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## FISCAL IMPACT REPORT

SPONSOR Nava DATE TYPED 3/14/05 HB \_\_\_\_\_

SHORT TITLE Instructional Material Allocation Calculation SB 128/aSEC/aSFC/aHEC

ANALYST Segura

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	\$200.0		Recurring	Instructional Material Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

House Education Committee amended Senate Bill 128. The amendment strikes SFC amendments 2 and 3. HEC expands the original sentence to include “as determined by department rule.” The amendment strikes the provision related to “nonprofit publishers.” On page 6 line 5 of the original bill, the amendment strikes the per diem and mileage language.

Synopsis of SFC Amendment

Senate Finance Committee amended Senate Bill 128/an as follows:

- The amendment strikes all Senate Education amendments. The unencumbered funds ratio to be held by a school district or Public Education Department remains the same as the original bill.
- On page 5, line 15 and line 16, it replaces the Per Diem and Mileage Act requirements and allows for “a stipend commensurate with the level of responsibility and participation”.
- It inserts a clause that would exempts In-state nonprofit publishers from fees.
- On page 8, subsection E the SFC amendment strikes the entire subsection and inserts a new section. The new section allows a school district, state institution or adult basic education center to retain funds remaining at the end of the fiscal year to be used in subsequent years. For private schools’ any funds remaining will be available to the PED for instructional material purchases in subsequent years.

Synopsis of SEC Amendment

Senate Education Committee amended Senate Bill 128 as follows:

- Allows districts to retain **75%** of unencumbered funds at the end of the fiscal year while allowing the Public Education Department to use the remaining **25%** unencumbered funds as a credit.
- The PED will take credit for **25%** of unencumbered funds at the end of a fiscal year.

Synopsis of Bill

Senate Bill 128 amends the Instructional Material Law, Chapter 22, NMSA 1978. The bill contains an emergency clause.

Significant Issues

If Senate Bill 128 is enacted it would:

- Create the Instructional Material Adoption Fund to allow PED to collect fees from publishers for the submission of items to be reviewed;
- Expand the definition of “ instructional material”;
- Require PED to allocate by April 1(rather than by July 1) 90 percent of the initial allocation for the purchase of instructional material;
- Changes the distribution of instructional material funds from 30 percent minimum to be spent on adoption to a 50 percent minimum;
- Allows districts to retain 25 percent of unencumbered funds at the end of the fiscal year while allowing the PED to use the remaining 75 percent of unencumbered funds as a credit.

## **PERFORMANCE IMPLICATIONS**

According to PED, the focused review of instructional materials by content experts and practitioners will provide higher quality materials to New Mexico schools. The districts will be encouraged to spend all or most of the allocated funds for materials needed to assist students in learning, rather than retaining funds over several years.

## **FISCAL IMPLICATIONS**

Senate Bill 128 does not contain an appropriation. The bill creates a fund for the collection of fees from publishers estimated to be \$200.0. The fee is a one-time fee per year for each item submitted for adoption.

## **ADMINISTRATIVE IMPLICATIONS**

PED will continue to monitor the Instructional Material program.

## **TECHNICAL ISSUES**

PED recommends the following amendments:

- Page 5, line 15-16, strike (per diem and mileage as provided in the Per Diem and Mileage Act), and insert “a stipend commensurate to the level of responsibility and participation”.
- Page 6, lines 5&6, strike per diem and insert stipends.

**RS/lg:yr**