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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/14

SPONSOR Soules LAST UPDATED _____ HB _____

SHORT TITLE School Turnaround Pilot Program SB 132

ANALYST Chavez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$3,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 3 and HB 159

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 132 appropriates \$3 million from the general fund to the board of regents of New Mexico State University for the purpose of developing and implementing a school turnaround pilot program through the Arrowhead Business and Research Park, in collaboration with the Anderson School of Management at the University of New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund.

This appropriation is related to appropriations in the LFC recommendation and House Bill 3.

Estimates provided to LFC staff indicate a need of \$2.7 million for FY14, FY15, and FY16 to implement the full program.

LFC guidance is pilot programs are to be considered recurring appropriations; however, this appropriation was deemed nonrecurring because it is over several years. An alternative would be to fund the pilot on an annual basis and deem the funding recurring.

SIGNIFICANT ISSUES

The appropriation contained in this bill is to develop a program that adopts applicable proven business management practices in participating school districts. The program is inspired by the University of Virginia Darden/Curry Partners for Leadership in Education School Turnaround Specialist Program (UVA-STSP). The UVA-STSP is an evidenced based training program for school turnaround leadership that involves principles used in business environments to improve teacher and school leader performance.

In FY13 and in FY14 the Legislature appropriated \$3.5 million and \$4 million respectively to PED for intervention in D and F schools. PED allocated a portion of each year's appropriation to send cohorts from a number of schools from the Las Cruces, Los Lunas, Hobbs, Farmington and Aztec school districts to participate in the UVA-STSP.

The LFC FY15 recommendation includes \$4 million for interventions in D and F schools. One million of that recommendation is intended to develop programs similar to the UVA-STSP program at higher education institutions in New Mexico, that address the unique nature of the New Mexico population. PED has also developed a principal mentoring program modeled after the UVA-STSP program.

HED reports the Deputy Superintendent of the Las Cruces Public Schools System provided a concept paper, along with a proposed budget which he prepared for the Deans of the Colleges of Business and Education at NMSU and UNM that explains the proposed New Mexico Turnaround Initiative. The New Mexico Turnaround Initiative will focus on:

- Understanding the school turnaround context and fundamentals of successful turnarounds;
- Developing and communicating a vision that includes the need for urgent change;
- Establishing a culture of high expectations;
- Building effective coalitions and implementing shared decision-making;
- Using data to drive decisions and monitor/measure the need for mid-course corrections;
- Identifying innovation opportunities and developing strategic plans; and
- Teaching state/district/school administrators to think like instructional leaders, not simply managers.

RELATIONSHIP

HB 159 also appropriates money for a school turnaround program at UNM. It's not clear if both bills are intended to fund the "New Mexico Turnaround Initiative" or if the institutions would be working independently.

KC/jll