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FISCAL IMPACT REPORT

ORIGINAL DATE 2/24/17
 LAST UPDATED 3/03/17 HB 498/aHEC

SPONSOR Baldonado

SHORT TITLE Allow Early High School Graduation SB _____

ANALYST Fernandez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

No Response Received From
 Public Education Department (PED)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 498 strikes Sections O and P from the original bill which allowed students in 11th or 12th grade to test out of high school if they met certain conditions outlined in the sections, and inserted with new sections as follows:

Beginning with the 2017-18 school year, high school students may test out of high school early and graduate with a diploma of excellence, including a state seal of bilingualism-biliteracy, if applicable, if the student obtains one of the following:

- A Score in the top 20 percentile of students on the most current administration of the ACT, SAT or armed services vocational aptitude battery;
- A department-approved cut score on another academic or technical and vocational assessment approved by the department; or
- A department-approved industry-recognized credential.

Students must notify the school in writing by October 1 of the school year, if they want to graduate early and they must attend a meeting with the student’s parent, principal and other relevant school personnel to advise the student of any known consequences related to early graduation.

A student in 9th, 10th or 11th grade that meets the conditions above is required to finish the school year in which the student is enrolled. A student in 12th grade that meets the conditions above prior to the end of the first semester of the school year, shall be granted a diploma upon completion of that semester and is not required to complete the second semester.

Synopsis of Original Bill

House Bill 498 amends a section of the Public School Code pertaining to high school graduation, to allow a student in 11th or 12th grade to test out of high school and graduate with a diploma of excellence, including a state seal of bilingualism-biliteracy if certain conditions are met.

FISCAL IMPLICATIONS

This bill does not contain an appropriation. However, PED will need to ensure public schools and school districts are aware of the changes to the Public School Code and provide assistance as necessary. School districts may incur costs associated with evaluating student maturity and analyzing the required test scores.

School districts would also lose funding through the public school funding formula for 11th and 12th grade students that successful test out of high school.

SIGNIFICANT ISSUES

A student in 11th or 12th grade who chooses to test out of high school must meet conditions as follows:

- Score in the top 10 percentile of New Mexico students on the ACT;
- Score in the top 10 percentile of New Mexico students on the SAT;
- Score higher than 39 on the armed services vocational aptitude battery; or
- Department-approved cut score on another assessment approved by the department.

Students who want to test out of the remainder of high school must demonstrate appropriate maturity and competence determined by the principal, in consultation with a school counselor or social worker if available and must obtain parental permission.

ADMINISTRATIVE IMPLICATIONS

PED will be required to develop an alternative assessment tool as indicated above.

OTHER SUBSTANTIVE ISSUES

In 2011, Legislative Finance Committee staff conducted a joint study with the Center for Education Policy Research at the University of New Mexico (CEPR) to evaluate the 12th grade, including student course taking patterns, enrollment status (full-time/part-time), allocation of formula funding and spending, and impact on college readiness. A representative sample of ten high schools were selected for study, accounting for over 15 percent of all 12th graders statewide in FY10. The study can be found on the LFC website as noted below.

https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Joint%20Program%20Evaluation-%20Cost-Effective%20Use%20of%20the%202012th%20Grade%20at%20New%20Mexico%20High%20Schools.pdf

CF/sb/jle