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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Romero, GA/Gurrola/Lara/Jaramillo/ Parajón</u>	<b>LAST UPDATED</b> _____ <b>ORIGINAL DATE</b> <u>02/07/2024</u> <b>BILL NUMBER</b> <u>House Memorial 20</u>
<b>SHORT TITLE</b> <u>Study Class Size Reduction</u>	<b>ANALYST</b> <u>Chilton</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal	Indeterminate but minimal		Indeterminate but minimal	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

Relates to HB215 and HB227

### Sources of Information

LFC Files

Agency Analysis Received From  
 Higher Education Department (HED)  
 Early Childhood Education and Care Department (ECECD)

Agency Analysis was Solicited but Not Received From  
 Public Education Department (PED)  
 Albuquerque Public Schools (APS)

Because of the short timeframe between the introduction of this memorial and its first hearing, LFC has yet to receive analysis from some state, education, or judicial agencies. This analysis could be updated if that analysis is received.

## SUMMARY

### Synopsis of House Memorial 20

Giving evidence of New Mexico students' poor results on standardized tests relative to students in other states, and noting some research showing that smaller class sizes may improve student outcomes, this memorial requests the Legislative Education Study Committee (LESC) work with representatives from PED, HED, LFC, ECECD, leadership from public and charter schools, teachers' unions, and those who educate prospective teachers to report on the positive and negative effects likely to occur if class size were reduced.

Results of the LESC-led study would be presented to the governor and Legislature by December 31, 2024.

There is no appropriation in House Memorial 20.

## **FISCAL IMPLICATIONS**

There is no appropriation in House Memorial 20.

There would be small costs to each agency for personnel who contribute to the deliberations of the LESC-led research unit.

## **SIGNIFICANT ISSUES**

LESC in its analysis of this memorial summarizes research indicating results of class size reduction on student learning. They cite a Brookings Institute article, heavily-referenced, that concludes that large reduction in class size appears to have a consistently positive effect on student learning and later admission to college, while smaller reductions have inconsistent results. ([Class Size: What Research Says and What it Means for State Policy | Brookings](#)).

LESC also notes the conundrum implied by the fact that reducing class size would exacerbate the need for teachers, stating New Mexico had 751 teacher vacancies at the start of FY24; without recruitment and retention of more teachers, lowering class size would be an exercise in futility.

HED indicates that educator preparation programs in New Mexico increased in enrollment from a total of 2,903 to 3,203 from fall 2022 to fall 2023, an increase of 9.4 percent. If this trend were to continue it would bode well for both filling the vacant slots and also adding teachers to allow for reducing class size. All of that would be dependent on being able to induce many of these students to graduate and take positions in New Mexico schools and to retain them once there HED makes note of scholarship and loan-repayment programs for potential teachers.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to HB215 and HB227, each of which deal with reducing class size; only HB227 provides an appropriation, and that is earmarked for capital improvements – adding classrooms to accommodate the additional classes that would be required.

## **TECHNICAL ISSUES**

ECECD points out that including K-4 (prekindergarten) programs in the study would be supported by research that shows that “PreK children in smaller classrooms are found to gain more in literacy skills by the end of preschool (Relating preschool class size to classroom quality and student achievement; Early Childhood Research Quarterly, Volume 49, 4th Quarter), improving kindergarten preparedness and establishing a stronger foundation for improved educational outcomes.”

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