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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/18
 SPONSOR HEC LAST UPDATED 2/12/18 HB 136/HECS/aHF1#1
 SHORT TITLE Childhood Poverty Awareness Training Act SB _____
 ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	Undetermined	Undetermined	Undetermined	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received (Original Bill)

Public Education Department (PED)

Children, Youth and Families Department (CYFD)

Regional Education Cooperatives (REC)

SUMMARY

Synopsis of HF1#1 Amendment

The House Floor #1 amendment to the House Education Committee substitute for HB136 inserts language in several locations within the bill that limit its effect to schools having more than 200 students and having a three-year average rate of 0.7 or higher. The average rate is the sum of the Title I percentage (a measure of poverty), the mobility factor, and the percentage of students who are English-language learners. Thus, the effect of these changes would be to remove the requirement of childhood poverty education from very small school districts and from schools where there are fewer indications of poverty, mobility, and lack of English-language proficiency. See Significant Implications for discussion of these changes.

Synopsis of Original Bill

The House Education Committee Substitute for House Bill 136 requires that charter schools wishing to receive at-risk units must establish PED-approved plans to “assist students to reach their full academic potential.” Annually, charter school receiving at-risk units would be required to submit a report to PED detailing the previous year’s services provided to children at risk, the

impact of those services, and the charter school's plans for providing services to at-risk students for the coming year and their intended impacts.

House Bill 136/HECS would amend Section 22-8-23.3 NMSA 1978 to require that all school districts that receive at-risk units in addition to the standard funding units educate school employees on the effects of childhood poverty especially on children's academic achievement and social development. As all New Mexico school districts and charter schools receive at-risk units at this point, all would be required to provide such education.

The bill would also amend Section 22-8-23.3 NMSA 1978 to require development and submission of an action plan to "outline the specific services the school district or charter school will implement to improve the academic success of at-risk students." The bill adds language to the above statute that requires childhood poverty awareness training beginning in the 2020-2021 school year and annually thereafter.

Section 2 of the bill would enact the "Childhood Poverty Awareness Training Act," section 3 makes it clear that poverty awareness training would be required for all school employees, and section 4 establishes goals for the training, as follows:

1. Creating an awareness of types of poverty in New Mexico
2. Creating understanding of ill effects of poverty and other adverse childhood experiences on brain development and learning, academic achievement, social development, and well-being.
3. Creating locally-specific understanding of a district's or a charter school's population, including those factors which lead to "at-risk unites, including English language-learner status, eligibility for free- and reduced-price lunch (used as a proxy for poverty) and mobility.
4. Providing evidence-based techniques for teaching and engaging children who have suffered poverty and other adverse childhood experiences.
5. Developing strategies to mitigate social and academic effects of poverty and improve the educational experience for children living in poverty.
6. Assisting school districts and charter schools in all of the above, as well as in developing appropriate education for employees on the effects of childhood poverty.

The educational session required of all school district employees would be required to be at least 6.5 hours long the first year and 3 hours long in subsequent years. The initial session would need to be in place by the first six weeks of the 2020-2021 school year, and would be repeated during the school's second semester for those who missed the first training of the year, although documentation that a new employee had received the training in another location would suffice until the next annual training. School districts and charter schools with similar populations could combine their trainings.

The Public Education Department would approve childhood poverty awareness training programs as meeting the goals detailed above, and would certify childhood poverty trainers.

FISCAL IMPLICATIONS

PED notes that "The Albuquerque Public Schools (APS) Title I Program has provided poverty awareness training to Title I schools in the district for the past two years. To date, over 800 APS employees and 46 Title I public and charter school sites have received poverty awareness

training from the APS Title I Program. District costs to implement the training have exceeded \$150 thousand including costs for books and materials, teacher stipends, substitutes, trainer certification and trainer salaries.

“HB136 requires that the Public Education Department (PED) approve the poverty awareness training programs to be developed by school districts and charter schools and to certify trainers. The cost to the PED cannot be determined at this time. APS staff was trained through a national training program tied to a private business. It is not known what costs other districts and schools might experience in developing programs that meet the goals of HB136.

“As there is no appropriation in HB136, districts would be required to use their own funding for implementation. These costs could be significant, as HB136 requires an initial 6.5 hour training and subsequent 3 hour annual trainings. Additionally, charter schools moving to their own at-risk index may see state equalization guarantee (SEG) amounts rise or lower based upon where their calculation changes relative to the school district’s in which they geographically reside.”

