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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/12

SPONSOR Asbill LAST UPDATED _____ HB _____

SHORT TITLE School District Financial Flexibility SB 209

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Narrative				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 209 provides that the Secretary of Public Education may continue to waive certain requirements of the Public School Code and rules promulgated in accordance with the code in years through 2012-2013 pertaining to individual class load, teaching load, length of school day, staffing patterns, subject areas and purchase of instructional materials through the 2012-2013 school year. The department will be required to monitor such waivers and report to the Legislative Education Study Committee and the Legislative Finance Committee on any issues or actions of a school district that appear to adversely affect student learning.

FISCAL IMPLICATIONS

Many of these items, particularly the reduction in class loads, staffing patterns, and purchases of instructional materials could have a significant positive impact on district operating costs if

implemented. The extent of the fiscal impact will vary depending on the degree to which districts implement changes. The department indicates the principal source of potential budgetary savings for schools districts would be for school districts experiencing enrollment growth. These districts would be able to maintain current staffing levels when they would otherwise have to hire additional teachers.

SIGNIFICANT ISSUES

The Secretary of the Public Education Department has had the authority to waive requirements of the Public School Code related to individual class load, teaching load, length of school day, staffing patterns, subject areas and purchase of instructional materials since the 2009-2010 school year as a means of meeting state fiscal solvency requirements.

Waiving the requirements dealing with class load, teaching load, length of the school day, staffing patterns and subject areas could have a negative impact on student achievement, particularly with students in need of additional assistance, instructional time, and individualized interventions.

While suspending portions of the Public School Code regarding class sizes and teaching loads is not an ideal situation, modest increases should be manageable for teachers and support staff for a limited period of time. Current research suggests that smaller classes have little benefit for students until class loads are reduced significantly to about 8 to 10 students per teacher although some adverse effect is noted if class sizes get too large. The secretary will need to actively monitor class sizes to make certain they remain reasonable.

ADMINISTRATIVE IMPLICATIONS

The department will be required to monitor such waivers and report to the Legislative Education Study Committee and the Legislative Finance Committee on any issues or actions of a school district that appear to adversely affect student learning.

OTHER SUBSTANTIVE ISSUES

The Secretary of Education can currently waive class load, length of school day, and instructional materials requirements for schools that exceed educational standards as determined by the department pursuant to Section 22-2-2.1 NMSA 1978, so long as .waivers do not conflict with the federal No Child Left Behind Act of 2001 or rules adopted pursuant to that act.

RSG/svb