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FISCAL IMPACT REPORT

ORIGINAL DATE 02/26/13

SPONSOR Cervantes LAST UPDATED _____ HB _____

SHORT TITLE School Year Minimum Instructional Hours SB 575

ANALYST Gudgel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$250,000.0 to \$310,000.0	\$250,000.0 to \$310,000.0	\$500,000.0 to \$620,000.0	Recurring	School District and Charter School Operating Budgets

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 575 amends the Public School Code to require a minimum of 200 instructional days each school year with the following instructional hour requirements:

- half day kindergarten, 500 hours;
- full-day kindergarten and first through sixth grades, 1,100 hours; and
- seventh through twelfth grades, 1,200 hours.

Schools that follow a variable school calendar will still be required to meet the minimum number of instructional hours established by the bill. The bill prohibits days or hours when no instruction is given from counting toward the calculation of minimum instructional hours, and eliminates the Secretary of Public Education from waiving the minimum instructional hour requirements.

FISCAL IMPLICATIONS

Senate Bill 575 increases the minimum number of instructional days from 180 to 200, and the minimum number of instructional hours for kindergarten through twelfth grade as follows:

- half day kindergarten, 50 hours;
- full day kindergarten and first through sixth grades, 110 hours; and
- seventh through twelfth grades, 120 hours.

In FY09, the Legislature appropriated \$14 million to the state equalization guarantee to fund an additional instructional day. School districts on a five-day calendar currently budget approximately 178 instructional days. In order to implement the provisions of this bill, school districts would need to add, on average, 22 instructional days. The PED analysis did not provide an estimated impact to school district and charter school operating budgets, but instead stated some increases in operating costs may be realized by school districts, particularly in transportation, certified staff and cafeteria operations. PED indicated administrative, maintenance and janitorial and central office staff would not be affected. LFC estimates this bill will have a significant impact to school district and charter school operating budgets. Without an appropriation, school districts would be required to provide funding for the additional instructional days within current appropriation levels. LFC estimates the impact to operating budgets to be between \$250 million and \$310 million annually. It is unlikely that all school districts would be able to absorb 22 additional instructional days within current appropriation levels.

SIGNIFICANT ISSUES

Student Achievement. For FY12, approximately 50 percent of fourth graders and 46 percent of eighth graders continued to score below proficiency in reading, and 65 percent of fourth graders and 58 percent of eighth graders continued to score below proficiency in math. While overall proficiency incrementally improved during the 2011-2012 school year, proficiency rates for certain grades and subjects are below FY11 rates. For example, third graders reading at or above proficiency decreased 0.5 percentage points from FY11. The achievement gap continues to persist for most subgroups and is largest for Native American students. The second largest gap exists for Hispanic students and economically disadvantaged students.

Achievement Gap. The achievement gap, which refers to the difference in performance among groups of students compared with their peers, continues to be a significant issue. In spite of overall gains in student achievement, the achievement gap continues to persist for most subgroups and is largest for Native American students. Another gap to note is the gap for economically disadvantaged students, as measured by free and reduced lunch eligibility. This gap is the second largest gap, indicating that educators not only need to focus on lower performing race and ethnicity subgroups but also on economically disadvantaged students.

Primary factors affecting the achievement gap in New Mexico are students' economic background, parents' education level, access to high-quality preschool instruction, inadequate distribution of funding to districts through the funding formula, inadequate funding within districts to schools with the highest need, peer influences, teachers' expectations, curricular quality, and teacher quality. These influences are exacerbated in New Mexico where the vast numbers of struggling schools are in extremely rural areas and unable to attract and retain effective teachers and instructional leaders.

Graduation Rates and College or Career Readiness. The PED notes a decrease from 67.3 percent to 63 percent in FY11's four-year graduation rate. Fiscal year 2013 marks the first year graduating high school students must show a standard composite score in both math and reading

on the NMSBA, or meet the requirements of an alternate demonstration of competency, in order to graduate. During the 2011-2012 school year, 11th-grade students were given the NMSBA to fulfill this requirement. Forty-three percent of those tested did not receive the required score to graduate. These students will be given several opportunities to demonstrate competency by retaking all or portions of the NMSBA, demonstrating competency on the PSAT, SAT, PLAN, ACT, AP or Accuplacer tests, or exhibiting competency on their end-of-course examinations. Graduation rates for FY13 could be negatively impacted if students are not able to achieve the required composite score or are unable to demonstrate competency through alternative means.

Targeted Investments. Public Schools must make strategic decisions that focus on effective programs with demonstrated results. Educators must target resources to those practices that have the greatest impact on student achievement and graduation rates. Time allocated for instruction must be appropriate, effective, meaningful, and motivating for students. Data-driven decisions using multiple data points gathered throughout the year, including short-cycle assessments, classroom tests, must be made, assuring informed instructional decisions. Additionally, to ensure student success, focus should be on high-quality implementation of evidence-based programs.

Increased Instructional Time. According to a WestEd publication, a study by the Institute for Research on Educational Finance and Governance examined the relative merits of four variables — time, peer tutoring, class size reduction and computer-assisted instruction. It found that increasing time was the least cost-effective of the four interventions in terms of math performance and the next to least effective for reading performance. Research suggests that schools and districts should make better use of existing time before considering adding more time.

Time-on-task, or “engaged time” matters. Studies indicate that up to 50 percent of the school day is spent on non-instructional activities in classrooms, leaving ample room for improvement in the area of time management. While there is some relationship between time-on-task (or engaged time) and student achievement, simply increasing the amount of time available for instruction is not enough to achieve learning gains. Research generally show no consistent relationship between the amount of time allocated for instruction and the amount of time students spend engaged in learning activities. In other words, the length of a particular school day or year says nothing about how much time is devoted to learning activities. Research generally indicates that the amount of time allocated to instruction can have a positive impact on student outcomes if the time allocated for instruction is appropriate (at the appropriate instructional level for students and delivered in a way that is effective, efficient, meaningful, and motivating to students) and instruction is high quality.

PERFORMANCE IMPLICATIONS

Simply increasing the amount of time available for instruction is not enough to achieve significant learning gains. If the increased instructional time is appropriate and high quality student outcomes would likely be positively affected.

OTHER SUBSTANTIVE ISSUES

The Public Education Department analysis notes research indicates that more time in the classroom with an effective teacher is crucial to improve student achievement. The additional

days provided for in this bill combined with the new teacher evaluation system will ensure students are given every opportunity to learn and grow.

ALTERNATIVES

The effective date of the bill is July 1, 2013, requiring substantial increases in instructional days and instructional hours for the 2012-2013 school year. The Legislature may wish to phase in the requirements of the bill over multiple years, given the potentially large fiscal impact to school districts and charter schools.

Currently, the state spends \$11 million on Kindergarten-Three-Plus, a program that extends the school year 25 additional days for kindergarten through third grade students at high poverty schools. School districts receive 30 percent of the preliminary unit value per participating student. An alternative to increasing the number of school days for all students would be to increase funding for the Kindergarten-Three-Plus program and make it mandatory for all high-poverty schools statewide, effectively targeting resources to the state's most at-risk students.

RSG/blm