REC notes that “School districts and charter schools will also need increased funding to meet the training requirements mandated in HB 136.”

SIGNIFICANT ISSUES

As noted by PED, “The National Center for Children in Poverty states that 44% of children under 18 years old live in low income families. http://www.nccp.org/publications/pub_1100.html According to the New Mexico Center on Law and Poverty, child poverty is associated with substandard housing, homelessness and food insecurity, all factors that make succeeding in school more difficult.

<http://nmpovertylaw.org/wp-content/uploads/2015/04/Report-Education-FINAL-2013-01-06.pdf>.

“Recent 2016 US Census Bureau data lists New Mexico’s age 5-17 poverty rate at 25.72% making New Mexico the 3rd highest poverty state.

“The New Mexico Department of Health has made data available on Adverse Childhood Experiences (ACEs) such as abuse, neglect, domestic violence, substance abuse, and mental illness and how those childhood experiences have affected development and outcomes as adults. <https://nmhealth.org/publication/view/help/1831/>.” Although Adverse Childhood Experiences occur to children of all socioeconomic classes, they are much more prevalent among poor children, presaging many consequences, such as health risks, mental health problems, poor educational outcomes, and substance abuse.

(See the attached American Academy of Pediatrics statement on poverty and the attached excerpt on poverty from the Kids Count 2018 databook, indicating that New Mexico ranks low on almost all measures of child well-being, including poverty. The entire Kids Count databook is available at <http://www.nmvoices.org/wp-content/uploads/2018/01/NMKC-DataBook2017-Web.pdf>.)

The amended version of this bill exempts very small school districts and those who have fewer students qualifying as being “at risk” from having to provide training on the effects of childhood poverty upon children’s ability to learn and upon their social development. The attached spreadsheet indicates that the effect of the amendment would be to limit the effect of the bill to just 32 of the 89 school districts in New Mexico. There are 17 school districts with fewer than 200 students, seven of which have a “three-year average rate” above 0.7 (a higher number of

students affected by poverty, mobility, or lack of English language skills. It is unclear that personnel in these seven school districts are less in need of instruction on poverty's effects on children than the larger school districts. Likewise, even in the school district with the lowest "three-year average rate", which is 0.15, children living in poverty suffer the same ill effects of that poverty as children in schools where the poverty, mobility and lack-of-English-proficiency rates are higher. It might be argued that those personnel who see "just" one in seven children affected by these predictors of distress need training in the effects of poverty as much or more than personnel in schools where there is a higher prevalence of such factors.

ADMINISTRATIVE IMPLICATIONS

As noted by PED, "PED staff would need to develop criteria for districts and charter schools that would specify what a training program would need to include and would need to develop a process for approval of plans. PED would also need to develop criteria for trainers and a process to certify them. Staff resources for these processes would be significant. As there is no appropriation in HB136, the PED would have to use existing resources for this work in addition to their current duties."

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Charter schools would not have to report their past efforts to provide special services to at-risk students or their impacts, nor would they have to submit a plan to meet these children's needs in the coming year or what impacts they would seek from those efforts.

As noted by REC, the state would miss the opportunity of "increasing the awareness of school district and charter school staff on the effects of poverty [which] may increase academic performance of students experiencing poverty." School districts would have individual responses to the problems associated with childhood poverty and the education of their staff on ways of helping children cope with those problems.

