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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/13

SPONSOR Lopez/Stewart LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE School Intervention & Remediation Practices SB 474

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$67,800.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Responses Not Received From  
Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 474 repeals Section 22-2C-6 NMSA 1978 – Remediation Programs; Promotion Policies; Restrictions – and enacts a new Section 22-2C-6 – Grade Promotions; Intervention and Remediation; Retention Policies; Accountability. Beginning with the 2013-2014 school year, the bill mandates that at the beginning of each school year kindergarten through eighth grade students are evaluated with a school-district-adopted, department-approved reading and mathematics screening assessment annually. For students who are not proficient, the bill mandates implementation of intervention and remediation programs to begin immediately, the costs of which will be borne by the Public Education Department. The bill requires a parent to be notified that their child has not achieved grade-level proficiency in reading or math no later than the end of the first grading period. A student assistance team shall adopt an academic improvement plan, and present the parent with an explanation of the student’s deficiencies, and a plan for intervention and remediation, including parent involvement expectations and opportunities.

Students who do not achieve grade-level proficiency may either be retained in the same grade for no more than one year with the agreement of a parent or promoted to the next grade if the parent

signs a refusal of retention notice. In both instances the student will be placed on an academic improvement plan. The bill mandates retention for students who do not demonstrate proficiency for two successive years so long as the student has not already been retained.

Exemptions from the mandatory retention policy specified by the bill are as follows for a student who: (1) demonstrates grade-level proficiency with a portfolio of the student's work compiled by the student's teacher or student assistance team; (2) shows sufficient progress toward grade-level proficiency as determined by the student assistance team; (3) scores at least at the fiftieth percentile on a school-district-approved norm-referenced assessment or at a proficient level on an alternative school-district-approved criterion-referenced assessment; or (4) is an English language learners who can establish proficiency in a language other than English on a reading assessment or who has less than 2 years of instruction in English. Special education students will be retained or promoted in accordance with the provisions of their individual educational plans.

### **FISCAL IMPLICATIONS**

The appropriation of \$67.8 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the. The appropriation is made to the state equalization guarantee distribution for reading and math intervention teachers for students in kindergarten through eighth grade who are in need of intervention.

In addition, House Bill 11 (the LFC budget recommendation) includes \$8.5 million for an early reading initiative that includes \$3.6 million for professional development to support training on effecting reading instruction and data driven decision making and reading and instructional coaches. The remaining funding may be used by the department for assessments, and interventions for struggling readers, and reading and instructional coaches. House Bill 11 also includes \$3.5 million for interventions in D and F schools that could be used to support the purpose of this bill.

The bill has a provision that requires the department to bear the cost of school district approved intervention and remediation that has demonstrated effectiveness to provide assistance to students in kindergarten through eighth grade who do not demonstrate grade level proficiency as outlined in the bill.

The executive request includes \$13.2 million to support early identification of struggling readers in kindergarten through third grade and to and provide interventions and remediation programs to students who are not proficient.

If the Legislature continues the Reads to Lead funding, it will continue to provide the formative assessment tool for use with all kindergarten through third grade students at a cost of \$12 per student for approximately 106,000 students. Additionally, a portion of the funds will be used to support professional development for school administrators, teachers, reading coaches, and parents on the following:

- Evidence-based reading instruction and intervention aligned with Common Core State Standards
- Using formative assessment data to drive instruction

- Strategies for parents to support students’ reading acquisition at home

The bill defines “grade-level proficiency” as a score on a school-district-approved standards-based assessment that is comparable among school districts. Based on the 2012 administration of the New Mexico Standards-Based Assessment (NMSBA) to third through eighth graders, approximately \_\_\_\_\_ students scored at the lowest level of proficiency, and \_\_\_\_\_ students scored below proficiency. It is hard to estimate the number of students that would require immediate intervention and services from an intervention teacher given that the definition of “grade-level proficiency” does not indicate an actual cut off score. PED estimates each intervention teacher required by this bill will cost approximately \$50 thousand.

