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HOUSE BILL 417

**53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

INTRODUCED BY

Monica Youngblood

AN ACT

RELATING TO PUBLIC SCHOOLS; REMOVING PUBLIC EDUCATION  
COMMISSION DUTIES; MAKING THE CHARTER SCHOOLS DIVISION OF THE  
PUBLIC EDUCATION DEPARTMENT THE CHARTERING AUTHORITY FOR STATE-  
CHARTERED CHARTER SCHOOLS; MAKING THE PUBLIC EDUCATION  
DEPARTMENT RESPONSIBLE FOR VOCATIONAL EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 22-8-6.1 NMSA 1978 (being Laws 1993,  
Chapter 227, Section 8, as amended) is amended to read:

"22-8-6.1. CHARTER SCHOOL BUDGETS.--

A. Each state-chartered charter school shall submit  
to the charter schools division of the department a school-  
based budget. For the first year of operation, the budget of  
every state-chartered charter school shall be based on the  
projected number of program units generated by that charter

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1 school and its students, using the at-risk index and the  
2 instructional staff training and experience index of the school  
3 district in which it is geographically located. For second and  
4 subsequent fiscal years of operation, the budgets of state-  
5 chartered charter schools shall be based on the number of  
6 program units generated using the average of the MEM on the  
7 second and third reporting dates of the prior year and its own  
8 instructional staff training and experience index and the at-  
9 risk index of the school district in which the state-chartered  
10 charter school is geographically located. The budget shall be  
11 submitted to the division for approval or amendment pursuant to  
12 the Public School Finance Act and the Charter Schools Act.

13 ~~[Thereafter, the budget shall be submitted to the public~~  
14 ~~education commission for review.]~~

15 B. Each locally chartered charter school shall  
16 submit to the local school board a school-based budget. For  
17 the first year of operation, the budget of every locally  
18 chartered charter school shall be based on the projected number  
19 of program units generated by the charter school and its  
20 students, using the at-risk index and the instructional staff  
21 training and experience index of the school district in which  
22 it is geographically located. For second and subsequent fiscal  
23 years of operation, the budgets of locally chartered charter  
24 schools shall be based on the number of program units generated  
25 using the average of the MEM on the second and third reporting

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1 dates of the prior year and its own instructional staff  
2 training and experience index and the at-risk index of the  
3 school district in which the locally chartered charter school  
4 is geographically located. The budget shall be submitted to  
5 the local school board for approval or amendment. The approval  
6 or amendment authority of the local school board relative to  
7 the charter school budget is limited to ensuring that sound  
8 fiscal practices are followed in the development of the budget  
9 and that the charter school budget is within the allotted  
10 resources. The local school board shall have no veto authority  
11 over individual line items within the charter school's proposed  
12 budget, but shall approve or disapprove the budget in its  
13 entirety. Upon final approval of the local budget by the local  
14 school board, the individual charter school budget shall be  
15 included separately in the budget submission to the department  
16 required pursuant to the Public School Finance Act and the  
17 Charter Schools Act.

18 C. For the first year of operation after a locally  
19 chartered charter school converts to a state-chartered charter  
20 school or a state-chartered charter school converts to a  
21 locally chartered charter school, the charter school's budget  
22 shall be based on the number of program units generated using  
23 the average of the MEM on the second and third reporting dates  
24 of the prior year and the instructional staff training and  
25 experience index and the at-risk index of the school district

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1 in which it is geographically located. For second and  
2 subsequent fiscal years of operation, the charter school shall  
3 follow the provisions of Subsection A or B of this section, as  
4 applicable."