LAC/jle



Economic Well-Being: Children Living in Poverty

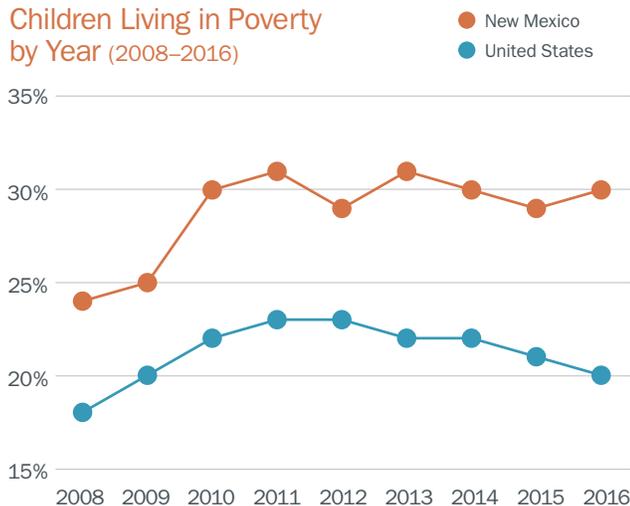
The Extent of the Problem

New Mexico's future economic success and the quality of our future workforce are determined, in large part, by what sorts of opportunities our children have today. Children who live in poverty—such as the 145,000 children in New Mexico—have access to fewer of the resources that all children need to help them thrive, succeed, and achieve their full potential. Evidence suggests that being born into and growing up in poverty can have long-lasting and powerful negative effects on children. Childhood poverty is linked to a variety of health, cognitive, and emotional risk factors for children, and children in poverty are more likely to be food insecure, to suffer from adverse childhood experiences like hunger and homelessness, and to live in poverty as adults.

► Unless otherwise noted in this and in other indicators, “children” refers to ages 0–17. The poverty level for a family of two adults and two children was below \$24,300 in 2016.

TRENDS

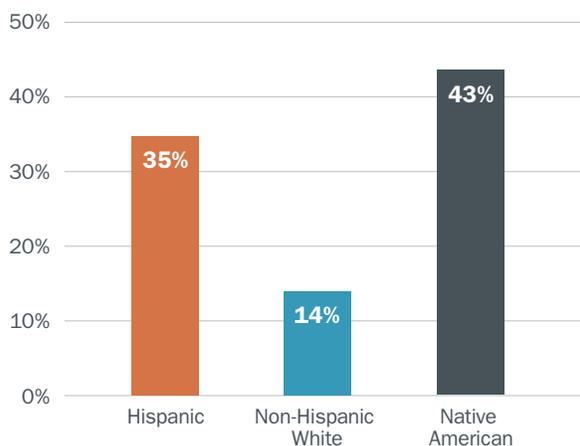
Children Living in Poverty
by Year (2008–2016)



SOURCE: U.S. Census Bureau, American Community Surveys, 2008 through 2016, Table S1701.

RACE & ETHNICITY

Children Living in Poverty
by Race and Ethnicity (2016)



SOURCE: U.S. Census Bureau, American Community Survey, 2016, Table C17001.
NOTE: Estimates for other races and ethnicities suppressed because the confidence interval around the percentage is greater than or equal to 10 percentage points.

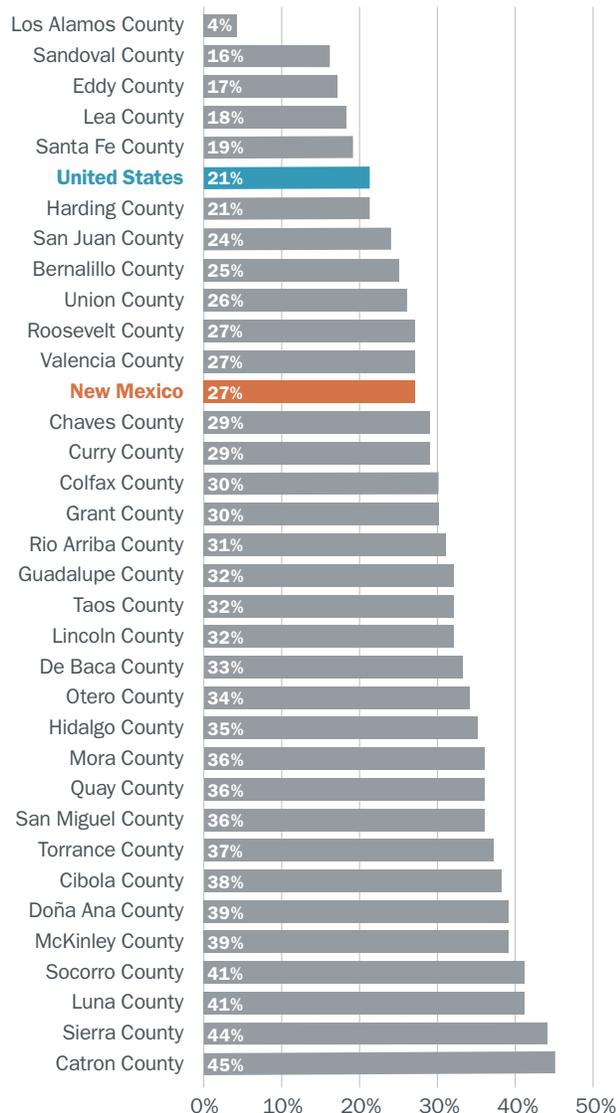


Tracking Change: Worsened

Though both the rate and number of children living in poverty decreased slightly from 2014 to 2015, New Mexico is—at 29 percent—second worst in the nation for childhood poverty, with rates particularly high among Hispanic and Native American children. Just as importantly, New Mexico’s child poverty has worsened over time. Twenty-two thousand more kids live in poverty now than in 2008—an 18 percent increase. While most other states have recovered from the recession, New Mexico’s economic recovery has flat-lined, which means fewer families have the opportunity to lift themselves out of poverty. In addition to a slow economic recovery, income inequality has worsened over time, and the state has seen few policy improvements to address this issue.

