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FISCAL IMPACT REPORT

ORIGINAL DATE 03/04/15

SPONSOR Sapient LAST UPDATED _____ HB _____

SHORT TITLE Graduation Standards to School Boards SB 328

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
 Higher Education Department (HED)
 New Mexico State University (NMSU)
 Western New Mexico University (WNMU)

SUMMARY

Synopsis of Bill

Senate Bill 328 amends the Public School Code to allow a student to receive a New Mexico diploma of excellence only when the student demonstrates competence in the subject areas of mathematics, reading and language arts, writing, social studies and science, including a section on the Constitution of the United States and the Constitution of New Mexico, based on a standards-based assessment or assessments or a portfolio of standards-based indicators established by the “local school board or governing body of a charter school.” Current language reads “established by the department [PED].”

FISCAL IMPLICATIONS

There would likely be local costs associated with establishing or adopting standards-based assessments at the local level, determining what constitutes competency on those assessments, and establishing an alternative means for demonstrating competence.

SIGNIFICANT ISSUES

Allowing each local school district or governing board of a charter school to establish standards for students to meet to earn a diploma of excellence will potentially result in different requirements across the state and even within school districts in those districts with charter schools. PED and HED both note concerns that the New Mexico diploma of excellence would no longer have a standard meaning across the state nor a similar value to each student. Western New Mexico State University notes performance standards are intended to guarantee a minimum level of preparation, and delegating those definitions to local boards could be problematic since they are usually made up of elected lay persons. WNMU also notes that every local school board could have a different interpretation of standards, leading to a statewide lack of rigor.

PED notes the changes proposed in the bill could result in lower and inconsistent graduation expectations and an increase in the college remediation rate for New Mexico students that graduate and attend New Mexico institutions of higher education. Currently, for school year 2013-2014, PED reports 48.5 percent of New Mexico high school graduates required remediation upon entering a New Mexico institution of higher education.

Current law uses statewide standards for establishing competency and requires that a student meet established cut-points for competency in mathematics, reading and language arts, writing, social studies and science. Students can demonstrate competency either by testing as proficient or above on a standards-based assessment (high school graduation assessment or HSGA) or through an alternate demonstrations of competency (ADC). Information posted on PED's website includes the following:

Students who fail to meet the HSGA cut scores for one or more subjects and who have participated in all available of administrations the HSGA may complete an ADC for the required subject(s). Before implementing a passing score on an ADC, students must attempt to pass the HSGA in reading and math with three administrations (H2, H3, and H4), and must attempt to pass the HSGA in science with two administrations (H3 and H4). There are two possible components of the ADC.

Component One includes End of Course (EoC) that assess standards and benchmarks for specific courses within a content area. During the summers of 2012 and 2013, the PED brought together groups of New Mexico educators to develop state EoCs for the subjects outlined in Table 1. Districts or charter schools may produce their own District-Developed EoCs in courses within the content areas of reading, writing, math, science, and social studies. Once approved by the PED, students may use these assessments as ADCs to meet graduation requirements. The PED's approval depends on the demonstrated quality of the submitted EoC exam.

Component Two is an examination of student scores from standardized college and career-ready assessments (CCR indicators): Advanced Placement (AP) exams, PLAN, ACT, PSAT, SAT, Accuplacer, Compass, SAT Subject tests, or International

Baccalaureate curriculum. Supplemental Accountability Model (SAM) schools and state supported schools have additional CCR indicators that may be used as ADCs, including the Test of Adult Basic Education and Work Keys.

The Higher Education Department notes inconsistencies in graduation standards could make New Mexico graduates' transcripts impossible for postsecondary admissions committees to evaluate as predictors of success. Additionally, HED notes that frequent turnover of school board membership and local political struggles could affect establishment of consistent standards and the provisions of the bill do not allow for public input through a local rulemaking process.

PERFORMANCE IMPLICATIONS

PED's analysis notes the changes proposed in the bill could result in students not graduating from high school college or career ready if school districts and charter schools lowered competency standards required for a diploma of excellence.

ADMINISTRATIVE IMPLICATIONS

School districts and charter schools would be required to determine which standards-based assessments would be used and what constitutes competence in the areas of mathematics, reading and language arts, writing, social studies and science, and an alternative means of demonstrating competence.

CONFLICT, DUPLICATION

HB145 is a duplicate; SB 127 conflicts; and HB 165, HB 178, HB345, SB 14, SB 229, SB 357, SB 445, and SB496 amend the same section of law though proposed amendments appear to not conflict.

OTHER SUBSTANTIVE ISSUES

State law already requires PED to establish a statewide assessment and accountability system aligned to state academic content and performance standards for grades three through eight and 11. See 22-2C-4 NMSA 1978. The state's 11th grade standards-based assessment required by 22-2C-4 NMSA 1978 is currently used for purposes of demonstrating competency for a diploma of excellence – resulting in the single test serving two purposes. The use of other standards-based assessments could prove to be costly for local school districts and charter schools.

ALTERNATIVES

Consider allowing school districts and charter schools to establish or propose alternative means of demonstrating competency that are approved by PED while continuing to allow PED to adopt the standards-based assessment for purposes of demonstrating competency.

RSG/bb