5 SECTION 2. Section 22-8-38 NMSA 1978 (being Laws 1967,  
6 Chapter 16, Section 96, as amended) is amended to read:

7 "22-8-38. BOARDS OF FINANCE--DESIGNATION.--

8 A. Upon written application to and approval of the  
9 department, a local school board may be designated a board of  
10 finance for public school funds of the school district. A  
11 local school board designated as a board of finance may require  
12 all funds distributed to, allocated to or collected for the  
13 school district or the public schools under its jurisdiction to  
14 be deposited with it. The department shall designate a local  
15 school board as a board of finance if:

16 (1) the local school board shows to the  
17 satisfaction of the department that it has personnel properly  
18 trained to keep accurate and complete fiscal records;

19 (2) the local school board agrees to consult  
20 with the department on any matters not covered by the manual of  
21 accounting and budgeting before taking any action relating to  
22 funds held by it as a board of finance;

23 (3) the persons handling these funds are  
24 adequately bonded to protect the funds entrusted to them from  
25 loss; and

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1 (4) the local school board making application  
2 has not been suspended and not reinstated as a board of finance  
3 within the past year.

4 B. A charter school applicant requesting a charter  
5 from the [~~commission~~] charter schools division of the  
6 department shall submit a plan detailing how its governing body  
7 will qualify for designation as a board of finance for public  
8 school funds of the charter school. The governing body of a  
9 proposed state-chartered charter school shall qualify as a  
10 board of finance before the first year of operation of the  
11 charter school. The governing body of a state-chartered  
12 charter school designated as a board of finance may require all  
13 funds distributed to, allocated to or collected for the state-  
14 chartered charter school to be deposited with the governing  
15 body. The [~~commission~~] charter schools division shall  
16 designate the governing body of a state-chartered charter  
17 school as a board of finance if:

18 (1) the governing body shows to the  
19 satisfaction of the [~~commission~~] charter schools division that  
20 it has personnel properly trained to keep accurate and complete  
21 fiscal records;

22 (2) the governing body agrees to consult with  
23 the charter schools division on any matters not covered by the  
24 manual of accounting and budgeting before taking any action  
25 relating to funds held by it as a board of finance;

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1 (3) the persons handling these funds are  
2 adequately bonded to protect the funds entrusted to them from  
3 loss; and

4 (4) the governing body was not a governing  
5 body of a charter school or does not have a member who was a  
6 member of a governing body of a charter school that was  
7 suspended and not reinstated as a board of finance.

8 C. Failure of the governing body of a proposed  
9 state-chartered charter school to qualify for designation as a  
10 board of finance constitutes good and just grounds for denial,  
11 nonrenewal or revocation of its charter."

12 SECTION 3. Section 22-8-39 NMSA 1978 (being Laws 1967,  
13 Chapter 16, Section 97, as amended) is amended to read:

14 "22-8-39. BOARDS OF FINANCE--SUSPENSION.--The department  
15 may at any time suspend a local school board or governing body  
16 of a state-chartered charter school from acting as a board of  
17 finance if the department reasonably believes there is  
18 mismanagement, improper recording or improper reporting of  
19 public school funds under the local school board's or governing  
20 body of a state-chartered charter school's control. When a  
21 local school board or governing body of a state-chartered  
22 charter school is suspended from acting as a board of finance,  
23 the department shall:

24 A. immediately take control of all public school  
25 funds under the control of the local school board or governing

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1 body of a state-chartered charter school acting as a board of  
2 finance;

3 B. immediately have an audit made of all funds  
4 under the control of the local school board or governing body  
5 of a state-chartered charter school acting as a board of  
6 finance and charge the cost of the audit to the school district  
7 or state-chartered charter school;

8 C. act as a fiscal agent for the school district or  
9 state-chartered charter school and take any action necessary to  
10 conform the fiscal management of funds of the school district  
11 or state-chartered charter school to the requirements of law  
12 and good accounting practices;

13 D. report any violations of the law to the proper  
14 law enforcement officers;

15 E. act as fiscal agent for the school district or  
16 state-chartered charter school until the department determines  
17 that the local school board or governing body of a state-  
18 chartered charter school is capable of acting as a board of  
19 finance or until the department determines that the county  
20 treasurer should act as fiscal agent for the school district or  
21 state-chartered charter school;

22 F. inform the local school board or governing body  
23 of a state-chartered charter school in writing of the  
24 department's determination as to who is to act as board of  
25 finance or fiscal agent for the school district or state-

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1 chartered charter school and also inform the county treasurer  
2 in writing if it determines that the county treasurer should  
3 act as fiscal agent for the school district or state-chartered  
4 charter school; and

5 G. consider commencing proceedings [~~before the~~  
6 ~~commission~~] to suspend, revoke or refuse to renew the charter  
7 of the state-chartered charter school in the case of a state-  
8 chartered charter school that has engaged in serious or  
9 repeated mismanagement, improper recording or improper  
10 reporting of public school funds under its control."

