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## FISCAL IMPACT REPORT

**SPONSOR** Rue **ORIGINAL DATE** 02/04/11 **LAST UPDATED** 03/17/11 **HB** \_\_\_\_\_  
**SHORT TITLE** Instructional Material Adoption Cycle **SB** 261/aHFL#1  
**ANALYST** Haug

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		(\$5,000.0)	(\$5,000.0)	(\$10,000.0)	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of HFL Amendment #1

House Floor amendment #1 requires that the eight year cycle shall only apply to instructional material adopted prior to January 1, 2014 and provides that the PED may adopt any cycle length it deems reasonable for material adopted after January 1, 2014

#### Synopsis of Original Bill

Senate Bill 261, introduced on behalf of the Legislative Education Study Committee, amends Section 22-15-8 NMSA 1978, to direct the Public Education Department (PED) to establish by rule an eight-year cycle for the adoption of instructional materials process.

### FISCAL IMPLICATIONS

Senate Bill 261 contains no appropriation. The PED notes that it would need to amend its instructional material rules to align with an eight-year adoption cycle. If the intention of extending the adoption cycle is to save state general funds for instructional materials, it is possible that a longer adoption cycle might mean more catch up funding will be needed at the end of eight years due to advances in science, math, etc.

The PED states it could split adoptions into parts, as has been done in the past with the K-8 and 9-12 reading adoptions (see substantive issues below), in order to address funding concerns.

The PED reports that the October 2010 statewide Instructional Material expenditure report indicated districts spent \$22 million so far for School Year 2010-11. The total allocation was \$15 million. This indicates districts are spending carryover monies from past adoptions.

The increase in the materials adoption cycle from 6 years to 8 years is a 25% reduction in the frequency with which textbooks are adopted. Should the decrease in adoption cost equate to the reduction in frequency, based on the current to year to date school expenditures reported above, a potential reduction in annual cost could be as much as \$5.5 million dollars (25% of \$22 million). Should the PED's concerns regarding "advances in science, math, etc," be realized, the reduction could be less while the use of additional "split adoptions" discussed below could conceivably offset cost increases for those reasons. The \$5.5 million dollar estimate is used in the table above to indicate the maximum potential reduction in cost achievable from the proposed change.

## **SIGNIFICANT ISSUES**

The PED states:

The current instructional materials adoption cycle is six years.

The PED has made some changes to address the high cost of adoptions. For example, it has split the more costly adoption for reading into two parts: K-8 reading and 9-12 reading. The last 9-12 was in 2008; the next adoption under current requirements is 2014, while the next adoption for K-8 reading is 2015. Previously, those adoptions were combined into one.

Instructional materials funds have decreased by 62% over the last three years.

2009's SB 1019 mandates districts to provide a textbook for each child; currently many districts do not have the funds to comply with this law.

Publishers are expected to produce textbooks that last for seven years. (According to Dirk Hiler, with the Book Manufacturers Institute and a member of ACTS, Advisory Commission on Textbook Specifications.)

GH/bym:svb