

AN ACT

RELATING TO PUBLIC SCHOOLS; CREATING FUNDS; CHANGING PURPOSES OF FUNDS; ESTABLISHING A CONSORTIUM; ENACTING THE EDUCATION REFORM APPROPRIATION ACT; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. Section 22-2-6.12 NMSA 1978 (being Laws 2000 (2nd S.S.), Chapter 14, Section 2) is amended to read:

"22-2-6.12. PUBLIC SCHOOL READING PROFICIENCY FUND--
CREATED.--

A. The "public school reading proficiency fund" is created in the state treasury. The fund shall consist of appropriations, gifts, grants and donations. The fund shall be administered by the department, and money in the fund is appropriated to the department to distribute awards to public schools that implement innovative, research-based reading programs and to provide staff development programs to train teachers to teach reading. Money from the fund shall not be used by the department or school districts for administration.

B. Prior to the 2001-2002 school year, the department shall develop procedures and rules for applications to and expenditures from the public school

reading proficiency fund, including criteria upon which to evaluate innovative, research-based reading programs and related staff development programs. Schools receiving funds shall show evidence that they are using quality, research-based reading programs to improve reading proficiency and shall develop individualized reading plans for students who fail to meet grade level reading proficiency standards.

C. The department shall identify appropriate teaching models to train teachers to teach reading and writing, particularly to those students who cannot read at grade level. The models shall have demonstrated success in providing teachers with the knowledge and skills needed to increase student achievement in reading and writing. The department shall provide technical assistance to school districts, including providing trainers to teach the appropriate models.

D. Disbursements of the public school reading proficiency fund shall be made by warrant of the department of finance and administration pursuant to vouchers signed by the state superintendent. Any unexpended or unencumbered balance remaining in the fund at the end of any fiscal year shall not revert to any other fund but shall remain to the credit of the fund."

Section 2. A new section of the Public School Code, Section 22-2C-6 NMSA 1978 is enacted to read:

"22-2C-6. ENTERPRISE ACTIVITIES--ACCOUNTS.--

A. A center may develop and offer an enterprise activity to any school district in the state and may charge participating school districts for the activity. A school district is not required to purchase an enterprise activity from any center.

B. A "regional service center enterprise fund" is established in the state treasury for each center. Money received from enterprise activities shall be accounted for separately and shall be deposited in the center's regional service center enterprise fund. The income from investment of the fund shall be credited to the fund, and money in the fund shall not revert to the general fund at the end of any fiscal year. Money in the fund is appropriated to the center and shall be distributed on warrants issued by the department of finance and administration pursuant to vouchers signed by the director or his authorized representative. "

Section 3. A new section of the Public School Code, Section 22-13C-5 NMSA 1978, is enacted to read:

"22-13C-5. PROBATIONARY SCHOOL INTERVENTION FUND
CREATED. --

A. The "probationary school intervention fund" is created in the state treasury. The fund shall consist of money appropriated to the fund, earnings from investment of the fund, federal funds available for the purposes of the fund and other gifts, grants and donations. The money in

the fund shall not revert to any other fund at the end of a fiscal year. The department shall administer the fund, and money in the fund is appropriated to the department to carry out the purposes of the Probationary School Intervention Act. No more than three percent of the fund may be used by the department to cover administrative costs. Money in the fund shall be expended upon warrant of the secretary of finance and administration pursuant to vouchers signed by the state superintendent or his authorized representative.

