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FISCAL IMPACT REPORT

| SPONSOR: | Miera | DATE TYPED: | 1-29-02 | НВ | 122 |
|-------------|--------------------------------|-------------|---------|-----|--------|
| SHORT TITLE | E: <u>Criterion-Referenced</u> | Testing | | SB | |
| | | | ANALY | ST: | Segura |

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|------------------|
| FY02 | FY03 | FY02 | FY03 | | |
| \$2,000.0 | | | | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act

SOURCES OF INFORMATION

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 122 appropriates \$2,000.0 to SDE for the purpose of developing and aligning a high school graduation examination during FY2002-2003. The bill contains an emergency clause.

Significant Issues

The test is to be aligned with the State Board of Education's content standards, benchmarks and performance standards.

According to SDE, the State Board of Education has directed the department to develop a graduation examination that aligns with the content and performance standards. Title I requirements to have a criterion-referenced test administered at the high school level would be met if the assessment was developed for administration by school year 2002-2003. The bill carries an emergency clause for this reason

House Bill 122 -- Page 2

The Elementary and Secondary Education Act(ESEA) requires states to test all students in grades 3-8 in reading and math beginning in 2005-2006. Assessments must be aligned to the state's standards and scores reported for individual students. Results must also be disaggregated by gender, major racial and ethnic groups, English proficiency, migrant status, disability, and economically disadvantaged students for each school and district. Districts are required to annually assess the English proficiency of all students with limited English proficiency beginning in the 2002-2003 school year. States are required to develop science standards by 2005-2006.

The National Board of State Board of Education indicates, the ESEA authorizes up to \$490 million each year for states to develop and administer the mandated reading and math tests, as well as the science assessments. A trigger of \$370 million for each succeeding year is included. For each year Congress does not provide a least that amount, states can postpone the 2005-2006 deadline. However, states must develop the test regardless of the amount of money supplied by the federal government.

FISCAL IMPLICATIONS

House bill 122 appropriates \$2,000.0 from the general fund. The SDE indicates that an appropriation is needed because the ESEA does not include appropriations for assessments beyond the 9^{th} grade.

OTHER SUBSTANTIVE ISSUES

State Statue 22-2-8.4 D (NMSA 1978) requires that "no student shall receive a high school diploma who has not passed a state graduation examination in the subject areas of reading, English, math, writing, science and social science."

RS/njw:ar