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FISCAL IMPACT REPORT

SPONSOR	HEC	LAST UPDATED	
		ORIGINAL DATE	3/3/23
SHORT TITLE	Align School Reading Materials	BILL NUMBER	CS/House Bill 481/HECS
		ANALYST	Helms

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	N/A	N/A	N/A

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to appropriation in General Appropriation Act

Sources of Information

LFC Files

Responses Regarding the Original Bill Received From
Public Education Department (PED)
Higher Education Department (HED)

SUMMARY

Synopsis of HEC Substitute for House Bill 481

The House Education Committee Substitute for House Bill 481 (HB481) amends the reading materials fund to specify the fund can be spent towards elementary literacy instructional materials, rather than reading programs, and to specify permissible materials must be on the New Mexico instructional materials adopted list correspondent to structured literacy or on the advisory list of instructional programming established by the Colorado Department of Education. HB481 requires awarded districts to have a structured literacy professional development plan and to use no more than two core reading programs. Altogether, House Bill 481 amends the purpose and application of the reading materials fund.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

House Bill 481 does not include an appropriation.

The House Appropriations and Finance Committee substitute for House Bill 2 (HB2/HAFCS) (the General Appropriation Act) adopted by the House includes \$7 million from the public education reform fund for early literacy and reading supports and instructional materials. HB2/HAFCS also includes an \$11.5 million appropriation from the general fund for early literacy and reading support, and the general fund appropriation to the state equalization guarantee pool of money distributed to schools through a funding formula also includes \$8 million for evidence-based structured literacy interventions for kindergarten through fifth grade. (See “Conflict, Duplication, Companionship, Relationship” below.)

The reading materials fund was added to the Instructional Material Law in the 2006 legislative session and received appropriations in the 2006 and 2007 legislative sessions. Fund balance from the reading materials fund was last transferred during the 2015 legislative session to the public education department for teacher and school leader programs and supports for training, preparation, recruitment, and retention. Currently the fund balance is \$0.

SIGNIFICANT ISSUES

HB481 specifies and updates language concerning the reading materials fund. Rather than refer to any public school reading program, HB481 specifies elementary literacy programs. HB481 elaborates that a program also must be “aligned with explicit, systematic, diagnostic, cumulative instruction in phonological and phonemic awareness, phonics, syllable types, morphology, semantics and syntax.”

HB481 strikes language referencing materials from the Oregon Reading First Center and the Florida Center for Reading Research and adds language that materials purchased from the reading materials fund must be either:

- On the New Mexico kindergarten through eighth grade English language arts, Spanish language arts, English language development and world languages instructional materials adopted list and have received structured literacy recognition from the department; or
- On the advisory list of instructional programming created by the Colorado Department of Education.

HB481 adds language that a program receiving a disbursement from the reading materials fund must have a literacy-specific professional development plan.

Support for structured literacy is integrated into the federal Every Student Succeeds Act and ongoing initiatives within the Public Education Department. Analysis from the Public Education Department notes:

The new material of the bill relates to the pedagogical approach known as Structured Literacy and to the professional development program known as Language Essentials for Teachers of Reading and Spelling (LETRS), both of which the Public Education Department (PED) supports extensively.

House Bill 481 aligns with PED’s recommendation that required instructional materials could the purchase of core instructional materials from the New Mexico adopted multiple list, and for supplementary and intervention reading materials on the Colorado list and/or those that meet criteria of the NM Structured Literacy Instructional Material Review Rubric, which aligns with NM’s structured literacy initiative.

Analysis from the Higher Education Department does not note any significant issues or fiscal impacts specific to the Higher Education Department.

ADMINISTRATIVE IMPLICATIONS

Administrative oversight of structured literacy as delineated in HB481 aligns with existing structures at the Public Education Department because Section 22-13-32 NMSA 1978 already requires school districts and charter schools to submit a literacy plan.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

- HB2/HAFCS appropriates public education reform fund balances to initiatives across public education and includes appropriations related to HB481, including \$2 million for early literacy and reading supports and \$5 million for instructional materials. HB2/HAFCS includes \$11.5 million from the general fund for early literacy and reading supports and includes \$8 million to the school equalization guarantee for districts and charters to support structured literacy interventions in kindergarten through eighth grade.
- Senate Bill 3 would amend spending categories for schools receiving \$40 thousand or more in family income index funds. The current categories require schools to spend funding in thirds across evidence-based structured literacy interventions, evidence-based mathematics interventions, and other interventions.

TECHNICAL ISSUES

The bill references “comprehensive published core reading programs” and “structured literacy” in Section 1(B) but does not clearly define these programs or this type of literacy with a definition or with criteria.

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