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FISCAL IMPACT REPORT

SPONSOR:	Romero	DATE TYPED:	02/15/00	HB	
SHORT TITLE:	Student Alternatives Act			SB	197/aSEC/aSFC
				ANALYST:	Fernandez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
NFI					

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB160 Relates to HB163, SB50, SB162 and SB180.

SOURCES OF INFORMATION

State Department of Public Education (SDE)

LFC Files

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment strikes the appropriation from the bill.

Synopsis of SEC Amendment

The Senate Education Committee amendment strikes a subsection pertaining to the amount of money, per student, each alternative school would receive and replaces it with new language. The new language states that the alternative school will receive the same amount of money the student would have generated through the funding formula, excluding any size or training and experience adjustments, plus transportation expenses. The amendment also places a ceiling on the amount of money an alternative school may receive for each student. That amount is \$5,000 per student.

Synopsis of Original Bill

Senate Bill 197 enacts the Student Alternatives Act which requires Department of Finance and Administration (DFA) to develop a pilot program to provide alternative educational opportunities for students.

Significant Issues

Senate Bill 197 will enable governmental entities, secondary schools, or nonprofit organizations to enter into contractual agreements with DFA to provide alternative educational services for students. The eligible applicants could include the New Mexico Youth Conservation Corps, charter schools, secondary schools operated by an Indian nation, tribe or pueblo or Bureau of Indian Affairs or nonprofit and for-profit corporations.

The alternative schools will target students between the ages of fourteen and eighteen who have been disenrolled from a public school for any reason or whose attendance or conduct indicates they he or she may not meet graduation requirements.

The joint powers agreement or contract shall contain a provision that provides for a salary increase for a teacher employed at a school alternative whose students show exemplary improvement in academic achievement or attendance. It shall also contain a provision that provides more funding to a program that demonstrates exemplary academic achievement and attendance.

Students enrolled in a school alternative are held to the same graduation requirements prescribed in the Public School Code.

School alternative programs shall not operate on the same site with another public school.

School alternative programs are exempt from the School Personnel Act.

The bill specifies that alternative schools can have no less than 100 and no more than 200 students.

The student alternatives board is created consisting of 13 members appointed by the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Governor, and the State Board of Education.

The duties of the board are: review proposals submitted by applicants; allocate funding and ensure that no more than 25 percent is allocated to any one student alternative program; and evaluate the performance of the alternative education programs. The board is required to report annually to the Legislative Finance Committee, the Legislative Education Study Committee, the State Board of Education and the Governor prior to October 15th.

FISCAL IMPLICATIONS

This bill appropriates \$3,000.0 from the general fund to DFA for expenditure in fiscal year 2001. No more than 25 percent of the appropriation may be used to contract with any one school alternative. Any unexpended or unencumbered balance remaining at the end of fiscal year 2001 shall revert to the general fund. The bill also carries an emergency clause.

The bill does not provide an appropriation for mileage and per diem for board members.

ADMINISTRATIVE IMPLICATIONS

The Department of Finance and Administration will administer the program.

DUPLICATION

Duplicates SB160. Relates to HB163, SB50, SB162, and SB180 which all address the needs of at-risk students.

TECHNICAL ISSUES

Page 3, Line 3 states that the pilot program shall run until June 1, 2004, however, page 13 line 8 allows expenditure of the funds in fiscal year 2001 with balances remaining at the end shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

SDE is concerned that oversight of this educational program will reside with an agency that does not have professional staff specifically trained to handle education issues.

The department is also concerned with potential constitutional and statutory conflicts between the student alternative board and the State Board of Education, if public schools are funded under this act.. The potential for State Board accreditation of these alternative programs would be reduced or eliminated.

SDE also raises concerns that there may be a violation of the New Mexico Constitution if funding was provided to private educational programs.

CTF/njw:gm