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FISCAL IMPACT REPORT

SPONSOR HEC DATE TYPED 3/18/05 HB 1101/HECS/HFI#1

SHORT TITLE Public Peace, Health, Safety and Welfare SB _____

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

Related to HB 510, HB 668, HB 910 and HB 923

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Floor amendment #1 to House Education Committee substitute for House Bill 1101 deletes individual class load and teaching load from the provisions which a charter school is automatically exempt.

Synopsis of Original Bill

The House Education Committee substitute for House Bill 1101 enacts a new section of the Public School Code entitled the “Charter School District Act of 2005.”

Section 2: Definition: defines a charter school district as an existing school district that operates under a charter approved by PED that is nonreligious, does not charge tuition and does not have additional admission requirements.

Section 3: Charter School District Application Requirements—Process: requires the local school board to hold at least two public hearings on an application for to become a charter school district including notifications to principals of schools in the district for notification to families

that are enrolled in schools. The local school board shall vote to approve the final application before it is submitted to PED. In addition, at least 65 percent of the employees must sign a petition in support of being a charter school district. PED rules will define the process and requirement for processing the application and as a minimum a public hearing will be held. Not more than nine charter school districts will be approved—three small, three medium, and three large. PED shall disapprove an application if it determines it is not in the “best interest of the students, the school district or the community.”

Section 4: Charter Contract: the contract period shall be for five years and may be revised at any time by PED or the school district. The charter shall include seven provisions spelled out on pages 4 and 5 of the bill. A key provision is the charter school district shall be accountable for ensuring compliance with its charter and applicable state and federal laws.

Section 5: Charter School District Responsibilities—Exemptions for Public School Code: exempts charter school districts from individual class load, teaching load, length of school day, staffing patterns, subject areas and instructional materials. The department may waive other requirements.

Section 6: Renewal of Charter: the charter is for five years and the local school board shall hold a public hearing to adopt a resolution to submit an application for renewal. The application shall address a minimum of six areas as outlined on page 7 of the bill.

Section 7: Evaluation—Grounds for Nonrenewal, Probation or Revocation of Charter: the application will be revoked or the school district placed upon probationary status if the district is not in compliance with the charter or state and/or federal laws.

Section 8: Report to the Legislative Education Study Committee and the Governor: requires an annual report in December on the progress of each charter school district in achieving the goals of the charter.

Section 9: Repeal: repeals Sections 22-8C-1 through 22-8C-7 and 22-8D-1 through 22-8D-7 NMSA 1978.

Significant Issues

According to PED there are no charter school districts. Rio Rancho Public School’s charter school status expired on June 30, 2004 and Jemez Valley Public Schools voluntarily ended its charter district status after three years of operation.

FISCAL IMPLICATIONS

PED states the bill appears to have no impact on a charter school district’s state equalization guarantee allocation. However, the bill would require PED increase programmatic duties and oversight responsibilities.

ADMINISTRATIVE IMPLICATIONS

The bill requires PED to promulgate rules for the application process, renewal process and determination of size definitions.

ALTERNATIVES

PED suggests the issue be considered for a memorial so the issue can be thoroughly studied by LESC during the interim.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

According to PED, the Charter School District Act sunsets in June 2005 and charter school districts will not be an option for local school districts.

GAC/yr