

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 14a

50th Legislature, 2nd Session, 2012

Tracking Number: .188010.3

Short Title: K-3 Plus Program to Public Education Department

Sponsor(s): Representative Mimi Stewart and Others

Analyst: Phil Baca

Date: February 4, 2012

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AS AMENDED

The House Education Amendment strikes the phrase “the dynamic indicator of basic early literacy skills” and replaces it with the following language: “an assessment approved and provided by the department that measures the acquisition of reading skills, including phonological awareness, phonics, spelling, reading fluency, vocabulary and comprehension” (see “Substantive Issues,” below).

Original Bill Summary:

HB 14 amends the *Public School Code* to convert the K-3 Plus from a pilot project to an established program in the Public Education Department (PED).

Among its other provisions, HB 14:

- affirms that the K-3 Plus pilot project has demonstrated that additional instructional days in the regular school year in kindergarten through third grade narrow the achievement gap between disadvantaged students and other students, increase cognitive skills, and lead to higher test scores for all participants;
- requires the program to begin up to two months earlier than the regular school year;
- requires PED to grant priority to schools with research-based, scientific reading strategies;
- requires that K-3 Plus programs be funded at no less than 30 percent of the unit value per student;
- requires the funded school district to use up to 2.0 percent of the money received for student recruitment and to ensure regular attendance by K-3 Plus students;
- requires that schools that are awarded funding be notified by April 15;
- requires PED to report annually to the Legislature and the Governor on the efficacy of the project;
- requires PED to develop and disseminate information on best practices in student recruitment, retention, and academic success of early learners;
- requires the Secretary of Public Education to appoint the K-3 Plus Advisory Committee, comprising representatives of participating school districts and other stakeholders; and

- requires the advisory committee to meet twice yearly to advise PED on the implementation of K-3 Plus.

Other provisions of HB 14:

- create a non-reverting K-3 Plus Fund, administered by PED;
- require the money in the fund to be used for K-3 Plus programs, K-3 Plus-related professional development and department administrative costs; and
- require that unexpended or unencumbered balance of the FY 12 appropriation for K-3 Plus shall not revert to the General Fund and shall be transferred to the K-3 Plus Fund.

Fiscal Impact:

House Bill 3a, *Education Appropriation Act*, includes a General Fund appropriation of \$11.0 million for the K-3 Plus program for FY 13.

Since 2008, the Legislature has appropriated a total of almost \$32.9 million in General Fund revenue to fund the K-3 Plus pilot program:

- \$7.2 million for expenditure in FY 08:
 - for school year 2007-2008, PED approved 54 programs serving 5,069 students in 17 school districts.
- \$7.2 million for expenditure in FY 09:
 - for school year 2008-2009, PED approved 92 programs serving 6,996 students in 25 school districts; and in addition, the Legislature appropriated \$3.0 million in Temporary Assistance for Needy Families funds, which were vetoed.
- \$8.5 million for expenditure in FY 10:
 - as a result of the special session in October 2009, however, this appropriation was reduced by 6.5 percent to \$7.9 million; and
 - for school year 2009-2010, PED approved 93 programs serving 8,053 students in 25 school districts.
- \$5.5 million for expenditure in FY 11:
 - in the 2010 special session, the appropriation was reduced by 0.544 percent to \$5,470,100. After the 3.244 percent reduction in August 2010, \$5,292,600 was available for K-3 Plus; and
 - for school year 2010-2011, PED approved 62 programs serving 5,816 students in 19 districts, plus one state-chartered charter school.
- \$5.3 million for expenditure in FY 12:
 - for school year 2011-2012, PED allocated \$3,702,615; and

- approved 50 programs serving 4,564 students in 14 districts, plus one state-chartered charter school.

Fiscal Issues:

During the 2011 interim, the LESC heard testimony that the K-3 Plus application for school year 2011-2012 contained the most changes since the inception of the program. One change was in the basis for funding: from a classroom or teacher basis to a student basis. The change resulted in funding based on \$800-\$850 per student.

If enacted, HB 14 will base per student funding at 30 percent of the unit value.

Based on the FY 12 preliminary unit value of \$3,585.97, HB 14 would provide per student funding at \$1,075.79 as follows:

$$\$3,585.97 \text{ unit value} \times .30 = \$1,075.79$$

Substantive Issues:

- Provisions in current law require students participating in K-3 Plus to be evaluated in literacy by the dynamic indicator of basic early literacy skills (DIBELS) in kindergarten through grade 3. According to the PED bill analysis of HB 14, the department is proposing a statewide standardized early literacy assessment in legislation to be considered by the 2012 Legislature. If the legislation is enacted, the PED analysis infers that “Using DIBELS in addition to this statewide assessment would result in excessive testing for young students.”
- During the 2011 interim, the LESC heard a report, *A First Look at the Effectiveness of New Mexico K-3 Plus*, from Dr. Linda Goetze, Start Smart K-3 Plus Project Co-director, Utah State University.

During her testimony, Dr. Goetze emphasized that the K-3 Plus significantly boosts student third grade achievement scores in reading, math, and writing. A comparison of school year 2009-2010 New Mexico Standards-based Assessment results of K-3 Plus third grade participants with third graders not participating in K-3 Plus indicates the following for 1,000 students:

- over 100 additional students were performing on grade level for writing;
- 234 additional students were performing on grade level for reading; and
- over 300 additional students were performing on grade level for math.

Addressing the cost-benefit implications of the K-3 Plus program, Dr. Goetze made the following points:

- to serve 1,000 students for one year costs \$800,000, \$1.6 million for two years, and \$2.4 million for three years;
- one year of third grade retention costs \$6,858 per student, and one year of third grade retention for 234 students costs \$1,604,722;
- the summer school cost savings for 234 third grade students is \$122,148, not including transportation or instructional materials; and

- preventing one year of retention, remediation, and summer school for 234 third grade students saves \$2.2 million.

Based on the evaluation study, Dr. Goetze offered the following observations and recommendations:

- evidence from the evaluation does not support the program change suggested by PED to deviate from the model that is working and to allow K-3 Plus funds to be used during the school year;
- the PED changes in application, timeline, and funding for school year 2011-2012 did not benefit the program;
- the allowable 4.0 percent for professional development and administrative costs is apparently being used elsewhere and not for the intended purpose;
- the K-3 Plus program does not have sufficient state level support;
- New Mexico needs to identify the most cost-effective staffing model and the success stories in K-3 Plus.
- different per student funding for K-3 Plus in schools and districts where class sizes are small should be considered;
- there should be state funding for additional K-3 Plus slots to allow more families to participate in the program; and
- it is especially effective to try to close the achievement gap early when it makes a difference in the lives of student and families lives over the long term.

Dr. Goetze concluded by emphasizing that the data from the evaluation study clearly support the continuation and expansion of the K-3 Plus program in New Mexico.

Background:

In 2007, legislation was enacted to create the K-3 Plus pilot project. The project was modeled after Kindergarten Plus, a program established in 2003 in four school districts for a three-year period and then extended in 2006 to other school districts with high-poverty schools for a six-year period.

During the 2006 interim, PED testified to the LESC that its evaluation of year three of the program – like the evaluations of years one and two conducted by the Office of Education Accountability – found overall positive results in the assessment data, with students demonstrating significant growth in literacy and numeracy. Furthermore, the PED evaluation found that, in every school, more Kindergarten Plus students reached benchmarks than their counterparts who did not participate in Kindergarten Plus and that teachers and administrators continue to view the program as an effective way to ensure that students are prepared for kindergarten and first grade.

Related Bills:

*HB 3a *Education Appropriation Act*