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## FISCAL IMPACT REPORT

SPONSOR Vigil DATE TYPED 3-3-05 HB 923

SHORT TITLE Additional Program Units for Certain Students SB \_\_\_\_\_

ANALYST Segura

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$0.1 Significant	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 923 amends Section 22-8-18 NMSA 1978, Program Cost Calculation. The amendment would add program units for school districts that have school and charter school students participating in extracurricular.

#### Significant Issues

House Bill 923 proposes to enact new sections of law to allow home school student and charter school student participation in public school extracurricular activities.

According to PED, the number of home school and charter school activities program units is calculated by multiplying the MEM of home school and charter school students participating in the school district extracurricular activities by a factor of .1.

Eligible charter school students would be permitted to participate in either the public school in the attendance zone in which the student lives or in which the student's charter school is located; the student may chose only one public school.

## **PERFORMANCE IMPLICATIONS**

PED indicates that the bill supports the core performance measure of implementation of education reform initiatives.

## **FISCAL IMPLICATIONS**

House Bill 923 does not contain an appropriation. PED indicates that the bill will allow school districts to generate additional program units and receive additional program cost. There are approximately 6,600 charter school students in grades 7-12 and approximately 6,000 home school students. Assuming 25% of charter school and home school students participate in extracurricular activities at a cost factor of .1 with the current unit value of \$3,068.7, the cost is estimated to be \$966.0.

Education reform may require the expenditures of at least an additional \$26 million in FY07 as follows: \$16 million for raising minimum salaries of level 3-A teachers to \$45,000; \$4 million for pre-kindergarten; and \$6 million for fine arts. These will be in addition to expected increased costs for opening the doors (fixed costs, insurance, enrollment growth, and increased employer contributions to the educational retirement fund) which could be another \$35 million. In addition, \$4 million is needed for increased employer contributions to educational retirement fund from higher education institutions. It may be prudent to avoid additional commitments to recurring appropriations in future fiscal years.

## **ADMINISTRATIVE IMPLICATIONS**

PED indicates that the calculation of the State Equalization Guarantee Funding Formula would need to be reprogrammed.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 923 relates to HB-249 and HB-668 and duplicates SB-789

RS/lg:yr