

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

HB142 makes a non-recurring appropriation of eighty thousand dollars (\$80,000) from the General Fund to the New Mexico Department of Public Education (NMPED) in FY25 to provide reimbursement for the cost of the Preliminary Scholastic Aptitude Test (PSAT) for high school juniors who score 1000 or above on the test during their junior year.

The NMHED's analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

FISCAL IMPLICATIONS

HB142 makes a non-recurring appropriation of eighty thousand dollars (\$80,000) from the General Fund to the New Mexico Public Education Department (NMPED) in FY25 to provide reimbursement for the cost of the Preliminary Scholastic Aptitude Test (PSAT) for high school juniors who score 1000 or above on the test during their junior year. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the General Fund.

SIGNIFICANT ISSUES

HB142 makes a non-recurring appropriation of eighty thousand dollars (\$80,000) from the General Fund to the New Mexico Department of Public Education (NMPED) in FY25 to provide

reimbursement for the cost of the Preliminary Scholastic Aptitude Test (PSAT) for high school juniors who score 1000 or above on the test during their junior year.

The PSAT serves a few purposes. What may be considered the main purpose of the PSAT is to provide students practice for the Scholastic Aptitude Test (SAT). Additionally, students can become eligible for the National Merit Scholarship Program through their scores on the PSAT. Furthermore, through College Board's Advanced Placement (AP) Potential tool, students and educators can gain insights into which AP courses a student is likely to succeed.

In the 2023-24 academic year, NMPED paid for all New Mexico public school 10th grade students to take the PSAT (<https://webnew.ped.state.nm.us/wp-content/uploads/2023/07/SY2023-24-Assessment-Program-Memorandum-07.27.2023.pdf>).

According to the 2023 SAT Suite Annual Report for New Mexico, five thousand four hundred ninety-six (5,496) New Mexico students took the PSAT in 11th grade. If every student were eligible for reimbursement by achieving a score of 1000 or above, reimbursing those students would have cost the state just shy of ninety-nine thousand dollars (\$99,000). That meant combined PSAT score for these students was 932. If a bell curve is assumed, less than half of the students who took the 2023 PSAT would have been eligible for reimbursement had such a program been in place (<https://reports.collegeboard.org/media/pdf/2023-new-mexico-sat-suite-of-assessments-annual-report-ADA.pdf>).

The SAT suite of assessments also includes waiver eligibility for students from low-income backgrounds, potentially reducing the cost to the state. College Board states that "[schools] will no longer be responsible for identifying fee waiver-eligible students as part of the post administration process (<https://support.satsuite.collegeboard.org/spring-2024-testing/after-test-day/fee-waivers>). However, if students' fees are waived, NMPED would need to determine if a student received a waiver before issuing reimbursements. Further, students who are waiver-eligible would not be receiving a benefit from the state while those who are not waiver-eligible would be receiving a benefit; this may be viewed as a regressive benefit.

It is unclear why a score of 1000 is included as a provision in this bill for reimbursement eligibility. This threshold could act as a deterrent to students concerned about their performance on the PSAT but also concerned about paying for the assessment out of pocket.

PERFORMANCE IMPLICATIONS

There are no performance implications included in HB142.

ADMINISTRATIVE IMPLICATIONS

The New Mexico Public Education Department would administer these funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

It is unclear why a score of 1000 is included as a provision in this bill for reimbursement eligibility. This threshold could act as a deterrent to students concerned about their performance on the PSAT but also concerned about paying for the assessment out of pocket.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB142 is not enacted, eight thousand dollars (\$80,000) will not be appropriated from the General Fund to the New Mexico Public Education Department (NMPED). Students seeking to take the Preliminary Scholastic Aptitude Test (PSAT) in their junior year will likely have to pay for the test themselves.

AMENDMENTS

N/A