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FISCAL IMPACT REPORT

ORIGINAL DATE 2/18/2008
 SPONSOR HEC LAST UPDATED 3/07/2007 HB CS/201/aSEC
 SHORT TITLE Cyber Academy Act SB _____
 ANALYST Aguilar

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		** Indeterminate			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

**** See Fiscal Implications**

Duplicates SB 209/SECS
 Relates to HB 62
 Relates to appropriations in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Public Education Department (PED)
 Office of the Chief Information Officer (OCIO)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to House Education Committee Substitute for House Bill 201 provides for students that are enrolled for less than one-half of the minimum course requirements to participate in the statewide cyber academy by paying not more than 35 percent of the current unit value per curricular unit.

FISCAL IMPLICATIONS

The final unit value for the 2006-2007 school year is \$3,446.44. Based on this rate and assuming six curricular units per year, it is estimated that the students affected by this amendment would pay \$201.04 per class taken.

In general it appears this amendment will primarily apply to home school students.

TECHNICAL ISSUES

While the amendment provides for students that are enrolled for less than one-half of the minimum course requirements to participate in the statewide cyber academy by paying not more than 35 percent of the current unit value per curricular unit it does not direct to what entity these payments should be made and how the funds should be distributed.

Synopsis of Original Bill

The House Education Committee Substitute for House Bill 201 creates the Statewide Cyber Academy and provides for the duties of the cyber academy; provides for enrollment requirements; and provides that students shall only be counted in their primary enrolling district for determining membership.

The committee substitute also directs that one of the regional hosts for FY08 will be a network developed by Regional Educational Cooperatives three, eight and nine and provides for a performance evaluation of the network.

The committee substitute makes technical changes to language in the duties of the Council on Technology in Education and includes the development of a statewide cyber academy plan. The committee substitute also makes changes to the allocation process for funds from the educational technology deficiency correction fund.

The committee substitute also provides a methodology for the replacement of obsolete computers in schools.

FISCAL IMPLICATIONS

HB 201/HECS does not contain an appropriation however language in the bill provides for the statewide cyber academy to “ensure that all deficiencies in the infrastructure, hardware and software in the statewide cyber academy are corrected in accordance with the educational technology adequacy standards pursuant to Section 22-15A-11 NMSA 1978”. It is not clear if this language is requiring the statewide cyber academy to correct deficiencies immediately or if this can be implemented as funding is appropriated for this purpose. If the requirement is for immediate deficiency corrections, funding is not provided in the bill causing an unfunded mandate to occur.

SIGNIFICANT ISSUES

HB 201/HECS provides that the statewide cyber academy is created as a collaborative program among PED, HED, telecommunications networks and representative of other state agencies engaged in providing distance education.

PED is charged with promulgating rules for implementing the statewide cyber academy act.

The statewide cyber academy is charged with:

- Establishing a distance learning course delivery system;
- Selecting regional hosts based on pre-existing experience and capacity;
- Providing technical and program support;

- Ensuring that all distance learning courses are taught by highly qualified teacher or members of accredited post-secondary educational institutions;
- Ensuring that all courses offered meet state content and performance standards;
- Providing for reasonable and equitable means of allocating the costs of distance learning; and,
- Prioritizing the delivery of distance learning courses and providing that for FY08, students served by RECs three, eight and nine are selected.

As noted under fiscal implications, the cyber academy is charged with ensuring that all deficiencies are corrected.

HB 201/HECS specifically provide that the statewide cyber academy shall comply with all rules governing privacy and confidentiality of student records for secure storage.

The committee substitute addresses specific issues relating to distance learning students by providing that:

- A student must be enrolled in a public school or state supported school;
- A distance learning student shall only be counted in the student's primary enrolling district for the purpose of determining the membership used to calculate a school district's distribution from the SEG.
- Home school students may participate if they are enrolled for one-half or more of the minimum course requirements in the school district in which the student resides;
- Students enrolled in nonpublic schools and students detained in or committed to a juvenile detention facility may also participate if the school or facility in which the student is enrolled enters into a contract with the school district in which the school or facility is located.

The committee substitute provides for an evaluation of a network developed by regional educational cooperatives three, eight and nine and designated as a regional host facility for FY08.

The committee substitute also expands the duties of the Council on Technology in Education to include on-site programs as well as distance learning and provides for the development of a statewide cyber academy plan that states the short and long range goals for distance learning.

The committee substitute also makes changes to the allocation process for funds from the educational technology deficiency correction fund providing for a review and approval process as well as coordinating and consulting with the Public School Facilities Authority.

The committee substitute also specifies criteria to be used in determining allocations for the replacement of obsolete computers and network devices.

TECHNICAL ISSUES

Please see notes under fiscal implications.