Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

# FISCAL IMPACT REPORT

SPONSOR	Trujillo/ Roybal Caballero	ORIGINAL DATE LAST UPDATED		НВ	131/aHAFC		
SHORT TITI	LE Asst. Secretary of	Hispanic Education		SB			
			ANALY	YST	Valenzuela		

# ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$210.00	\$210.0	\$420.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

#### SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

## **SUMMARY**

## Synopsis of HAFC Amendment

The House Appropriations and Finance Committee (HAFC) amendment to House Bill 131 strikes the appropriation. Without the appropriation, HED will not have the resources to carry out the provisions of the bill.

## Synopsis of Original Bill

House Bill 131 appropriates \$110 thousand from the general fund to the Higher Education Department (HED) for the purpose of hiring an assistant secretary of Hispanic education. The bill replaces an existing liaison position at PED with the new assistant secretary.

The bill amends the Hispanic Education Act to provide for assessment and accountability of equitable and effective educational systems and encourage family engagement. As well, HB131 ensures inclusion and transparency for families and community involvement. It calls for sustainable frameworks, collaborative decision-making, and culturally sustaining pedagogy with culturally relevant materials through multicultural education models. The Hispanic Education Act would further be amended to allow Hispanic Education Advisory Council members to receive per diem and mileage. The Hispanic Education Advisory Council membership will be expanded to include advocates, scholars, researchers, and a minimum of two students.

#### **House Bill 131/aHAFC – Page 2**

HB131 requires the Hispanic Education Advisory Council, PED, and HED to hold biannual statewide meetings to release and discuss the annual Hispanic Education Status Report.

The effective date of this bill is July 1, 2021.

## FISCAL IMPLICATIONS

The appropriation of \$110 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund.

Both HED and PED report the appropriation is not sufficient to meet requirements of the bill and estimate an additional \$100 thousand would be required.

It is unclear if the Hispanic Education Advisory Council is still operational. The most current information about its activities date from August 2018.

## **SIGNIFICANT ISSUES**

PED and HED are not able to share student data simply, which hinders the ability to track student outcomes from kindergarten through college. Several revealing trends on student outcomes, however, provide insight to Hispanic students and their increasing success in high school graduation and college enrollment.

The 2016 Western Interstate Commission on Higher Education (WICHE) report, *Knocking at the College Door, Projections of High School Graduates*, garnered policymakers attention by projecting a decline in the number of high school graduates over the next two decades. The WICHE report highlighted the swift racial/ethnic change of the student body in public schools, and its impact on the achievement gap. In fact, minority students are closing the achievement gap in important ways: Hispanic graduates increased by 32 percent over the past 10 years; Native American graduates, down 6 percent over the past 10 years, have increased the number of graduates by 10.7 percent in the last five years, as have African American graduates.

As a result of the gains made in high school graduation, college campuses will grow more diverse. For every 100 white high school graduates, the nation will produce 150 minority high school graduates. In New Mexico, WICHE predicts 25 percent growth in high school graduates until 2028, then a 12.5 percent decline through 2034. White graduates are projected to decline by more than 20 percent, and Hispanic graduates are projected to increase 8.4 percent through 2028 then revert to 2019 levels.

For college, however, fewer of those high school graduates are choosing New Mexico institutions for studies, according to college enrollment data collected by HED. Enrollment at New Mexico's 24 public colleges and universities has declined significantly over the past five years. Some colleges have found students are simply forgoing a postsecondary education altogether, citing concerns over cost or strong employment options. New Mexico universities offer students the third lowest tuition and fees in the nation.

Minority students in New Mexico are improving their rates of success. Over a five-year period (academic years 2013 to 2017), Hispanic students improved their graduation rates at 20 colleges

## **House Bill 131/aHAFC – Page 3**

and universities, including New Mexico Tech, and Native American students improved their graduation rate at 18 institutions. The mixed performance of minority students at the research universities, when better understood, may enlighten the higher education sector on improved strategies for helping underrepresented students complete degrees.

The concern for New Mexico policymakers is several studies show widening postsecondary attainment gap correlates to growing economic inequality. The same study illustrates a household income's outsized influence on student success; top performing low- and middle-income students earn bachelor's degrees at the same rate as low-performing highincome students. In addition, low- and middleincome students are half as less likely to attend college.

MFV/sb/al



