

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2017 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 2/19/17
Original **Amendment** **Bill No:** HB303
Correction **Substitute**

Sponsor: Rep. Matthew McQueen **Agency Code:** 924
Short Title: CHANGE COURSE REQUIREMENTS FOR GRADUATION **Person Writing:** Matt Pahl
Phone: 470-9909 **Email:** Matt.pahl@state.nm.u

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
See analysis below	See analysis below	Recurring	

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$505.0	See analysis	See analysis	\$505.0		

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 303 (HB303) changes the graduation units for students entering grade nine in the 2017-2018 school year. These changes reduce the mathematics units requirement; eliminate the Algebra 2 requirement; and mandate a life skills unit which includes a major emphasis on media literacy, financial literacy, and workplace readiness.

FISCAL IMPLICATIONS

HB303 adds life skills with an emphasis on media literacy, financial literacy and workplace readiness as a mandatory course for graduation. In order to ensure a rigorous and consistent course, the PED would need to adopt standards and develop an assessment to serve as an End of Course exam. Adoption of new standards would cost an estimated \$5,000. Adopting new standards includes the required rulemaking process to amend New Mexico Administrative Code (NMAC), stakeholder engagement and the use of a taskforce or review board (stakeholders and PED staff). Development of an assessment on average will cost an estimated \$250,000.00. The development of an assessment includes: determining a blue print, developing test questions with appropriate stakeholders, holding a review with content experts, establishing a cut score with appropriate stakeholders, and finalizing assessment. The estimated \$250,000.00 is for development and implementation of a paper exam. If the Department wanted to invest in an electronic-based assessment, the cost would increase to an estimated \$500,000.00.

SIGNIFICANT ISSUES

HB303 decreases the units in mathematics currently mandated in graduation requirements from 4 units to 3 units. Additionally, the math requirement in HB303 does not mandate Algebra 2. The elimination of Algebra 2 reduces the rigor of the math graduation requirements.

HB303 removes financial literacy and media literacy from electives and places them in a life skills unit that is mandatory for graduation. The mandate of such courses would offer professionals the opportunity to get involved in the classroom through programs or alternative licensing.

Since 2014, 17 states require personal finance as a graduation requirement. New Mexico is 1 of 5 states that does not require personal finance in K-12 standards. Data released from the Financial Industry Regulatory Authority's Investor Education Foundation shows that high school students who are required to take personal finance courses have better average credit scores and lower debt delinquency rates as young adults. The study also found that young adults in states where financial education mandates are rigorous have "notable improvements" in credit outcomes (*US Schools Get Failing Grade for Financial Literacy Education*, CNBC.com).

The emphasis on workplace readiness in HB303 could be attached to implementation of WorkKeys assessments in all districts which the Department is already researching. Upon determination of adequate cut scores, WorkKeys offers rigorous assessments that help determine workplace readiness and practical skills knowledge.

The emphasis on media literacy in HB303 will better prepare students to enter the technological world that exists in today's job market. Media literacy is the ability to access, analyze, evaluate and create messages in a wide variety of forms. These skills are vital in business and politics today.

HB303 removes language courses as a graduation requirement and adds them to the elective units mandated for graduation. This reduces the incentive for students to pursue proficiency in a language other than English. Proficiency in multiple languages can make students more attractive in the competitive job market.

TECHNICAL ISSUES

There are timeline issues in HB303 which changes graduation requirements for students entering the ninth grade in the 2017-2018 school year. The adoption of standards and assessment for the mandatory life skills course detailed in HB303 would take a rollout of at least one year. The rollout would include the adoption of standards, development of an assessment, adoption of a curriculum, and professional development for districts and schools.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Students in New Mexico, especially those in need, may continue to have low levels of financial literacy and be prone to expensive credit behaviors, such as using payday loans and carrying a balance on high-interest credit cards. Often times, young people struggle to pay bills and manage money.

AMENDMENTS

Amend page 7, line 20, subparagraph K(2) to read four units in mathematics, of which one shall be the equivalent to or higher than the level of algebra 2, unless the parent submitted written, signed permission for the student to complete a lesser mathematics unit. The 4th unit of math can be taken from the electives mandates of HB303, reducing elective units from eight and one-half to seven and one-half which is consistent with current statute.