

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/06
 SPONSOR King LAST UPDATED 2/14/06 HB 749/aHEC
 SHORT TITLE Estancia Learning Center Charter School SB _____
 ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$400.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Public Education Department (PED)

SUMMARY

Synopsis of HEC Amendments

The House Education Committee amendments to House Bill 749 provide that PED is to utilize the appropriation contained in this bill to establish alternative programs to assist youth at risk in Estancia (rather than create a charter school). The amendments address a technical issue raised by PED with regard to the original language.

Synopsis of Bill

House Bill 749 appropriates \$400,000 from the general fund to the Public Education Department for the Estancia Municipal Schools to establish the learning center, a charter school.

FISCAL IMPLICATIONS

The appropriation of \$400,000 contained in this bill is apparently intended only for first-year start-up costs for the proposed learning center and, therefore, has been identified as a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

PED indicates that the Estancia Municipal Schools may not plan to establish the learning center as a charter school.

ADMINISTRATIVE IMPLICATIONS

The bill appropriates funding to the PED, which would flow the money to the Estancia Municipal Schools. No significant administrative impact is apparent.

TECHNICAL ISSUES

The language in the bill describes the establishment of a “charter” school; however, PED reports that the district does not intend to open this school as a charter school. If this is the case, the language on line 19 should be amended to delete the clause “, a charter school”.

OTHER SUBSTANTIVE ISSUES

PED provided information indicating that:

- Estancia Municipal Schools is interested in creating an alternative school for high school students.
- Alternative schools and programs serve students who are at risk of dropping out of school for any number of reasons, including poor grades, truancy, suspension and pregnancy.
- Currently, the district is serving students in an alternative program at the high school, but demand exceeds capacity.
- The general language of the bill appropriates funding for the establishment of a school with no restrictions as to its purpose, curriculum or grades it will serve.
- The district intends to use funding for start-up costs including instructional materials, supplies, and staff; thereafter the district intends to rely on SEG and instructional materials funding that are based on prior year’s MEM.
- Newly established charter schools in 2005-06 receive an average start-up funding of \$75.0 (additional federal stimulus funds are an additional \$150.0 for a total of \$225.0 start-up).

DKE/mt