

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: *CS/HB 310

51st Legislature, 1st Session, 2013

Tracking Number: .193764.1

Short Title: K-3 Program Eligibility

Sponsor(s): Representative Mimi Stewart and Senator William Soules and Others

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**SENATE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 310**

Bill Summary:

CS/HB 310 amends the *Public School Code* to change the eligibility for the K-3 Plus program to include:

- public schools in which 80 percent or more of the students are eligible for free or reduced-fee lunch at the time the public school applies for the program; or
- an elementary school with a D or F school grade the previous year.

Among its other provisions, CS/HB 310 prescribes that:

- funding for individual school programs must be based on enrollment on the tenth day of the program;
- school districts and charter schools that meet the qualifications for K-3 Plus funding must submit applications by March 15 for the succeeding fiscal year;
- Public Education Department (PED) must notify all school districts and charter schools by February 1 that applications will be accepted until March 15 and that final funding is contingent on the final unit value set by the Secretary of Public Education;
- the notification that PED provides must include the application and any requirements for supplementary documentation;
- applications may be submitted electronically or by mail or other delivery; and
- student progress in K-3 Plus must be measured through summative and formative assessments.

*CS/HB 310 contains an emergency clause.

Fiscal Impact:

CS/HB 310 does not contain an appropriation.

For FY 14, CS/HB 2a et al., the *General Appropriation Act of 2013* includes \$11.0 million for an Early Reading Initiative, including \$3.6 million to be transferred to the teacher professional development fund to support training on effective reading instruction and data-driven decision-making and for regional and district reading coaches and intervention support in the district to

support teachers with the implementation of a common formative assessment tool and reading interventions.

CS/HB 2a et al. also includes \$15.95 million to PED to support the K-3 Plus program and language that allows PED to transfer up to \$2.0 million to the Early Reading Initiative in the event that school district and charter school requests for funding for the 2013 K-3 Plus program are insufficient to spend the K-3 Plus appropriation.

Fiscal Issues:

According to the PED analysis of the original bill, PED would need approximately \$11.2 million to serve 9,775 additional students in 102 schools who may meet eligibility if HB 310 were enacted.

Substantive Issues:

According to the PED analysis of the original bill:

- under the current eligibility criteria, 45,800 K-3 students in 210 schools are eligible to participate in K-3 Plus; and
- of those eligible, only 7,163 (15.6 percent) K-3 students in 75 schools (35.7 percent) participated in 2012 (see “Background,” below);

The PED analysis of the original bill projects that HB 310 would:

- expand K-3 Plus program eligibility to 62,662 K-3 students in 285 schools; and
- assuming the percentage of participating K-3 students (15.6 percent) in eligible schools (35.7 percent) stays the same, 9,775 students in 102 schools could participate in K-3 Plus.

Background:

During the Legislative Education Study Committee (LESC) December 2012 interim meeting, the committee heard a report from Dr. Damon Cann, Project Co-Investigator Statistical Lead for the Start Smart K-3 Plus Project at Utah State University. The Start Smart K-3 Plus Project is a five-year longitudinal study that examines the effect of the program on student achievement and the cost-benefit aspects of the program.

For school years 2011-2012 and 2012-2013, Dr. Cann explained that approximately 1,700 New Mexican students in eight districts are served by the Start Smart K-3 Plus Project, with half of the students randomly assigned to an intervention group and half randomly assigned to a control group. Dr. Cann also explained that:

- the information presented to the committee was preliminary because the data for the first cohort was gathered over a short period of time from the spring of 2011 to the fall of 2012;
- the small sample size for the first cohort of students made it difficult to detect statistically significant results, and that final and conclusive results will take more time because the students are being tracked until they reach fourth grade;

- across four outcome domains for kindergarten readiness, strong and statistically significant outcome effects of the Start Smart K-3 Plus Project were found in broad reading, broad writing, basic math, and expressive vocabulary; and
- Start Smart K-3 Plus Project participants in the intervention group received higher percentile ranks on the National Assessment of Educational Progress (NAEP) than those in the control group.

