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## FISCAL IMPACT REPORT

SPONSOR Nava DATE TYPED 02/03/05 HB \_\_\_\_\_

SHORT TITLE Strengthening Quality in Schools Initiative SB 298

ANALYST Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$1,000.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

#### Response Not Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 298 appropriates \$1 million from the general fund to PED for the purpose of strengthening the quality in schools (SQS) initiative.

#### Significant Issues

According to DFA, SQS is a Governor’s initiative to provide the expertise needed to develop a world-class quality education system for New Mexico. It uses a variety of aspects of education using Total Quality Management principles. The project includes training, tools and support necessary for improving student performance. For the past year PED has been involved in a partnership with the Governor’s Business Executives for Education (GBEE) primarily for those schools in need of improvement (SINOI) and specifically for the schools in Restructuring II.

PED has developed the “No Excuses” School Improvement Framework (SIF) to address specific needs and provide an intervention by PED as required by the federal No Child Left Behind

(NCLB) act. SIF consists of three components: identification of a priority school; diagnostic assessment; and technical assistance. SIF is based upon the continuous improvement model of SQS. PED has contracted with Jim Shipley and Associates to implement the SIF.

According to DFA, there are 19 priority schools but the number is expected to increase to 50-55 schools in school year 2005-06. PED has indicated without the funding, it will be unable to meet NCLB requirements or existing staff will have to be reassigned.

However, according to DFA, the request for SQS funds was not included in the Executive Recommendation.

### **PERFORMANCE IMPLICATIONS**

Specific, measurable objectives should be developed for this initiative to evaluate the program's effectiveness.

### **FISCAL IMPLICATIONS**

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

### **ADMINISTRATIVE IMPLICATIONS**

Section 22-2A-7I NMSA 1978 has four options to be taken if a school in restructuring II fails to make Adequate Yearly Progress (AYP) for two consecutive school years. These are reopen the school as a charter school, replace all or most of the staff as required by law, turn over management of the school to PED; or make other governance changes. Section 22-2A-7K NMSA 1978 restricts the state or school from entering to agreements with private entities for the management of a school or district subject to corrective action. To prevent these statutes from governing schools, PED and the districts need to ensure schools in restructuring II get the needed assistance to meet AYP.

### **ALTERNATIVES**

PED could develop the capacity to provide the required services to school districts with existing staff.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Restructuring II schools may not get the services needed to make AYP.

**POSSIBLE QUESTIONS**

1. How will this appropriation be used to assist school districts?
2. How will success be determined?
3. Why is the number of priority schools expected to increase from 19 to over 50?
4. What is being done currently to assist schools that are likely to become priority schools?

**GAC/lg**