RANKINGS

Children Living in Poverty by County (2015)



SOURCE: U.S. Census Bureau, Small Area Income and Poverty Estimates, 2015.

POLICY SOLUTIONS

To Decrease Child Poverty:

- Support two-generational approaches so that there is better coordination of health, education, housing, and food services for both parents and children.
- Restore eligibility levels for child care assistance to pre-recession levels (200 percent of the federal poverty level).
- Raise the state’s minimum wage and index it to rise with inflation; and raise the tipped wage to 60 percent of the minimum wage.
- Increase refundable tax credits like the Working Families Tax Credit (WFTC) and the Low Income Comprehensive Tax Rebate (LICTR), and enact a more progressive income tax system so low-income families do not bear a disproportionate responsibility for funding our state.
- Protect SNAP (Supplemental Nutrition Assistance Program) from eligibility changes that would decrease the number of children receiving food benefits.
- At 175 percent APR, interest rates on predatory loan products (payday, car title loans, etc.) are better than they once were, but more needs to be done to protect poor and low-income families from getting trapped in an endless cycle of increasing debt.
- Ensure that all workers can earn at least one week of paid sick leave.
- Enact and enforce policies to end wage theft.
- Support and promote the availability of resources and assistance for grandparents helping to raise their grandchildren, including access to financial resources, legal services, food and housing assistance, medical care, and transportation.
- Fund navigators to ensure that kinship foster care families have access to the public benefits for which they are eligible.



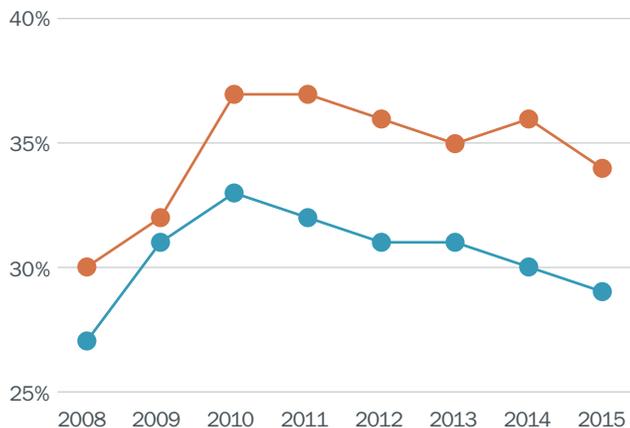
Economic Well-Being: Parents without Secure Employment

The Extent of the Problem

More than a third of New Mexico's children live in families where no parent has secure (meaning full-time and year-round) employment, with Hispanic and Native American children most likely to be at risk. Parents who lack secure employment may be employed part time or seasonally because there aren't enough jobs available (New Mexico has the highest rate of long-term unemployment, or residents who are persistent in looking for work). Other parents may not have the education or skills to qualify for the jobs that are available. These parents are more likely to live in poverty and less likely to have access to jobs that pay a living wage or provide benefits such as health insurance and sick leave, which hurts both them and their families.

TRENDS

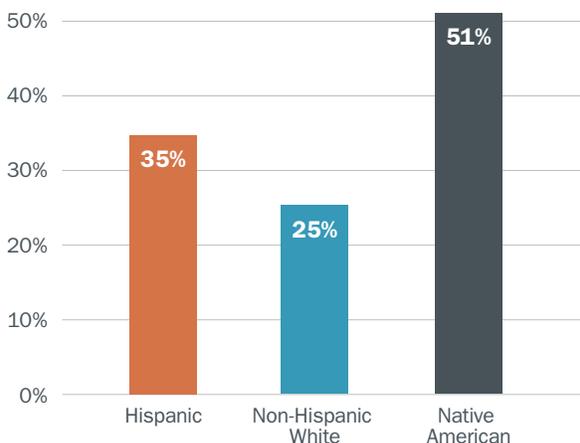
Children Living in Families Where No Parent Had Full-Time, Year-Round Employment by Year (2008–2015)



SOURCE: Population Reference Bureau analysis of data from the U.S. Census Bureau, American Community Surveys, 2008 through 2015.

