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FISCAL IMPACT REPORT

SPONSOR Kernan ORIGINAL DATE 1/27/17
 LAST UPDATED 2/15/17 HB

SHORT TITLE K-3 Plus Eligibility SB 32/ec

ANALYST Liu/Dinces

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	Recurring	K-3 Plus Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From

Public Education Department (PED)
 Regional Education Cooperatives (REC)

SUMMARY

Synopsis of Bill

Senate Bill 32 amends the Public School Code to adjust K-3 Plus eligibility requirements. The bill expands eligibility to elementary schools that serve specific grade levels between kindergarten and third grade. Additionally, the bill includes new language requiring PED to prioritize funding to school districts and charter schools that keep K-3 participants with the same teacher and cohort of students during the regular school year. Lastly the bill cleans up outdated statute regarding the 2006 K-3 Plus pilot. This bill includes an emergency clause.

FISCAL IMPLICATIONS

The bill does not include additional appropriations to the K-3 Plus program. In FY17, \$23.7 million was appropriated for the K-3 Plus program and PED requested flat funding for FY18. Expansion of K-3 Plus eligibility requirements to include grade-specific elementary schools may have a slight impact on K-3 Plus allocations given historical levels of demand for the program and available funding. Thirteen school districts have grade-specific elementary schools in the state and would become eligible immediately under emergency provisions of this bill.

SIGNIFICANT ISSUES

A 2012 Utah State University study of New Mexico's K-3 Plus program found positive effects on third-grade reading, writing, and math performance as a result of early intervention. Additionally, the 2012 report indicated the benefits from reduced grade retention and remediation services offset all K-3 Plus costs. A 2015 Utah State exploratory analyses also found students who had the same teacher during the summer and the regular school year had significantly greater improvements in writing and math, with effects more than two times that of students who were enrolled in K-3 Plus but did not have the same teacher during the regular school year.

OTHER SUBSTANTIVE ISSUES

K-3 Plus was established in 2007 as a six-year pilot project that permitted schools with high numbers of at-risk students to begin the school year 25 days earlier for kindergarten through third grade. According to PED, the purpose of the K-3 Plus program is to demonstrate that increased instructional time in kindergarten and the early grades narrows the achievement gap between at-risk students and other students, increases cognitive skills, and leads to higher achievement scores for all participants.

According to PED, K-3 Plus served 19.4 thousand students in the summer of 2015, an increase of 1,327 students from the previous year, in 246 schools, 53 districts, and 6 state-chartered charter schools. The program has served over 64 thousand students since the 2007 pilot. In FY16, K-3 Plus schools' PARCC exam proficiencies for third-grade reading and math were 25.4 percent and 30.2 percent, respectively. PARCC exam proficiencies statewide for third-grade reading and math were 24.2 percent and 29.9 percent, respectively. PED notes over 290 schools meet eligibility for K-3 Plus funding in Summer 2017, and over 40 schools were funded last year that are no longer eligible from improved school grades. In Summer 2016, 47 districts and 237 schools were funded.

According to LESC, preliminary K-3 Plus awards for summer 2016 totaled \$23.7 million. About 18 percent of the total K-3 student population, or 18.9 thousand students, were registered for K-3 Plus. Seven charter schools and 272 schools in 51 school districts were budgeted to receive K-3 Plus funding.

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