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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/2020
 LAST UPDATED 2/12/2020 HB _____

SPONSOR Stewart

SHORT TITLE Voluntary Early Reading Development Program SB 74

ANALYST Liu

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$3,000.0	Recurring	Early Reading Professional Development Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY20	FY21	FY22		
	(\$3,000.0)		Recurring	Public Education Reform Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to HB224, HB281, SB36, SB38, SB213
 Relates to Appropriation in HAFC Substitute for HB2 and 3

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From

Children, Youth and Families Department (CYFD)
 New Mexico School for the Blind and Visually Impaired (NMSBVI)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 74 establishes an early reading professional development fund (ERPDF) and appropriates \$3 million from the public education reform fund to ERPDF for PED to develop

and implement a voluntary early reading professional development program. The bill requires early reading professional development summer programs to include structured literacy training and evidence-based training for supporting all students, particularly those with reading disabilities, dyslexia, and English language learner status.

FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a recurring expense, which will initially be funded through an appropriation from the public education reform fund (PERF). This bill requires funds to be prioritized for elementary schools in which 80 percent or more of the students are eligible for free or reduced-fee lunch.

Currently, there are no balances in PERF; however, \$110 million from the state equalization guarantee (SEG) distribution is expected to revert to PERF at the end of FY20. In FY20, the Legislature appropriated \$119.9 million for K-5 Plus programs and \$62.4 million for extended learning time programs (ELTP). According to preliminary PED data, schools applied for \$29 million in K-5 Plus funding and \$42.3 million of ELTP funding in FY20, resulting in a projected reversion of \$111 million to PERF. The executive's FY21 budget recommendation includes \$14 million from PERF for recurring special programs and \$4 million for nonrecurring, special appropriations. The LFC's FY21 budget recommendation includes \$54.5 million from PERF for nonrecurring, special appropriations, including \$875 thousand for an early literacy summer professional development program.

The HAFC Substitute for House Bills 2 and 3 includes \$875 thousand from PERF for an early literacy summer professional development program and other early literacy initiatives.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

According to LESC, structured literacy is an umbrella term that encompasses all evidence-based approaches at helping students with learning disabilities in the area of reading, such as dyslexia, learn to read and write proficiently. Structured literacy is explicit, systematic reading instruction that focuses on phonological awareness, word recognition, phonics and decoding, spelling, and syntax. Research shows structured literacy approaches are especially suited for students with reading disabilities, but benefit all students. In particular, research indicates that English learners and students from low-income backgrounds benefit from the highly explicit teaching characteristics of structured literacy.

PED notes this bill would require the department to create a voluntary early reading professional development program to provide literacy training for teachers. The bill would also create a non-reverting early reading professional development fund. Funds would be prioritized for elementary schools in which 80 percent or more of students are eligible for free or reduced-priced meals.

The bill would remove current statutory requirements that a state-wide reading initiative include extra time in a student's day or year for implementation of reading programs, reward teachers

and other applicable licensed school employees in public schools who improve student reading proficiency, and criteria for public schools to establish an individualized reading plan for students who fail to meet grade level reading proficiency standards. NMSBVI notes this bill would provide interested teachers the opportunity for quality professional development. CYFD indicates provisions of this bill would not affect the department or the Early Childhood Education and Care Department.

PERFORMANCE IMPLICATIONS

According to LESC, the percent of third graders achieving reading proficiency in New Mexico’s standards-based assessment remains below 30 percent. In addition, on New Mexico’s standards-based assessment in FY19, economically disadvantaged third graders performed 24 percentage points below non-economically disadvantaged third graders in achieving reading proficiency. This bill targets professional development funding for structured literacy training to kindergarten through second grade teachers. Research shows third grade is a “pivot point” when students shift from learning to read to reading to learn. Sociologist Dr. Donald Hernandez with Hunter College, City University of New York, found students who were not proficient in reading by the end of third grade were four times more likely to drop out of school than students who were proficient in reading.

ADMINISTRATIVE IMPLICATIONS

The department would need staff to monitor funds and program fidelity. The department would also need to establish regulation for program requirements outlined in legislation. The department would need to monitor and evaluate program effectiveness.

RELATIONSHIP

This bill relates to an \$875 thousand appropriation in the HAFC Substitute for House Bills 2 and 3 from PERF. This bill relates to House Bill 224, which appropriates funding to the regional education cooperatives for a statewide literacy program; House Bill 281, which establishes program requirements and practices for educating English language learners; Senate Bill 36, which establishes a teacher preparation task force; Senate Bill 38, which establishes a commission on equity in education; and Senate Bill 213 appropriates funding for teacher professional development.

OTHER SUBSTANTIVE ISSUES

PED notes the bill would require the department to provide voluntary professional development for teachers in grades K-2. While early childhood literacy is critically important, the sponsor could consider expanding eligibility for professional development to teachers in grades 3-5 as well. PED notes some students who struggle with significant reading delays, such as dyslexia, need teachers in grades K-5 that are trained in the science of explicit reading instruction and how to address reading difficulty. In a system that supports student proficiency in reading, elementary intermediate teachers should also receive training in structured literacy so that student support is solidified until their transition to the middle grades, where they will need to use reading to learn content. This would provide a true continuum of services as students with reading difficulties become more adept at reading.

ALTERNATIVES

A 2019 LFC *Results First* report found promising evidence that reading and literacy coaches improve students' reading skills. A 2010 longitudinal study examined the effects of a literacy collaborative model that relied primarily on one-on-one teaching coaching for grades K-2. The study found moderate positive growth in reading proficiency in years one and two, and strong positive growth in year three. The benefits persisted through subsequent summers. Another meta-analysis on literacy coaching found that coaching positively affects both teaching practice and student achievement, also finding that literacy coaching was most effective when paired with other forms of professional development, such as group training. The use of reading and literacy coaches should be focused on prekindergarten through the third grade, the period when most students learn how to read. The National Reading Technical Assistance Center recommends that reading coaches be credentialed.

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