RACE & ETHNICITY

Children Living in Families Where No Parent Had Full-Time, Year-Round Employment by Race and Ethnicity (2015)



SOURCE: Population Reference Bureau analysis of data from the U.S. Census Bureau, American Community Survey, 2015. **NOTE:** Estimates for other races and ethnicities suppressed because the confidence interval around the percentage is greater than or equal to 10 percentage points.

Parents who lack secure employment may be employed part time or seasonally because there aren't enough jobs available or they may not have the education or skills needed to qualify for the jobs that are available.



Tracking Change: Improved

New Mexico saw a slight improvement in this indicator from 2014 to 2015, mirroring a national trend. We are now ranked 44th nationally on this indicator, an improvement from last year's 48th ranking. However, this indicator has worsened over the long-term, with a 14 percent increase since 2008 in the number of kids living in families where no parent has secure employment.

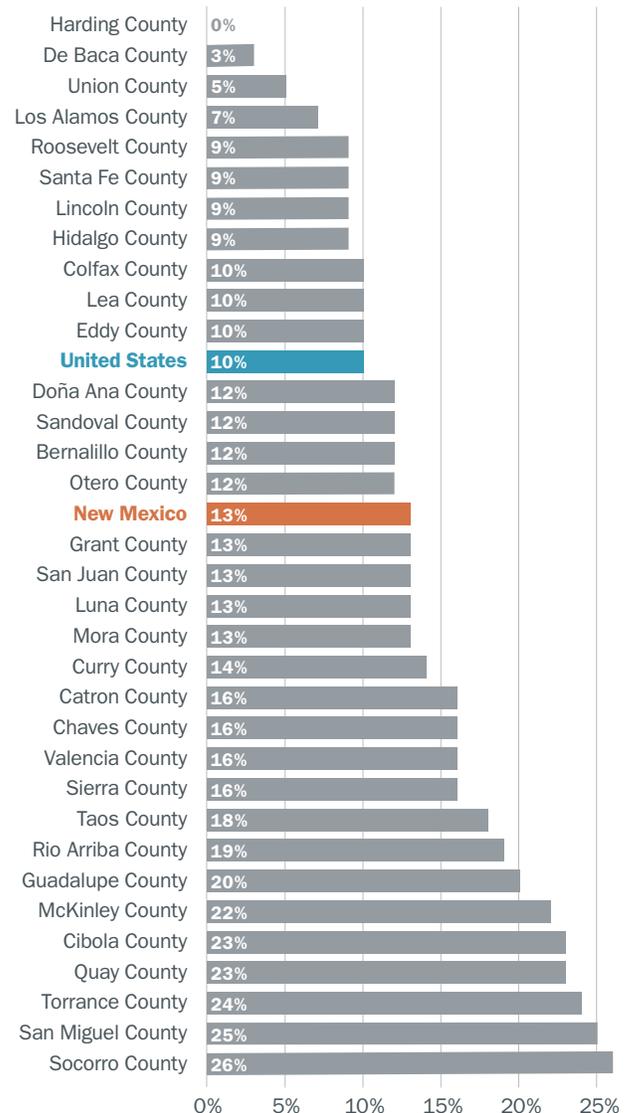
POLICY SOLUTIONS

To Help Parents find Secure Employment:

- Restore eligibility levels for child care assistance to pre-recession levels (200 percent of the federal poverty level).
- Protect unemployment insurance and reinstate benefits for child dependents to help tide over families during a rough economic patch. Before the recession, those receiving unemployment benefits received a small additional benefit for each dependent child, but this support was cut in 2011.
- Enact narrow, targeted economic development initiatives that require accountability for tax breaks to corporations so that tax benefits are only received if quality jobs are created. Tax breaks that do not clearly create jobs should be repealed so the state can invest more money in support services for the parents who need help improving their family's economic situation.
- Expand access to high school equivalency, adult basic education (ABE), job training, and career pathways programs to build our workforce.

RANKINGS

Families with Children in Which No Parent is Working by County (2011–2015)



SOURCE: U.S. Census Bureau, American Community Survey, 2011-2015, Table B23007.



