 Public Education Department (PED)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to Senate Bill 229 strikes the Senate Education Committee amendment, restoring LESC as a consultant on the development of rules for the accountability system. The amendment removes “traditional support” as one of the four designations of school quality, clarifies the definition of “college, career, and civic readiness” as a measure of school quality, and removes “progress of students toward a proficient scale score” as a measure of school quality, although the similar “school growth” measure remains.

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 229 removes the Legislative Education Study Committee from the list of entities with which the Public Education Department must consult in the development of rules for the accountability system and replaces it with tribal nations.

Synopsis of Original Bill

Senate Bill 229 repeals the A-B-C-D-F Schools Rating Act and replaces it with the School Support and Accountability Act. The bill outlines academic and school climate indicators on which schools would be evaluated but leaves the weighting of those factors to the department. The act requires PED to create an online platform – a “dashboard” – for providing the public with information on each public school and its performance.

FISCAL IMPLICATIONS

The bill does not include an appropriation but creating an accountability dashboard would likely cost several million dollars a year over several years. The Legislature appropriated between \$4 million and \$5 million a year between FY15 and FY18 for the development and implementation of the NMTeach teacher evaluation system, a similar project. The department received \$2 million in FY19 for a contract to maintain NMTeach.

PED reports a fully staffed Accountability Bureau could calculate the school designations but indicates additional staff or contracted support might be necessary to develop, implement, and maintain the dashboard. The FY20 executive budget recommendation for public schools includes \$1 million to research and develop a new teacher evaluation system. Costs for developing and creating a new accountability dashboard may be similar in the first year of operation.

SIGNIFICANT ISSUES

The bill creates an accountability system that complies with the requirements of the federal Every Student Succeeds Act (ESSA) both in the indicators used to assess schools and in the resulting designations. PED indicates, while schools would not receive a grade as in the current accountability system, many of the indicators overlap and are familiar to school administrators.

The bill does not determine the weight of each indicator but requires that the combined weight of indicators of academic achievement carry “much greater weight” than indicators of school climate and student success.

The bill requires that indicators of academic achievement include the following:

- Student proficiency on a New Mexico standards-based assessment;
- Progress of students toward proficiency;
- Student “growth,” defined as a measure of the academic progress of students compared with the prior test scores of similarly performing students or to a predetermined standard;
- Progress of English-learning students toward English language proficiency;
- For high schools, four-year, five-year, and six-year cohort graduation rates.

School climate indicators must include the following:

- Levels of chronic absenteeism, defined as the percentage of students missing 10 percent or more of the school year for any reason, including excused absences;
- College, career, and civic readiness, measured through the percentage of students who complete a college-preparation or career technical education course of study; participate in advanced courses; demonstrate competency for college or career certification; obtain a seal of bilingualism-biliteracy; complete a service-based learning, civic engagement, or

college or career exploration experience; and – for high school students – complete a work-based learning experience;

- Educational climate, a measure of the parent and student perceptions of staff engagement, school safety, and learning environment.

Under provisions of this bill, schools would be required to provide both aggregate data and data disaggregated by demographic, racial, and ethnic subgroups, including by gender, income, English proficiency, disability, and migrant status.

The proposal requires that schools be designated as in need of traditional support, targeted support, comprehensive support, or more rigorous intervention, compared with the five designations in existing law. The designations reflect an ESSA requirement that state education departments, in order to continue receiving Title I federal funding for school districts and schools with high percentages of low-income students, identify schools in need of improvement as either “comprehensive support and improvement” schools or “targeted support and improvement” schools.

PED reports, based on data from the 2017-2018 school year, 642 schools, or 76 percent of all schools, would have been designated traditional-support schools, 111 as targeted-support schools, 86 as a comprehensive-support schools, and four as in need of more rigorous interventions.

The bill provides for schools to earn special designations of school quality and student success for schools with strong scores and of school excellence for schools that score in the 90th percentile on any indicator. These designations would be in addition to those for level of support; a school in need of more rigorous interventions could also receive a designation of excellence or recognition for an exemplary school climate. The bill provides for the department to set designations of school quality and student success for high performance by American Indian or Hispanic students.

Finally, the bill requires the department create a technological platform for each school to report, “in a transparent manner,” the results on each accountability indicator, designations of support and any special designations, student and staff demographics, stakeholder survey results and other indicators of opportunity to learn standards, instructional expenditures per student and other indicators of educational resources, teacher qualifications, and the school’s mission, vision, and goals.

ADMINISTRATIVE IMPLICATIONS

PED notes it would have to revamp its accountability framework.

TECHNICAL ISSUES

PED reports the following technical issues:

“The definition of *comprehensive support* beginning on page 2, line 24 should be modified to conform with Section 1111(c)(4)(D)(i)(II) of the Elementary and Secondary Education Act as amended by the Every Student Succeeds Act: “...or has a four-year adjusted cohort graduation rate of less than or equal to sixty-six and two-thirds percent...”

“The proposed definition of *chronic absenteeism* beginning on page 2, line 4 is “the percentage of students missing ten percent or more of the school year for any reason...” A suggested revision to this definition is “the percentage of students missing ten percent or more of the days the student was enrolled for any reason...” This revised definition would clarify that the denominator when calculating each student’s chronic absenteeism status is the days the student was enrolled in the school, not the number of total days in the school year. This is an important consideration for students who do not spend the entire school year enrolled at a single school.”

LESC reports the definition of a “local school board” in Section 2, Subsection H, does not explicitly include local school boards, although it is implied. LESL further recommends amending the definition of “support identification threshold” to refer specifically to the indicators in Section 3, Paragraphs (2) and (3) of Subsection B and Subsection C to ensure compliance with ESSA.

OTHER SUBSTANTIVE ISSUES

PED reports the department cannot implement a system of school differentiation without approval from the U.S. Department of Education and must seek an amendment to the state’s approved ESSA plan. The U.S. Department of Education announced in November 2018 that states must submit plan amendments no later than March 1, 2019, to implement changes planned for the 2019-2020 school year. This raises concerns about timing of consideration, possible passage, and implementation of the provisions of the bill.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Failure to enact this legislation would result in the continued use of the A-B-C-D-F grading system. PED adopted new weights for the grading system on December 31, 2018.

HFG/gb/sb/al