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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Lopez/Sedillo Lopez/Jaramillo/Pope/Pinto **ORIGINAL DATE** 2/24/25

BILL

SHORT TITLE Hispanic Student Education & Reporting **NUMBER** Senate Bill 396

ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$0.0 - \$3,108.5	\$0.0 - \$1,963.0	\$0.0 - \$5,071.5	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 467 and 487

Relates to appropriation in the House Appropriations and Finance Committee Substitute for House Bills 2&3

Sources of Information

LFC Files

Agency Analysis Received From

Early Childhood Education and Care Department (ECECD)

Higher Education Department (HED)

Regional Education Cooperatives (REC)

New Mexico Independent Community Colleges (NMICC)

New Mexico Institute of Mining and Technology (NMT)

Agency Analysis was Solicited but Not Received From

Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 396

Senate Bill 396 (SB396) amends the Hispanic Education Act to:

- Include postsecondary education as part of the five-year strategic plan for Hispanic student education developed by the Hispanic education liaison at the Public Education Department (PED),
- Specify that Hispanic student achievement be measured by a PED-approved statewide test that is disaggregated by ethnicity and reported through the Hispanic education status report,
- Include reporting on school district initiatives to decrease school dropouts and increase attendance in the status report, and

- Require school districts to develop a systemic framework for improving educational outcomes for Hispanic students in conjunction with certain stakeholders for specified activities and services.

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 additional reporting from PED and the development of a framework by school districts to provide responsive activities and services for Hispanic students. Development of this framework may increase the number of services for Hispanic students, which will largely be borne by school district budgets. The fiscal impacts of the framework are indeterminate but could be substantial.

The fiscal impact estimate in this report assumes the operational costs of PED's Hispanic Education Bureau will increase to assist all 89 school districts in the development of a framework in FY26 and an expansion of bureau staff to double that of the Indian Education Division for ongoing technical assistance and grant management in subsequent fiscal years. PED reports the staff of the Hispanic Education Bureau, unlike the bureaus and divisions for bilingual multicultural, Indian, and Black education, are financed from a nonrecurring appropriation each year, which was a \$500 thousand nonrecurring appropriation in FY25.

According to the latest Hispanic education status report, PED used a \$1 million nonrecurring appropriation for Hispanic education in FY24 for the following:

- \$349.5 thousand for bureau operations,
- \$168.2 thousand for Hispanic arts and music grants at 11 schools,
- \$145.1 thousand for family engagement infrastructure and program design,
- \$79.8 thousand for Hispanic student scholarships for 45 students to attend camps,
- \$67.2 thousand for Hispanic student programming teacher stipends,
- \$59.3 thousand for Latinos in Action curriculum at eight schools,
- \$48.2 thousand for Regional Education Cooperative services,
- \$37.7 thousand for Hispanic education instructional materials and supplies, including the distribution of 150 copies of the book, *Equity in School Parent Partnerships*,
- \$21.1 thousand for Spanish translation services,
- \$14.3 thousand for dual language parent institute scholarships to 64 parents, and
- \$9,532 for Hispanic education professional development.

Provisions of this bill would likely expand these activities and increase demand for funding related to these programs and services. The House Appropriations and Finance Committee (HAFC) Substitute for House Bills 2&3 include a \$500 thousand nonrecurring appropriation to PED for activities related to the Hispanic Education Act.

SIGNIFICANT ISSUES

The Hispanic Education Act, signed into law in 2010, was intended to improve the educational success and postsecondary attainment of Hispanic students in New Mexico. The act provided for the study, development, and implementation of educational systems to close achievement gaps

and increase graduation rates for Hispanic students, encourage and foster parental involvement in education, and provide mechanisms for stakeholder groups to collaborate on solutions.

The U.S. Census Bureau estimates about 49 percent of New Mexico’s total population self identifies as Hispanic or Latino. According to PED’s FY25 enrollment data, 63 percent of New Mexico students identified as Hispanic, which amounts to 194.6 thousand students. As such, performance of Hispanic students generally drives overall statewide trends in proficiency rates, graduation rates, etc. The federal Office of Management and Budgets defines a Hispanic or Latino as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. This means any person who self-identifies as Hispanic or Latino may also self-identify as one or more of the five minimum racial categories: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, and White. By contrast, New Mexico statute requires the Hispanic category be considered equivalent to other racial categories. Under New Mexico classification standards, students who identify as Hispanic and White and no other race are recorded as Hispanic.