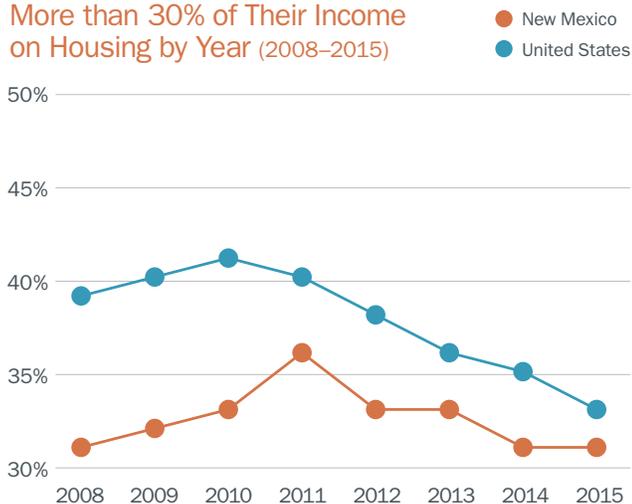
Economic Well-Being: High Housing Cost Burdens

The Extent of the Problem

Thirty-one percent of New Mexico kids live in households that have a high housing cost burden, meaning their families spend 30 percent or more of their income on housing. The rate is even higher among Hispanic children (35 percent). High housing cost burdens can push families into substandard housing, and mean that many—especially low-income families—have little to spend on food, health services, utilities, and child care. Substandard housing units are also more likely to be hazardous, in unsafe areas, or pose health risks (such as radon, mold, or asbestos) for the families living in them.

TRENDS

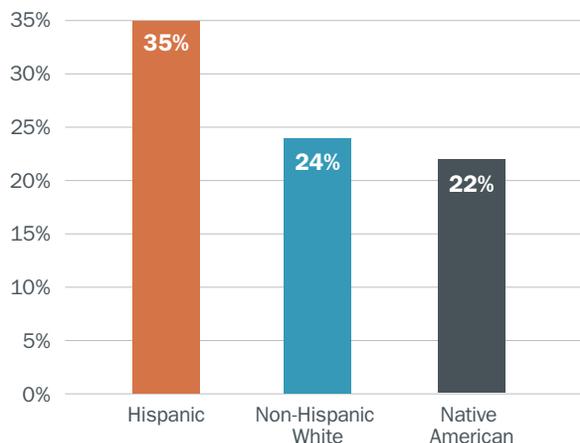
Children in Households that Spend More than 30% of Their Income on Housing by Year (2008–2015)



SOURCE: Population Reference Bureau analysis of data from the U.S. Census Bureau, American Community Surveys, 2008 through 2015.

RACE & ETHNICITY

Children Living in Households with a High Housing Cost Burden by Race and Ethnicity (2015)

