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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/12

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Rural, Low-Income Child Literacy Programs SB 124

ANALYST R. Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$500.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department

SUMMARY

Synopsis of Bill

Senate Bill 124 appropriates \$500 thousand from the general fund to the Public Education Department in FY13 to contract for supplementary literacy programs for children from rural low-income areas of the state. Unexpended or unencumbered balances remaining shall revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY13 shall revert to the general fund.

SIGNIFICANT ISSUES

Despite current efforts by schools to improve students' academic proficiency through intervention and remediation, an increasing percentage of students continue to fail to perform on grade level. Statewide data indicates that only 49.8 percent of New Mexico's students are able to read on grade level. Reading proficiency rates decreased in FY11 from FY10 levels and the achievement gap continues to persist for all subgroups. Only 41.9 percent of economically

disadvantaged students are able to read on grade level, while only 46.5 percent of African American students, 46.5 percent of Hispanic students, and only 35.1 percent of Native American students are able to read on grade level.

PED indicates:

- PED will contract with literacy program providers to provide supplementary support to children who are rural and low-income.
- Providing readers with additional reading support can increase the likelihood that they are reading on grade level.
- 3rd grade reading performance is one of the key indicators of high school graduation.
- Children who live in poverty are three times more likely to drop out or fail to graduate on time than their more affluent peers – if they read poorly; the rate is six times greater than that for all proficient readers.

PERFORMANCE IMPLICATIONS

Percent of third, fourth and eighth grade students who achieve proficiency or above on the standards-based assessment in reading. Percent of recent New Mexico high school graduates who take remedial courses in higher education at two- and four-year schools. Number of schools identified as needing improvement and number of schools making adequate yearly progress according to Elementary and Secondary Education Act designations. Percent of public schools and charter schools rated A and B. Percent of schools increasing/decreasing their letter rating by one letter grade. Percent of elementary school, middle school, and high school students habitually truant. Current year's cohort graduation rate using four-year cumulative method.

ADMINISTRATIVE IMPLICATIONS

The Public Education Department will be required to administer the funds.

RSG/amm