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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

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**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:  
**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** January 25, 2024  
**Bill No:** HB215

**Sponsor:** Gurrola and Jaramillo      **Agency Name and Code**    New Mexico Public School Facilities Authority 940  
**Short Title:**    School Class Load Size      **Number:** \_\_\_\_\_  
**Person Writing**    Alyce Ramos  
**Phone:** 505-468-0299    **Email** aramos@nmpsfa.org

**SECTION II: FISCAL IMPACT**

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>				NFI	NFI	NFI

(Parenthesis ( ) Indicate Expenditure Decreases)

Conflicts to: HB227

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

House Bill 215 (HB215) makes certain amendments and proposes new sections to Article 8 of the Public Finance Act. Amendments are proposed to the requirements of class and teacher loads that outline the requirements for the maximum class loads for kindergarten through grades three, grades four through eight, and grades nine through twelve. Students not receiving special education services, not integrated into regular classrooms, shall not be counted in the calculation of class loads as well students in courses that do not require the teacher to plan, grade or complete other tasks of the course meeting time, shall not be included in the calculation of class loads.

HB215 deletes the section related to waivers related to portable classrooms, no other sources available to meet its needs for additional classrooms, alternative plans to increase building capacity within 1-year, decision by the district to deviate from class load requirements.

The bill also proposes that PED will create and maintain an on-line portal to allow teachers and other employees and parents of students to submit confidential reports to the department regarding violations of class load limits without reprisals of any kind against a school employee.

If exceptional circumstances arise, HB215 proposes that a school may request a one-time waiver of the class load limits outlining the specific criteria for the waiver requirements. If a waiver is approved, the school district shall notify all students affected by the waiver in writing specifying what shall be contained in the letter. Teachers who are asked to increase the class load over the maximum permitted shall be provided with additional support or compensation.

A temporary provision for teacher load for 2024-2025 shall require each school district to file an addendum to its educational plan. PED shall approve or disapprove the addendums. Any school district unable to meet the requirements shall explain with specificity the exceptional circumstances and shall provide a detailed plan for compliance.

### **FISCAL IMPLICATIONS**

As discussed in the significant issues section below, HB215 could result in school districts and individual schools to require additional classroom spaces to meet lower classroom loading. Schools requiring additional classroom space may need to construct classroom additions, renovate existing spaces, convert support spaces or specialty spaces (art/music) into general classrooms, or use portables. These options will cost varying degrees of funding, which could be substantial to the school districts and/or the state.

Given that this bill does not stipulate a potential funding mechanism for the necessary additional classroom needs, it is unclear at this time how this will be funded, or if this would be paid in part or full by either the school districts or the state. Although schools may be mandated to increase the quantity of classrooms to meet the proposed class loading, the school districts may not have available funding to support the capital need.

The Public School Capital Outlay Council (PSCOC) has a Standards-based funding program to fund the replacement, renovation or addition to a public school facility. Schools must meet eligibility thresholds and requirements, set annually based on availability of funding in the Public Schools Capital Outlay Fund (PSCOF). For FY24, the top 175 schools within the 2023 weighted New Mexico Condition Index (wNMCI) Ranking, or with a facility condition index score above 70%, were eligible to apply. Schools not within this threshold, would not be eligible to apply for the construction of additional classrooms, under the current Standards-based program. Therefore, a new funding program aimed at funding classrooms additions and renovations only, much like the current PSCOC Pre-kindergarten funding program (based on need, not the ranking), may need to be developed.

Per Section 22-24-5.7, districts receiving PSCOC funding for capital projects, must fund the local match (a calculated percentage) of the total project cost; the state funds the state match (the remaining percentage). If school districts were to receive PSCOC funding for the purpose of constructing additional classrooms, the school districts would be responsible for funding the local match of a project.

It is difficult to estimate the potential funding need for classroom additions given the current unknowns and variables: number of classrooms needed per school, classrooms that could be renovated / converted, potential of classroom additions, etc. Based on current market conditions

and economies of scale, smaller construction projects, including classroom additions, tend to have a higher total project cost per square foot than a new full school replacement project. The Public School Facilities Authority (PSFA) estimates that classroom additions could cost approximately \$1 million per classroom, based on recent existing classroom addition projects. Therefore, a school district requiring multiple classrooms, at multiple schools, could require multiple million dollar projects to meet the decreased class loading mandate, as stipulated in this bill.

Currently, the PSCOF has decreased funding availability, due to increased construction costs and the large number of PSCOC funded projects. Therefore, the PSCOF could not support this additional funding need at this time.

### **SIGNIFICANT ISSUES**

HB215 would result in lower classroom loading for all grades and classes. The following analysis applies to the classroom/space needs that would result from the passage of this bill. This analysis does not address additional issues, such as staffing, scheduling, operations, etc. that fall outside of the Public School Facilities Authority (PSFA) purview.

