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FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/20

SPONSOR HEC LAST UPDATED _____ HB 177/HECS

SHORT TITLE Regional Partnership School Demo Project SB _____

ANALYST Gaussoin

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$3,350.0	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		\$65.0	\$65.0	\$130.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Houe Bills 62 and 92

Relates to an appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Higher Education Department (HED)

No Response Received

Regional Education Cooperatives

Higher Education Institutions

SUMMARY

Synopsis of Bill

The Houe Education Committee substitute for House Bill 177 appropriates \$3.335 million from the general fund to a newly created regional partnership school demonstration project fund to support a five-year partnership project involving the Pojoaque Valley public school district, New

Mexico Highlands University School of Education, and Los Alamos National Laboratory. The fund would be managed by the Department of Finance and Administration from summer 2020 through the end of FY25.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

The primary component of the demonstration project is a “pre-service clinical teacher candidate residency program” for junior and senior education students in the New Mexico Highland University college of education. The students would serve two years in the Pojoaque Valley schools in one or more classes from fourth through eighth grade. The residency program may include tuition scholarships and stipends for the teacher candidates, training and stipends for teacher mentors, and instructional materials. In conjunction with a “professional development program” component, the residency program is intended to demonstrate intensive professional development will reduce teacher burn-out, improve teacher retention, and improve student performance.

Two other components of the project – the “core subject enrichment program” and the “family engagement program” – will involve summer learning programs and after-school subject sessions to demonstrate the impact of extended learning time and community-engagement approaches to demonstrate family involvement improve student performance.

FISCAL IMPLICATIONS

The appropriation of \$3.335 million contained in this bill is a recurring expense to the general fund. Provisions of this bill revert any unexpended or unencumbered balance at the end of FY25, effectively extending the appropriation over five fiscal years. Extending appropriations beyond FY21 restricts the Legislature’s ability to prioritize funding, forecast revenue availability, and meet obligations of establishing a balanced budget.

This bill creates a new fund to be administered and disbursed by the Department of Finance and Administration. DFA does not necessarily have the expertise in-house to make these decisions and might need additional staff to monitor the fund.

The bill also calls for expertise from PED and outside evaluation and reports. PED adds, as a pilot, this project would need to be evaluated for its scalability and replicability. PED responsibilities are likely to fit within the department’s existing resources, while evaluations and reports should be budgeted within the new fund.

Notably, the school district will continue to receive state and other funds for the students in the project. The appropriation, to be disbursed over five years for an average of \$667 thousand a year, would be in addition to funding formula distributions and other state funds.

SIGNIFICANT ISSUES

The project is intended to include a number of elements identified in studies as important to student achievement, including extended learning, rigorous teacher preparation, and family engagement. However, these are broadly described in the bill and not all efforts aimed at these goals are successful. PED, which would review and presumably approve, the project details,

would need to focus the practices within the project on evidence-based approaches implemented with fidelity.

Pojoaque Valley School District, as reported in the *Pojoaque Valley School District Portfolio, 2017-2018* (<https://bit.ly/2GxDkTB>), has just under 2,000 students, about 75 percent Hispanic and another 20 percent Native American. Almost 60 percent are economically disadvantaged. PEDs school grading system was removed from law in 2019, but nmschoolgrades.com, a PED-linked website, lists Ds and Fs for the Pojoaque intermediate, middle, and high schools and a B for Pablo Roybal Elementary.

PERFORMANCE IMPLICATIONS

HB177 requires partners to submit project design and implementation plans to the PED for review. Participating students will be evaluated at project start and progress will be evaluated each year using quantitative and qualitative indicators.

HB177 also requires external evaluation of the programs and the project over its five-year duration, including a study of the effect of the project on the district as a whole, with periodic reports to PED and the Legislature and a final report to PED, the governor, and the Legislature.

ADMINISTRATIVE IMPLICATIONS

Under HB177, the department of finance would award funds to the regional partners to establish a teacher residency program. The department will be required to develop and oversee this project but the bill does not provide for any staffing at the department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 92 creates the Teacher Residency Act and appropriates \$5 million for a grant program for teacher residencies.

House Bill 62 creates a beginning teacher mentorship fund (BTMF) and appropriates \$6.2 million from the general fund to the BTMF for expenditure in FY21. The bill further amends the statute on teacher mentorship for beginning teachers and distributes up to \$2,000 from BTMF for beginning teachers each year. This bill is endorsed by LESC.

The LFC recommendation for the General Appropriation Act includes \$2 million from the public education reform fund for a teacher residency pilot, salary enhancement for teachers mentoring new teachers, and formula funding for mentorship and professional development.

TECHNICAL ISSUES

HB177 states that the appropriation is for expenditure in FY20 through FY25, however, there is no emergency clause requiring appropriation prior to July 1, 2020, the first day of FY21.

The language in the bill presumes the success of the project before the project begins, which might be inappropriate.