



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/01 /25

Bill No: SB201

Agency Name and Code: PED - 924

Sponsor: Gonzales

PED Lead Analyst: -

Phone: - **Email:** -

Short Title: PUBLIC ED. REFORM FUND
USES

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: The Legislative Finance Committee budget recommendation includes \$150 million appropriation to the Public Education Reform Fund for a variety of pilot projects.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 201 (SB201) would require the Public Education Department (PED) to submit its public school support budget recommendation three months earlier, moving the requirement from November 30 to September 1, each year. In addition to submitting the recommendation to the Department of Finance and Administration (DFA), the public school support budget would also be submitted to the Legislative Finance Committee (LFC) and the Legislative Education Study Committee (LESC).

The bill would also require PED to submit accountability and evaluation plans to the DFA for each program receiving an appropriation from the Public Education Reform Fund (PERF). The DFA would need to approve the accountability and evaluation plans prior to the PED releasing awards, but only after consultation with the LESL and LFC.

FISCAL IMPLICATIONS

The legislative finance committee budget recommendation includes \$150 million for initiatives such as attendance, math, and secondary literacy. The appropriation is contingent on the passing of SB201 or similar bill as provided for in [volume two](#) of the LFC budget recommendation, “The committee recommendation includes\$150 million for six multi-year studies through the public education reform fund—contingent on legislation.”

SIGNIFICANT ISSUES

SB201 would amend the purpose of the PERF. Moneys in the fund would be used to implement and evaluate public education reforms and initiatives affecting performance measures approved pursuant to [Section 6-3A-8 NMSA 1978](#). Currently, money in the fund is for purposes of implementing evidence-based public education initiatives related to high-quality teaching and school leadership, extended learning opportunities for students, educational interventions for at-risk students, effective and efficient school administration or promoting public education accountability.

DFA would be required to consult with LFC and LESL before approving instructions for accountability and evaluation plans and sending instructions to PED on or before May 1. DFA would also be required to consult with LFC and LESL before approving final accountability and evaluation plans on or before September 1 of the first year of the appropriation for each program receiving an appropriation from the PERF. It is unclear from the terms of the bill what form this consultation is to take and whether DFA is empowered to make decisions about the department’s finance and administration without legislative permission.

The requirement for submission by DFA to LESL and LFC of recommendations for appropriations may represent an encroachment upon Executive prerogatives and interdepartmental communications. Additionally, the proposed review and approval of accountability and evaluation plans by DFA may ostensibly give more authority to a financial agency rather than an education agency in evaluating the efficacy and value of education programs.

PERFORMANCE IMPLICATIONS

If enacted, SB201 would have negative performance implications for PED, by delaying PED's ability to enact new programs or implement reforms to existing programs.

ADMINISTRATIVE IMPLICATIONS

SB201 would require PED to submit annually, on or before September 1, to DFA, LFC, and LESC the department's recommendations for appropriations for the succeeding fiscal year for programs with accountability and evaluation plans pursuant to proposed amendments to [Section 22-8-23.13 NMSA 1978](#) (the public education reform fund) that demonstrate causal evidence of improving performance measures pursuant to [Section 6-3A-8 NMSA 1978](#) (performance-based program budgets). In its plans, PED would be required to:

1. identify the goals, objectives and expected outputs and outcomes of the program receiving an appropriation from the public education reform fund;
2. describe the specific activities of the program and how those activities will achieve expected program outcomes;
3. provide a summary of whether the program is evidence-based, research-based, promising or does not yet have rigorous research on its effectiveness;
4. provide a list of performance measures and a monitoring plan to regularly assess program performance;
5. provide a program evaluation plan to assess the causal impact of the program on expected outcomes; and
6. provide a description of methods, including planned statistical analysis, and the time line for releasing performance and program evaluation results to the DFA, LFC, and LESC and the public.

PED would also be required to submit an accountability and evaluation plan for each program receiving an appropriation from the PERF to DFA, LFC, and LESC on or before June 15 of each year.

The bill would also require PED to submit annually, on or before November 30, to DFA, LFC, and LESC any adjustments to the department's recommendations for appropriations related to additional [enrollment growth program units](#).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

SB201's proposed amendments require submission by the department to DFA, LESC, and LFC recommendations for appropriations for the succeeding fiscal year that "demonstrate causal

evidence of improving approved performance measures pursuant to Section 6-3A-8 MSA 1978.” However, Section 6-3A-8 NMSA 1978 contains no reference to demonstrations of causal evidence, nor does SB201 propose any amendments containing such language to that Section.

SB201 also requires accountability and evaluation plans that demonstrate causal evidence of improving performance measures. Demonstrating causal relationships in education studies is difficult and would require significant investment in evaluations to meet the required level of rigor.

The PED has expertise in education, and DFA has experience in finance. It is unclear why the DFA would approve accountability and evaluation plans in the area of education.

Because the bill lacks an effective date, it will be effective prior to the beginning of FY26, necessitating near-immediate compliance with the requirements of the bill, and leaving PED little time to adjust its internal procedures to address the new timeline that requires submission of public school support recommendations a full quarter earlier.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.