

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 307

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

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 [state] department [of public  
education], and money in the fund is appropriated to the

1 department to distribute awards to ~~[local]~~ public schools that  
2 implement innovative, research-based reading programs and to  
3 provide staff development programs to train teachers to teach  
4 reading. Money from the fund shall not be used by the  
5 department or school districts for administration.

6 B. Prior to the 2001-2002 school year, the [state]  
7 department [of public education] shall develop procedures and  
8 rules for [the application] applications to and [award of  
9 money] expenditures from the public school reading proficiency  
10 fund, including criteria upon which to evaluate innovative,  
11 research-based reading programs and related staff development  
12 programs.

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

22 D. Disbursements of the public school reading  
23 proficiency fund shall be made by warrant of the department of  
24 finance and administration pursuant to vouchers signed by the  
25 state superintendent [of public instruction]. Any unexpended

1 or unencumbered balance remaining in the fund at the end of  
2 any fiscal year shall not revert to any other fund but shall  
3 remain to the credit of the fund. "

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

6 "22-2C-6. [NEW MATERIAL] ENTERPRISE ACTIVITIES--  
7 ACCOUNTS. --

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

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

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

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1 "22- 13C- 5. [NEW MATERIAL] PROBATIONARY SCHOOL  
2 INTERVENTION FUND CREATED. --

3 A. The "probationary school intervention fund" is  
4 created in the state treasury. The fund shall consist of  
5 money appropriated to the fund, earnings from investment of  
6 the fund, federal funds available for the purposes of the fund  
7 and other gifts, grants and donations. The money in the fund  
8 shall not revert to any other fund at the end of a fiscal  
9 year. The department shall administer the fund, and money in  
10 the fund is appropriated to the department to carry out the  
11 purposes of the Probationary School Intervention Act. No more  
12 than three percent of the fund may be used by the department  
13 to cover administrative costs. Money in the fund shall be  
14 expended upon warrant of the secretary of finance and  
15 administration pursuant to vouchers signed by the state  
16 superintendent or his authorized representative.

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

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

24 "[NEW MATERIAL] FAMILY AND YOUTH RESOURCE FUND. --The  
25 "family and youth resource fund" is created in the state

1 treasury. The fund shall consist of appropriations, gifts,  
 2 grants, donations and earnings from investment of the fund.  
 3 The fund shall not be transferred to any other fund at the end  
 4 of a fiscal year. The fund shall be administered by the  
 5 department, and money in the fund is appropriated to the  
 6 department to carry out the purposes of the Family and Youth  
 7 Resource Act. Money in the fund shall be disbursed on  
 8 warrants issued by the secretary of finance and administration  
 9 pursuant to vouchers signed by the state superintendent or his  
 10 authorized representative. "

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

13 "[NEW MATERIAL] HIGH SCHOOL CORE CURRICULA TESTS--  
 14 DEVELOPMENT. --

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

22 B. The consortium shall work closely with:

- 23 (1) the department to determine the subject  
 24 areas to be tested and the order of tests to be developed; and  
 25 (2) the department, public school personnel

1 and other interested persons in the development of the  
2 criterion-referenced tests.

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

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

9 Section 7. TEACHER IMPROVEMENT APPROPRIATIONS. --

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

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

1 to the general fund:

2 (1) one million two hundred thousand dollars  
 3 (\$1,200,000) for the statewide teacher mentorship program for  
 4 beginning teachers. The department shall distribute funds to  
 5 first-year local school districts based on the number of  
 6 first-year participants in the teacher mentorship program in  
 7 each school district; and

8 (2) eight million nine hundred fifty-six  
 9 thousand five hundred dollars (\$8,956,500) to provide an  
 10 equivalent of two additional days for professional development  
 11 for teachers.

12 Section 8. STUDENT IMPROVEMENT APPROPRIATIONS. --

13 A. One million five hundred thousand dollars  
 14 (\$1,500,000) is appropriated from the general fund to the  
 15 state department of public education for expenditure in fiscal  
 16 year 2002 to pay teachers to teach intensive summer education  
 17 programs for students in need of assistance. Any unexpended  
 18 or unencumbered balance remaining at the end of fiscal year  
 19 2002 shall revert to the general fund.

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

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1 general fund.

2 Section 9. ACCOUNTABILITY APPROPRIATIONS. -- The following  
3 amounts are appropriated from the general fund to the state  
4 department of public education for expenditure in fiscal years  
5 2001 and 2002 unless otherwise specified for the purposes  
6 stated, and any unexpended or unencumbered balance remaining  
7 at the end of fiscal year 2002 shall revert to the general  
8 fund unless otherwise specified:

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

14 B. three hundred seventy-five thousand dollars  
15 (\$375,000) for expenditure in fiscal years 2001 through 2003  
16 to contract with a consortium of colleges of education to  
17 develop high school criterion-referenced end-of-course tests,  
18 and any unexpended or unencumbered balance remaining at the  
19 end of fiscal year 2003 shall revert to the general fund; and

20 C. sixty thousand dollars (\$60,000) to create,  
21 with parent and student involvement, parent and student  
22 charters enumerating parental and student responsibilities for  
23 student achievement.

24 Section 10. EARLY INTERVENTION APPROPRIATIONS. -- The  
25 following amounts are appropriated from the general fund to



1 the department of health for expenditure in fiscal years 2001  
2 and 2002 for the following purposes, and any unexpended or  
3 unencumbered balance remaining at the end of fiscal year 2002  
4 shall revert to the general fund:

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

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

17 Section 11. DEPARTMENT APPROPRIATIONS. --The following  
18 amounts are appropriated from the general fund to the state  
19 department of public education for expenditure in fiscal years  
20 2001 and 2002 unless otherwise specified for the purposes  
21 stated, and any unexpended or unencumbered balance remaining  
22 at the end of fiscal year 2002 shall revert to the general  
23 fund:

24 A. two hundred thousand dollars (\$200,000) to  
25 staff the school performance standards and assessments council

1 and to accelerate the continued development of educational  
2 standards and assessments;

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

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

9 Section 12. PERMANENT FUND ECONOMIC STUDY  
10 APPROPRIATION. --

11 A. One hundred fifty thousand dollars (\$150,000)  
12 is appropriated from the general fund to the legislative  
13 council service for expenditure in fiscal years 2001 and 2002  
14 for an economic and fiscal impact study of the state's  
15 permanent funds. Any unexpended or unencumbered balance  
16 remaining at the end of fiscal year 2002 shall revert to the  
17 general fund.

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

1 operating budget. The study shall:

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

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

11 (3) measure the direct and indirect effect of  
12 such investment on the state's revenue base and its  
13 expenditure needs.

14 Section 13. EMERGENCY.--It is necessary for the public  
15 peace, health and safety that this act take effect  
16 immediately.