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FISCAL IMPACT REPORT

SPONSOR Cervantes **ORIGINAL DATE** 02/14/11
LAST UPDATED 02/22/11 **HB** 310/aHEC

SHORT TITLE Electronic Instructional Materials For School **SB** _____

_____ **ANALYST** Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI	NFI			

(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 Amendment to House Bill 310 clarifies that publishers would be required to provide instructional material on the multiple list in both electronic and written format.

Synopsis of Original Bill

House Bill 310 amends 22-15-13 NMSA to require publishers of instructional material on the multiple list to provide those materials in an electronic format for electronic readers beginning with the 2012-2014 school year.

FISCAL IMPLICATIONS

House Bill 310 contains no appropriation and has no fiscal impact for the state, but see the narrative below for potential cost issues related to local school districts.

SIGNIFICANT ISSUES

The PED states:

There will be unknown fiscal impacts to school districts to provide students with e-

readers, and instructional material funds cannot be used for the purchase of equipment. There will be unknown fiscal impacts to school districts to provide technological capabilities for e-book storage and to ensure compatibility between e-books and e-readers (there are 23 different electronic readers in 18 formats on the market today).

While it is possible cost savings could occur in the long-term if e-instructional materials are produced and sold at a lower cost than traditional instructional materials, it is likely publishers will pass the increased cost for providing electronic copies to PED along to districts in the form of increased costs for all instructional materials. It is also important to factor in costs which are not associated with paper materials:

Authors must give permission for work to be provided in electronic formats; this may increase authors' royalties, and thus the cost of electronic instructional materials.

Currently there are already online books and programs, e-books, and CDs provided by the educational publishers of instructional material. Conversion to an electronic reader is different and would require publishers to produce the product for the new format.

Issues related to compatibility between e-materials and e-readers must be addressed, and publishers are not clear of the potential cost to convert to an electronic format.

The PED notes further that:

The school year 2013-14 begins with the new mathematics textbooks used in the classroom and the arts (drama, art). It is unknown what the demand to "read" math on an electronic reader will be, particularly if the system does not recognize graphics or mathematical notations. It is possible that a computer lap top (rather than an e-reader) CD (rather than an e-book) would be more practical for the student to respond and apply computation skills.

Currently, for e-books, many electronic readers do not recognize graphics, such as maps, pictures, graphs, and mathematics notations, and there are no national standards for e-reader formats. The 18 various formats of electronic readers (such as Kindle, eReader, Mobipocket, Tome Raider, Microsoft Reader, Multimedia EBOOK, ArghosReader, Repligo, etc.) would require publishers to provide multiple formats of the same textbook.

Special needs students already have access to alternatives forms of instructional materials, such as online books.

RELATIONSHIP

House Bill 310 is related to Senate Bill 261 which expands the instructional materials adoption cycle from six years to eight years and to Senate Bill 413 which expands school district control over instructional materials from 50% to 100% of the allocation.