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FISCAL IMPACT REPORT

SPONSOR: Boitano DATE TYPED: 02/17/01 HB _____
 SHORT TITLE: Consider Charter Schools for Capital Outlay SB 433
 ANALYST: Kehoe

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | | See Fiscal Narrative | | | |

(Parenthesis () Indicate Expenditure Decreases)

SUMMARY

Synopsis of Bill

Senate Bill 433 amends the Public School Capital Outlay Act to require that the Public School Capital Outlay Council (PSCOC) consider charter schools when approving applications for capital outlay projects. If an application by a local school district does not include the capital needs of charter schools, the district must demonstrate that the charter schools capital needs are not as great as the capital needs in the district.

Significant Issues

Current law (22-8B-1 to 22-8B-15 NMSA 1978) defines the relationship between charter schools and the local school district and stipulates conditions by which a charter school may negotiate with a local school district for capital expenditures. Charter schools are not currently required to pay rent for space in school district facilities, provided the facilities can be made available at no cost to the district.

A charter school stimulus fund provides financial support to charter schools for initial start-up costs and costs associated with renovating or remodeling existing buildings or structures. However, the stimulus fund is intended for initial start-up costs and may or may not include ongoing capital outlay needs. Current law states that “all costs for the operation and maintenance of the facilities used by the charter school shall be subject to negotiation between the charter school and the district.”

FISCAL IMPLICATIONS

Senate Bill 433 -- Page 2

Senate Bill 433 does not contain an appropriation. However, an increase in the number of schools eligible for critical capital outlay funding may reduce future allocation levels. The SDE provides staff support to the PSCOC, including site visits to school district's to assess PSCOC applications. Senate Bill 433 may impact the travel and operation budgets of the SDE.

POSSIBLE QUESTIONS

1. Are all charter schools located on property owned by the local school district?
2. If charter schools are housed at other than a property owned by a local governmental entity, would allocating state funds for non-government facilities violate the state's anti-donation clause?
3. Has a recent assessment been made of the needs of existing charter schools? If so, what is the projected cost of the school's capital needs?

LMK/ar