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FISCAL IMPACT REPORT

ORIGINAL DATE 2-25-05
 LAST UPDATED 3-17-07 HB 947/aSFC

SPONSOR Varela

SHORT TITLE Qwest Settlement of "NM STRONG" Project SB _____

ANALYST Aguilar/Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$5,000.0		Nonrecurring	Qwest Settlement Fund

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB 938
 Relates to HB201/CS, HB68/CS, SB209/CS and SB68/CS

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 Public Education Department (PED)

SUMMARY

Synopsis of SFC Amendment

Senate Finance Committee amendment to House Bill 947 reflects the following language:

1. On page 1, line 25, after "project" insert ", a statewide project that includes at least twenty-five schools identified by the public education department as needing additional technology resources such as computers for students".

Synopsis of Original Bill

House Bill 947 appropriates \$5 million from the Qwest amended settlement fund to the Public Education Department for the purpose of implementing and executing the "New Mexico STRONG project.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a nonrecurring expense to the Qwest amended settlement fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the Public Regulation Commission and be used for refunds to Qwest customers.

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

SIGNIFICANT ISSUES

STRONG is the acronym for Students and Teachers Reaching Optimal New Goals.

House Bill 947 effectuates Section 3 of the Second Amended Settlement Agreement that Qwest, AGO, GSD, NM Internet Professionals Association and PRC Staff signed and that became effective through PRC order on Feb. 1, 2007. This is designed to assist low performing schools, primarily in poor rural and urban areas, to improve their computer teaching programs and student computer literacy performance.

Contained is a comprehensive plan inclusive of the following:

- Hardware and other related equipment
- Professional development
- Program evaluation
- PED staffing (2 FTEs) and administrative budget
- A computer learning management system.

LESC reports that for the first year of implementation, the department breaks out the \$1,666,667 appropriation in HB 947 as follows:

- \$1,090,000 to purchase laptop computers;
- \$85,000 for E-rate costs;
- \$102,000 to fund two PED positions (one secretary 3 and one educational consultant);
- \$18,787 for monitoring and administrative costs; and
- \$370,880 to fund Achieve3000, a web-based, individualized reading comprehension learning program.
- For year two, the PED budget includes \$1,604,666 in costs and \$61,999 carryover balance into year three, and
- For year three, PED indicates \$1,728,666 in costs (includes \$61,999 carryover from year two)

Identified in the budget are two positions for PED; an Educational Consultant O and a Secretary 3 for the three-year period of this proposal. In addition to salaries, the budget allows funds for PED to administer the project inclusive of travel for monitoring, evaluation and data gathering and providing support to participating school sites. Any necessary contractual costs would also be paid through this line item.

Funds to support costs for the E*Rate are also included in this proposal. Funds will provide statewide assistance in leveraging federal technology reimbursement dollars. This would be

available to all districts for assistance in applying for the federal E*Rate-eligible reimbursements.

According to PED, the STRONG project will target 6,761 seventh- and eighth-grade students at 12 selected school improvement/restructuring sites, which appear to meet the goals of the STRONG project:

- Albuquerque: Tohajiilee Middle School
- Central: Newcomb Middle School
- Central: Tse'bit'ai Middle School
- Gadsden: Chaparral Middle School
- Gadsden: Gadsden Middle School
- Gadsden: Santa Teresa Middle School
- Gallup: Tohatchi Middle School
- Gallup: John F. Kennedy Middle School
- Gallup: Tureau Middle School
- Santa Fe: Edward Ortiz Middle School
- West Las Vegas: Valley Middle School
- Zuni: Zuni Middle School

PA/mt