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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 107
SHORT TITLE: Statewide Out-of-School Time Programming

SPONSOR: Padilla
LAST UPDATE: 1/28/2026 **ORIGINAL DATE:** 1/28/2026 **ANALYST:** Rovang/Liu

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$20,000.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to House Bills 100, 123, and 161
Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files
Legislative Education Study Committee (LESC) Files

Agency or Agencies Providing Analysis
Early Childhood Education and Care Department
Indian Affairs Department

Agency or Agencies That Were Asked for Analysis but did not Respond
Public Education Department

SUMMARY

Synopsis of Senate Bill 107

Senate Bill 107 (SB107) appropriates \$20 million from the general fund to the Public Education Department (PED) to sustain and expand out-of-school time (OST) programming statewide for school-age youth. The bill designates \$10 million to school, districts, charter schools, and Bureau of Indian Education schools and tribally controlled schools and the remaining \$10 million to contracting with local and statewide nonprofit organizations that provide OST programming.

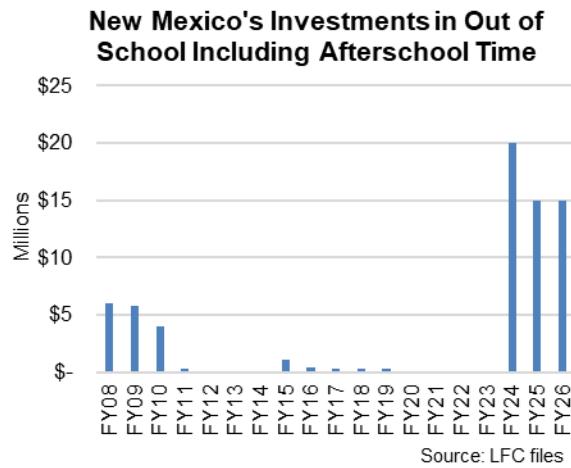
This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$20 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall not revert to the general fund. Although this bill does not specify future appropriations, multiyear appropriations, especially if used to fund services and those services perform well, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

The FY27 LFC budget recommendation includes \$21.6 million over three years (\$7.2 million per year) to conduct a randomized controlled trial of OST programs for their impact on student reading proficiency, math proficiency, and attendance. The Legislative Education Study Committee (LESC) and executive recommendation both include a nonrecurring general fund appropriation for OST programs at \$20 million and \$14 million, respectively.

Between FY08 and FY23, New Mexico's investments in afterschool and OST programs were sporadic and uneven. The 2018 LFC program evaluation of instructional time found this inconsistent funding of afterschool programs could lead to scaling up and scaling down of these programs rather than stable funding and services over time. Starting in FY24, the state appropriated significantly more money to these programs through special appropriations and the public education reform fund (PERF). This increase followed the phaseout of federal Elementary and Secondary School Emergency Relief (ESSER) grant funding, which had previously supported recurring operations. The third round of ESSER funding expired on September 30, 2024, after which the funds could no longer be used to support OST provider operations.



In FY24, PED started awarding grants to local education agencies and community-based organizations for OST, summer enrichment, and high-dosage tutoring through three-year competitive grants through a \$20 million appropriation in the General Appropriation Act. While PED distributed \$7.4 million to 17 school districts and charter schools and two postsecondary institutions for OST programming, a 2023 joint LFC-LESC accountability report expressed concerns that \$9.2 million of the \$20 million appropriation appeared to be budgeted for initiatives that appeared to fall outside of the scope of OST programming. In response, the Legislature appropriated only \$15 million for OST programs in FY25 and in FY26, with \$8.5 million designated for high-dosage tutoring during or after school programming in FY25 and \$1 million for these programs in FY26.

Recent Major State Appropriations to OST and Afterschool Programs

Fiscal Year	Appropriation purpose	Source	Amount
FY24	For out-of-school learning, summer enrichment, tutoring and programs to address learning gaps.	Public Education Reform Fund	\$20,000,000 over 3 years
FY25	For out-of-school time learning opportunities, summer enrichment and high-dosage tutoring. Includes \$8.5 million for high-dosage tutoring.	General Fund	\$15,000,000
FY26	For affordable, effective out-of-school time programs for school-aged youth statewide, including nutritional education programs. Includes \$1 million for tutoring programs for at-risk students in literacy, science, technology, engineering, and math.	General Fund	\$15,000,000
FY27	<i>Senate Bill 107: Appropriates \$20 million from the general fund for OST programming statewide for school-age youth.</i>	General Fund	\$20,00,000

Source: LFC files

SIGNIFICANT ISSUES

In 2018, the 1st Judicial District Court ruled in the *Martinez-Yazzie* education sufficiency lawsuit that New Mexico's education system was not constitutionally sufficient nor uniform for all students. The court found evidence-based interventions that added instructional time like prekindergarten, K-3 Plus extended school year, summer school, afterschool, and extended learning time programs could help students close achievement gaps. However, the state had not provided sufficient funding to cover programming for all students needing intervention, and administrative hurdles and delays in the receipt of funds limited participation to districts with sufficient capacity to apply for and sustain programs.