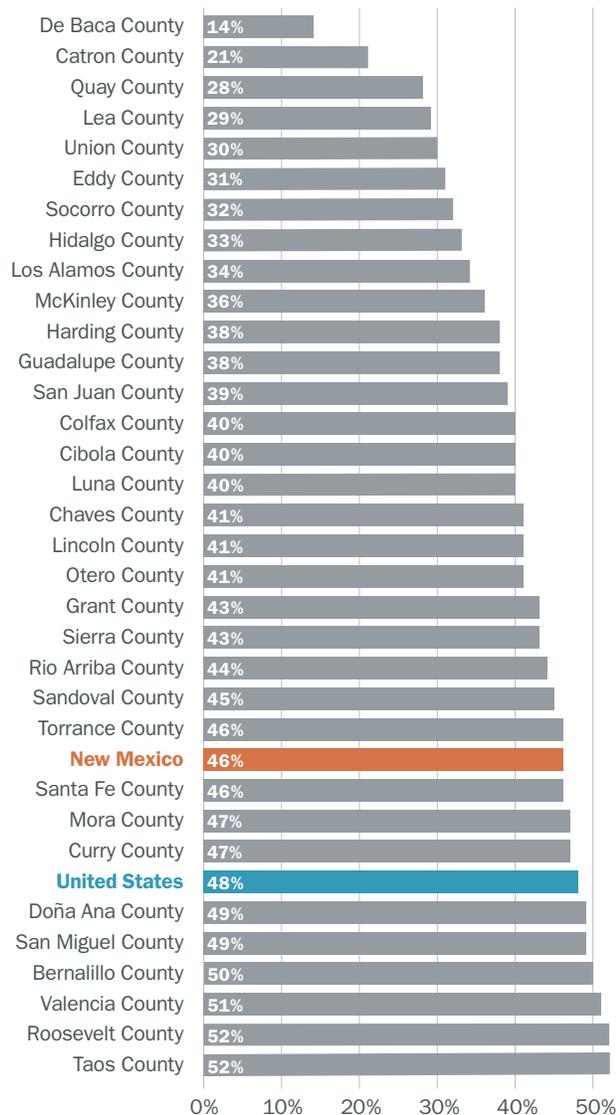


SOURCE: Population Reference Bureau analysis of data from the U.S. Census Bureau, American Community Survey, 2015. **NOTE:** Estimates for other races and ethnicities suppressed because the confidence interval around the percentage is greater than or equal to 10 percentage points.

High housing cost burdens can push families into substandard housing, and mean that many have little to spend on food, health services, utilities, and child care. Substandard housing units are also more likely to be hazardous, in unsafe areas, or pose health risks for the families living in them.

RANKINGS

Households Renting with High Housing Cost Burdens by County (2011-2015)



SOURCE: U.S. Census Bureau, American Community Survey, 2011-2015, Table B25070.

Tracking Change: No Change

Though the number of children in burdened families dropped by 3,000 from 2014 to 2015, New Mexico's rate of children in families burdened by high housing costs remained flat at 31 percent. As most other states saw improvement over this same time period, New Mexico is now ranked 27th instead of 20th in this indicator among the 50 states. Though the number of children living in households with a high housing cost burden has improved since its worst point in 2011, we've seen no real improvements over a longer time period.

POLICY SOLUTIONS

To Help Families Burdened by High Housing Costs:

- Increase funding for the Housing Trust Fund so more quality housing for low- and moderate-income families can be built providing more children with stable, safe homes.
- Save the Home Loan Protection Act from repeal or reduction to protect more families from predatory lending practices that can lead to home foreclosure.
- Enact a rate cap of 36 percent APR (including fees) on all lending products so that families are not caught in cycles of increasing debt and can save for home purchases.
- Increase funding for the Low Income Home Energy Assistance Program (LIHEAP) tax credit.



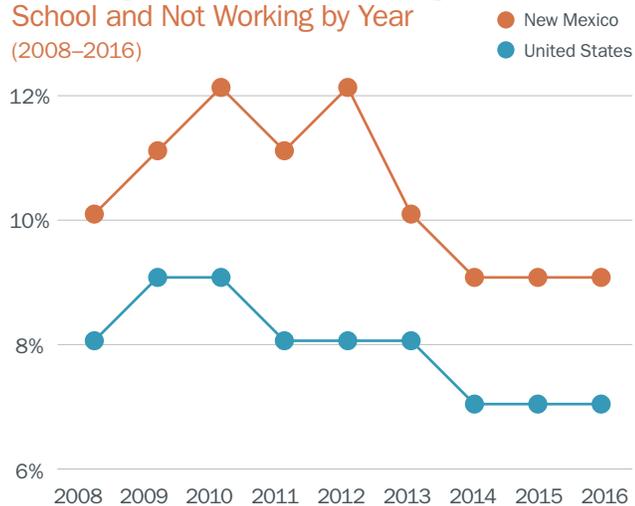
Economic Well-Being: Disconnected Youth

The Extent of the Problem

Nine percent of New Mexico's teens (ages 16-19) are not in school and not working (often referred to as "disconnected"). These disconnected youth tend to be low-income and are often people of color. Disconnected teens are at risk for poor health and economic outcomes as adults, they have less access to comprehensive health care (including mental health services), and are more likely to miss out on the social and emotional supports that can increase their chances of economic success and overall well-being.

TRENDS

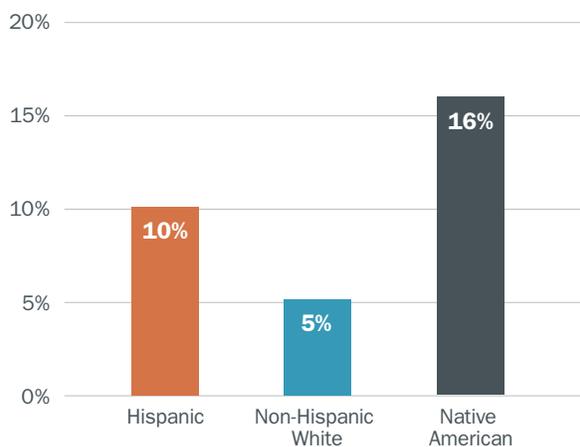
Teens (Ages 16–19) Not Attending School and Not Working by Year (2008–2016)



SOURCE: U.S. Census Bureau, American Community Surveys, 2008 through 2016, Table B14005.

