

<b>LFC Requester:</b>	<b>Becerra</b>
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**AGENCY BILL ANALYSIS  
2021 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto: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:  
**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** 2/4/2021  
**Bill No:** SB170

**Sponsor:** Siah Correa Hemphill  
**Short**        FINANCIAL LITERACY  
**Title:**        SCHOOL CREDIT

**Agency Name and Code**        PED-924  
**Number:** \_\_\_\_\_  
**Person Writing**        John Sena  
**Phone:** 505-570-7816    **Email** John.Sena@state.nm.us

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
NFI	NFI	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
NFI	NFI	NFI	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	NFI	NFI	NFI	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Conflicts/Relates to: HB163, HB83, HB126  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

Senate Bill 170 (SB170) would increase the number of mathematics units required for graduation from four to four and one-half, for students who enter the ninth grade in the 2022-2023 school year. Students would be required to earn an additional half unit of credit in financial literacy, which would include a basic understanding of budgets, checking and savings accounts, credit, interest and the cost of borrowing.

Additionally, SB170 would change the number of elective units required for graduation from seven and one-half to seven.

**FISCAL IMPLICATIONS**

SB170 contains no appropriation.

**SIGNIFICANT ISSUES**

**Financial literacy as requirement**

In recent years, more states have moved to require financial literacy in some form as a graduation requirement. According to the Council for Economic Education, 21 state have some sort of personal finance requirement; 15 states require it be integrated with another course, while 6 require a standalone course.

Currently, New Mexico school districts and charter schools must offer financial literacy as an elective, though students also can earn mathematics credit if they meet all other mathematics requirements. SB170 would keep intact all other requirements.

**Adding credit requirements**

Following a national trend aimed at increasing academic rigor and, by extension, college readiness, New Mexico in 2007 increased the number of high school credits required to graduate. In addition to increasing the overall number of credits from 23 to 24, New Mexico began requiring that one of four mathematics credits be equivalent to Algebra 2 or higher.

In recent years, though, research has emerged showing that increasing credit requirements, especially in math or science, has not necessarily resulted in increased college readiness. A working paper from ACT found:

“despite the introduction of higher graduation requirements in math and science, there

was little effect on student course-taking, achievement, or college enrollment.” In regard to Algebra requirements in particular, ACT cited other research that found an: “algebra for all ninth graders policy found no improvement in student achievement, a drop in grades, and no change in college going.”

The research also cited evidence that requiring Algebra, instead of increasing rigor, actually led to a watering down of course content.

According to a 50-state comparison done by the Education Commission of the States (ECS) in 2019, New Mexico is one of 14 states that currently require 24 credits. Three states require 23 credits, while requirements in the remainder of states vary from 13 to 22. The comparison also notes some states have begun to move away from traditional seat-time calculations, in which students earn credit based on the amount of time in a particular course, toward other forms of demonstrations of competency.

## **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

Requiring an additional half credit of financial literacy could mean public schools would have to adjust course offerings and class schedules.

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

Relates to HB163, which also adds school financial management classes as a graduation requirement

Conflicts with HB83, which proposes multiple changes to graduation requirements, including decreasing math units required for graduation from four to three.

Relates to HB126, which proposes requiring all public high schools to offer a computer science course.

### **TECHNICAL ISSUES**

None.

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

None.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

### **AMENDMENTS**

None as of 2/4/2021.