11 SECTION 4. Section 22-8B-2 NMSA 1978 (being Laws 1999,  
12 Chapter 281, Section 2, as amended) is amended to read:

13 "22-8B-2. DEFINITIONS.--As used in the Charter Schools  
14 Act:

15 A. "charter school" means a conversion school or  
16 start-up school authorized by the chartering authority to  
17 operate as a public school;

18 B. "chartering authority" means either a local  
19 school board or the [~~commission~~] division;

20 [~~C. "commission" means the public education~~  
21 ~~commission;~~

22 ~~D.]~~ C. "conversion school" means an existing public  
23 school within a school district that was authorized by a local  
24 school board to become a charter school prior to July 1, 2007;

25 [~~E.]~~ D. "division" means the charter schools

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1 division of the department;

2           ~~[F.]~~ E. "enrollment preference" means filling a  
3 charter school's openings with students, or siblings of  
4 students, who have already been admitted to the school through  
5 an appropriate admission process or are continuing through  
6 subsequent grades;

7           ~~[G.]~~ F. "governing body" means the governing  
8 structure of a charter school as set forth in the school's  
9 charter;

10           ~~[H.]~~ G. "governing body training" means the  
11 training required pursuant to Section 22-8B-5.1 NMSA 1978 to  
12 educate governing body members and ensure compliance with all  
13 applicable laws, which training may be obtained from any  
14 source, individual or entity that has been approved by the  
15 department;

16           ~~[I.]~~ H. "management" means authority over the  
17 hiring, termination and day-to-day direction of a school's  
18 employees or contractors, whether they are licensed or not;

19           ~~[J.]~~ I. "material violation" means the act of  
20 failing to accomplish a requirement of a law, rule or contract  
21 or a charter school's bylaws that substantially affects the  
22 charter school's employees' or students' rights or privileges;

23           ~~[K.]~~ J. "nondiscretionary waiver" means a waiver of  
24 requirements or rules and the provisions of the Public School  
25 Code that the department shall grant pursuant to Section

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1 22-8B-5 NMSA 1978 and for which a charter school shall not  
2 require separate approval by the department;

3 ~~[H.]~~ K. "performance indicator" means a measurement  
4 tool that enables selected issues or conditions to be monitored  
5 over time for the purposes of evaluating progress toward or  
6 away from a desired direction;

7 ~~[M.]~~ L. "performance target" means the specific  
8 rating to which the data from a school's performance indicators  
9 shall be compared to determine whether the school exceeds,  
10 meets, does not meet or falls far below that rating;

11 ~~[N.]~~ M. "siblings" means:

12 (1) students living in the same residence at  
13 least fifty percent of the time in a permanent or semipermanent  
14 situation, such as long-term foster care placements; or

15 (2) students related to each other by blood,  
16 marriage or cohabitation; and

17 ~~[O.]~~ N. "start-up school" means a public school  
18 developed by one or more parents, teachers or community members  
19 authorized by the chartering authority to become a charter  
20 school."

21 **SECTION 5.** Section 22-8B-6 NMSA 1978 (being Laws 1999,  
22 Chapter 281, Section 6, as amended) is amended to read:

23 "22-8B-6. CHARTER SCHOOL REQUIREMENTS--APPLICATION  
24 PROCESS--AUTHORIZATION--STATE BOARD OF FINANCE DESIGNATION  
25 REQUIRED--PUBLIC HEARINGS--SUBCOMMITTEES.--

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1           A. A local school board has the authority to  
2 approve the establishment of a locally chartered charter school  
3 within that local school board's district.

4           B. No later than the second Tuesday of January of  
5 the year in which an application will be filed, the organizers  
6 of a proposed charter school shall provide written notification  
7 to the [~~commission~~] division and the school district in which  
8 the charter school is proposed to be located of their intent to  
9 establish a charter school. Failure to notify may result in an  
10 application not being accepted.