The court also found PED failed to provide verifiable evidence that its programs were working, and while the programs might have been worthwhile, participation was too limited and funding too inconsistent to support a constitutionally sufficient education system. The court noted additional resources should be directed to evidence-based programs to improve the performance of at-risk students and to focus on how money was used as opposed to how much was spent.

Out-of-school time is supervised programming that occurs beyond the confines of the regular school day. OST programs can focus on sports, academics, arts, gardening, STEM (science, technology, engineering, and math) or computer science activities, among other things. OST programs can increase physical activity, social interaction, emotional awareness, healthy eating, and academic learning. According to the Centers for Disease Control and Prevention, programs have even been shown to close achievement gaps and reduce health disparities.

A 2025 report from the Afterschool Alliance found that only 14 percent of New Mexico's students participated in an afterschool program in 2025, down from 19 percent over two decades before. Further, the study found parents of 202 thousand New Mexico students want their children to participate in an afterschool program, but only 46 thousand students actually do. Parents surveyed cited barriers to participation including cost, lack of access, inconvenient locations, and lack of transportation.

PERFORMANCE IMPLICATIONS

A 2018 LFC evaluation found summer and afterschool programming could augment instructional time and help to offset the disparity in enrichment opportunities between low-income and other students. While the programs could have positive academic benefits for students, funding fluctuated from year to year and was inadequate to meet demand. The evaluation noted the percent of grantees receiving state funding for afterschool and summer

programs decreased from 56 percent in FY16 to 19 percent in FY18 due to an increase in applications and a decrease in state appropriations for afterschool programs.

Children of parents with higher annual incomes participate more in extracurricular activities than other children, and low-income students do not have the same access to OST programs as do middle-income and higher-income students. Research from ExpandED found children from middle- and high-income families receive 6,000 more hours of learning from afterschool and enrichment activities than children in poverty by the sixth grade. In 2015, a Pew Research Center survey found parents with a higher annual income were more likely to report their children participated in an extracurricular activity. High-income families spend more on learning enrichment than low-income families, and this spending gap has increased over time, with families in the richest quintile spending almost six times more per child than families in the poorest quintile on enrichment expenditures (e.g. books, childcare, and summer camps) in 2005-2006.

PED has partnered with New Mexico State University (NMSU) to evaluate the effectiveness of the department's OST, summer enrichment program, and high-dosage/high-impact tutoring grant program during the 2024-2025 school year.

New Mexico participates in a federal program called the Nita M. Lowey 21st Century Community Learning Centers (21st CCLC) that provides afterschool programming for students at high-poverty, low-performing schools. According to an NMSU evaluation of New Mexico's CCLC in FY24, 9,079 students participated at 117 schools in academic enrichment, healthy and active lifestyle, STEM, and other enriching activities. Student scores grew overall in both reading and math, but the *Martinez-Yazzie* at-risk student subgroups of English learners and Native American students had lower averages.

Proponents of OST programs typically cite three primary benefits that programs offer: providing high-quality supervision at times when youth may engage in risky behaviors; providing enriching activities that may otherwise be dependent on family income; and providing an academic boost to low-income students.

It is difficult to make broad conclusions about the success of OST programs, given there is considerable disparity in outcomes due to the variation in OST models. While some programs focus primarily on academic achievement, others aim to expose children to art, promote positive social skills, or decrease substance use, for example. A meta-analysis of OST studies by the Rand Corporation concluded academic OST programs can measurably improve student achievement (the exception was homework help, which did not have an effect on academic outcomes). The study also argued while nonacademic OST programs do not necessarily improve academic outcomes, they provide other benefits—like high-quality supervision—which are often not well measured.

SB107 does not specifically earmark any amount of the proposed appropriation to go toward evaluation. As a result, it may be difficult to measure return on investment in terms of academic and non-academic student outcomes. Research literature suggests different kinds of OST programs produce different kinds of student academic and non-academic outcomes. Some evidence-based interventions such as high-dosage tutoring may have direct impacts on student academic proficiency while programs with a stronger emphasis on social-emotional learning may serve other kinds of behavioral health goals.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 100, which makes an appropriation for the STEM innovation network, House Bill 123, which creates a unified application for PED state and federal grant programs, and House Bill 161, which changes the K-12 Plus funding formula. The LFC, LESC, and executive FY27 budget recommendations all include appropriations for OST programs (see Fiscal Implications).

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