Analysis by the Public Education Department in FY12 also indicated that school districts and charter schools receive large amounts of federal funds that can be reprioritized to address some of the funding needs of this bill – between \$149 million and \$230 million annually in Title I, Special Education (IDEA-B), Title II (to support professional development), Title III (to support English language learners), and School Improvement Grant funds. PED indicated school districts and charter schools do not fully expend their allotment of federal dollars, particularly from Title I and IDEA-B, and that unexpended funds are carried forward to the next fiscal year and remain available for expenditure for approved purposes. The department indicates that costs to be borne by districts for reading interventions are generally consistent with the approved uses for the early intervening services portion of IDEA-B and Title

## **SIGNIFICANT ISSUES**

The bill requires local school districts to approve intervention and remediation programs that have demonstrated effectiveness to provide special assistance to students in kindergarten through eighth grade who do not demonstrate grade-level proficiency in reading and math. Intervention and remediation programs and promotion policies shall be aligned with valid and reliable assessment results and aligned with state standards. Students in kindergarten through eighth grade will be evaluated with school-district-approved assessments to determine grade level proficiency.

### PED Analysis Indicates

- All New Mexico students in grades K-8 will be screened on a department-approved, school district-adopted reading and math assessment. Utilizing a statewide tool is important as New Mexico students are often mobile and ensuring consistency across districts will be necessary to support young readers. If the screening tool varies district to district, there is risk that intervention support could “start” and “stop” as a student moves across districts as the identification of students may vary significantly.
- SB474 does not clarify which level “grade level proficiency” is in terms of the standards based assessment. This could be interpreted to include students scoring at both the *beginning step* and *nearing proficient* level on the New Mexico Standards-Based Assessment.
- As students get older, the cost of remediation increases. As such, there is no assurance that the appropriation provided for will remain sufficient. Further, focusing time and effort with our youngest learners will yield long-term benefits.
- There is no allowance for the funds to support professional development of *all* teachers. Under the Reads to Lead early reading initiative, the PED has trained over 2,000

kindergarten through third grade teachers, principals, coaches, and district administrators on effective reading instruction.

## **PERFORMANCE IMPLICATIONS**

The percent of third, fourth and eighth grade students, and charter school students, who achieve proficiency or above on the standards-based assessment on reading and math, percent of New Mexico high school graduates taking remedial courses in college, and the percent of students habitually truant could be affected by this bill.

## **ADMINISTRATIVE IMPLICATIONS**

Schools will be required to report to their districts, districts to the department, and the department to the Legislative Education Study Committee (LESC) by June 15 of each year the following: number of students who received interventions and remediation programs following both reading and math screening assessments, number of students receiving an academic improvement plan for reading, math, and reading and math, the number of students recommended for retention in each grade, the number of students retained in each grade, and other information requested by LESC.

School districts will also be required to approve standards-based assessments to establish grade-level proficiency, and adopt math and reading assessments that the department will have to approve.

## **CONFLICT**

Conflicts with HB 257 and SB 260.

## **TECHNICAL ISSUES**

The bill does not include a definition of proficiency for either reading or math, though the bill references “proficiency” in relation to the reading and math screening assessments.

Section C (4) requires a parent to be notified that their child has not achieved grade-level proficiency in reading or math by the end of the first grading period. The bill does not specify whether the district has the responsibility to notify the parent, or the child’s school.

## **OTHER SUBSTANTIVE ISSUES**

Traditionally, students learn to read in kindergarten through third grade so they can read to learn in the upper grades. Early reading proficiency is a leading indicator of future academic success. A child who cannot read by the fourth grade will continue to fall behind their peers, and without intervention and remediation, academic proficiency will continue to decline as reading improvement changes most dramatically in the early years. Long term effects include failing classes, dropping out, and the inability to compete in higher education and the workforce. Results of a longitudinal study of nearly 4,000 students found that students who don’t read proficiently by third grade are four times more likely to leave school without a diploma than proficient readers. For the worst readers, those couldn’t master even the basic skills by third grade, the rate is nearly six times greater. *Double Jeopardy How Third-Grade Reading Skills and*

*Poverty Influence High School Graduation:* The Annie E. Casey Foundation. Ensuring students can read is critical to improving student achievement and closing the achievement gap.

Current law requires school board to approve district-developed remediation and academic improvement programs to provide special instructional assistance to students in first through eighth grade who do not demonstrate academic proficiency. Despite this statutory requirement, a large percentage of students fail to achieve proficiency on the New Mexico Standards Based Assessment (NMSBA). Based on FY11 assessment data, 50.2 percent of students score below proficiency in reading, 58.2 percent of students score below proficiency in math, and 58 percent of student score below proficiency in science. Research indicates, and common sense confirms, that passing students on to the next grade when they are under-or unprepared neither increases student achievement nor properly prepares students for college and future employment.

