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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/2020

SPONSOR Trujillo, C./Tallman **LAST UPDATED** _____ **HB** 112

SHORT TITLE After-School & Summer Enrichment Programs **SB** _____

ANALYST Liu

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB150, HB227, HB219, HB236, SB47
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 112 appropriates \$2 million from the general fund to PED for after-school and summer enrichment programs.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill will be a recurring expense to the general fund. While any unexpended or unencumbered balance remaining at the end of FY21 shall revert to the general fund, establishing new programs will create a recurring need to maintain

operations.

SIGNIFICANT ISSUES

In FY19, PED received \$325 thousand for after-school and summer enrichment programs, which supported 10 programs across the state. In FY20, the PED appropriation was discontinued and incorporated as a part of extended learning time programs (ELTP), which require after-school programs. ELTPs are funded through a \$62.5 million factor in the public school funding formula and allocated through the state equalization guarantee (SEG) distribution to public schools. The department notes this appropriation could be part of a menu of funding sources to support required after-school activities for school districts participating in ELTPs.

PED notes the appropriation in this bill could potentially fund 38 to 40 sites in FY21, depending on the number of applications and the amount requested in applications that are approved through the competitive request for applications (RFA) process. Prior legislative appropriations for after-school and summer enrichment programs administered through a competitive RFA process have usually been capped at \$50 thousand per program. Approximately 90 centers across the state receive funds for after-school programs through the federal 21st Century Community Learning Centers (CCLC) grant from the U.S. Department of Education (federal Every Student Succeeds Act, Title IV Part B).

Quality after school and summer enrichment programs include opportunities for academic enrichment to reinforce what is taught during the school day. According to the Afterschool Alliance, nationally about 10.2 million children, or 18 percent, participate in an after-school program and 11.3 million children are without supervision between the hours of 3 p.m. and 6 p.m. Research by the U.S. Department of Justice indicates that violent crimes by juveniles occur most frequently in the hours immediately following the close of school on school days.

The LFC's 2018 program evaluation, *Instructional Time and Extended Learning Opportunities in Public Schools*, noted:

“Afterschool and summer learning programs can help to offset the disparity in enrichment opportunities between low-income and other students. Children of parents with higher annual incomes participate more in extracurricular activities than other children, and low-income students do not have the same access to [out of school] time programs as do middle income and higher-income students. Research from Expanded Schools found that children from middle- and high-income families receive 6,000 more hours of learning from afterschool and enrichment activities than children in poverty by the sixth grade. In 2015, a Pew Research Center survey found that parents with a higher annual income were more likely to report that their children participated in an extracurricular activity. High-income families spend more on learning enrichment than low income families, and this spending gap has increased over time, with families in the richest quintile spending almost six times more per child than families in the poorest quintile on enrichment expenditures (e.g. books, child care, and summer camps) in 2005-06...”

According to the Partnership for the Future of Learning, the effectiveness of expanded and enriched learning time and opportunities depends on the quality of the program and

implementation. For students to receive the greatest benefit, policies lengthening school days or years should add at least 300 hours, or a 25 percent increase over existing class time. Out-of-school programs, including after-school and summer offerings, must provide additional time to accommodate both academic and enrichment activities.

PERFORMANCE IMPLICATIONS

Court findings in New Mexico’s education sufficiency lawsuit noted programs and services like prekindergarten, summer school, after school, extended learning time, smaller class sizes, social services, and research-based reading programs could help close achievement gaps for at-risk students.

ADMINISTRATIVE IMPLICATIONS

PED would need to develop and issue an RFA with eligibility criteria, evaluate the submissions, issue award letters, and monitor awards. The agency would need to provide compliance and oversight of approved programs, including the fiscal monitoring of budget adjustment requests and requests for reimbursements, as well as program monitoring in the field. PED anticipates 1 additional FTE or an external contractor is necessary to oversee the fiscal and programmatic aspects of this appropriation.

RELATIONSHIP

This bill relates to the ELTP and K-5 Plus appropriations, which are included in the state equalization guarantee (SEG) distribution in the General Appropriation Act. The bill also relates to House Bill 227 and Senate Bill 47, which make an appropriation for after-school and before-school mentoring and tutoring; House Bill 150, which makes an appropriation to Bernalillo County to contract for extended learning and mentoring out-of-school enrichment programs; House Bill 219, which expands eligibility for K-5 Plus programs; and House Bill 236, which removes community school grant caps.

TECHNICAL ISSUES

PED notes the bill does not specify if community-based organizations are eligible to apply directly for these funds and provide services on a school campus or at an alternative off-campus location.

ALTERNATIVES

Rather than using PED as the intermediary for this program, school districts and charter schools implementing ELTPs could directly contract with programs to provide after-school services. The LFC’s FY21 budget recommendation increases ELTP funding in the SEG by \$8.9 million and authorizes PED to use up to \$35 million of K-5 Plus funds to support ELTPs if participation exceeds the budgeted level. The executive’s FY21 budget recommendation also authorizes the use of unspent K-5 Plus funds for ELTPs but maintains flat funding levels for both programs.

Similarly, public schools could use K-5 Plus funding to provide summer enrichment opportunities. The executive and LFC recommendations both maintain \$120 million for K-5 Plus funding through the public school funding formula for these purposes. The LFC recommendation

further includes \$30 million to pilot alternative K-5 Plus programs (such as K-12 Plus or startup extended year programs), providing public schools significant flexibility to design programs that meet individual community needs. The LFC recommendation also includes \$5 million for extended learning opportunities at small school districts and schools with significant populations of Native American students.

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