B. The department may provide grants from the fund based on approved applications from probationary schools. Grants shall be provided directly to the probationary school, and the money shall be used solely for expenditures approved in the application. "

Section 4. A new section of the Public School Code is enacted to read:

"FAMILY AND YOUTH RESOURCE FUND. --The "family and youth resource fund" is created in the state treasury. The fund shall consist of appropriations, gifts, grants, donations and earnings from investment of the fund. The fund shall not be transferred to any other fund at the end of a fiscal year. The fund shall be administered by the department, and money in the fund is appropriated to the department to carry out the purposes of the Family and Youth Resource Act. Money in the fund shall be disbursed on warrants issued by the secretary of finance and administration pursuant to

vouchers signed by the state superintendent or his authorized representative. "

Section 5. A new section of the Public School Code is enacted to read:

"HIGH SCHOOL CORE CURRICULA TESTS--DEVELOPMENT. --

A. The colleges of education at New Mexico's universities shall form a consortium to develop criterion-referenced end-of-course tests for a designated core of high school subject areas that are required for graduation, including algebra 1, geometry, English 10, United States history and biology. The tests shall be completed and ready to administer before the end of the 2002-2003 school year.

B. The consortium shall work closely with:

(1) the department to determine the subject areas to be tested and the order of tests to be developed; and

(2) the department, public school personnel and other interested persons in the development of the criterion-referenced tests.

C. The consortium may charge a reasonable fee to administer and score the tests. Money collected from the fee may be used by the consortium to continue to improve and update the tests. "

Section 6. SHORT TITLE.--Sections 6 through 12 of this act may be cited as the "Education Reform Appropriation Act".

Section 7. TEACHER IMPROVEMENT APPROPRIATIONS. --

A. One hundred twenty thousand dollars (\$120,000) is appropriated from the general fund to the legislative education study committee for expenditure in fiscal years 2001 and 2002 to work in collaboration with the state department of public education to contract for an independent study of the impact of the new professional educator licensing and salary system on the instructional staff training and experience index in the state equalization guarantee distribution and the educational retirement system. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

B. The following amounts are appropriated from the general fund to the state department of public education for expenditure in fiscal year 2002 unless otherwise specified for the purposes stated, and any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund:

(1) one million two hundred thousand dollars (\$1,200,000) for the statewide teacher mentorship program for beginning teachers. The department shall distribute funds to first-year local school districts based on the number of first-year participants in the teacher mentorship program in each school district; and

(2) eight million nine hundred fifty-six

thousand five hundred dollars (\$8,956,500) to provide an equivalent of two additional days for professional development for teachers.

C. Three million dollars (\$3,000,000) is appropriated from the general fund to the state department of public education for expenditure in fiscal years 2001 and 2002 to fund a voluntary teacher incentive pay pilot program. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

Section 8. STUDENT IMPROVEMENT APPROPRIATIONS. --

A. Five million five hundred thousand dollars (\$5,500,000) is appropriated from the general fund to the state department of public education for expenditure in fiscal year 2002 to pay teachers to teach intensive summer education programs for students in need of assistance. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

B. Three million two hundred fifty thousand dollars (\$3,250,000) is appropriated from the general fund to the family and youth resource fund for expenditure in fiscal year 2002 to carry out the purposes of the Family and Youth Resource Act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

C. One million dollars (\$1,000,000) is

appropriated from the general fund to the reading proficiency fund for expenditure in fiscal year 2001 and subsequent fiscal years to carry out the purposes of the fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

Section 9. ACCOUNTABILITY APPROPRIATIONS. -- The following amounts are appropriated from the general fund to the state department of public education for expenditure in fiscal years 2001 and 2002 unless otherwise specified for the purposes stated, and any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund unless otherwise specified:

A. two hundred twenty thousand dollars (\$220,000) for expenditure in fiscal year 2002 to expand the writing assessment program by two grades and to score writing portfolios in accordance with the language arts performance standard rubric or the New Mexico writing portfolio rubric;

B. three hundred seventy-five thousand dollars (\$375,000) for expenditure in fiscal years 2001 through 2003 to contract with a consortium of colleges of education to develop high school criterion-referenced end-of-course tests, and any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund;

C. sixty thousand dollars (\$60,000) to create,

with parent and student involvement, parent and student charters enumerating parental and student responsibilities for student achievement;

D. eight million dollars (\$8,000,000) for expenditure in fiscal years 2001 through 2003 to develop criterion-referenced testing in four content areas, and any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund;

E. one million dollars (\$1,000,000) to purchase commercially available criterion-referenced end-of-course tests for designated core high school courses required for graduation; and

F. six hundred thousand dollars (\$600,000) to the probationary school intervention fund for expenditure in fiscal year 2001 and subsequent fiscal years to carry out the purposes of the Probationary School Intervention Act.