Per the Statewide Adequacy Standards, 6.27.30 NMAC, “general use classroom” is defined as “a classroom space that is or can be appropriately configured for instruction in at least the areas of language arts (including bi-lingual), mathematics and social studies.” Furthermore, the net square footage requirements for specific grade levels are defined as follows (excluding storage), with a minimum of 650 net square footage:

- (1) Pre-Kindergarten - Kindergarten 50 net sf/student
- (2) Grades 1 - 5 32 net sf/student
- (3) Grades 6 - 8 28 net sf/student
- (4) Grades 9 - 12 25 net sf/student

Depending on the district and school, HB215 could require schools to need additional classrooms to meet lower classroom loading. The demand for additional classrooms varies by district and school, depending on several variables: vacant or available classrooms, enrollment by grade level, and projected enrollment growth. Final determination of classroom need per district/school depends on the number of student distribution per grade level. For example, a school may have more second graders one year and more first graders the next, requiring flexible spaces to accommodate shifts.

*Example:* Under the proposed class loading in the bill, a school with 40 kindergarten students will now require three classrooms, whereas under current loading the same school only requires two.

Elementary schools tend to be better utilized, with less available space and classrooms that could be used as additional classroom space if needed, which would result in a more significant burden in meeting the proposed loading. Middle schools and high schools tend to have more vacant or available rooms.

### *Schools Operating Under Capacity*

The state has experienced a declining enrollment trend in many school districts across the state that has led to some underutilized schools with vacant classrooms or classrooms used for non-instructional purposes. In these situations, the districts and schools might be able to create or recapture the additional classrooms needed to accommodate the proposed loading in existing space. Most of these cases occur in high schools.

In many of the state’s rural districts, the proposed class loads will not be an issue from a facilities perspective. Per PED 40-Day Enrollment Counts, there are 18 districts (listed below) in their entirety operating under the proposed loading. These are the generally the smallest districts, with at least one classroom per grade level or subject and without projected increases in enrollment. These districts also tend to have more flexibility in creating space.

Animas	Elida	Lake Arthur	Reserve	Vaughn
Carrizozo	Grady	Maxwell	Roy	Wagon
Corona	Hondo	Mosquero	San Jon	Mound
Des Moines	House	Quemado	Springer	

Schools Operating At Capacity

While many school districts in the state are experiencing enrollment declines, there are some districts that operate at capacity in many of their schools.

*Example:* Hobbs Municipal Schools has limited capacity to accommodate future growth (which is projected) and utilizes all of its elementary classrooms at full occupancy. To meet the proposed loading in HB215, the school would need to create additional classroom space.

Schools Operating At or Over Capacity

For schools with high classroom utilization, operating at or over capacity, this could put a burden on these schools to create the additional space. In these cases, the schools may need to explore classroom additions, renovation, convert support spaces or specialty spaces (art/music) into general classrooms, or the use of portables. Additions or renovations could require district/local or Public School Capital Outlay funding. This is especially true for schools without available space.

Some schools are currently operating slightly over the proposed class loading.

*Example:* Chimayo Elementary School averages 18 students per grade level with eight general classrooms. To meet the proposed class loading, the school will need to create two classrooms for each grade level, both of which will be minimally loaded. Per data in the district’s facilities master plan, the school only has one classroom not fully utilized for instruction. Therefore, the school will need to double the number of classrooms at the facility.

Schools Districts with Mixed Capacity Schools

For geographically large districts, one area may have more underutilized classrooms while other areas do not. In some situations, each school within a district may have two to three available classrooms, but there may not be enough available classrooms in bulk in which the school can create additional space. In order to balance enrollment to better utilize available classrooms, districts may need to adjust attendance boundaries.

*Example:* A recent utilization study for the Las Cruces Public Schools revealed a total of 38 available classrooms within the Las Cruces Public Schools, but spread across the entire district. Most schools only have two available permanent classrooms.

“Right-Sized” Schools

Several school districts across the state have implemented “right-sizing” initiatives, which resulted in improved overall building utilization. These districts have closed or consolidated schools due to enrollment declines. To meet the proposed class loading in HB215, these districts

may have to reopen buildings, which they have not already disposed of (Moriarty-Edgewood, Las Vegas City). If the former facilities have been demolished, repurposed for other purposes, or are no longer suitable to serve as educational space, the schools would need to create additional classroom space.

Several school districts across the state have “right-sized” their school facilities by replacing the original facilities, that were beyond expected life span and over capacity, with facilities that were designed and constructed to meet the needs of the current enrollment. These facilities are much smaller than the original school facilities, as calculated by the maximum allowable square footage calculator. The schools have the appropriate number of classrooms, to meet the current class loading requirements. If HB215 were to take effect, these new facilities could not accommodate the additional classroom need, and would require classroom additions.

