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FISCAL IMPACT REPORT

SPONSOR Block LAST UPDATED _____
ORIGINAL DATE 1/30/23
SHORT TITLE Transfer of Certain School Students BILL NUMBER House Bill 108
ANALYST Helms

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal	Minimal	Recurring	N/A

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

No Response Received From
Public Education Department (PED)

SUMMARY

Synopsis of House Bill 108

House Bill 108 (HB108) amends Section 22-1-4 NMSA 1978 to allow students in schools needing “improvement interventions” to transfer to other schools in the same district. It adds to the school board’s rules of enrollment and re-enrollment that in addition to first prioritizing enrollment of children from military families, schools would then prioritize enrollment of students if they are coming from a school the Public Education Department has named for need of rigorous intervention. After those two priorities, school boards would prioritize enrollment or re-enrollment of students who previously attended the public school, and then all other applicants.

FISCAL IMPLICATIONS

HB108 does not contain an appropriation.

Students moving from one school to another within the same district is unlikely to have an overall fiscal impact on funds distributed through the State Equalization Guarantee. If students were allowed to transfer from one school in their district to another, it would impact funding per student at each school, decreasing funding at the school they left and increasing funding at the school they moved to.

However, if the school they left or moved to had different weights within the school funding formula, such as schools in a district that qualify as small schools and receive additional funding, the funds the student's membership generates within the SEG could correspondingly increase or decrease.

SIGNIFICANT ISSUES

The ongoing *Martinez-Yazzie* sufficiency lawsuit requires the state of New Mexico to improve equality in education outcomes in the state. The language in the bill suggesting department-designated schools as “improvement intervention” and “rigorous intervention” is unclear but seems related to New Mexico PED's 2019 Every Student Succeeds Act, which has designations of schools requiring more rigorous intervention (MRI), comprehensive support and improvement (CSI) and targeted support and improvement (TSI). These three designations have included 202 schools from 2017 to 2021. It is possible any changes in allowing student enrollment based on schools requiring “improvement interventions” could have implications in the lawsuit.

This bill changes language in some instances from defining student's as living within school district's to referring to a school's “attendance area,” meaning the geographic boundaries of a school as defined by a school board. HB108 defines “improvement interventions” as “strategies, methods and means provided to a public school to improve student outcomes.”

HB108 as written only applies to schools and the school board within a district and would provide an advantage to students in larger districts, as they would have more schools to choose from should they decide to transfer. Additionally, HB108 stipulates a student can only transfer from a school designated by PED as needing “improvement interventions” to a school not needing “improvement interventions;” this would also limit transfer options for a student if several schools in their district were in need of improvement interventions.

ADMINISTRATIVE IMPLICATIONS

HB108 would create some additional work for school personnel in establishing protocol for students to transfer between schools outside of circumstances previously listed in statute. HB108 may require PED to further define “improvement interventions,” and to clarify which of the designation in the Every Student Succeeds Act would correlate with HB108.

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