



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: 02/26 /25

Bill No: SB201/aSEC

Agency Name and Code: PED - 924

Sponsor: Gonzales

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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	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: House Bill 2 includes a general fund transfer of \$84.5 million to PED, and also includes proposed appropriations to the Public Education Department (PED) of \$6.2 million for attendance initiatives; \$5.2 million for evidence-based math instruction; \$2.1 million for a pilot program to support unhoused students; \$2.6 million for innovative staffing models; \$6.2 million for school improvement initiatives; \$5.2 million for training for secondary teachers in evidence-based reading instruction, all of which are

contingent upon the passing of Senate Bill 201 or similar legislation requiring the use of evidence-based program evaluation for projects receiving appropriations from the public education reform fund.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis of SEC amendment: The Senate Education Committee amendment to Senate Bill 201 (SB201/aSEC) changes several of the bill’s proposed requirements for the PED to submit accountability and evaluation plans related to appropriations from the [public education reform fund](#) (PERF) and removes the requirement for the PED to submit PERF appropriations for the succeeding fiscal year. It adds a subsection allowing the PED, Department of Finance and Administration (DFA), Legislative Education Study Committee (LESC), and Legislative Finance Committee (LFC) to make recommendations about recurring funding beyond the final fiscal year of an appropriation. The amendment also requires approval of the PED’s evaluation plans by LESL and LFC, in addition to DFA.

Synopsis of the original bill: Senate Bill 201 (SB201) would require the 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 the 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.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

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 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/aSEC would simplify the expressed purpose of the PERF. Moneys in the fund would be used to implement and evaluate public education reforms and initiatives. 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.

The DFA, LFC, and LESC would approve instructions for the PED to submit new PERF program accountability and evaluation plans, send the instructions to PED on or before May 1 of the first year of the appropriation, and require the PED to submit completed plans by July 1 in the first year of the appropriation.

The DFA, LFC, and LESC would approve 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 shared decision-making is to take.

By September 1 of the final year of a PERF program appropriation, the PED, DFA, LFC and LESC would make recommendations regarding recurring funding for the following fiscal year. This would align with the earlier deadline of September 1 for public school support budget recommendations.

The requirement for submission by the PED to the DFA, LESC, 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, LESC, and LFC 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/aSEC 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/aSEC would require the PED, after receiving instructions by May 1 from the DFA, LESC, and LFC, to submit by July 1 to DFA, LFC, and LESC the department's accountability and evaluation plans for each program receiving an appropriation from the PERF pursuant to proposed amendments to [Section 22-8-23.13 NMSA 1978](#) (the public education reform fund). In its plans, the 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, including expected roles and responsibilities of all participating entities, and how those activities and entities 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 pursuant to [Section 6-3A-8 NMSA 1978](#) (performance-based program budgets) 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 whenever possible or, when not possible to assess causal impact, provide a rationale for the proposed evaluation design; and
6. provide a description of methods, the agency or entity responsible for performing the evaluation, including planned statistical analysis, and the timeline for releasing performance and program evaluation results to the DFA, LFC, and LESC and the public.

As with other public school support budget recommendations for the succeeding fiscal year, recommendations for the continuation of PERF programs would be due to the DFA by September 1 of final year of the PERF appropriation. This would be difficult to achieve, particularly without knowing what the approved plans would entail or the performance measures or factors that need to be considered.

The bill would also require the PED to submit annually, on or before November 30, to the 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

The PED has expertise in education, and DFA and LFC have experience in finance. It is unclear why the DFA would be granted approve authority over 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.