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FISCAL IMPACT REPORT

SPONSOR <u>Romero, GA/Roybal Caballero/Trujillo/ Ezzell/Moya</u>	LAST UPDATED <u>2/28/23</u>	ORIGINAL DATE <u>2/8/23</u>
SHORT TITLE <u>LESC Public Education Study</u>	BILL NUMBER <u>House Bill 216/aHF1#1</u>	ANALYST <u>Helms</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No impact	\$0.00 - \$80.00	\$0.00 - \$80.00	\$0.00 - \$160.00	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From
Higher Education Department (HED)

No Response Received
Public Education Department (PED)

SUMMARY

Synopsis of House Floor Amendment #1 to House Bill 216

The House Floor amendment to House Bill 216 adds a section stating the effective date of the bill is July 1, 2024. The prior version of the bill did not have a section with a specified effective date.

Synopsis of Original Bill

House Bill 216 (HB216) amends Section 2-10-3 NMSA 1978 on the scope and responsibilities of the Legislative Education Study Committee (LESC) to strike language that states the LESB's responsibilities do not include duplicating studies already conducted by the board of educational finance and do not include studying higher education outside of training of certified teaching personnel. It also expands language to include the entire public education system, which would include early childhood education.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

House Bill 216 does not contain an appropriation. The struck language in HB216 could allow the LESC to expand scope into broader considerations of early childhood education and higher education policy or finance. LFC analysis notes, because LESC staff already has a full work plan, an expansion into higher education institution analysis across 27 public colleges and universities could be significant. HB216 could require LESC to hire at least one additional full time equivalent employee, and salary for LESC analysts averages \$80 thousand per year. LESC analysis does not indicate that expanded responsibilities to higher education and early childhood would require additional staff support.

SIGNIFICANT ISSUES

House Bill 216 allows the committee, if it chooses, to ask LESC staff to study any aspect of public higher education, including finance. There are 27 public colleges and universities operating in New Mexico with hundreds of varied programs. Currently, oversight and reports on these institutions is provided by the Higher Education Department and its Institutional Finance division.

The responsibilities of LESC in Section 2-10-3 NMSA 1978 include a study of all education in New Mexico, including laws, policies, and costs, and recommending changes in a report provided to the legislative committee. The LESC's 2022 work plan included analyses of school leadership, educator preparation and retention, graduation requirements, career technical education and dual-credit courses, bilingual programs and Indian education, governance, special education, aspects of the school funding formula, education benefits, charter schools, federal funding, and mental health in schools. Of these work plan items, only three items (educator preparation and retention, high school/college dual-credit courses, and school leadership) required either direct LESC analysis of educator preparation programs or analysis of public schools' relationships with colleges and universities.

HED analysis notes

HB216 has the potential to indirectly create duplicative reporting requirements for New Mexico's public Higher Education Institutions (HEIs) if the LESC, the Legislative Finance Committee (LFC), and NMHED do not coordinate their reporting requirements and data requests. In recent years, the NMHED has been responsive to all requests from the LESC for data, information, and departmental presentations on higher education topics outside the scope of teacher training and certification.

PERFORMANCE IMPLICATIONS

Public school education outcomes in the state of New Mexico have been under scrutiny given nationwide learning loss stemming from the Covid-19 pandemic, poor performance on the National Assessment of Educational Progress (NAEP) scores for fourth and eighth grade students, and ongoing litigation from the *Martinez-Yazzie* sufficient lawsuit. LESC is currently responsible for dozens of yearly briefs and reports on kindergarten through 12th grade public education in the state. There is the possibility that expansion of LESC's focus could dilute attention to K-12 public education concerns in the state.

ADMINISTRATIVE IMPLICATIONS

In the case of expanded LESC study into HED, higher education institutions may need to increase administrative nonclassroom spending to comply with any requests from LESC.

HED analysis notes

There are some unresolved questions over the implications of HB216 were it to pass:

- Would LESC gain any budgetary authority and oversight of higher education?
- Would both LESC and LFC specify outcomes and reporting requirements to higher education institutions and to HED?

SH/al/hg