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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/09

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Educational Data Warehouse SB 581

ANALYST Aguilar

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate (Could be Substantial)			Recurring	General Fund Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Office of Educational Accountability (OEA)

Department of Information Technology (DoIT)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 581 creates the educational data warehouse, designed to collect longitudinal student-level and educator data that can be used to evaluate and implement federal or state-required education performance accountability measures.

SB 581 identifies the components of the data warehouse; creates the data warehouse council and assigns to it the tasks of: developing a management and strategic plan, creating policies, and producing reports.

FISCAL IMPLICATIONS

Senate Bill 581 provides for the creation by PED and HED of a longitudinal PreK – 20 data warehouse to collect, integrate and report longitudinal student-level and educator data, to conduct research and evaluation, and audit and ensure compliance of programs with applicable federal or state requirements. Based on experiences gained during the development and

implementation of the STARS data warehouse, this project could cost million of dollars to develop, integrate and implement, and other operational costs once the system is in place, yet no appropriation is contained within the bill to cover these costs.

Additional costs will be incurred to support the data warehouse council which is mandated in the bill to meet at least four times each calendar year.

While SB581 does not carry an appropriation, it is important to note that NMHED and PED are pursuing outside funding sources to build a P-20 data system. Working together, NMHED and PED have applied for the federal IES LDS grant. Funding outcomes should be announced within the next several weeks, however, with or without funding from this grant, the financial burden on the state is considerable. There may also be funds available for statewide data systems through the federal Stimulus package, and those sources also will be investigated.

Even if PED and HED succeed in these funding efforts, there will probably be developmental costs and will certainly be continuing operational costs not borne by these federal sources.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

OEA notes that the clear advantage of having a systemic PreK-20 education system is that it enables educators and policy-makers to think more effectively about how to support student success at every level of the system rather than reacting to failure when it is often too late to make a difference. However, to take full advantage of the PreK-20 education system, the wide range of agencies, schools, colleges, universities, and other organizations must be able to share data about student performance at every level of the system and as students make the transitions from level to level including preschool to public school, from high school to higher education, and from post-secondary education to the workforce.

Proponents of longitudinal data systems argue that such systems enable educators and policy-makers to measure individual student academic growth from year to year; assess the value of specific programs and interventions; and identify high-performing schools and classrooms worth emulating. Without accurate longitudinal data, proponents argue, policy debates devolve into exchanges of opinions and funding decisions are not as informed, and thus, not as effective as they should be.

HED reports that it is committed to data sharing and has been working with PED to match data. Much of this work is already underway, and critical progress is being made toward establishing a unified policy agenda between the key agencies. Since 2007, NMHED has been actively pursuing solutions to this important project. A number of reports and requests have been made to the Legislative Education Study Committee (LESC), but obstacles in building such a system remain.

HED argues that the data elements of DEAR and STARS have little overlap except for basic descriptors. It is important to note that these two systems were never designed to have anything in common as DEAR is used to administer the higher education funding formula while STARS is a student data warehouse. As written, the bill describes a system very similar to the STARS data warehouse currently in production and managed by the Public Education Department. While it is not clear if this bill is seeking to extend the capabilities, stakeholders, and governance of STARS, it appears that this would be the most prudent course rather than trying to develop separate systems as proposed by HED.

PED notes that much of the data collection and reporting is complete for the K through 12 components via STARS. Capitalizing on STARS accomplishments and lessons learned, a committed joint venture between PED and HED can accomplish the vision of a Longitudinal Data System as outlined in this bill with each agency being able to provide reports tailored to their specific needs. Therefore, PED and HED working together can provide each agency with a system that meets at least a minimum set of requirements such as:

- data for a funding calculator tailored to specific but disparate needs of each agency,
- student and educator data to provide the reports and research data outlined in this bill,
- secure user access to pre-K through 20 data including researchers, and
- tailored state and federal reports generated from data in the warehouse.

Additionally the above is part of a joint effort by PED and HED in collaboration with CYFD, DWS, Office of Education Accountability (OEA) and others working with the College and Career Ready Policy Institute (CCRPI) to develop the governance structure needed to manage this type of data sharing and management. The CCRPI Data Subgroup is currently working on a prioritized list of tasks, headed by the task to develop a Governance Council. Note: CCRPI is focused on developing the plans necessary to create a comprehensive data-sharing system and processes for New Mexico.

PA/svb