11           C. A charter school applicant shall apply to either  
12 a local school board or the [~~commission~~] division for a  
13 charter. If an application is submitted to a chartering  
14 authority, it must process the application. Applications for  
15 initial charters shall be submitted by June 1 to be eligible  
16 for consideration for the following fiscal year; provided that  
17 the June 1 deadline may be waived upon agreement of the  
18 applicant and the chartering authority.

19           D. An application shall include the total number of  
20 grades the charter school proposes to provide, either  
21 immediately or phased. A charter school may decrease the  
22 number of grades it eventually offers, but it shall not  
23 increase the number of grades or the total number of students  
24 proposed to be served in each grade.

25           E. An application shall include a detailed

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1 description of the charter school's projected facility needs,  
2 including projected requests for capital outlay assistance that  
3 have been approved by the director of the public school  
4 facilities authority or the director's designee. The director  
5 shall respond to a written request for review from a charter  
6 applicant within forty-five days of the request.

7 F. An application may be made by one or more  
8 teachers, parents or community members or by a public post-  
9 secondary educational institution or nonprofit organization.  
10 Municipalities, counties, private post-secondary educational  
11 institutions and for-profit business entities are not eligible  
12 to apply for or receive a charter.

13 G. An initial application for a charter school  
14 shall not be made after June 30, 2007 if the proposed charter  
15 school's proposed enrollment for all grades or the proposed  
16 charter school's proposed enrollment for all grades in  
17 combination with any other charter school's enrollment for all  
18 grades would equal or exceed ten percent of the total MEM of  
19 the school district in which the charter school will be  
20 geographically located and that school district has a total  
21 enrollment of not more than one thousand three hundred  
22 students.

23 H. A state-chartered charter school shall not be  
24 approved for operation unless its governing body has qualified  
25 to be a board of finance.

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1 I. The chartering authority shall receive and  
2 review all applications for charter schools submitted to it.  
3 The chartering authority shall not charge application fees.

4 J. The chartering authority shall hold at least one  
5 public hearing in the school district in which the charter  
6 school is proposed to be located to obtain information and  
7 community input to assist it in its decision whether to grant a  
8 charter school application. [~~The chartering authority may~~  
9 ~~designate a subcommittee of no fewer than three members to hold~~  
10 ~~the public hearing, and, if so, the hearing shall be~~  
11 ~~transcribed for later review by other members of the chartering~~  
12 ~~authority.~~] Community input may include written or oral  
13 comments in favor of or in opposition to the application from  
14 the applicant, the local community and, for state-chartered  
15 charter schools, the local school board and school district in  
16 whose geographical boundaries the charter school is proposed to  
17 be located.

18 K. The chartering authority shall rule on the  
19 application for a charter school in a public meeting by  
20 September 1 of the year the application was received [~~provided,~~  
21 ~~however, that prior to ruling on the application for which a~~  
22 ~~designated subcommittee was used, any member of the chartering~~  
23 ~~authority who was not present at the public hearing shall~~  
24 ~~receive the transcript of the public hearing together with~~  
25 ~~documents submitted for the public hearing)]. If not ruled upon~~

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1 by that date, the charter application shall be automatically  
2 reviewed by the secretary in accordance with the provisions of  
3 Section 22-8B-7 NMSA 1978. The charter school applicant and  
4 the chartering authority may, however, jointly waive the  
5 deadlines set forth in this section.

6 L. A chartering authority may approve, approve with  
7 conditions or deny an application. A chartering authority may  
8 deny an application if:

9 (1) the application is incomplete or  
10 inadequate;

11 (2) the application does not propose to offer  
12 an educational program consistent with the requirements and  
13 purposes of the Charter Schools Act;

14 (3) the proposed head administrator or other  
15 administrative or fiscal staff was involved with another  
16 charter school whose charter was denied or revoked for fiscal  
17 mismanagement or the proposed head administrator or other  
18 administrative or fiscal staff was discharged from a public  
19 school for fiscal mismanagement;

20 (4) for a proposed state-chartered charter  
21 school, it does not request to have the governing body of the  
22 charter school designated as a board of finance or the  
23 governing body does not qualify as a board of finance; or

24 (5) the application is otherwise contrary to  
25 the best interests of the charter school's projected students,

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1 the local community or the school district in whose geographic  
2 boundaries the charter school applies to operate.

