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FISCAL IMPACT REPORT

ORIGINAL DATE 10/20/09

SPONSOR Asbill LAST UPDATED _____ HB _____

SHORT TITLE School District Budget Flexibility SB 13

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None Indicated		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB10

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of Educational Accountability

SUMMARY

Synopsis of Bill

Senate Bill 13 suspends portions of the Public School Code and the New Mexico Administrative Code to allow districts flexibility to meet state fiscal solvency requirements in school years 2010, 2011 and 2012.

The bill declares an emergency.

FISCAL IMPLICATIONS

Senate Bill 13 suspends current statute and rules relating to individual class loads, teaching loads, length of the school day, staffing patterns, subject areas, purchases of instructional materials, the instructional material adoption cycle, evaluation standards for school personnel, school principal duties and driver education.

Many of these areas, particularly the reduction in class loads, staffing patterns, and purchases of instructional materials could have a significant impact on district operating costs if implemented. The extent of the fiscal impact will vary depending on the degree to which districts implement changes.

SIGNIFICANT ISSUES

While provisions contained in Senate Bill 13, suspending portions of the Public School Code, provide the maximum flexibility to districts in dealing with potential revenue shortfalls, the broad scope of the bill could result in negative impacts to some educational programs. Primarily, these relate to suspending requirements pertaining to the length of the school day, subject areas taught, evaluation standards for school personnel and school principal duties.

- Since no limits exist regarding extending the school day beyond the minimum hours contained in statute it appears that this would allow districts to shorten the school day. This could be expected to have a negative impact on student learning when current research points to the advantage of having a longer school day.
- If the Legislature chooses to implement provisions suspending subject areas, consideration should be given to continue requirements for instruction in the core areas of math, reading and language arts, science and social studies.
- Recruiting and maintaining a highly qualified teaching force has been the corner stone of education reforms for the last seven years. Suspending the evaluation system for school personnel could result in staff not actively engaged in maintaining high level educational standards.
- Behind highly effective teachers, highly effective instructional leaders have been identified as the most important influence in improving student performance. Reducing this capacity can be expected to result in lower performing schools.

While suspending portions of the Public School Code regarding class sizes and teaching loads is not an ideal situation, modest increases should be manageable for teachers and support staff for a limited period of time. Current research suggests that smaller classes have little benefit for students until class loads are reduced significantly to about 8 to 10 students per teacher although some adverse effect is noted if class sizes get too large. The secretary will need to actively monitor class sizes to make certain they remain reasonable. Superintendents report that this provision will have little effect in the current school year but will be most beneficial as they prepare for the 2010-2011 school year.

With statewide Title I and IDEA-B allocations from the federal stimulus fund exceeding \$90 million, it appears that schools have sufficient resources to purchase instructional materials in spite of reductions to the instructions materials fund. Suspending rules regarding the purchase of instructional materials and the adoption cycle should not have an undesirable effect on schools.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The general provisions contained in this bill are similar to provisions contained in House Bill 10 but are less prescriptive in directing districts and PED how to implement the bill. House Bill 10 provides specific guidance to the department and districts while implementation of this bill would be up to the district with little oversight.

TECHNICAL ISSUES

OEA notes that SB-13 offers no language that empowers the PED Secretary to approve school district waiver proposals prior to implementation, only after as part of its charge to monitor and report to the LESC and LFC.

OTHER SUBSTANTIVE ISSUES

The Office of Educational Accountability (OEA) notes that there are no specific district accountability requirements contained in SB 13 with regard to how the identified areas available for waiver are to be implemented and tracked for impact on student learning.

PA/svb