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FISCAL IMPACT REPORT

SPONSOR _	Nava	1	ORIGINAL DATE LAST UPDATED	HB	
SHORT TITL	E_	Supplemental Servi	ices For Public Schools	SB	100/aSEC/aSPAC/aHEC

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring or Non-Rec	Fund Affected	
FY06	FY07			
	See Fiscal Implications			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION LFC Files

Responses Received From Public Education Department (PED) Office of Educational Accountability (OEA)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment makes technical language corrections by providing that supplemental services will be provided to Title I eligible students.

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 100 as amended strikes the requirement that providers of supplemental services use only tutors with bachelor's degrees and instead provides for a sliding fee schedule based on the educational level of tutors.

SIGNIFICANT ISSUES

As noted below, high quality teachers have been found to improve student performance and achievement. This amendment removes the requirement that tutors have bachelor's degrees in order to serve as tutors which may lower the quality of tutoring being received by students.

The sliding scale appears to provide for additional compensation for tutors with more advanced degrees.

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 100 removes the requirement that contractors providing supplemental services hire only licensed teachers as tutors, and provides instead that tutors must have a bachelor's degree to provide these services.

The amendment further changes the requirement that public schools failing to make adequate yearly progress for three or more consecutive years provide supplemental services to Title I students and will provide these services to eligible students.

SIGNIFICANT ISSUES

The amendment refers to eligible students, however it does not specify what groups of students if any are considered eligible.

Synopsis of Original Bill

Senate Bill 100 requires PED to adopt rules that require providers of supplemental educational services (SES) approved for contracts in New Mexico to use only licensed teachers as tutors. It also requires providers to use a common pre - and post-assessment instrument prescribed by the PED to measure gains that students achieve through SES.

The bill also makes technical corrections to language.

FISCAL IMPLICATIONS

SB 100 carries no appropriation. According to PED and the US Department of Education, districts have several options available to fund SES. These include funds from state, local or private sources, as well as federal sources.

The Office of Educational Accountability notes that between federal FY 2003 and 2005, New Mexico received nearly \$315 million in Title I funds. NCLB requires that all states, including New Mexico, spend a minimum of 5 and a maximum of 20 percent of its allocation on SES. For the past three federal fiscal years, New Mexico has had, at minimum, approximately \$15.7 million available in federal Title I funds to support SES. According to the Supplemental Educational Services Quality Center (SESQC), a national oversight group that monitors SES issues, there are 125 Title I Schools Identified for Improvement and there are 89 Title I schools that are required to provide SES. The amount received per school district is determined by the US Department of Education and is distributed by PED.

The exact fiscal impact cannot be determined; however, effects can be expected in two areas:

- There is the potential for increased fees charged by providers of SES services in order to offset costs associated with hiring certified staff, if they are not already doing so. Be-cause the total dollar amount available per student is capped, any increased costs would result in fewer tutoring sessions per student.
- Costs associated with a common assessment could be met in a number of ways depending on whether the assessment is a single statewide assessment or an assessment specific to each district, such as a district short-cycle assessment that may already be in use.

Senate Bill 100/aSEC/aSPAC/aHEC – Page 3

Based on information from the PED website, during the 2005/2006 school year, fees for different providers ranged from \$18.00/hour (for a minimum of two hours) to \$1,175.00 per student for an entire school year. The local school district exercises the discretion as to how the funds are spent.

According to PED, New Mexico currently has 27 approved SES vendors. Some vendors provide statewide coverage and others focus on specific school districts or regions. In addition, these vendors include both in-state and out-of-state businesses.

SIGNIFICANT ISSUES

High quality teachers have been found to improve student performance and achievement. The requirement that tutors be licensed teachers may enhance student opportunities to improve proficiency.

TECHNICAL ISSUES

It is unclear from the wording of the proposed amendment whether tutors would be required to be licensed teachers in the State of New Mexico or whether, in the case of out-of-state providers, that licensure in another state would be sufficient.

PED notes that Line 9 on page 4 makes reference to Title I students. As Section 22-2C-7 applies to all public schools, including non-Title I schools, the department suggests for the Legislature to consider removing this language.

PA/yr:mt:nt