At the same time, research also shows that holding students back to repeat a grade may have negative effects. In some instances, retained students have been shown to have behavioral problems, to show lower levels of academic achievement, to be less likely to receive a high school diploma and to be more likely to drop out of high school. A 2006 National Center for Education Statistics grade retention study found, between 1995 and 2004, high school dropouts were more likely than high school completers to have been retained in a grade at some point in their school career. It is also important to note that minority students are more likely to be retained. Retention and promotion decisions, if not accompanied by effective interventions, fail to provide long-term benefits for low-performing students.

### **Florida**

Florida passed a similar law in 2002 that prohibited the promotion of third graders who did not score at a Level One, the lowest of five levels on the reading portion of the Florida Comprehensive Assessment Test (Florida's equivalent to the NMSBA). The Florida plan allowed five "good cause exemptions" in which third graders who were not reading above Level One could be promoted to the next grade. Florida has approximately 2.59 million total students.

Based on school year 2002-2003 data, the first year of implementation in Florida, 14 percent of Florida's third grade students were not promoted to fourth grade.

Florida appropriated \$107 million in FY07, \$134.7 million in FY08, \$123 million in FY09, \$106.5 million in FY10, and \$104.6 million in FY11 for the Just Read, Florida program and formula funds to school districts for comprehensive reading programs.

The Just Read, Florida program required the following:

- Establish statewide standards for P-12 school reading programs based on latest scientific research;
- Operate Reading Academies to train teachers and reading coaches in scientifically based reading instruction;
- Develop and monitor reading competencies that must be demonstrated for teacher licensure, reading endorsement and reading certification, including:
  - Elementary licensure (five competencies encompassing 61 indicators must be documented);
  - Secondary licensure (two competencies encompassing 26 indicators);
  - Reading endorsement for reading interventionists (six competencies encompassing 74 indicators): and

- Reading certification (30 graduate semester hours or a master degree or higher in reading and a passing score on the state K-12 Reading Subject Area test);
- Approve postsecondary teacher preparation programs based on proof that programs cover the required reading competencies;
- Develop screening, diagnostic and progress-monitoring assessments for instruction in reading;
- Support Florida Family Literacy Initiative; and
- Promote public-private partnerships, family involvement programs and volunteer initiatives to help children and adults to learn to read.

Legislation was passed in Florida in 2005 requiring districts to provide retained students with intensive interventions in reading to address the specific reading deficiency identified by a valid and reliable diagnostic assessment, including:

- A minimum of 90 minutes daily of intensive, uninterrupted scientifically based reading instruction;
- A summer reading camp;
- Appropriate teaching methodologies;
- A high performing teacher as determined by student performance data and above satisfactory performance appraisals; and
- Either supplemental tutoring; a Read at Home plan; or a mentor or tutor with specialized reading training.

While efforts to increase proficiency between FY03 and FY10 have successfully decreased the percentage of third graders scoring at Level One by 7 percent, 16 percent of Florida third graders were still scoring at the lowest proficiency level in FY10.

### **Texas**

From 1999 to 2002, Texas implemented a reading initiative that cost approximately \$75 million to train approximately 79,000 teachers in Grades K-3. Texas implemented a mandatory 4 day summer Teacher Reading Academy based on common curriculum. The training was research-based and very prescriptive, included video clips illustrating teachers working with students, and focused on individualized instruction based on each student's needs. Eventually, the state trained all K-8 teachers at an average cost of \$950 per teacher. The Texas initiative had several components, including:

- Developing a statewide consensus framework for reading instruction based on reading research;
- Creating assessments for student diagnosis and placement;
- Developing training curricula for all teachers who teach reading or language arts;
- Providing 4-day summer Teacher Reading Academies, face-to-face or on-line;
- Developing a reading curriculum scope and sequence (C-Scope), with suggested materials and exemplary lessons for use statewide;
- Providing ongoing teacher support and technical assistance;
- Evaluating all students on standardized instruments and providing mandated interventions for struggling students; and
- Enacting a bar on social promotion at grades 3, 5 and 8.

After teachers had been trained through third grade, the first group of third graders was subject to retention if they scored at the basic level on the third grade Texas standards-based assessment in reading. Students who test at basic or nearing proficiency are required to receive intensive

interventions.

**New York**

School officials in New York have added \$2000 per student for remediation efforts, in a district whose average general education spending per pupil is about \$13,000 – and have seen positive gains.

**ALTERNATIVES**

- Focus on early literacy intervention in kindergarten through third grade.

RSG/blm