

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SJR 17

52nd Legislature, 2nd Session, 2016

Tracking Number: .203121.2

Short Title: Funding for Longer School Days & Years, CA

Sponsor(s): Senator Joseph Cervantes

Analyst: David Craig

Date: February 4, 2016

Bill Summary:

SJR 17 proposes to amend Article XII, Section 7 of the Constitution of the State of New Mexico to increase annual distributions from the Land Grant Permanent Fund (LGPF) by 1.0 percent to increase the minimum instructional hours and days in a school year as provided by law.

Fiscal Impact:

Senate joint resolutions do not carry appropriations.

The FY17 Legislative Finance Committee (LFC) Public School Support recommendation includes \$32.2 million in General Fund revenue for the K-3 Plus Fund, including funding for a pilot program that expands the program for fourth and fifth graders. The executive recommended \$27.2 million in General Fund revenue.

LESC staff estimate that total FY17 distributions from the LGPF would increase to approximately \$765.6 million, or an increase of approximately \$127.6 million over the 5.0 percent distribution scheduled for FY17 after existing additional distributions expire. This number is based on LFC and State Investment Council (SIC) estimates of joint resolutions proposing similar constitutional amendments to increase LGPF distributions.

Under Section 1-16-13 NMSA 1978 and the Constitution of the State of New Mexico, the Secretary of State (SOS) is required to print samples of the text of each constitutional amendment, in both Spanish and English, in an amount equal to 10 percent of the registered voters in the state. SOS is also required to publish them once a week for four weeks preceding the election in newspapers in every county in the state. If the ballot size is greater than one page, front and back, it would increase the cost of conducting the general election. In addition to the cost of the ballot, there will be added time for processing voters to vote and would mean additional ballot printing systems would be required to avoid having lines at voting convenience centers. SOS estimates the cost per constitutional amendment to be \$104,000 based on 2010 actual expenditures.

At a Glance:

- SJR 17 will increase revenues for current LGPF beneficiaries.
- SJR 17 may decrease distributions to LGPF beneficiaries in the future if the balance of the fund decreases because of the increased distributions.
- SJR 17 will increase funding for increases to the minimum instructional hours and days in a school year for New Mexico students, contingent on passage of new law.

Detailed Bill Provisions:

SJR 17 proposes to amend Article XII, Section 7 of the Constitution of the State of New Mexico to increase annual distributions from the LGPF to:

- add an additional 1.0 percent distribution of the five-year average of the end-of-year market value of the fund to be used to increase the minimum instructional hours and days in a school year as provided by law; but
- retains requirements that the five-year average ending balance of the LGPF to be at least \$10 billion before additional annual distributions are made.

Substantive Issues:

Distributions from the Land Grant Permanent Fund

The chart below compares the total distribution amount of the five-year average balance of the LGPF under current law and the SJR 17 proposal.

Land Grant Permanent Fund Total Distribution Rate			
Fiscal Year	Current Law	SJR 17	Difference
2016	5.5 percent	5.5 percent	0 percent
2017	5.0 percent	6.0 percent	1.0 percent
2018	5.0 percent	6.0 percent	1.0 percent
2019	5.0 percent	6.0 percent	1.0 percent
2020+	5.0 percent	6.0 percent	1.0 percent

SIC indicated in analysis of other resolutions that, although public education receives nearly 85 percent of the distribution from the LGPF, more than half of the LGPF beneficiaries are not educational entities or are entities that have a mission unrelated to education. SJR 17 places restrictions on the use of this increased funding on public education beneficiaries, requiring that it be spent to increase the minimum instructional hours and days in a school year. SJR 17 increases distributions for all beneficiaries; however, it only directs the increases to be used for increased instructional time for one beneficiary. All other beneficiaries will be able to spend the increased distribution at their discretion.

In addition, SIC noted in its analysis of other resolutions that the corpus of the LGPF: must increase to offset inflation; must increase in anticipation of the inevitable decrease to contributions stemming from a revenue source tied to non-renewable resources, and as the corpus of the LGPF increases, annual distribution amounts increase. Other SIC analysis showed that increasing distributions negatively impacts measures of inter-generational equity. Additionally, SIC noted that current requirements, for the five-year average ending balance of the LGPF to be \$10 billion prior to additional distributions, is unlikely to protect the LGPF in

times of duress. For example, if the balance were to drop below \$5.0 billion in 2016, the five-year average balance of the LGPF would still be over \$10 billion.

Prior to 1997, approval of the U.S. Congress was required for any change to distributions from the LGPF. However, in 1997 Congress approved amendments to the federal *Enabling Act of 1910*, one of which specified that future distributions “shall be made as provided in Article 12, Section 7 of the Constitution of the State of New Mexico,” indicating that the U.S. Congress has given authority to the state to change this section of the constitution. Despite this amendment, in 2003 the Attorney General expressed concern that U.S. Congress “may disapprove of the higher distribution rates because the rates may conflict with existing safeguards for trust funds in the *Enabling Act*.” Therefore, the Attorney General recommended requiring Congressional approval in any proposed Constitutional Amendment that seeks to increase the distribution rate of the LGPF.

