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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/2007

SPONSOR Stewart LAST UPDATED 3/8/2007 HB 198/aHAFC/aSEC

SHORT TITLE Kindergarten Through Third Grade Project SB _____

ANALYST Aguilar

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$7,163.4	\$8,000.0	\$15,163.4	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to appropriations in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to House Bill 198 provides that in the evaluation of applications for Kindergarten-3-Plus, PED shall give priority to school with existing Kindergarten Plus programs who have received one or more satisfactory annual evaluations.

The amendment also provides for the department to use up to four percent of any appropriations made by the Legislature for the Kindergarten-3-Plus pilot for professional development for participating educators and department administrative costs.

SIGNIFICANT ISSUES

The General Appropriations Act contains \$7.2 million for this program. Four percent for professional development and administrative costs would total \$288 thousand. Base funding for agency costs to administer this program appears to be sufficient as the Kindergarten Plus program is already in place. The Legislature may wish to strike language regarding administrative costs and direct the entire 4 percent to professional development.

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 198 removes the appropriations.

Synopsis of Original Bill

House Bill 198 appropriates \$8 million from the general fund to Public Education Department for expenditure in FY07 and FY08 for the purpose of implementing a K-3 plus pilot project.

HB 198 declares an emergency.

FISCAL IMPLICATIONS

The appropriation of \$8 million 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.

SIGNIFICANT ISSUES

HB 198 creates a six-year K-3 Plus pilot project that extends the school year for students in grades K-3 by up to two months, is targeted at high-poverty schools, and measures the effect of additional time on literacy, numeracy and social skills development.

The achievement gap continues to be a persistent and significant issue among different groups of students particularly those in high-poverty areas. The achievement gap is reflected by two components: (1) the *performance gap*, which refers to significant discrepancies between the academic performance among groups of students and between individual students and their potential; and (2) the *resource gap*, the disproportionate access of students to educational opportunity as evidenced by inequities in funding, access to highly competent teachers, and access to rigorous curriculum.

The purpose of K-3 plus is to demonstrate that increased time in kindergarten the early grades narrows the achievement gap between disadvantaged students and other students and increases cognitive skills and leads to higher test scores for the participants. Data provided by the public education department reports that children enrolled in kindergarten plus classrooms are entering first grade much better prepared than their peers not receiving these services.

Sustained, content based professional development has shown to be most effective in raising teaching skills. The bill provides that PED will provide additional professional development for K-3 plus teachers in how young children learn to read.

In order to determine program effectiveness and assist teachers in making curricular decisions a strong program of assessment must be in place. HB 198 provides for student assessment in literacy through the use of the “dynamic indicator of basic early literacy skills” in kindergarten and grades one through three and in numeracy in grades three and four.

PERFORMANCE IMPLICATIONS

It is expected that this bill will result in a positive impact on the following Public School Support Performance Measures established by the PED: (1) Percent of fourth-grade students who achieve proficiency or above on the criterion-references assessments in reading and language arts; and (2) percent of fourth-grade students who achieve proficiency or above on the criterion-referenced assessment in mathematics.

ADMINISTRATIVE IMPLICATIONS

To manage the program and conduct professional development, PED will require some support. Estimates prepared by LFC based on data received from PED indicate that a modest portion of the project cost might be used to meet this need.

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