PERFORMANCE IMPLICATIONS

Provisions of this bill may affect screening and referral services for students needing special education, which has historically resulted in the overidentification of certain student groups for special education. A 2023 LFC evaluation of special education found English learners were more likely to be diagnosed with certain disabilities and less likely to be identified as gifted. The percentage of Hispanic students identified as having a disability was slightly higher than the proportionate share of Hispanic students in the statewide student population.

Provisions of this bill may affect the provision of bilingual and bicultural programs in the state, which also include other Native languages in addition to Spanish. A 2022 LFC evaluation on bilingual multicultural education programs found the state had 4,055 licensed bilingual teachers but only 806 bilingual teachers (20 percent) taught in a bilingual multicultural education program. The report noted the state lacked appropriate instructional materials and curriculum for these programs, which was cited by educators as a barrier for instruction. Additionally, bilingual teachers noted the additional work of developing materials and implementing these programs was challenging due to a lack of time and resources.

Provisions of this bill may expand out-of-school programming, family and community engagement activities, and family literacy services, which may increase student achievement.

ADMINISTRATIVE IMPLICATIONS

Provisions of this bill would require PED to include postsecondary education as part of its scope for the Hispanic student education strategic plan. PED must also begin reporting on school dropout rates, which have not been updated since 2019.

The bill requires school districts to develop and publish a systemic framework for improving educational outcomes for Hispanic students in collaboration with school employees, Hispanic students and families, social service providers, and community and civic organizations. PED’s Hispanic education liaison must assist school districts in developing these frameworks as required. These systemic frameworks include:

- Culturally relevant programs, services, curricula, instructional materials, activities, and professional development to improve Hispanic education,
 - Academic programs may include professional development, screening and referrals for students with disabilities, bilingual and bicultural programs, college readiness and access programs,
 - Culturally related activities may include culturally responsive teaching and learning strategies, support for Spanish language programs, academic programs, violence prevention, suicide prevention, and substance abuse prevention, and
 - Services may include out-of-school programs and community interventions to prevent truancy and dropout, guidance and counseling, parental involvement, and family literacy services.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

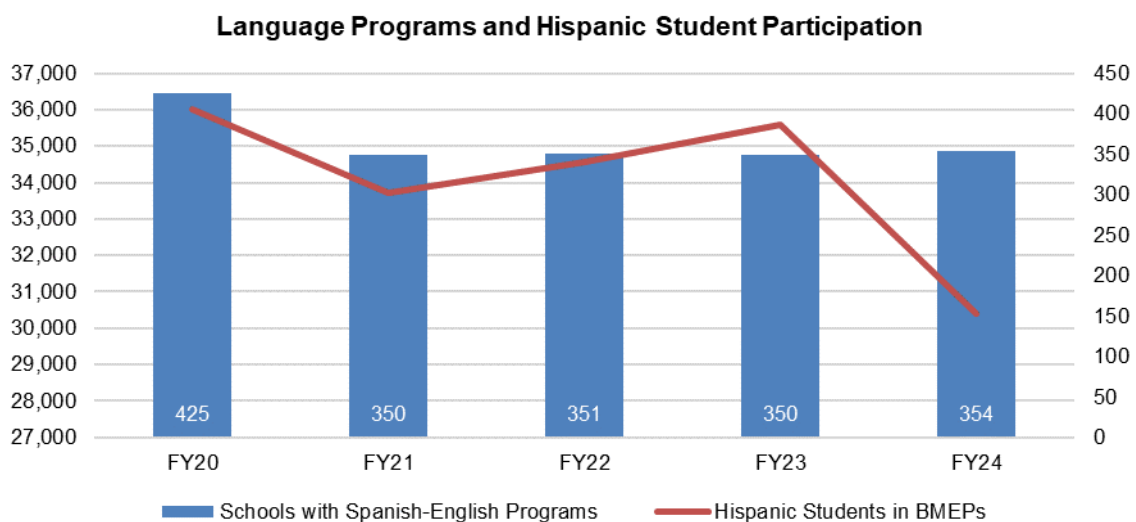
This bill relates to House Bills 467 and 487, which amend the Hispanic Education Act to include Spanish language and culture preservation as part of the purpose of the act and authorize advisory council members to receive per diem and mileage. The HAFC Substitute for House Bills 2&3 includes \$500 thousand for Hispanic education activities.

TECHNICAL ISSUES

Provisions of this bill include a list of academic programs, culturally related activities, and services alongside a description of the systemic framework. It is unclear whether these provisions are part of the systemic framework, analogous to the framework, or definitions. The sponsor may want to restructure the new section to clarify where these provisions belong.

OTHER SUBSTANTIVE ISSUES

The number of Hispanic students participating in bilingual multicultural education programs (BMEP) and the number of schools with Spanish-English BMEPs has declined in recent years.



Source: PED