

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 187

52nd Legislature, 1st Session, 2015

Tracking Number: .198748.1

Short Title: Physical Ed in Equalization Guarantee

Sponsor(s): Senator Linda M. Lopez

Analyst: Ian Kleats

Date: February 26, 2015

Bill Summary:

SB 187 makes an appropriation from the General Fund to the State Equalization Guarantee (SEG) for physical education (PE) in public schools pursuant to provisions in the *Public School Finance Act* and the *Public School Code*.

Fiscal Impact:

\$14.0 million is appropriated from the General Fund to the SEG for expenditure in FY 16 to fund PE in public schools. Any unexpended or unencumbered balance remaining at the end of FY 16 reverts to the General Fund.

Fiscal Issues:

The Public Education Department (PED) bill analysis states that no unit generator is currently contained in the funding formula, suggesting that allocation of funding and administration of programs may be problematic. However, this appears to directly contradict statute, which provides for elementary PE program units and the administration of elementary PE programs.¹

Assuming that the appropriation is directed toward funding additional elementary PE program units, based on the FY 15 preliminary unit value of \$4,005.75, the \$14.0 million appropriation to the SEG could fund approximately 3,494.976 additional elementary PE units.

Using the elementary PE cost differential of 0.06 and the FY 15 statewide average training and experience (T&E) index of 1.088, those units could fund up to 53,538 additional elementary school students.

Technical Issues:

Language in the appropriation specifies that the funding go toward PE pursuant to the *Public School Finance Act* and the *Public School Code*. This analysis assumes that this language refers to the sections of statute cited above. However, on line 18, the sponsor may wish to consider an amendment inserting the word “elementary” before physical education in order to provide additional clarity.

¹ See Section 22-8-19 NMSA 1978 and Section 22-13-1.7 NMSA 1978 for provisions on elementary PE program units and the administration of elementary PE programs, respectively.

Substantive Issues:

Citing an article published by the Centers for Disease Control and Prevention, the Department of Health bill analysis states:

- Research shows that physical activity has beneficial influences on academic performance when children and adolescents participate in at least 60 minutes of physical activity each day.
- Substantial evidence indicates that physical activity can:
 1. improve academic achievement, including grades and standardized test scores; and
 2. affect cognitive skills and attitudes and academic behavior (including enhanced concentration, attention, and improved classroom behavior).
- Beyond these known academic effects, multiple health benefits can be seen. Regular physical activity builds healthy bones and muscles, improves muscular strength and endurance, reduces the risk for developing chronic risk factors, improves self-esteem, and reduces stress and anxiety.

Background:

Since FY 06, New Mexico has allocated funds to be used specifically for elementary PE programs or anti-obesity programs. Described in more detail below, these programs were initially funded below the line, and beginning in FY 08, funding was provided above line through the SEG.

Elementary PE Programs / Anti-Obesity Programs Funded “Below the Line”

Prior to the elementary PE programs being included in the SEG distribution, the Legislature appropriated the following amounts to elementary PE programs and anti-obesity programs as “below the line” appropriations:

- \$1.43 million in FY 06; and
- \$2.0 million in FY 07.

Elementary PE Programs Funded “Above the Line,” in the SEG

In 2007, New Mexico amended the *Public School Finance Act* to establish a factor of 0.06 to provide additional funding to districts offering PED-approved elementary PE programs for students in grades K-6. Priority for the available funding is currently given to schools that have the highest proportion of students with the most need, based on the percentage of students who are eligible for free or reduced-fee lunch or grade-level schools. PED is required to determine annually the programs and the number of students that will receive state financial support in accordance with available funding.

The appropriations for elementary PE program units in the SEG distribution began in FY 08 with an \$8.0 million appropriation followed by another \$8.0 million appropriation in FY 09. Thus, since FY 09, the base SEG distribution has included a \$16.0 million appropriation for elementary PE programs across New Mexico.

Committee Referrals:

SEC/SFC

Related Bills:

None as of February 26, 2015.