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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 01/30/14  
**LAST UPDATED** 02/12/14    **HB** 197/aHEC

**SPONSOR** Rehm

**SHORT TITLE** Social Workers at Certain Elementary Schools    **SB** \_\_\_\_\_

**ANALYST** Armstrong

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$500.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY14	FY15	FY16		
	\$500.0		Nonrecurring	Whole Student Focus Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to SB 115

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)  
 Children, Youth and Families Department (CYFD)  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amended House Bill 197 to provide that at least seven, rather than ten, schools will participate in the Whole Student Focus Pilot Program. The amendment also addresses the concern, raised below in Technical Issues, by limiting the pilot program to schools with two or more *consecutive* years of “F” or “D” ratings. HEC also amended the bill to allow, rather than require, schools to pay one-half of the social workers’ salaries and benefits. This

change may make the project available to schools that may not have funding to absorb such costs.

These amendments change the bill's fiscal impact. PED initially raised concerns that the appropriation of \$500 thousand was insufficient to cover salaries and benefits of ten new school social workers, as originally required. With HEC's amendment to require seven participating schools rather than ten, PED's projected salary and benefits costs for the department and participating schools are reduced by 30 percent from \$653,185 to \$457,229.50. This does not address whether schools have sufficient resources to provide the new school social workers with office space, computers, furniture, equipment, and supplies as required by HB 197. It also does not address PED's concern that implementation in larger schools may require more than one new school social worker, further increasing the cost to the department and schools.

### Synopsis of Original Bill

House Bill 197 establishes the Whole Student Focus Pilot Project as an eight-year program to provide school social workers to "F" and "D" rated elementary schools to serve as a link between teachers and students at risk of failing and their families. The bill also creates, and appropriates \$110 thousand to, the Science Early Education Fund.

Under HB 197, the pilot project must include at least 10 elementary schools, half of which must be rated "F" schools, which represent small, medium, and large urban and rural schools. PED must design the project to require participating school social workers to work a varied schedule that aligns with the needs of teachers and the students and their families and attempts to schedule home visits convenient to the student's parent or caregiver. School social workers must meet regularly with at-risk students' teachers to identify academic and other challenges, and must work with the teacher, the student, and the student's family to assist them in meeting identified challenges. Participating students must undergo evaluations at the beginning of the program and further standardized assessments to measure academic progress. PED must adopt other assessments to gauge a student's and the student's family's social, emotional, and behavioral competence, and shall collect data regarding social and other services provided to the student or family.

The bill requires "other state agencies" to assist PED in designing and implementing the pilot project, but tasks PED with administering the project and determining application requirements and procedures and the criteria for evaluating applications. Participating school's districts must agree to pay one-half of the social workers' salary and benefits and provide office space, computers, furniture, equipment, and supplies.

### **FISCAL IMPLICATIONS**

The bill's appropriation of \$500 thousand is a nonrecurring expense to the General Fund. Any unexpended or unencumbered balance shall revert at the end of the pilot project, i.e. at the end of FY23.

According to PED, and using the average social worker salary of \$50,245 and a benefit load of 30 percent, the total cost of implementing HB 197 is approximately \$653,185 in recurring salary costs. A total of approximately \$326,592.50 of the appropriation would be used by PED to cover one-half of social worker salaries and benefits, if ten schools are required to hire social workers.

The remaining appropriation of \$173,407.50 is insufficient to cover the other half of salaries and benefits that HB 197 requires participating schools to cover.

### **SIGNIFICANT ISSUES**

School social workers are licensed pursuant to NMAC 6.63.7. Licensure requires (1) a bachelor's or master's degree in social work that either incorporated PED's approved competencies in the area of social work or is for a social work program recognized by PED and (2) a valid social work license issued by the New Mexico Social Work Examiners Board.

It is unclear what proportion of the appropriated funds is available for the bill's various provisions or whether the appropriation is sufficient. HB 197 requires PED to administer the program, establish reporting and evaluation requirements, and annually provide interim and final reports on program efficacy to the Legislature and governor. All of these new duties will require some funding, and this is before PED awards grants from the fund to applicant schools.

The Response to Intervention framework, required by state rule, consists of a three-tier, problem-solving model that uses a set of increasingly intensive academic or behavioral supports based on the data collected from monitoring progress of student response to the instruction or intervention. State rule requires that schools implement the model and operate using the state's guidance manual.

According to PED analysis, the tasks required by HB 197 "are time consuming and would create an undue burden on PED staff." PED is struggling to effectively maintain day-to-day operations and a number of current initiatives. Given ongoing vacancy levels, the department may not have sufficient staff to effectively administer this new initiative while maintaining quality administration of existing initiatives.

HB 197 does not define the number of social workers required to implement the project in small, medium, and large urban and rural schools. Implementation within a large urban school would necessitate an increased number of social workers which would further exacerbate the cost of implementation. Additionally, the bill does not provide clear definitions of the number of students and families assigned to the social workers' caseloads.

### **RELATIONSHIP**

SB 115 requires social workers in every high-poverty public school, i.e. a school where 85 percent or more of students qualify for free or reduced-fee lunch. This requirement shall be phased in over a three-year period.

### **TECHNICAL ISSUES**

HB 197 makes the pilot project available to schools receiving "an 'F' or 'D' rating for two years or more" (lines 15-16, page 3). This is broad enough to allow a school that received a "D" rating five years ago and then a mix of "C" and "B" ratings before again receiving a "D" rating to participate. If the intent is to make the project available to schools with persistent "F" or "D" ratings, then amending the bill to require "an 'F' or 'D' rating for two or more consecutive years" is appropriate.

The fund creation language, beginning on line 19, page 4, is not consistent with other legislation. The following language matches the standard fund creation language and could replace Subsection I in HB 197:

SECTION 2. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] WHOLE STUDENT FOCUS FUND--CREATED.—The "whole student focus fund" is created in the state treasury. The fund consists of appropriations, gifts, grants, donations and income from investment of the fund. The department shall administer the fund, and money in the fund is appropriated to the department to carry out the purposes of the science early education program. The department shall seek public and private grants and donations for the science early education program. Grants and donations shall be deposited in the fund. Money from a grant or donation shall be expended in accordance with the terms of that grant or donation. Unless otherwise specified by the terms of a grant or donation, the balance in the fund at the end of the program shall revert to the general fund."

There is no definition of "at-risk student" in this bill or in the Public School Code definitions found in NMSA 1978 §22-1-2. As such, it is unclear whether social workers will be serving all students in the target schools, or merely a subset thereof.

JA/svb