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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/21/17

SPONSOR Adkins/Rue LAST UPDATED \_\_\_\_\_ HB 298

SHORT TITLE School District Reorganization Act SB \_\_\_\_\_

ANALYST Fernandez

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

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

Regional Education Cooperative (REC)

### SUMMARY

#### Synopsis of Bill

House Bill 298 enacts a new section of the Public School Code called the “School District Reorganization Act” requiring a school district with more than 40,000 students to reorganize based on a plan developed by the local school board and an appointed technical advisory committee. This bill also enacts a new section to provide for school-based budgets, requires administrative expenses of the associate superintendent be part of the central administration budget and the provisions of the School Personnel Act notwithstanding, allows an associate Superintendent to terminate or discharge licensed or unlicensed school employees based on the recommendation of the school principal.

### FISCAL IMPLICATIONS

According to PED, district costs would be incurred associated with developing and implementing a reorganization plan. The amount would depend on the actions of the technical advisory committee (TAC).

### SIGNIFICANT ISSUES

By July 1, 2017 the school board shall appoint a technical advisory committee (TAC) to develop

a plan to reorganize the school district with a student population greater than 40,000. Membership of the TAC includes the following: the local superintendent; the associate superintendents for elementary, middle and high schools; the chief financial officer of the school district; the director of the budget and strategic planning department; representatives of teacher and school employee unions; members of business and civic organizations focused on education; parents from parent-teacher organizations in elementary, middle and high schools; representatives of the municipality and county in which the district is located; and other interested members of the community and school district.

Meetings of the TAC shall be open to the public and have an opportunity for public input.

The TAC shall develop a reorganization plan for the school board's approval and hold school cluster and districtwide public feedback meetings in July and August, 2018 or earlier. The plan may be revised as necessary but should be ready for board review and approval by September 15, 2018. The 2018-2019 shall be the pilot year to implement the school district reorganization plan and it shall be fully implemented by the 2019-2020 school year.

HB298 enacts a new section of the Public School Code to set forth the reorganization structure of the new district, central administration departments, roles and responsibilities of the local Superintendent, school cluster organization; duties of the Associate Superintendent; accountability role of the Associate Superintendent; duties and responsibilities of the school Principal; requirements of a "school plan"; make-up of a public school's school-community team and the roles and responsibilities of the school-community team.

HB298 enacts a new section of the Public School Code to require the reorganized school district develop school-based budgets that rollup to the school cluster and school district levels and that administrative expenses of the associate superintendents be part of the central administration budget. This section also provides that the provisions of the School Personnel Act notwithstanding, an Associate Superintendent may terminate or discharge a licensed or unlicensed school employee based on the recommendations of the school principal and provides for an appeal process.

According to PED, the only district in the state with more than forty thousand (40,000) students is Albuquerque Public Schools (APS).

PED provides the following information:

A number of studies conducted on various large districts around the country point to improvements in student achievement as a result of reorganization into smaller districts. It appears that students in districts with fewer students tend to perform better on average on standardized tests than larger districts. It is also noted that smaller districts are more in tune with local issues and are better poised to address issues related to student learning including issues related to poverty and transience. This lack of focus and understanding of student need is evident when data from the APS website is analyzed. High schools with higher levels of poverty, mobility, English Language Learners and special education students receive about the same level of funding as those with much lower populations of these high-needs students. Smaller districts, more in tune with student needs will be more nimble in identifying student needs and have a much better focus on addressing this issue.