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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/6/25

SPONSOR Stewart

BILL
NUMBER Senate Bill 242

SHORT TITLE Advancing the Science of Reading Act

ANALYST Liu, Mabe

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Current Secondary Teacher Training	No fiscal impact	\$575.1	\$575.1	\$1,150.2	Nonrecurring	Local School Budgets
Substitute Pay for Secondary Teacher Field Experience	No fiscal impact	\$2,872.5	No fiscal impact	\$2,872.5	Nonrecurring	Local School Budgets
Substitute Pay for Alternative Licensure Field Experience	No fiscal impact	\$1,279.5	\$1,279.5	\$2,559.0	Recurring	Local School Budgets
Literacy Coordinators	No fiscal impact	\$1,105.0	\$1,105.0	\$2,210.0	Recurring	General Fund
Total	No fiscal impact	\$5,832.1\$	\$2,959.6	\$8,791.7		

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bills 156 and 157 and to an appropriation in the General Appropriation Act

Sources of Information

LFC Files
 Legislative Education Study Committee (LESC) Files

Agency Analysis Received From
 Regional Education Cooperatives (REC)
 Higher Education Department (HED)
 New Mexico Independent Community Colleges (NMICC)
 University of New Mexico (UNM)
 New Mexico Institute of Mining and Technology (NMT)
 New Mexico School of the Blind and Visually Impaired (NMSBVI)

Agency Analysis was Solicited but Not Received From
 Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 242

Senate Bill 242 creates the Advancing the Science of Reading Act in the Public School Code to:

- Define models of reading instruction;
- Establish new course requirements for teacher licensure;
- Establish new supervised field experience requirements for teacher licensure;
- Require student teaching or field experience with a teacher trained in the science of reading;
- Require educator preparation programs to ensure teacher candidates meet new course and credit hour requirements;
- Require secondary teachers seeking endorsement in language arts to meet new course requirements;
- Require alternative licensure teachers to pass the science of reading test and complete structured literacy courses within two years;
- Require alignment of instructional materials with a structured literacy approach;
- Prohibit the use of instructional materials employing balanced literacy techniques;
- Ban the use of balanced literacy approaches to teach reading;
- Require all state-approved teacher preparation programs to employ a literacy coordinator to oversee implementation of the Act;
- Require the Public Education Department (PED) to monitor educator preparation programs for compliance;
- Authorize PED to revoke state approval for educator preparation programs that fail to meet science of reading standards or comply with corrective action plans;
- Require educator preparation programs to annually report data on candidate performance and graduate impact on student literacy outcomes;
- Require educator preparation programs to ensure teacher candidates are trained to identify when students are not reading at grade level and how to provide appropriate interventions;
- Require school districts and charter schools to notify parents of K-3 students twice per academic year on current reading performance;
- Require schools to notify parents of first grade students of reading difficulties from the dyslexia screener and services that will be provided;
- Remove specific licensure reciprocity course requirements;
- Remove requirements for teacher preparation programs to be nationally accredited;
- Update level 1 minimum teacher salaries to reflect K-12 Plus program adjustments; and
- Define core instructional materials within the Instructional Materials Law.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The bill does not contain an appropriation but requires all teachers seeking licensure, including

through traditional, alternative, and reciprocity routes, to complete 6 semester hours in structured literacy and the science of reading coursework and 100 hours of supervised field experience in classrooms implementing the science of reading. Secondary teachers not seeking endorsement in language arts must complete three hours of reading courses in subject matter content. Alternative level 1 licensed teachers must complete the 6 semester hours of structured literacy and 6 additional semester hours of teaching principles, pass the science of reading licensure exam, and meet the 100 hours of field experience within the first two years of teaching.

Provisions of this bill will require all existing teachers seeking licensure renewal to complete coursework on the science of reading and establish additional requirements for new teacher candidates. The costs of retraining existing educators will fall primarily on the state, while the costs for new teachers may be associated with teacher preparation program budgets. Since FY21, the state has allocated \$40 million to schools and \$36.8 million to PED to train educators in the science of reading and the structured literacy framework.

For FY22, PED reported 8,998 teachers had completed, or were currently enrolled in, Language Essentials for Teachers of Reading and Spelling (LETRS) training—a structured literacy training course that can take upwards of 160 hours to complete over the course of two years. LETRS was developed by Lexia, a reading technology company, and was used by Mississippi in 2014 to train its K-3 teachers as part of a broader effort to align reading instruction across the state. PED estimated nearly 4,000 educators would begin LETRS training by FY25, covering all K-5 educators across New Mexico. In FY25, the Legislature appropriated \$5 million to PED to train secondary educators, which the department planned to use for training middle school educators.

