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FISCAL IMPACT REPORT

SPONSOR Romero, GA **ORIGINAL DATE** 2/4/22
LAST UPDATED 2/11/22 **HB** 166/aHAFC
SHORT TITLE Web-Based At-Risk Student Resource Tool **SB** _____
ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB166

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From

Indian Affairs Department (IAD)
 Department of Information Technology (DoIT)
 Public Education Department (PED)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 166 strikes the \$250 thousand appropriation from the original bill.

Synopsis of Original Bill

House Bill 166 appropriates \$250 thousand from the general fund to PED for the purpose of developing and maintaining a web-based resource tool for at-risk students and hiring 1 FTE to oversee the tool on the department’s website. PED must collaborate with LFC, LESC, and an advisory group to develop the tool. There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The HAFC Substitute for House Bill 2 increases general fund appropriations for PED’s operating

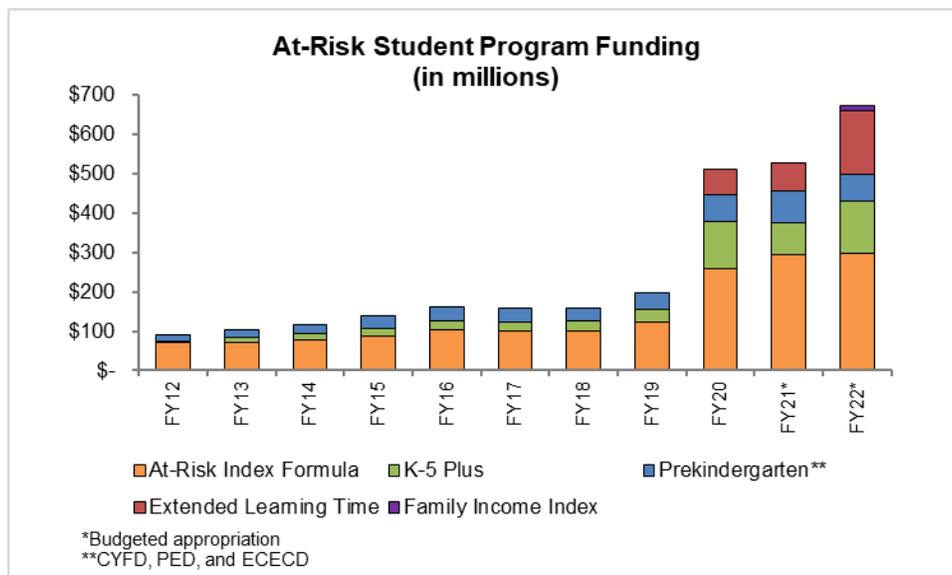
budget by \$4.9 million, or 34 percent, from FY22 funding levels. Costs of implementing provisions of this bill are likely addressed in the budgeted increase for FY23; however, PED has historically experienced high vacancy rates with IT positions at the department.

According to DoIT, PED will need a dedicated FTE or contracted service to maintain the tool. DoIT estimates the cost for an application developer at mid-point would be an average of \$100 thousand per year, depending on the level. Costs for contractual services may exceed more than \$250 thousand per year. Given the demand for information technology technical resources, DoIT notes obtaining a qualified technician may be a challenge. PED may want to collaborate with DoIT to potentially leverage existing IT resources.

SIGNIFICANT ISSUES

On February 14, 2019, the 1st Judicial District Court issued a final judgment and order on the consolidated *Martinez v. New Mexico* and *Yazzie v. New Mexico* education sufficiency lawsuits, and found that New Mexico’s public education system failed to provide a constitutionally sufficient education for at-risk students, particularly English language learners, Native American students, and special education students. The court’s findings suggested overall public school funding levels, financing methods, and PED oversight were deficient. As such, the court enjoined the state to provide sufficient resources, including instructional materials, properly trained staff, and curricular offerings, necessary for providing the opportunity for a sufficient education for all at-risk students.