3 M. If the chartering authority denies a charter  
4 school application or approves the application with conditions,  
5 it shall state its reasons for the denial or conditions in  
6 writing within fourteen days of the meeting. If the chartering  
7 authority grants a charter, the approved charter shall be  
8 provided to the applicant together with any imposed conditions.

9 N. A charter school that has received a notice from  
10 the chartering authority denying approval of the charter shall  
11 have a right to a hearing by the secretary as provided in  
12 Section 22-8B-7 NMSA 1978."

13 SECTION 6. Section 22-8B-9 NMSA 1978 (being Laws 1999,  
14 Chapter 281, Section 9, as amended) is amended to read:

15 "22-8B-9. CHARTER SCHOOL CONTRACT--CONTENTS--RULES.--

16 A. The chartering authority shall enter into a  
17 contract with the governing body of the applicant charter  
18 school within thirty days of approval of the charter  
19 application. The charter contract shall be the final  
20 authorization for the charter school and shall be part of the  
21 charter. If the chartering authority and the applicant charter  
22 school fail to agree upon the terms of or enter into a contract  
23 within thirty days of the approval of the charter application,  
24 either party may appeal to the secretary to finalize the terms  
25 of the contract; provided that such appeal must be provided in

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1 writing to the secretary within forty-five days of the approval  
2 of the charter application. Failure to enter into a charter  
3 contract or appeal to the secretary pursuant to this section  
4 precludes the chartering authority from chartering the school.

5 B. The charter contract shall include:

6 (1) all agreements regarding the release of  
7 the charter school from department and local school board rules  
8 and policies, including discretionary waivers provided for in  
9 Section 22-8B-5 NMSA 1978;

10 (2) any material term of the charter  
11 application as determined by the parties to the contract;

12 (3) the mission statement of the charter  
13 school and how the charter school will report on implementation  
14 of its mission;

15 (4) the chartering authority's duties to the  
16 charter school and liabilities of the chartering authority as  
17 provided in Section 22-8B-5.3 NMSA 1978;

18 (5) a statement of admission policies and  
19 procedures;

20 (6) signed assurances from the charter  
21 school's governing body members regarding compliance with all  
22 federal and state laws governing organizational, programmatic  
23 and financial requirements applicable to charter schools;

24 (7) the criteria, processes and procedures  
25 that the chartering authority will use for ongoing oversight of

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1 operational, financial and academic performance of the charter  
2 school;

3 (8) a detailed description of how the  
4 chartering authority will use the withheld two percent of the  
5 school-generated program cost as provided in Section 22-8B-13  
6 NMSA 1978;

7 (9) the types and amounts of insurance  
8 liability coverage to be obtained by the charter school;

9 (10) the term of the contract;

10 (11) the process and criteria that the  
11 chartering authority intends to use to annually monitor and  
12 evaluate the fiscal, overall governance and student performance  
13 of the charter school, including the method that the chartering  
14 authority intends to use to conduct the evaluation as required  
15 by Section 22-8B-12 NMSA 1978;

16 (12) the dispute resolution processes agreed  
17 upon by the chartering authority and the charter school;  
18 provided that the processes shall, at a minimum, include:

19 (a) written notice of the intent to  
20 invoke the dispute resolution process, which notice shall  
21 include a description of the matter in dispute;

22 (b) a time limit for response to the  
23 notice and cure of the matter in dispute;

24 (c) a procedure for selection of a  
25 neutral third party to assist in resolving the dispute;

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1 (d) a process for apportionment of all  
2 costs related to the dispute resolution process; and

3 (e) a process for final resolution of  
4 the issue reviewed under the dispute resolution process;

5 (13) the criteria, procedures and time lines,  
6 agreed upon by the charter school and the chartering authority,  
7 addressing charter revocation and deficiencies found in the  
8 annual status report pursuant to the provisions of Section  
9 22-8B-12 NMSA 1978;

