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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-27-06  
 SPONSOR Moore LAST UPDATED 2-3-06 HB 306/aHEC  
 SHORT TITLE Distance Learning Pilot Program SB \_\_\_\_\_  
 ANALYST Surdi/Baca

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$1,000.0	Recurring	General Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee Amendments add “Declaring an Emergency” to the title and the bill and clarifies the bill to specify that the appropriation is to provide grants to public schools through an application process for distance learning and cyber academy pilot programs.

#### Synopsis of Original Bill

House Bill 306 appropriates \$1,000.0 from the general fund to the Public Education Department (PED) for expenditure in fiscal year 2007 for distance learning pilot program grants.

### FISCAL IMPLICATIONS

The appropriation of \$1,000.0 is a recurring expense to the general fund.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

The estimated fiscal impact on PED for RFP development, contract oversight, monitoring of ap-

provals and implementation would require 200 hours of staff time per year as follows: Education Administrator-A at \$25.495 per hour plus benefits (30%) for 140 hours and Office & Administrative Support-A at \$13.605 per hour plus benefits (30%) for 60 hours at total a cost of \$5,701.28.

## **SIGNIFICANT ISSUES**

Distance Learning has been identified as a crucial element to the survival of rural schools. Without the means to deliver a complete range of courses, students encounter significant obstacles to pursuing curriculum that implements recommendations of the High School Initiative. Without access to more students, and the funding they bring, rural schools can't support the budgets required to attract and retain highly qualified teachers in required subject areas.

## **ADMINISTRATIVE IMPLICATIONS**

PED is researching the required statutory and policy changes to make distance learning a viable choice for all New Mexico schools. Every aspect of school operation is impacted:

- What does “enrollment”, “maximum class size” and “highly qualified teacher” mean in context of online learning?
- What are the implications for funding formula, when students may receive part of their instruction on-site and part online?
- What are the criteria for effective curriculum, instruction and assessment for online learning?
- What policies are required when online instruction originates from sources outside of New Mexico?
- What policies are required when students outside of New Mexico receive online instruction from New Mexico sources?

## **OTHER SUBSTANTIVE ISSUES**

This funding will allow PED to develop reliable data about what works, as well as practices to avoid. It will also allow a coordinated effort to ensure that funds are used in the most prudent and effective manner.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Schools will continue to individually fund their distance learning programs with available state and federal educational technology funds, without standard measures in place to assess effectiveness.

GS/yr