Section 10. EARLY INTERVENTION APPROPRIATIONS. -- The following amounts are appropriated from the general fund to the department of health for expenditure in fiscal years 2001 and 2002 for the following purposes, and any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund:

A. two hundred fifty thousand dollars (\$250,000) for expenditure in fiscal years 2001 and 2002 for grants to local school districts currently working with their local department of health offices to provide voluntary home

visiting programs; and

B. eighty thousand dollars (\$80,000) for expenditure in fiscal year 2002 to develop and provide for four training programs for best practice in family development home visiting services in locations accessible to providers statewide in conjunction with the state department of public education, the children, youth and families department and the human services department.

Section 11. DEPARTMENT APPROPRIATIONS. -- The following amounts are appropriated from the general fund to the state department of public education for expenditure in fiscal years 2001 and 2002 unless otherwise specified for the purposes stated, and any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund:

A. two hundred thousand dollars (\$200,000) to staff the school performance standards and assessments council and to accelerate the continued development of educational standards and assessments;

B. twenty thousand dollars (\$20,000) to staff the education regulation review task force;

C. one hundred thousand dollars (\$100,000) for expenditure in fiscal year 2002 to staff the family and youth resource advisory committee and to carry out the purposes of the Family and Youth Resource Act;

D. two million seven hundred fifty-five thousand

dollars (\$2,755,000) to public schools that are participating in a rapid response intervention pilot project designed to test the efficacy of focusing state resources on those public schools in need of improvement that have five percent or higher Native American student populations. The appropriation shall be used by the department to conduct reading, writing and professional development needs assessments and for grants to participating public schools; and

E. three million five hundred thousand dollars (\$3,500,000) for expenditure in fiscal year 2002 to continue the rapid response intervention pilot project if the federal government fails to allow the state to calculate disparity on the unit value instead of the per MEM value. If the federal government allows the state to calculate the impact aid disparity on the unit value instead of the MEM value and House Appropriations and Finance Committee Substitute for House Bill 949 of the first session of the forty-fifth legislature or similar legislation is enacted into law, this appropriation shall be transferred to the state equalization guarantee distribution to fund the impact aid credit reduction provided for in that law.

Section 12. PERMANENT FUND ECONOMIC STUDY
APPROPRIATION. --

A. One hundred fifty thousand dollars (\$150,000) is appropriated from the general fund to the legislative

council service for expenditure in fiscal years 2001 and 2002 for an economic and fiscal impact study of the state's permanent funds. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

B. The legislative council service shall coordinate the study with the state investment council and the state department of public education to conduct a broad-based economic and fiscal impact study of the current state policies underlying the accumulation of public funds into permanent funds and the distribution of amounts from the funds based on a policy of ensuring the long-term real value of the distributions from the funds in relation to the state's operating budget. The study shall:

(1) include an economic and fiscal analysis of the costs and benefits to the state of increasing the distributions from the state's permanent funds and investing that money in programs that will improve the quality of education in New Mexico;

(2) quantify the potential economic gains of investing in human resources of the state through improved education compared to investing the money in financial assets with immediate financial returns to the state; and

(3) measure the direct and indirect effect of such investment on the state's revenue base and its

expenditure needs.

Section 13. FEDERAL IMPACT AID STUDY. -- One hundred fifty thousand dollars (\$150,000) is appropriated from the general fund to the legislative council service for expenditure in fiscal year 2002 to contract for a study of impact aid funding of public schools and the state equalization guarantee funding formula. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

Section 14. EMERGENCY. -- It is necessary for the public peace, health and safety that this act take effect immediately. _____