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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/09
 LAST UPDATED 03/04/09 **HB** _____

SPONSOR Nava

SHORT TITLE Alternative School Accountability Pilot **SB** 156/aSFC

ANALYST Aguilar

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Office of Education Accountability (OEA)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Amendment to Senate Bill 156 removes the requirement that the department provide for an external evaluation of the alternative school accountability system.

Synopsis of Original Bill

Senate Bill 156 provides for the creation and implementation of a six-year pilot for an alternative accountability system that demonstrates the usefulness of a student growth model of accountability looks at growth targets in grades 4-8. This model will be piloted alongside the federally-mandated accountability model set forth in New Mexico's Accountability Workbook and shall be aligned to state content and performance standards.

FISCAL IMPLICATIONS

The bill does not contain a specific appropriations but the activities provided for in the bill will require considerable time and expense to complete. The bill, in Section 1, subsection F makes reference to "funds appropriated by the legislature or from other available sources" for awards to districts to participate in the pilot without identifying a revenue stream. This language coupled with other language in section 7 relating to the use of funds for, among other things, school

improvement activities raises concern that districts will put pressure on the department to utilize already limited funding for school improvement to fund the provisions of this bill.

Further, the bill requires the department, from “funds appropriated by the Legislature”, without referring to a specific revenue source, to provide for an external evaluation of the alternative school accountability system. As a point of reference, the external evaluation of Pre-K and Kindergarten-three-plus is costing well over \$200 thousand. A similar evaluation of this new system could be significant and can not be absorbed by existing appropriations to the department.

SB-156 also creates a taskforce comprised of a considerable number of members to develop and implement the alternative accountability system. It appears that members of the taskforce will be expected to volunteer their time as no provisions are made for travel reimbursement or per diem. It appears the department should be able to support the activities of the taskforce for one year within existing appropriations although in a declining revenue environment this may be difficult.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

SB 156 creates the "alternative school accountability system" as a six-year pilot project to provide an opportunity for public school districts and charter schools to participate in an accountability system, aligned with state academic content and performance standards, that demonstrates the usefulness of a student growth model of accountability for targeting resources to improve elementary and middle schools most in need, and for recognizing elementary and middle schools that make the greatest progress in increasing student academic performance. The system would be phased in over two years and would complement but be separate from the statewide assessment and accountability system established pursuant to federal law.

This legislation will need to work in concert with the reauthorized Elementary and Secondary Education Act (ESEA), which is currently enacted as the No Child Left Behind Act (NCLB). This legislation may very well inform the reauthorization process, but would ultimately need to be synchronized with federal statutes and regulations.

Some states have received approval to amend their Accountability Workbooks to move from a status accountability system, which examines student performance by grade from one year to the next (i.e., how well this year's 4th graders have performed compared to last year's 4th graders) to a growth model, which examines the growth of individual students from year to year as they progress through school. New Mexico has not yet been approved to use a growth model.

Accountability measures under No Child Left Behind have been widely criticized for their black-and-white accountability determinations and harsh regulations regarding students with disabilities and English Language Learners that contradict current research in those arenas.

SB 156 provides that students with disabilities’ participating in the standard or alternative assessments will be based on each student’s individualized education plan (IEP) rather than on pre-set federally defined percentages. This is consistent with the spirit of the individualized education plan, which provides that each student with disabilities should participate in an educational program that is tailored to meet his or her needs.

TECHNICAL ISSUES

The Office of Educational Accountability requests the following amendment be considered.;

- On page 3, line 23 after “administrators”, insert the following thereof “New Mexico office of education accountability staff.”

ALTERNATIVES

The Office of Educational Accountability suggests the following alternative for consideration.

Provide for the Legislative Education Study Committee to direct the Public Education Department to work with the US Department of Education in the development of a statewide application to amend New Mexico’s Accountability Workbook to implement a growth model for use in federal accountability reporting.

PA/svb