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FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/2007

SPONSOR Carraro LAST UPDATED _____ HB _____

SHORT TITLE Require Reading Proficiency By Fourth Grade SB 783

ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$10,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 783 appropriates \$10,000,000 from the general fund to the Public Education Department to fund reading enhancement, including tutoring, in grades one through three in the public schools.

SB 783 amends Section 22-2C-6 NMSA 1978 to require reading proficiency prior to promotion to the fourth grade. An additional section has been added to read:

A student who fails to read proficiently by the end of the third grade shall not be promoted to the fourth grade until the student reads proficiently, except that the provisions of this subsection shall not apply to a developmentally disabled student learning to read in accordance with a developmentally appropriate plan approved by a licensed school employee.

FISCAL IMPLICATIONS

The appropriation of \$10,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

PED states that to facilitate this program, they would need one Educational Administrator at \$68,900 (including 30% benefits); one computer at \$1,500 and one work station at \$1,500 for a total of \$71,900.

In the LFC recommendation for FY08 under related recurring appropriations \$3,000,000 is recommended for School Improvement Framework. There is also a recommended amount of \$3,000,000 for Summer Reading, Math and Science Institutes.

SIGNIFICANT ISSUES

DFA reports the following significant issues:

Current law enacted by the 2000 Legislature makes New Mexico one of the few states with a policy to end social promotion. The statute regarding promotions applies to students who do not attain adequate yearly progress, which by inference means progress in all academic subjects for which the state has established a standard. SB-783 imposes an additional requirement for promotion from third grade based on whether a student reads proficiently. The bill does not define how reading proficiency should be measured.

Currently, for a student facing retention, New Mexico law (22-2C-6 NMSA 1978) requires:

- By no later than the end of the second grading period, notification of parents and development of a remediation plan; and
- At the end of grades one through seven, participation in a remediation program and if a district certifies the student has attained adequate yearly progress, promotion to the next grade, or if not, retention for no more than one school year, unless the parent refuses to allow the student to be retained.
- The second year a student fails to make adequate yearly progress, the student must be retained.

Educators agree that students who cannot read at grade level by the end of third grade experience difficulties as they move through elementary, middle, and high school. Early grade retention can be debated from two perspectives:

- promoting a child regardless of achievement places the child in a class where they are unprepared with the skills and knowledge they need to be successful, and
- retention may have long-term negative academic impacts on students.

Research indicates that at least 2 million students are held back each year in the United States (Hauser, Pager, & Simmons 2000). The findings in multiple studies fail to support retentions effectiveness as an intervention to improve student achievement. Evidence from research highlights the importance of implementing effective alternatives that promote the social and cognitive competence of all students, thereby enhancing educational outcomes.

PED notes that research indicates that neither retention nor social promotion has been shown to be effective at improving student performance. However, extended day and school year show promise in improving student performance.

- Research shows that holding students back to repeat a grade (retention) without changing instructional strategies is ineffective. Much evidence suggests that the achievement of retained

students still lags behind that of their peers after repeating a grade, making it an ineffective strategy for enabling students to catch up.

- Most children do not "catch up" when they are held back. Although some retained children do better at first, they often fall behind again in later grades, and are often referred for remedial help or special education during elementary school.
- The most consistent finding is that retained children have a much higher likelihood of dropping out of school than non-retained children. (National Association of School Psychologists, 2003).
- Retention might be helpful for a child who missed a lot of school due to illness or family moves, if the attendance problem is solved and the child will be only one year older than classmates (NASP Communiqué, June 1998 (vol.26-8) (*Retention and Promotion: A Handout for Parents*. Andrea Canter, Ph.D., NCSP, Minneapolis Schools, Karen Carey, Ph.D., California State University/Fresno).

PERFORMANCE IMPLICATIONS

PED states that this bill pertains to the public school performance measure of percent of 4th Grade students who achieve proficiency or above on the criterion-referenced assessments in reading and language arts.

ADMINISTRATIVE IMPLICATIONS

One FTE will be needed by the PED to implement the requirements of this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB 310 Reading Materials Fund, SB 287 Public School Accountability and Assessment and SB 548 Elementary School Teacher Reading Programs

TECHNICAL ISSUES

PED notes the following technical issues:

The Individuals with Disabilities Education Act (IDEA) requires that all students with disabilities have in place an Individualized Education Program (IEP). The terminology on page 2 line 23 "developmentally appropriate plan" and page 5 lines 18 and 19 "individual educational plan " needs to be changed to "Individualized Education Program" to align with the IDEA.

According to IDEA, a properly constituted IEP team includes the parent, not less than one regular education teacher, not less than one special education teacher, a representative of the public agency, and at the discretion of the parent or the agency, other individuals who have knowledge and special expertise regarding the child. Based on the above IDEA regulations, issues regarding possible promotion and retention of students with IEPs should occur in properly constituted IEP meeting and not by a licensed school employee as described on page 2, line 23 – 24.

OTHER SUBSTANTIVE ISSUES

DFA states that SB 783 would impact low-performing students that tend to be low socioeconomic and English language learners. There is no single intervention that will effectively address the specific needs of every student.

ALTERNATIVES

According to PED the extended day and year program provides an alternative to retention. Also the Reading First model of reading instruction in grades K-3 shows promise and documented student growth.

BS/nt