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FISCAL IMPACT REPORT

SPONSOR SFI DATE TYPED 03/09/05 HB _____

SHORT TITLE High School Graduation Exam Standards SB 647/SFIS

ANALYST Chabot

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Public Education Department (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 647 amends Section 22-13-1.1 NMSA 1978 (Graduation Requirements) to qualify for high school graduation beginning in 2009-10 school year, the eleventh grade standards-based academic performance test required by Section 22-2C-4 NMSA 1978 (Assessment and Accountability) will be used as the state graduation examination. Students not passing the test, shall receive a certificate indicating the credits earned and the grade completed. However, if the student passes the 11th grade test within 5 years of leaving school, the student may receive a high school diploma. The local school board must develop a next step plan to each high school student that includes the requirements for receiving a high school diploma. Minor editing to align the statute with PED are also included.

Significant Issues

DFA assesses “a growing number of state as requiring students to pass exit examinations in order to receive high school diplomas. As of 2004, twenty states had mandatory exit exams in place with another five phasing in such exams by 2009.” In addition, in the next several years, the federal No Child Left Behind may require mandatory testing in 10th and 11th grades. However,

exit exams can have negative impacts on student motivation and persistence if they fail possibly leading to increase dropouts. Proponents show that exit exams aligned to curriculum and state standards with remedial assistance when needed can lead systematic improvement in student achievement.

The substitute bill addresses PED's concern about courts generally have held that three to five years' notice is required to meet due process requirements for changing graduation requirements by implementing the change in 2009-2010.

PED is also concerned the bill could have an adverse impact of high school graduation rates as happened when the passing score for the High School Competency Examination was raised by 25 points in 2000-2001.

PERFORMANCE IMPLICATIONS

The testing requirement may lead to better performance in student proficiency on criterion-reference tests.

PED has a plan for the 11th grade assessment to replace the High School Competency Exam as the state's exit exam in Spring 2008.

FISCAL IMPLICATIONS

The bill has no appropriation; some administrative expenses may result from the testing requirement. PED assesses these costs will be substantial particularly if students are allowed multiple retests until they pass. Costs are estimated at \$60-80 per student and 55 percent of students statistically will score below proficiency in at least one area and will need to retest. The department estimates 18,000 extra tests may be required at an additional cost of \$1.3 million plus additional costs for test administration. PED estimates its costs for contract administration at \$70 thousand. Without funding for this new requirement, districts will have to shift funding from other educational priorities.

ADMINISTRATIVE IMPLICATIONS

DFA points out test scores must be accurately recorded and results received in sufficient time to allow remedial assistance if needed by a student.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

The High School Competency Examination will remain the exit exam for high school students.

POSSIBLE QUESTIONS

1. If only the 11th grade test is used to determine graduation, will it be a disincentive to 12th grade students.

GAC/njw