Studies on Increased Instructional Time and Summer Reading Gains/Losses

Numerous education policies have studied the impacts of increasing instructional time on student performance and the achievement gap. Like all education research, the results of these studies vary depending upon the setting or region, the process by which instructional time is lengthened, the methodology used in the study, and other mitigating factors. For example one recent study found science teachers use a more impactful, inquiry-oriented instruction to a greater extent if they have five or more hours per week of instructional time for science.¹ Another recent study examined student performance on standardized tests in Colombia. Examining fifth and ninth grade cohorts with either complete (7-hour) or half-day (4-hour) schedules, researchers found cohorts exposed to complete schedules have test scores that are about one-tenth of a standard deviation higher than cohorts that attended half schedules. The researcher saw larger impacts in math, for ninth grade test scores than for fifth grade test scores, and largest among the poor or rural schools in the sample.² Alternatively, another study examined Newfoundland’s transition from an 11 grade system to a twelve grade system to determine the impacts of an extra year of high school, and found little additional impact.³

However, when examining the impacts of lengthening instructional time on the achievement gap, research and meta-analyses have reached some consensus on the impact of a specific factor, long termed “summer reading loss” by the education community. These studies have found that the achievement gap grows during the summer break, not only because lower socio-economic status children experience losses in student achievement during the summer months, but also because middle class students appear to gain in student performance during the summer months. For example, a landmark paper that studied 39 previous studies and did a meta-analysis of 13 others in 1996 concluded that “the summer loss equaled about one month on a grade-level equivalent scale. Middle-class students appeared to gain on grade-level equivalent reading recognition tests over summer, while lower-class students lost on them.”⁴ A more recent, follow-up study in 2007

¹ Kolbe, Tammy, et al., “Instructional Time & Teachers’ Instructional Practices in Science: The Effect of Time on Teachers’ Use of Inquiry-based Instructional Practices,” *Paper presented at the annual meeting of the Association for Education Finance and Policy*, March 13, 2014.

² Hincapié, Diana “Do longer school days improve student achievement? Evidence from Colombia,” *Paper presented at the annual meeting of the Association for Education Finance and Policy*, March 13-15, 2014.

³ Leonard, Philip S. and Arthur Sweetman, “What if High School were a Year Longer? Evidence from Newfoundland,” February 2014.

⁴ Harris Cooper, et al., “Effects of Summer Vacation on Achievement Scores: A Narrative and Meta-Analytic Review,” *Review of Educational Research*, Fall 1996, Vol. 66, No. 3, p. 227 as reprinted in Barton, Paul E. and Richard J. Coley, *Parsing the Achievement Gap II* Educational Testing Service: 2009.

of a sample of Baltimore children confirmed that summer loss and gain still varied by socioeconomic status and about two-thirds of the total observed achievement gap was traced to summer learning differences during elementary school.⁵

Background:

The LESC heard testimony during the 2015 interim regarding the K-3 Plus program and a study of its results. Dr. Damon Cann, Project Co-investigator and Statistical Lead for Utah State University (USU) explained that many students experience a decrease in academic achievement levels over the course of the summer and the summer learning losses especially impact students from low socioeconomic backgrounds. In a recent study of New Mexico's K-3 Plus program, Dr. Cann found:

- when controlling for selection bias, K-3 Plus has clear achievement boosting prospects;
- these gains are not maintained through the school year for all students, but appear to be maintained for some students;
- continued research and evaluation of the program can help determine whether adjustments to the program can improve effectiveness like maintaining the same teacher through the end of the year and addressing language development; and
- additional data could be used to support additional analysis on program effectiveness and funding formulas in various contexts.

Dr. Cann presented the following hypotheses of why some K-3 Plus students are not maintaining academic gains over the course of the year:

- teachers may simply re-start the curriculum on day one;
- state guidance suggests to keep these students together with the same teacher through the end of the year, but this is not often the case; and
- language issues exist in some schools; while some schools provide summer services in both English and Spanish, the language of instruction will typically be English and finding or securing a bilingual teacher is difficult.

Dr. Cann explained that second grade data suggest that when K-3 Plus students remain with the same teacher through the end of the year there is strong statistical significance of improved academic performance.

Related Bills:

CS/SJR 2 *Permanent Funds for Early Childhood Education, CA*
SJR 3 *Permanent Fund Annual Distributions, CA*
HJR 10 *Permanent Funds for Early Childhood Education, CA*

⁵ Karl L. Alexander, et al., "Lasting Consequences of the Summer Learning Gap," *American Sociological Review*, v72, April 2007 as reprinted in Barton, Paul E. and Richard J. Coley, *Parsing the Achievement Gap II* Educational Testing Service: 2009.