

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/8/10
 LAST UPDATED 2/14/10 HB 69/aHEC

SPONSOR Miera

SHORT TITLE Reporting of Cohort Graduation Data SB _____

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		None				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration Office of Education Accountability (DFA)

Public Education Department (PED)

No Response From

Higher Education Department

SUMMARY

Synopsis of the HEC Amendment

The House Education Committee Amendment to House Bill 69 clarifies that cohort graduation data is required for “state chartered” charter schools and limits reporting requirements to students who have exited public school and indicated an intent to pursue a general educational development certificate eliminating the requirement to report of those pursuing vocational certificates or other secondary education not part of the public school system. Further it eliminates the requirement to report on units earned after leaving public school.

The amendment adds the requirement for the annual accountability report include the names of the governing body if the report is from a charter school.

A specific operational definition of “cohort” is added with the meaning of “a group of students who enter grade nine for the first time at the same time, plus those students who transfer into the group in later years and minus those students who leave the cohort for documented excusable reasons.”

Synopsis of Original Bill

House Bill 69 would amend Section 22-2C-11, NMSA 1978, which specifies requirements for PED, school districts and charter schools to report accountability information. Specifically, the bill delineates publication requirements for the 4-year and 5-year cohort graduation rates, along with alternate outcomes of high school students who did not graduate. The bill also updates language throughout to include the new class of state-chartered charter schools, clarifies the responsibility of local education agencies (LEAs) to report for their locally-chartered schools and explicitly states that confidentiality must be protected in reporting.

FISCAL IMPLICATIONS

The DFA proposes there will be nominal costs to the PED, districts and state-chartered charter schools to meet the requirements put forth in House Bill 69 since New Mexico already has a cohort graduation rate requirement.

The PED claims that if House Bill 69 is passed, the department will incur costs of over \$200 thousand per year beginning in FY2010, with a three year total cost of \$620 thousand. This estimate was revised to \$0 in a new analysis by the PED on February 14, 2010.

SIGNIFICANT ISSUES

The PED had some responses to House Bill 69 as follows.

State-chartered charter schools came into existence in school year 2008-2009. This new classification differs from locally-chartered and public schools because they are independent from an LEA. Language in Section 22-2C-11, NMSA 1978, was updated throughout to hold individual state-chartered schools equally responsible for annual reporting. PED has already implemented this accountability procedure and the statute amendment will reflect current practice.

Section 22-2C-11.A. (3) adds clarification that LEA annual reporting must include all locally-chartered schools in the district. In the past, the responsibility for constructing, publishing, and distributing reports for locally-chartered schools has been ambiguous, with some districts absorbing the duties, and others deferring to the charter school to manage the production and costs. New wording clarifies that all locally-chartered charter schools will be reported under the auspices of the district in which the school resides. This standardizes the practice and holds the district more clearly accountable for local charters.

The timing of dropout data collection does not coincide with cohort graduation. The National Center on Educational Statistics requires dropout reporting annually in the Common Core of

Data (CCD) in October. CCD requires that students be given a full academic year to re-enroll before being considered a dropout, thus the time for collecting this data is lagged by more than one year. Graduation is reported in the spring.

Capacity is currently being built to track students into GED programs in New Mexico; however, the data collection system is not yet sufficient to permit complete reporting. The contractor who manages New Mexico's GED database (Oklahoma Scoring System) annually sends a list of students who passed the GED examination. This list must be manually checked against student data in STARS using limited identifiers (name, date of birth, and gender). This process does not yet integrate student IDs (implemented in 2009-2010 school year) so the matching is imprecise and will undercount students. In addition, this process will identify only students who completed the GED in the state of New Mexico.

Section 22-2C-11.A. (6) is a new section that details PED's reporting of student progress through grades in high school. The report would include members of the 4-year and 5-year cohorts who have not advanced to the next grade or graduated on schedule. The report would delineate counts and percents of students in grades 9 through 12 that did not advance on schedule, based on earned units.

STARS currently collect credits only for dual credit classes and certain career and technical students. A new system is currently being implemented will allow course credits to be submitted, but it will not be populated and operational until 2011, and then only for 11th and 12th graders. Extending this system to 9th and 10th graders would require enhancing capabilities of STARS and expanding resources for the development of the supplementary system.

PED can track 4-year and 5-year cohort members in STARS through enrollment. Students are identified by location and grade in 4 snapshots yearly (40D, 80D, 120D, and end of year), so it is possible to aggregate cohort members by grade in any given snapshot. This information might serve as a proxy for earned units in order to examine student progress.

PERFORMANCE IMPLICATIONS

The PED reports that this legislative language change is related to the following PED goal: Prepare all students to succeed in a complex world by providing a world-class PreK education system, and to the following tasks:

Task 1.3 – Increase parents' involvement in their children's education;

Task 1.4 – Increase the level of educational excellence for all students; and

Task 1.5 – Close the student achievement gap by supporting the children and schools who need the most assistance.

ADMINISTRATIVE IMPLICATIONS

The DFA states that because PED and the school districts have already gone through one cycle of reporting a cohort graduation rate, passage of House Bill 69 should not impose any undue burden to either to comply with the amended language.

OTHER SUBSTANTIVE ISSUES

The DFA states that House Bill 69 will provide a means by which the state of New Mexico and its citizens will be provided more accurate information relating to graduation rates for the state as a whole and the various demographic groups.

On page 4, lines 3-5, House Bill 69 provides language requires the PED to: “establish technical criteria and procedures to define which students are included or excluded from a cohort.” This stipulation is particularly important because the PED, if it has not already done so, must develop a coding strategy to capture information on students who “go missing” and are lost from the system. In the past, such students typically ended up being coded as transfers, when in fact, they had dropped out. A new coding strategy will reflect the actual status of these students with the result of producing more accurate data.

In 2005, the Data Quality Campaign (DQC), a national collaborative effort to improve the collection and use of education data, was launched, and identified the —10 Essential Elements of a P–12 education data system. The elements necessary to calculate four-year graduation rates are:

1. a unique statewide student identifier that connects student data across key databases across years;
2. student-level enrollment, demographic, and program participation information;
3. student-level graduation and dropout data; and
4. a state data audit system assessing data quality, validity, and reliability.

As a participant of the Career and College Ready Policy Institute, New Mexico has worked with the Data Quality Campaign (DQC) and other national groups and agreed to conform to implementing the DQC’S 10 essential elements of a P-12 education system. In addition, New Mexico is moving towards full conformance with the 12 data elements laid out in the America Competes Act. This foundational work has provide a basis upon which New Mexico has submitted a federal grant for a state longitudinal data system and also provided a strong basis for submission of the Race to the Top grant, that, if New Mexico is awarded, will provide a large influx of federal support in furthering the state’s educational reforms efforts conducted over the past several years.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to the DFA, the state will not have statutory language mandating the collection, coding and reporting of cohort graduation rates. Although, since PED already follows a process by which cohort graduation rates are required by districts and the state, non-passage of the bill will likely not cause serious deficiencies in the currently existing system.

CH/mew:mt