RACE & ETHNICITY

Teens (Ages 16–19) Not Attending School and Not Working by Race and Ethnicity (2015)



SOURCE: Population Reference Bureau analysis of data from the U.S. Census Bureau, American Community Survey, 2015. **NOTE:** Estimates for other races and ethnicities suppressed because the confidence interval around the percentage is greater than or equal to 10 percentage points.

Disconnected teens are at risk for poor health and economic outcomes as adults, they have less access to comprehensive health care (including mental health services), and are more likely to miss out on the social and emotional supports that can increase their chances of economic success and overall well-being.



Tracking Change: No Change

New Mexico saw no overall progress in this indicator from 2015 to 2016 and is still ranked 40th among the states on the percentage of teens (ages 16-19) who are not in school and not working. Over this time period, rates worsened among Hispanic teens and improved for non-Hispanic white teens in New Mexico. Though our rate of teens not in school and not working has been relatively flat for a number of years, significant improvements on this indicator over time among all teens in New Mexico mean that we are finally back to pre-recession levels.

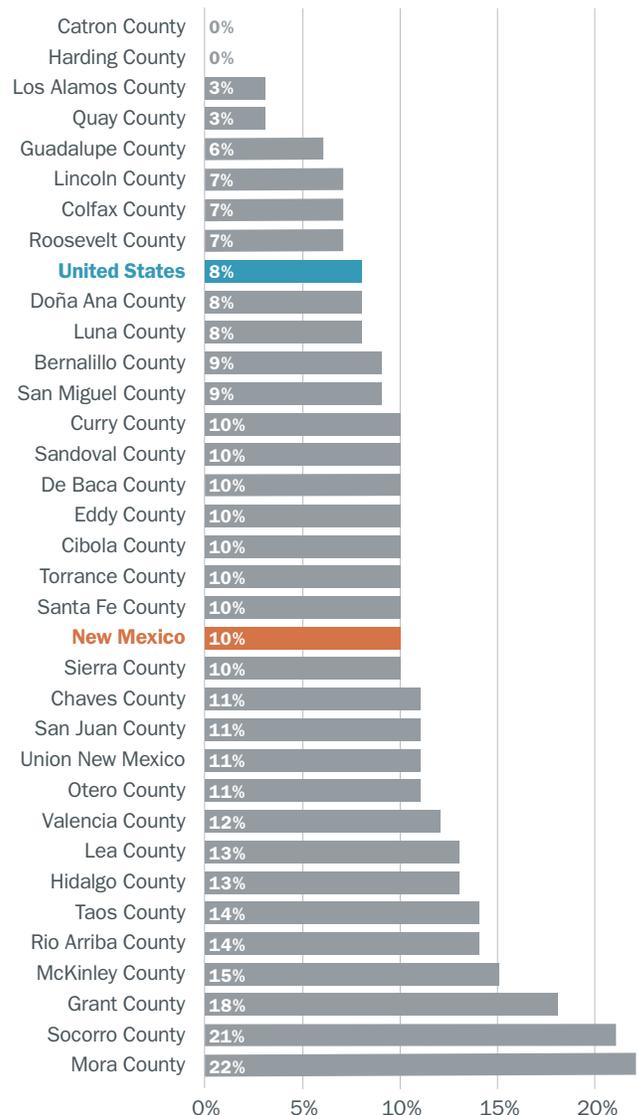
POLICY SOLUTIONS

To Engage Disconnected Youth:

- Enact initiatives to lower the cost of college—such as making the lottery scholarship need-based, restoring the College Affordability Fund, and lowering interest rates for student loans—to preserve financial aid for those otherwise unable to attend college.
- Develop a state youth employment strategy using a career pathways approach—that includes business, non-profits, government, school districts, and colleges—to help identify and provide support for disconnected youth, link funding to accountability and meaningful outcomes, and create incentives. Such a model should focus on low- and moderate-skill workers to boost their employability and opportunities for knowledge acquisition through higher education.

RANKINGS

Teens (Ages 16–19) Not Attending School and Not Working by County (2011–2015)



SOURCE: U.S. Census Bureau, American Community Survey, 2011-2015, Table B14005.