In FY23, PED licensure data shows about 1,915 English language arts teachers in grades 7-12. These secondary teachers are currently only required to complete 3 hours of reading courses in subject matter content. Provisions of this bill would require them to complete 6 semester hours of science of reading coursework and 100 hours of supervised field experience in classrooms implementing the science of reading. Since PED has scaled LETRS training up in recent years, beginning with kindergarten and now projected to reach fifth grade, it is unclear if high school teachers have completed these trainings yet. To offset costs of LETRS training for existing teachers, schools could subsidize the costs of the program through local operational funds. At \$600 per individual, the costs of providing additional LETRS training for these 1,915 secondary teachers would be approximately \$1.2 million over two years. Providing substitutes for these teachers to meet 100 hours of field experience at \$15 per hour would cost about \$2.9 million.

The bill requires literacy coordinators to be employed at each PED-approved teacher preparation program to oversee implementation of this act. Currently, the state has 13 educator preparation programs training teacher candidates, including one alternative licensure program through Cooperative Education Services. At \$85 thousand per literacy coordinator FTE in each program, the costs would be \$1.1 million annually.

According to the 2024 New Mexico State University teacher vacancy report, educator preparation programs admitted 1,122 alternative licensure candidates in FY24, including 853 candidates that would need to enroll in 6 semester hours of coursework in the science of reading. Costs of these courses are presumed to be covered by financial aid; however, substitute pay for the 100 hours of required field experience is estimated to be \$1.3 million annually.

The executive, Legislative Education Study Committee (LESC), and LFC budget

recommendations for FY26 include a \$14 million recurring general fund appropriation to PED for early literacy initiatives, which supports LETRS training for elementary educators and technical assistance statewide. The recommendations also include a \$30 million nonrecurring appropriation for a summer reading program and \$5 million to train secondary educators in the science of reading, beginning with middle schools. The LESC and LFC recommend further appropriating \$10 million to pilot the secondary educator training for two additional fiscal years.

SIGNIFICANT ISSUES

Laws 2019, Chapter 256 (Senate Bill 398), established universal dyslexia screening for first grade students, interventions for students with dyslexia, and required schools to develop plans to provide structured literacy training for all elementary teachers. The Legislature appropriated \$1.7 million to PED for a statewide literacy initiative in FY21 to support educators in teaching elementary students to read. In FY23, the Legislature expanded this appropriation to \$8 million and appropriated another \$8 million through the state equalization guarantee (SEG) distribution for schools to support structured literacy implementation through operational funds. PED has sponsored LETRS training through the department's allocation to train all elementary school teachers at no cost to schools, and many teachers have leveraged professional development time to complete the LETRS modules.

In the last century, teachers providing instruction on reading have been using either a structured literacy (explicit phonics and decoding skills) approach or a balanced literacy (phonics alongside strategies like visual cues, context, and exposure to rich and varied texts) approach. In 1997, the U.S. Congress asked the National Institute of Child Health and Human Development to form the National Reading Panel (NRP) to determine what methods best taught students to read. After reviewing over 100 thousand studies, NRP published a report in 2000 that highlighted five key components of reading instruction: phonemic awareness, phonics, fluency, vocabulary, and comprehension. The report discredited whole language approaches and supported structured literacy approaches. Even after the NRP report, many teachers and teacher preparation programs continued to teach balanced literacy approaches. Now many states are enacting science of reading legislation, which often bans balanced literacy approaches.

Importantly, structured literacy and the science of reading are closely related, but they are not the same thing. Structured literacy is an approach to reading instruction that is rooted in the science of reading, which refers to a large body of research on how the brain learns to read. Balanced literacy is grounded in the idea that reading is a natural process; however, the science of reading has found that unlike speaking, reading is not a natural process. So, while some students seem to pick it up without effort, many need to be explicitly taught, and this includes children who are exposed to books and reading from a young age. That's why the balanced literacy tool of three-cueing, which has students guessing words they don't know based on cues like context or pictures, seems to work quite well for young readers, but doesn't work as well when texts become more complicated. Groups advocating for reading instruction for dyslexic students support structured literacy, but the approach is useful for most students. As LESC notes in a 2024 policy brief, 50 percent to 65 percent of students need explicit literacy instruction to learn to read.