Additionally, the court noted the state would need a system of accountability to measure whether the programs and services actually provided the opportunity for a sound basic education and to assure that local school districts spent funds provided in a way that efficiently and effectively met the needs of at-risk students. However, the court stopped short of prescribing specific remedies and deferred decisions on how to achieve education sufficiency to the legislative and executive branch instead. In response to the court’s findings, the Legislature significantly increased at-risk funding, educator pay, and early childhood programming in FY20. Overall recurring program funding for at-risk students more than tripled following the court’s ruling, growing from \$199 million in FY19 to \$659 million in FY22.



Provisions of this bill would require PED to partner with LFC and LESC to develop and maintain a web-based resource tool for at-risk students. PED must also convene an advisory group of at-risk student-educational organization representatives to provide recommendations to develop the content for the resource tool. Advisory group representatives may choose to serve as local or regional points of contact for any recommendations for educational services or any updates to the web-based resource tool. The bill defines “at-risk students” as “low-income students, English-language learners, special education students, and Native American students.” PED notes about 74.7 percent of students in New Mexico fall within this definition of “at-risk student.”

To generate funding from the at-risk index a school district or charter school must identify services to improve the outcomes of at-risk students within its department-approved educational plan. While school districts and charter schools have flexibility in choosing what services to offer, the PED is required to provide oversight to ensure funding is being directed to services for at-risk students.

ADMINISTRATIVE IMPLICATIONS

PED notes the bill requires the department to develop, maintain, and host the web-based resource tool as well as hire 1 FTE to oversee and maintain the web-based resource tool. Additionally, the department would be required to collaborate with LFC and LESC on development of the web-based resource tool. Lastly, PED must convene an advisory group of stakeholders to provide recommendations to develop the content for the web-based resource tool.

PED requires all school districts and schools to write an annual plan and two 90-day plans for improving student performance each year (NMAC 6.29.8.1). The annual plans identify goals and performance challenges, while biannual 90-day plans determine specific goals and actions to implement over 90 days. School districts and schools develop these plans for PED through an online portal, New Mexico Data, Accountability, Sustainability, and High Achievement (NM DASH) tool. In FY20, NM DASH included a survey of at-risk services and expenditures at each school district and charter school. Provisions of this bill appear to duplicate some functions of NM DASH related to at-risk service reporting; however, the system is used primarily for compliance reporting rather than a resource for information sharing.

Pursuant to Section 22-8-23.3. NMSA 1978, school districts and charter schools must annually identify and report how at-risk funding is spent to provide services to at-risk students. Services include research-based or evidence-based social, emotional or academic interventions, such as:

- case management, tutoring, reading interventions and after-school programs that are delivered by social workers, counselors, teachers or other professional staff;
- culturally relevant professional and curriculum development, including those necessary to support language acquisition, bilingual and multicultural education;
- additional compensation strategies for high-need schools;
- whole school interventions, including school-based health centers and community schools;
- educational programming intended to improve career and college readiness of at-risk students, including dual or concurrent enrollment, career and technical education, guidance counseling services and coordination with post-secondary institutions; and
- services to engage and support parents and families in the education of students.

In FY22, PED convened stakeholder groups, including LFC and LESC, to identify ways the state could improve collection of data on school budget expenditures relate to at-risk student services. School business officials indicated the accounting of at-risk expenditures would be administratively burdensome, particularly for schools with limited administrative capacity.

RELATIONSHIP

This bill relates to House Bill 165, which creates a web-based tool for Native American student services.

OTHER SUBSTANTIVE ISSUES

IAD notes centralizing Native American student-specific resources on PED’s website could help Native American students share information, build community, and seek educational opportunities. Centralizing modules, interventions, and educational approaches conducive to the educational needs of at-risk students could improve information-sharing amongst educators on best practices across the state for serving at-risk students.

DoIT notes the portal and database would need to be secured if personally identifiable information is stored at PED.

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