

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/20/2007

SPONSOR HEC LAST UPDATED _____ HB 62/HECS

SHORT TITLE Educational Tech Deficiency Correction Fund SB _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$29,650.0		Recurring	General Fund
\$32,500.0		Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 78.

Relates to HB 584 and SB 561

Relates to appropriations in the General Appropriation Act

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
\$27,000.0			Recurring	Educational Technology Deficiency Correction Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

The House Education Committee Substitute for House Bill 62 appropriates \$62.15 million from the general fund to the computer systems enhancement fund, the public education department, the higher education department, regional education cooperatives, Rio Rancho public schools and other school districts for the purpose of correcting educational technology deficiencies and to replace functionally obsolete computers and network devices in the public schools and to support a sustainable statewide support system for distance learning.

FISCAL IMPLICATIONS

The appropriation of \$29,650.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

The appropriation of \$32,500.0 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

The LFC remains concerned with funding initiatives outside of the funding formula as it tends to disqualize school funding and diverts funding away from core educational needs.

SIGNIFICANT ISSUES

The computer systems enhancement fund is considered to be part of the general fund.

HB62/HECS appropriates \$27 million from the general fund to the Educational Technology Deficiency Correction Fund for expenditure in fiscal year 2007 and subsequent years to correct serious deficiencies in education technology infrastructure. Funds remaining at the end of a fiscal year do not revert but remain in the fund.

HB62/HECS appropriates \$24 million from the general fund to the Public Education Department for expenditure in fiscal years 2007 and 2008 to make distributions to school districts to replace functionally obsolete computers and network devices. Funds remaining at the end of a fiscal year 2008 shall revert to the computer systems enhancement fund.

HB62/HECS appropriates \$8.5 million from the general fund to the Higher Education Department for expenditure in fiscal years 2007 and 2008 to fund the infrastructure for a sustainable statewide support system for distance learning in New Mexico. Funds remaining at the end of a fiscal year 2008 shall revert to the computer systems enhancement fund.

HB62/HECS appropriates \$1.45 million from the general fund to the Higher Education Department for expenditure in fiscal years 2007 and 2008 for program administration, information technology services and maintenance costs. Funds remaining at the end of a fiscal year 2008 shall revert to the general fund.

HB62/HECS appropriates \$630 thousand from the general fund to the Public Education

Department for expenditure in fiscal years 2007 and 2008 for the statewide cyber academy for program administration, professional development, curriculum development and purchase and operating costs. Funds remaining at the end of a fiscal year 2008 shall revert to the general fund.

HB62/HECS appropriates \$120 thousand from the general fund to the Public Education Department for expenditure in fiscal years 2007 and 2008 for distribution to regional education cooperatives three, eight and nine for distance learning networks. Funds remaining at the end of a fiscal year 2008 shall revert to the general fund.

HB62/HECS appropriates \$50 thousand from the general fund to the Public Education Department for expenditure in fiscal years 2007 and 2008 for distribution to Rio Rancho Public Schools for the Rio Rancho cyber academy. Funds remaining at the end of a fiscal year 2008 shall revert to the general fund.

HB62/HECS appropriates \$400 thousand from the general fund to the Public Education Department for expenditure in fiscal years 2007 and 2008 for distribution to school districts to support distance learning. Funds remaining at the end of a fiscal year 2008 shall revert to the general fund.

The following are the Adequacy Standards for Educational Technology

The following builds upon the *Public School Capital Outlay Task Force Report* section on Educational Technology. The standards are based upon Best Practices, and apply to all 754 schools in New Mexico:

Category	Standard	Benchmark
Network	Safe and secure network supporting voice, video & data to the desktop; sufficient server capacity to support uses both within the district, and connecting students, teachers and parents	E-mail for all educators and administrators; network capable of functioning when all computers are used at the same time; 5% downtime, or less; includes network operating software, network management software, virus protection, security
Distance Learning	Sufficient bandwidth and access to support anywhere, anytime learning	Students can participate in online courses from school and/or home; Teachers can upgrade professional skills via online courses from school and/or home
	Multipoint videoconferencing systems available for student learning and educator professional development.	One two-way videoconferencing system per school. Schools with more than 400 students have additional systems for each additional 400 students enrolled.

<p>Computers and Software</p>	<ul style="list-style-type: none"> • 2 students per multimedia computer; 1 to 1 computing devices for students and staff • Age of computers allows for current browsers and operating systems (Windows 2000 or XP; Mac OS-X) • Standard Productivity Software • Age Appropriate Content and Area Specific Software 	<ul style="list-style-type: none"> • Elementary use: 2 hrs per week per student Secondary use: 5 hrs per week per student • Replace computers unable to run current browsers and operating systems in next refresh cycle. • Word Processing, Spreadsheet, PowerPoint, or equivalent • Math & Science simulations, multimedia authoring, online curriculum subscriptions
<p>Peripherals:</p> <ul style="list-style-type: none"> • Printers • Projectors • Science Probes • Assistive Technologies 	<p>Sufficient peripherals to allow students to print, view, hear instructional materials, as well as complete individual tasks appropriate to their learning styles and abilities.</p>	<ul style="list-style-type: none"> • One printer and projector per classroom. • 1 science probe per 2 lab students • Sufficient number and types of assistive technologies to support each student with an identified learning difference.

Technology Infrastructure enables the following core practices required by schools, districts and the state:

- Administration, Instruction, Accountability & Communication
- ADS, Financials, HR/Payroll, Assessment systems
- Online opportunities to learn

All schools must reach at least a minimum level of access to district systems, information and communications.

The council, working with the PED, has undergone the following to determine the estimated costs for schools to meet minimum standards and annual needs for equipment and network replacement:

- Researched existing technology standards and models in leading NM districts and other states
- Developed educational technology adequacy standards
- Surveyed district technology infrastructure across the state
- Technology adequacy standards integrated into the NM State Educational Technology Plan and reported on annually
- Developed a model based upon the capital outlay process to identify, prioritize and correct deficiencies in school buildings
- Developed initial estimates to correct the deficiencies
- Developed a methodology to prioritize projects.

The Council has identified the following needs/costs:

- Minimum Technology Standards, including:
 - Network upgrades - One-to-one Internet connection or high-speed access
 - 4 Network connections per classroom
 - 100 MB connections per computer/printer in labs, libraries, portables and offices
 - Cafeterias, auditoriums and gymnasiums must have wireless access points or network connections

Estimated cost: \$94,348.4

- Five-year overall cost for annual network and equipment replacement:
 - Based on one computer for every three students or 110,000 computers
 - The cost per computer and hardware is \$1,100

Estimated cost: \$121,000.0

PA/nt