PERFORMANCE IMPLICATIONS

Provisions of this bill may affect reading proficiency rates across the state. The most recent PED data from FY24 shows 39 percent of New Mexico students are reading at grade level. That marks an increase of just 1 percentage point from the year before and 5 percentage points from FY22. According to an LESC review of structured literacy support models, the generally positive trend in reading proficiency may be due in part to the statewide adoption of structured literacy and as most teachers get trained proficiency will likely continue to rise, but more data is needed to know for sure. While reading proficiency for the at-risk groups identified in the *Martinez-Yazzie* lawsuit has also improved over the same period, the gap between these groups and their peers largely remains the same. For example:

- Reading proficiency of economically disadvantaged students rose 7 percentage points from 22 percent to 29 percent but remained 18 points behind non-economically disadvantaged students.
- Reading proficiency of English learners rose 6 percentage points from 13 percent to 19 percent but remained 25 percentage points behind native English speakers.
- Reading proficiency of students with disabilities rose 4 percentage points from 9 percent to 13 percent but remained 32 percentage points behind general education students.

ADMINISTRATIVE IMPLICATIONS

Provisions of this bill would require PED to adjust its licensure review process and New Mexico Administrative Code 6.60.3 to include checks for science of reading coursework and required field experience under a trained teacher. PED will also need to track which teachers are trained in the science of reading. Given a substantial number of teachers who are still undergoing this training, it is unclear how many current teachers would be able to complete the 100 hours of supervised field experience in a classroom implementing the science of reading. As such, this bill may delay licensure attainment or renewal for a significant number of teachers. Additionally, PED will need to hire at least 13 literacy coordinators to oversee each educator preparation program in the state; these coordinators will provide professional development for all faculty and serve as a liaison between PED, schools, and higher education. These positions may duplicate some functions related to coordinators of teacher residency programs.

PED must also monitor and enforce science of reading standards within preparation programs and develop corrective action plans for programs that fail to meet these standards. PED will need to employ a reading specialist or literacy expert during its review and accreditation process for preparation programs, evaluate coursework and field experiences, assess faculty qualifications, document integration of science of reading standards within the institution's programming, collect data on graduate effectiveness, and document the quality of candidate placements.

Provisions of this bill would require PED to create a parent notification template. Schools can use the template and must notify parents of any K-3 student twice per year about current reading performance and notify parents in writing of first grade students who have reading difficulties 15 days after the dyslexia screener has been administered. If the first-grade student has reading difficulties, the written notice must include information about services and reading improvement plans, monthly updates on the student's progress, and strategies for parents to use at home.

The bill requires educator preparation programs to annually report programmatic changes to enhance instruction using the science of reading, data on candidate coursework and clinical experiences, and program graduate effectiveness on student literacy outcomes. According to a

2024 LESC evaluation of teacher residency programs, PED and educator preparation programs do not coordinate data on teacher residents, due to separate data systems at the department and preparation program level. Data quality issues and a lack of coordination hampered the ability of LESC staff to complete an analysis of teacher residency programs. In 2019, PED requested \$254 thousand to plan and design a process for agency and preparation program data exchanges. The process to date has not resulted in a seamless transfer of data or connection to student outcomes for analysis.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 156, which also amends sections of statute related to level 1 teacher salaries, and House Bill 157, which creates new standards for administrator preparation programs.

The bill also relates to a \$14 million appropriation for early literacy initiatives, \$30 million appropriation for summer reading programs, and \$5 million appropriation for secondary literacy initiatives at PED within the General Appropriations Act.

TECHNICAL ISSUES

Provisions of this bill amend the level 1 license minimum salary section, updating language referring to K-5 Plus (which no longer exists) to refer instead to K-12 Plus. The sponsor may want to consider removing language in the section referring to “extended learning time program or” as that program also no longer exists. The sponsor may also want to make these changes for level 2 and level 3-A licenses, which have similar outdated references to K-5 Plus and extended learning time programs.

Current law only requires alternative level 1 teachers to complete a minimum of 12 semester hours of instruction in teaching principles within two years of beginning teaching. Subparagraphs 5 and 6 of Subsection A of Section 11 in the bill (pages 18 and 19) strike this provision and inserts a requirement that alternative level 1 teachers meet one of the following two criteria:

- In the first 12 months of teaching, complete 6 semester hours in structured literacy and science of reading and 100 hours of field experience, and the remaining minimum of 6 hours of instruction in teacher principles; or
- Within two years of beginning teaching, complete 12 semester hours in the first 12 months of teaching and 100 hours of field experience, and the remaining minimum of 6 hours of instruction in teaching principles—provided that six of the hours shall include instruction in the science of reading.

It is unclear whether the bill is creating a separate expectation for second-year alternative license teachers to have completed 12 semester hours within their first year and another 6 semester hours in their second year. The sponsor may want to simplify or clarify this language further.