This bill could also impact schools currently in design or under construction, since the facilities were planned using a target capacity and classroom need count under the existing loading figures. As a result, these projects could face a space deficit upon opening.

#### Maximum Allowable Square Footage

The PSCOC has established the maximum allowable square foot guidelines for entire facilities, based on the type of school and number of students. The maximum allowable square footage for new and existing schools is calculated using a formula that accounts for all required spaces and square footages for a school, to meet the needs of the projected enrollment. The current formula accounts for the current class loading and class needs. The passage of HB215 would require the formula to be modified to account for the mandated decreased class loading maximums (more classrooms). This would result in higher gross square footages for schools of all levels. PSCOC funded schools that have been designed and constructed within approximately the last decade, would likely be undersized and deficient in square footage and classroom space.

#### PSCOC wNMCI Ranking

Schools that would experience classroom deficiencies due to the implementation of HB215, would rise in the Public School Capital Outlay Council (PSCOC) annual wNMCI ranking, which is used to prioritize schools in need of capital funding to correct deficiencies. The rise in the ranking would be attributed to the newly deficient square footage associated with the General Use Classrooms minimum requirements, as defined by the New Mexico Adequacy Standards. This could result in specific schools rising in the ranking, enough to qualify them to apply to the PSCOC for capital projects.

#### Portables

School districts have historically relied on installing portables as temporary classroom space, used for over capacity schools. However, this potential solution to additional classroom needs is problematic. The transfer and installation of portables is costly (could exceed \$100,000, depending on the distance required to transfer) and would require site work improvements (grading, sidewalks, ramps, etc.). Many school districts have made efforts in recent years to dispose of portables in their inventories, and may not have the availability needed to support the increased classroom need. Most school portables in the state have surpassed their functional life spans, and are in poor condition. The demand for portables may also outpace supply.

### **PERFORMANCE IMPLICATIONS**

HB215 does not have a start date, or a timeframe for the class loading mandate to take effect. The effort required to construct the necessary amount of additional classrooms across the state

would be substantial. School districts may not be able to meet the class loading requirement for at least three to five years, if classroom additions are necessary.

## **ADMINISTRATIVE IMPLICATIONS**

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Conflict to HB227

### **TECHNICAL ISSUES**

At Section 2, paragraph A, HB215 indicates that “the maximum class load for *elementary school teachers* shall not exceed the following: provided that any *elementary school teacher* with a class load of fifteen or more students shall be entitled to the full-time assistance of an educational assistant:

- (1) Fifteen students in kindergarten through grade three;
- (2) Eighteen students grades four through eight; and
- (3) Twenty-two students in grades nine through twelve.”

The opening line states the class loads apply to elementary school teachers, but the included class loads are for kindergarten through *twelfth* grade.

The bill does not have a start date, or a timeframe for the class loading mandate to take effect.

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

**HB215 Proposed Class Loading Size  
Example Schools – Classrooms Needs Analysis**

**Hobbs - College Lane Elementary - 13 Additional Classrooms Needed**

Grade Levels	2023-24 Enrollment	Existing Classrooms	Avg Student per CR	Proposed Load	Classrooms Needed w Proposed Load	Additional Classrooms Needed
KN	82	4	21	15	6	2
1st	85	4	21	15	6	2
2nd	79	4	20	15	6	2
3rd	100	4	25	15	7	3
4th	93	4	23	18	6	2
5th	108	4	27	18	6	2
Surplus		0				
<b>TOTAL</b>	547	24	23		37	13

**Deming - Bataan Elementary - 11 Additional Classrooms Needed**

Grade Levels	2022-23 Enrollment	Existing Classrooms	Avg Student per CR	Proposed Load	Classrooms Needed w Proposed Load	Additional Classrooms Needed
Pre-K	32	2	16	15	3	1
KN	78	4	20	15	6	2
1st	100	4	25	15	7	3
2nd	83	3	28	15	6	3
3rd	81	3	27	15	6	3
4th	83	4	21	18	5	1
5th	82	3	27	18	5	2
Surplus		3	0			
<b>TOTAL</b>	507	21	25		35	14
Applying Surplus						11

**Lordsburg - RV Traylor Elementary - No Additional Classrooms Needed**

Grade Levels	2022-23 Enrollment	Existing Classrooms	Avg Student per CR	Proposed Load	Classrooms Needed w Proposed Load	Additional Classrooms Needed
Pre-K	20	2	10	15	2	0
KN	32	2	16	15	3	1
1st	26	2	13	15	2	0
2nd	19	2	9.5	15	2	0
3rd	27	2	13.5	15	2	0
4th	31	2	15.5	18	2	0
Surplus		3				
<b>TOTAL</b>	135	13	14		11	1
Applying Surplus						0

Most of Lordsburg classrooms operating at or under the proposed load.