

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

SPONSOR Neville **ORIGINAL DATE** 02/18/21 **LAST UPDATED** 03/08/21 **HB** _____
SHORT TITLE Leg. Approp for Comm Schools Fund **SB** 341
ANALYST Liu

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	See Fiscal Implications		

(Parenthesis () Indicate Expenditure Decreases)

Companion to the General Appropriation Act of 2021 (HB117 – LFC recommendation)
 Companion to the General Appropriation Act of 2021, HB2/HAFCS

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 341 makes the community schools fund subject to appropriation by the Legislature and removes PED’s authority to distribute grants from the fund unless otherwise appropriated. There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

HB2/HAFCS includes a \$20 million transfer – \$10 million from the general fund and \$10 million from the public education reform fund – to the community schools fund, contingent on enactment of this bill. Provisions of this bill would allow the Legislature to appropriate funding from the community schools fund.

The Legislature appropriated \$2 million to PED for community school initiatives in FY20 and \$3.32 million in FY21. PED awarded 26 planning grants up to \$50 thousand to 26 schools and six implementation grants of \$150 thousand to six schools in FY20. In FY21, the PED awarded

29 implementation grants. PED notes applications for grant funding have outpaced funding levels. In FY20, for example, PED received 111 applications.

SIGNIFICANT ISSUES

Current statute authorizes PED to administer the community schools fund, and money in the fund must be distributed via grant awards to support the development and implementation of community school initiatives or purposes stated in the Community Schools Act. Funding cannot be used to correct for previous reductions in program services. Provisions of this bill would give the Legislature full authority to appropriate balances from the community schools fund for any purposes.

PERFORMANCE IMPLICATIONS

Research by the Learning Policy Institute, an education think tank, finds the community school approach meets the evidence-based standard for interventions under the federal Every Student Succeeds Act (ESSA), shows promise in meeting the needs of low-achieving students in high-poverty schools, and helps close the opportunity and achievement gaps for students from low-income families, students of color, English learners, and students with disabilities. Although strategies and designs can vary based on local needs, LPI notes most community schools typically exhibit four distinct pillars: (1) integrated student supports, (2) expanded learning time and opportunities, (3) family and community engagement, and (4) collaborative leadership and practices.

Although a 2019 joint LESC-LFC evaluation found New Mexico community schools with at least five years of operation increased student proficiency by 6 percentage points in reading and 3 percentage points in math between 2015 and 2018, the report noted statewide proficiency increased at the same rate – resulting in the same achievement gap over a four-year period. Additionally, while New Mexico community schools increased graduation rates, the gains did not keep pace with statewide growth in graduation rates over the same period. The report noted New Mexico community schools do not appear to be implementing all four key pillars with fidelity, which research shows to have the largest positive impact on student outcomes.

ADMINISTRATIVE IMPLICATIONS

PED notes current statutory language authorizes the agency to distribute funds from the community schools fund. The bill would give the Legislature appropriation authority over the fund, potentially limiting the amount PED could use to fund community school initiatives, regardless of the balance in the fund.

COMPANIONSHIP

This bill is a companion to HB2/HAFCS which includes a \$20 million transfer – \$10 million from the general fund and \$10 million from the public education reform fund – to the community schools fund, contingent on enactment of this bill. Provisions of this bill would allow the Legislature to appropriate funding from the community schools fund.

This bill is a companion to the General Appropriation Act of 2021, or House Bill 117, which includes a nonrecurring \$10 million transfer to the community schools fund that is contingent on

enactment of legislation in the first session of the 55th Legislature authorizing the Legislature to appropriate funding annually.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, the \$20 million fund transfer will instead revert to the general fund and public education reform fund.

SL/al/sb/rl