

LFC Requester:**Liu**

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2024 REGULAR SESSION**

SECTION I: GENERAL INFORMATION*Check all that apply:***Original** **Amendment** **Correction** **Substitute** **Date Prepared:** 01/25/24**Bill No:** HB142**Agency Name
and Code****Number:** PED - 924**Person Writing** Denise Terrazas**Sponsor:** Hochman-Vigil**Short** REIMBURSEMENT FOR**Title:** PRE-SAT TEST SCORES**Phone:** (505) 470-5303 **Email:** denise.terrazas@ped.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0	\$80.00	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
None	None	None	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	N/A	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act:

The House Appropriations and Finance Committee Substitute for House Bill 2 contains a special appropriation of \$1.25 million to the Public Education Department (PED) for Advanced Placement (AP) and International Baccalaureate (IB) test assistance (see "Fiscal Implications", below).

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 142 (HB142) would make a one-time appropriation of \$80,000 to the PED to provide reimbursement for the cost of the PSAT to high school students who score at least 1,000 on the exam during their junior year.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the Legislature enacting them, unless a later date is specified. If enacted, this bill would become effective May 15, 2024.

FISCAL IMPLICATIONS

The bill appropriates \$80,000 from the General Fund to PED to provide reimbursement for the cost of the Preliminary Scholastic Aptitude Test (PSAT) to high school students who score at least 1,000 on the exam during their junior year.

The bill requires any unexpended or unencumbered balance remaining at the end of FY25 to revert to the general fund.

The appropriation proposed in HB142 relates to a \$1.3 million FY25 Executive Budget Recommendation for AP and IB Test Assistance. In previous years, a portion of the funds for this line item have been used to pay the PSAT fee for students who took the test during their sophomore year of high school. The tenth grade PSAT results were then used as an indicator for potential placement into AP and IB courses during a student's junior and senior year of high school.

SIGNIFICANT ISSUES

According to the 2023 SAT Suite of Assessments Report for New Mexico, 4,607 Juniors took the PSAT in the 2022-2023 school year. Of those students, 31 percent (1,428) scored at least 1,000 on the exam. The current registration fee for the PSAT is \$18. If HB142 were in effect during the 22-23 school year, the reimbursement would have cost approximately \$26,000.

Though HB142 would alleviate the financial burden of testing for families, the bill would only help a minority of students who take the exam during their junior year of high school. As noted above, only 31 percent of juniors who took the PSAT in the 2022-2023 school year scored at least a 1,000. In the 2023-2024 school year, that figure fell to 28 percent.

Currently, there is nothing preventing an individual school or district from funding this effort. The cost per student to take the PSAT is \$18.00, which may fluctuate slightly year-to-year. The state currently funds all tenth grade students taking the PSAT.

Reimbursement could prove to be burdensome for families who may not have the resources to pay for the PSAT and await reimbursement. Additionally, some families may lack access to a checking account into which they would deposit a reimbursement check.

PERFORMANCE IMPLICATIONS

HB142 may incentivize students to prepare more diligently for the exam to take advantage of the

opportunity for test fee reimbursement.

ADMINISTRATIVE IMPLICATIONS

Currently, schools collect the PSAT fee from students before administration of the exam. HB142 does not specify how fees would be reimbursed to students who scored at least 1,000 on the exam. Additionally, after a student completes the exam, it takes several months to receive scores, which could place additional administrative burden upon schools.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.