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FISCAL IMPACT REPORT

SPONSOR <u>Hochman-Vigil</u>	LAST UPDATED _____
	ORIGINAL DATE <u>02/08/2024</u>
SHORT TITLE <u>Reimbursement for Pre-SAT Test Scores</u>	BILL NUMBER <u>House Bill 142</u>
	ANALYST <u>Chilton</u>

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$80.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis was Solicited but Not Received From
 Public Education Department (PED)
 Higher Education Department (HED)
 University of New Mexico (UNM)
 New Mexico State University (NMSU)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 142

House Bill 142, Reimbursement for Pre-SAT Test Scores, appropriates \$80 thousand from the general fund to PED for the purpose of reimbursement for the cost high school juniors in New Mexico incur in taking the Preliminary Scholastic Aptitude Test and scoring 1,000 or above.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted, although reimbursements would take place only in Fiscal Year 2025, which begins July 1, 2024.

FISCAL IMPLICATIONS

The appropriation of \$80 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

There would be minimal costs to PED for time spent administering this fund.

SIGNIFICANT ISSUES

Many high school sophomores and juniors take the preliminary-Scholastic Aptitude Test (also known as the Preliminary Scholastic Aptitude Test-National Merit Scholarship Qualifying Test or PSAT-NMSQT) for one or both of two reasons: 1) practice so that they will do better during a subsequent test-taking in their senior year, and 2) qualifying for a National Merit Scholarship, which is based on the score obtained during junior year, and not based on need.

According to the College Board (collegeboard.org), the non-profit organization that formulates and administers the Scholastic Aptitude Test and the pre-SAT, taking either test costs \$60 for those for whom waivers are not available. There are additional fees for such things as getting results over the telephone or rushing the results.

Many students can apply to the College Board directly (if they are home-schooled) or through a school guidance counselor for a fee waiver, if they can show evidence if they meet one of the following criteria:

- Enrollment in or eligibility to participate in the federal National School Lunch Program;
- Family annual income falls within the [Income Eligibility Guidelines](#) set by the United States Department of Agriculture (USDA) Food and Nutrition Service;
- Enrollment in a federal, state, or local program that aids students from low-income families (e.g., TRIO programs like Upward Bound);
- Family receives public assistance;
- The student is unhoused or residing in federally subsidized public housing or a foster home; and
- Being a ward of the state or an orphan.

According to collegedvine.com, a score of 1,000 or better on the PSAT is achieved by 24 percent of those taking the test nation-wide. Data are not available as to percentile rankings for New Mexico PSAT-takers.

Sixty-seven percent of New Mexico students are eligible for the National School Lunch Program (not taking into account 2023 Senate Bill 4, which provided free school lunches to all students in New Mexico).

In 2019, there were 22,966 births in New Mexico. Using that number as a proxy for the number of high school juniors, and assuming 30 percent met none of the criteria for a PSAT waiver,

6,890 would qualify for help with the \$60 cost of a PSAT and only 24 percent of those that scored a total of 1,000 or better, the cost for the resulting 1,654 students would be \$99.2 thousand. It is unlikely that all of those students would take the pre-SAT, even if it were cost-free to them.

POSSIBLE QUESTIONS

If a student takes the PSAT more than once and scores above 1,000 total points each time, would he/she receive funding for each test?

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