10 (14) if the charter school contracts with a  
11 third-party provider, the criteria and procedures for the  
12 chartering authority to review the provider's contract and the  
13 charter school's financial independence from the provider;

14 (15) all requests for release of the charter  
15 school from department rules or the Public School Code. Within  
16 ten days after the contract is approved by the local school  
17 board, any request for release from department rules or the  
18 Public School Code shall be delivered by the local school board  
19 to the department. If the department grants the request, it  
20 shall notify the local school board and the charter school of  
21 its decision. If the department denies the request, it shall  
22 notify the local school board and the charter school that the  
23 request is denied and specify the reasons for denial;

24 (16) an agreement that the charter school will  
25 participate in the public school insurance authority;

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1 (17) if the charter school is a state-  
2 chartered charter school, a process for qualification of and  
3 review of the school as a qualified board of finance and  
4 provisions for assurance that the school has satisfied any  
5 conditions imposed by the [~~commission~~] division;

6 (18) a listing of the charter school's  
7 nondiscretionary waivers; and

8 (19) any other information reasonably required  
9 by either party to the contract.

10 C. The process for revision or amendment to the  
11 terms of the charter contract shall be made only with the  
12 approval of the chartering authority and the governing body of  
13 the charter school. If they cannot agree, either party may  
14 appeal to the secretary as provided in Subsection A of this  
15 section."

16 SECTION 7. Section 22-8B-11 NMSA 1978 (being Laws 1999,  
17 Chapter 281, Section 11, as amended) is amended to read:

18 "22-8B-11. CHARTER SCHOOLS--MAXIMUM NUMBER  
19 ESTABLISHED.--

20 A. The [~~commission~~] division shall authorize the  
21 approval of start-up charter schools.

22 B. No more than fifteen start-up schools may be  
23 established per year statewide. The number of charter school  
24 slots remaining in that year shall be transferred to succeeding  
25 years up to a maximum of seventy-five start-up schools in any

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1 five-year period."

2 SECTION 8. Section 22-8B-16 NMSA 1978 (being Laws 2006,  
3 Chapter 94, Section 29) is amended to read:

4 "22-8B-16. [~~PUBLIC EDUCATION COMMISSION~~] CHARTER SCHOOLS  
5 DIVISION--POWERS AND DUTIES.--

6 A. The [~~commission~~] division shall receive  
7 applications for initial chartering and renewals of charters  
8 for charter schools that want to be chartered by the state and  
9 approve or disapprove those charter applications. The  
10 [~~commission~~] division may approve, deny, suspend or revoke the  
11 charter of a state-chartered charter school in accordance with  
12 the provisions of the Charter Schools Act. [~~The chartering~~  
13 ~~authority for a charter school existing on July 1, 2007 may be~~  
14 ~~transferred to the commission; provided, however, that if a~~  
15 ~~school chartered under a previous chartering authority chooses~~  
16 ~~to transfer its chartering authority, it shall continue to~~  
17 ~~operate under the provisions of that charter until its renewal~~  
18 ~~date unless it is suspended or revoked by the commission. An~~  
19 ~~application for a charter school filed with a local school~~  
20 ~~board prior to July 1, 2007, but not approved, may be~~  
21 ~~transferred to the commission on July 1, 2007.]~~

22 B. A state-chartered charter school that was  
23 chartered by or is in the process of being chartered by the  
24 public education commission on July 1, 2017 shall have the  
25 division as its chartering authority pursuant to the provisions

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1 of this 2017 act. Nothing in this 2017 act shall be deemed to  
2 change the substantive provisions of a state-chartered charter  
3 school's charter."

4 SECTION 9. Section 22-14-2 NMSA 1978 (being Laws 1967,  
5 Chapter 16, Section 192, as amended) is amended to read:

6 "22-14-2. VOCATIONAL EDUCATION--STATE GOVERNING  
7 AUTHORITY.--

8 A. The [~~commission~~] department is the governing  
9 authority and shall establish policies for the conduct of all  
10 programs of the state and state plans established relating to  
11 vocational education unless otherwise provided by law.

