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FISCAL IMPACT REPORT

SPONSOR:	Carraro	DATE TYPED:	3/11/03	HB	
SHORT TITLE	IORT TITLE: Require Reading Proficiency for 4 th Graders		ders	SB	SB 189/aSFC
	ANALYST:				L. Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From
State Department of Education (SDE)

SUMMARY

Synopsis of SFC Amendment

The amendments adopted by the Senate Finance Committee strike the appropriation.

Synopsis of Original Bill

Senate Bill 189 amends the Public School Code to prohibit the promotion to fourth grade of any student who fails to read proficiently at the end of third grade. The bill exempts developmentally developed students who are learning to read through a plan approved by a certified school instructor. The bill appropriates \$10,000.0 from the general fund to the State Department of Education (SDE) for expenditure in fiscal year 2004 to fund reading enhancements in grades one through three.

Significant Issues

This bill indirectly mandates performance for elementary schools and teachers by holding back students who fail to meet minimum reading standards by stressing the achievement of reading

Senate Bill 189/aSFC -- Page 2

proficiency. This emphasis on achieving literacy is consistent with the State Board of Education performance standards for all grade levels. The bill, however, appears at odds with 22-2-8.6.F. NMSA 1978 which provides options other than retention for students lacking reading proficiency and more specifically with 22-2-8.6.F(b) NMSA 1978 which allows the child to be promoted if the parent or guardian to refuse to allow his child to be retained.

FISCAL IMPLICATIONS

The appropriation of \$10,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

According to an SDE analysis prepared for an earlier legislative session, state standardized measurements provide scores that places a student's reading ability to be at one of the following levels: below basic, basic, proficient, or advanced. Students who score in the proficient range are considered to be reading at grade level.

According to the 2002 National Assessment of Educational Progress (NAEP), 55% of New Mexico's fourth graders scored below basic in reading.

What is not as clear, however, is the impact of retention on students. Available research shows a high correlation between retention and school dropouts. The record of scholastic achievement of retained students is less conclusive, but the use of more intensive and different instructional strategies is suggested.

It is clear that additional resources will be needed to meet the requirements of this bill, and the appropriation contained in this bill intends provide the financial support for these additional demands on public school districts.

POSSIBLE QUESTIONS

- 1. If the state board has performance standards that address this matter, do we really need a law?
- 2. Will implementation of this bill penalize students who are from poor families or who come from families who are culturally and/or linguistically different?
- 3. Will the provisions of this bill supersede the section of law that allows a parent or guardian to allow a parent or guardian to refuse to have his child retained?
- 4. What effect does retention have on the student emotionally as well as academically?

LRB/ls