

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 and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE
SPONSOR Rehm **LAST UPDATED** 1/28/17 **HB** 70

SHORT TITLE Local School Superintendent Criteria **SB** _____

ANALYST Fernandez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public School Insurance Authority (PSIA)

Educational Retirement Board (ERB)

No Response

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 70 amends the Public School Code as follows:

- To require local school boards to screen, conduct comprehensive background checks on and rank applicants for the position of local superintendent;
- To determine or change the superintendent’s job duties to serve the needs of the school district, supervise the superintendent and conduct performance evaluations of the superintendent; and
- To add a new section to the Public School Code that requires specific criteria to be included in local superintendent employment contracts.

FISCAL IMPLICATIONS

Based on previous analyses submitted by PED for similar bills, the department indicated the possibility that the provisions in the bill will ensure that fewer public funds are used for

superintendent severance packages. Since the Albuquerque Public School (APS) district is the largest district in the state, they would be most affected. Over the last few years, APS has had the largest contract buyouts and severance pay packages.

While there would not be a direct savings to the general fund, an assumption could be made that the savings from expensive severance packages and buyouts could be redirected toward other student and local district needs.

SIGNIFICANT ISSUES

This bill requires local school boards to have written employment contracts for local superintendents and that they include the following terms:

- Total compensation amounts – both salary and a list of benefits;
- The minimum duties and performance requirements expected of the local superintendent;
- Dates of employment, not to exceed two years;
- A performance evaluation component;
- Terms of contract renewal;
- Conditions of termination, including criteria for “just cause”; and
- A provision for a local superintendent to request a hearing.

If a local school board renews a local superintendent’s employment contract, the renewal must be executed no earlier than six months prior to the end of a contract period and must include the first three items listed above and the term shall not exceed two years.

Termination of a local superintendent’s employment may occur at the end of the contract period, with no severance pay.

Termination of a local superintendent’s employment may occur during the contract period with at least eight weeks notice of resignation by the local superintendent with no severance pay, or by a decision of a majority of the members of the local school board at a public meeting that determines the employment contract be terminated.

Termination may occur during the contract period without cause, with a determination of the amount of severance pay, if any, not to exceed eight weeks’ salary. Prior to any severance pay, the superintendent must execute a release of claim agreement.

Termination may occur during the contract period for just cause, with no severance pay. Just cause shall be determined by the local school board and may include one or more of the 15 items listed in Subsection G of the bill.

A superintendent terminated for cause may request a hearing by the local school board to review its determination. A local superintendent may file an appeal within 30 days to the Secretary of Public Education.

PERFORMANCE IMPLICATIONS

This bill includes a provision that requires a performance evaluation of a local superintendent. The performance evaluation shall be conducted by the local school board at least twice during the first year of a new superintendent and at least once during each subsequent year. The evaluation must include a review of the quality of performance of job duties and the alignment of the local superintendent's job performance to the needs of the school district.

ADMINISTRATIVE IMPLICATIONS

ERB indicates that if this bill is enacted, there would be no effect on the ERB but school districts could have an increase in administrative duties due to an increase in vetting potential candidates for superintendent.

CF/jle