Current Law

In 2012, LESC-endorsed legislation was enacted to convert K-3 Plus from a pilot project to an established program in PED. As a permanent program, the provisions in law:

- affirm that the K-3 Plus pilot project has demonstrated that additional instructional days in the regular school year in kindergarten through third grade narrow the achievement gap between disadvantaged students and other students, increase cognitive skills, and lead to higher test scores for all participants;
- require the program to begin up to two months earlier than the regular school year;
- require PED to grant priority to schools with research-based, scientific reading strategies;
- require that K-3 Plus programs be funded at no less than 30 percent of the unit value per student;
- require the funded school district to use up to 2.0 percent of the money received for student recruitment and to ensure regular attendance by K-3 Plus students; requires that schools that are awarded funding be notified by April 15;
- require PED to report annually to the Legislature and the Governor on the efficacy of the project;
- require PED to develop and disseminate information on best practices in student recruitment, retention, and academic success of early learners;
- require the Secretary of Public Education to appoint the K-3 Plus Advisory Committee, comprising representatives of participating school districts and other stakeholders;
- require the advisory committee to meet twice yearly to advise PED on the implementation of K-3 Plus;
- create a non-reverting K-3 Plus Fund, administered by PED;
- require the money in the fund to be used for K-3 Plus programs, K-3 Plus-related professional development, and department administrative costs; and
- require that unexpended or unencumbered balance of the FY 12 appropriation for K-3 Plus shall not revert to the General Fund and shall be transferred to the K-3 Plus Fund.

History of the K-3 Plus Program

In 2003, legislation was enacted to create the Kindergarten Plus pilot project in four school districts as a three-year study administered by PED. Kindergarten Plus extended the school year 40 days for participating kindergarteners for the purpose of demonstrating that additional time in kindergarten narrows the achievement gap between disadvantaged students and other students.

In 2006, LESC-endorsed legislation was enacted to amend the statute to extend the Kindergarten Plus pilot project to a six-year study and to expand the project beyond the original four school districts to allow any other school district with high-poverty schools, where 85 percent or more of the students are eligible for free or reduced lunch, to apply.

In 2007, LESC-endorsed legislation was enacted to create K-3 Plus, a six-year pilot project that extends the school year in kindergarten through third grade by at least 25 instructional days in high-poverty schools, starting up to two months earlier than other classes.

In December 2011, the LESC heard testimony from two of the leaders the Start Smart K-3 Plus Project. Initial results, according to this testimony, indicated that the program is increasing student achievement in reading, math, and writing, and that it has the potential of reducing the need for and cost of remediation in later grades.

An Overview of State Funding for the K-3 Plus Program

K-3 Plus is currently funded as a flow-through appropriation to PED. According to PED's *Technical Assistance Guide*, because some school districts begin K-3 Plus in June before the fiscal year ends, funding for the remaining months of summer is computed using a daily student rate based on 30 percent of the next fiscal year initial unit value divided by the 25 days of the program. In other words, because the new fiscal year begins in July, K-3 Plus programs are funded across two fiscal years.

Since 2008, the Legislature has appropriated a total of approximately \$45.0 million in General Fund revenue to fund the K-3 Plus program:

- \$7.2 million for expenditure in FY 08:
 - for school year 2007-2008, PED allocated \$7,145,809; and
 - approved 54 programs serving 5,069 students in 17 school districts.
- \$7.2 million for expenditure in FY 09:
 - for school year 2008-2009, PED allocated \$5,613,848;
 - approved 92 programs serving 6,996 students in 25 school districts; and
 - in addition, the Legislature appropriated \$3.0 million in Temporary Assistance for Needy Families funds, which were vetoed.
- \$8.5 million for expenditure in FY 10:
 - as a result of the special session in October 2009, however, this appropriation was reduced by 6.5 percent to \$7.9 million;
 - for school year 2009-2010, PED allocated \$5,613,848; and
 - approved 93 programs serving 8,053 students in 25 school districts.
- \$5.5 million for expenditure in FY 11:
 - in the 2010 special session, the appropriation was reduced by 0.544 percent to \$5,470,100. After the 3.244 percent reduction in August 2010, \$5,292,600 was available for K-3 Plus;
 - for school year 2010-2011, PED allocated \$5,121,992; and
 - approved 62 programs serving 5,816 students in 19 districts, plus one state-chartered charter school.

- \$5.3 million for expenditure in FY 12:
 - for school year 2011-2012, PED allocated \$3,702,615; and
 - approved 50 programs serving 4,564 students in 14 districts, plus one state-chartered charter school.

- \$11.0 million for expenditure in FY 13:
 - for school year 2012-2013, PED allocated \$8,902,829; and
 - approved 75 programs serving 7,163 students in 20 districts and one state-chartered charter school.

Committee Referrals:

HEC/SEC/SPAC

Related Bills:

HB 193 *Early Childhood Teacher Retention Project*

HB 290 *K-3 Plus Program School Buses*

SB 225 *Early Childhood Teacher Retention Project*

SB 378 *K-3 Plus Equalization Guarantee Distribution*

SB 380 *Compulsory Education for Children Age 4 & Up*