12 B. The [~~commission~~] department is the sole agency  
13 of the state for the administration or for the supervision of  
14 the administration of any state plan relating to vocational  
15 education or for any federal aid funds, except as may otherwise  
16 be provided by law.

17 [~~G. The commission may delegate to the department~~  
18 ~~its administrative functions relating to vocational~~  
19 ~~education.]"~~

20 SECTION 10. Section 22-14-3 NMSA 1978 (being Laws 1967,  
21 Chapter 16, Section 193, as amended) is amended to read:

22 "22-14-3. STATE AGENCY FOR VOCATIONAL EDUCATION--  
23 AUTHORITY.--The [~~commission~~] department is the sole agency of  
24 the state for the supervision of the administration of federal  
25 aid funds relating to vocational education. The [~~commission~~]

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[bracketed material] = delete

1 department may:

2 A. enter into an agreement with the appropriate  
3 federal agency to procure for the state the benefits of the  
4 federal statute;

5 B. establish a state plan, if required by the  
6 federal statute, that meets the requirements of the federal  
7 statute to qualify the state for the benefits of the federal  
8 statute;

9 C. provide for reports to be made to the federal  
10 agency as may be required;

11 D. provide for reports to be made to [~~the~~  
12 ~~commission or~~] the department from agencies receiving federal  
13 aid funds;

14 E. make surveys and studies in cooperation with  
15 other agencies to determine the needs of the state in the areas  
16 where the federal aid funds are to be applied;

17 F. establish standards to which agencies must  
18 conform in receiving federal aid funds;

19 G. give technical advice and assistance to any  
20 agency in connection with that agency obtaining federal aid  
21 funds;

22 H. coordinate as required by the federal agency  
23 with the state workforce development board; and

24 I. as required by the federal agency, make  
25 available a list of all school dropout, post-secondary and

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1 adult programs assisted pursuant to the state plan."

2 SECTION 11. Section 22-14-9 NMSA 1978 (being Laws 1967,  
3 Chapter 16, Section 198, as amended) is amended to read:

4 "22-14-9. CUSTODY OF FUNDS--BUDGETS--DISBURSEMENTS.--

5 A. The state treasurer shall be the custodian of  
6 all federal aid funds. The state treasurer shall hold these  
7 funds in separate accounts according to the purposes of the  
8 funds.

9 B. All state funds, federal aid funds or grants to  
10 the state relating to vocational education shall be budgeted  
11 and accounted for as provided by law and by the rules of the  
12 department of finance and administration. These funds or  
13 grants shall be disbursed by warrants of the department of  
14 finance and administration on vouchers issued by the director  
15 of the instructional support and vocational education division  
16 or the director's authorized representative.

17 C. All state funds, federal aid funds or grants to  
18 the state relating to vocational rehabilitation shall be  
19 budgeted and accounted for as provided by law and by the rules  
20 of the department of finance and administration. These funds  
21 or grants shall be disbursed by warrants of the department of  
22 finance and administration on vouchers issued by the director  
23 of [the] vocational rehabilitation [division] or the director's  
24 authorized representative.

25 D. All federal aid funds received by the state to

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~~[bracketed material] = delete~~

1 be used for vocational education or vocational rehabilitation  
2 programs may be expended in any succeeding year from the year  
3 received."

4 SECTION 12. TEMPORARY PROVISION--FUNCTIONS, PROPERTY,  
5 CONTRACTUAL OBLIGATIONS AND STATUTORY REFERENCES.--

6 A. All functions, records or other tangible  
7 personal property of the public education commission pertaining  
8 to its duties as chartering authority or vocational education  
9 administrator are transferred to the public education  
10 department.

11 B. All contractual obligations of the public  
12 education commission pertaining to its duties as chartering  
13 authority are transferred to the charter schools division of  
14 the public education department. All contractual obligations  
15 of the commission pertaining to its duties as vocational  
16 education administrator are transferred to the public education  
17 department.

18 C. All statutory or rule references to the public  
19 education commission pertaining to its duties as chartering  
20 authority are transferred to the charter schools division of  
21 the public education department. All statutory or rule  
22 references to the public education commission pertaining to its  
23 duties as vocational education administrator are transferred to  
24 the public education department.