

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

N/A

Duplicates/Relates to Appropriation in the General Appropriation Act:

N/A

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 13 (SB13) - The State Tribal Education Compact (STEC) Schools Act - does not directly pertain to the New Mexico Department of Higher Education (NMHED) but may have an indirect impact. NMHED's analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

SB13 establishes a framework for creating state-tribal education compact schools in New Mexico. This legislation empowers New Mexico tribes, nations, and pueblos to develop and manage their own educational programs while receiving state and federal funding. Under the proposed legislation, the Public Education Department (PED) will establish an application and approval process for STEC schools, which will be initiated by the tribes, nations, or pueblos. Following application submissions, PED will then convene government-to-government meetings to consider these applications.

Under SB13, STEC schools will have the autonomy to create and control their own curriculum and educational programs. They will be exempt from most state statutes and rules regarding curriculum, assessment, and evaluation, with exceptions for licensed school employee background checks (Section 22-10A-5 NMSA 1978), termination and notification provisions (Section 22-10A-5.2), nondiscrimination laws, audit requirements, and the Open Meetings Act. These schools will be tuition-free, with enrollment priority given to tribal members and siblings of currently enrolled students.

To receive state or federal funding, STEC schools must report student enrollment to PED. Funding will be determined by the public-school funding formula and shall not revert. STEC schools may implement an Indian employment preference and prioritize admission of tribal members when program or facility capacity is not in high demand. As part of the implementation process, PED will promulgate rules for the STEC Schools Act and post each STEC on its website.

The bill is set to take effect on July 1, 2025.

FISCAL IMPLICATIONS

SB13 does not include a specific appropriation. Instead, funding for STEC Schools will be derived from the existing public school funding formula. At present, the exact cost of operating a STEC School remains undetermined.

SIGNIFICANT ISSUES

Since 2013, Washington state has been at the forefront of authorizing STEC schools through the passage of House Bill 1134 (HB1134, 2013-2014 Regular Session, Chapter 242, Laws of 2013). There are currently eight STEC schools in Washington with all the compact agreements published (<https://ospi.k12.wa.us/student-success/access-opportunity-education/native-education/state-tribal-education-compact-schools-stecs>). These STEC schools operate under compacts between the Office of the Superintendent of Public Instruction and either tribes or existing federal Bureau of Indian Education (BIE) schools. These agreements effectively authorize tribes to function as proxy education agencies or school districts, granting them significant autonomy in educational decision-making.

The STEC model has gained traction beyond Washington, with Alaska adopting similar legislation in 2022. Alaska's program allows five schools to participate in a state-tribal education pilot program. Like their Washington counterparts, these compact agreements provide tribes with the freedom to develop their own curriculum outside of traditional school district requirements (<https://education.alaska.gov/compacting>). These compact agreements allow for tribes to develop their own curriculum outside of school district requirements.

PERFORMANCE IMPLICATIONS

An established (STEC) School will:

- create a curriculum and conduct an education program controlled by a tribe, nation, or pueblo and is language and culture based
- employ licensed school employees or language-proficient employees
- comply with Section 22-10A-5 (licensed school employee background checks)

- comply with Section 22-10A-5.2 (termination and notifications provisions)
- comply with nondiscrimination laws, audits, and any statutes and rules made applicable pursuant to the STEC Schools Act
- be prohibited from engaging in sectarian practices in the school's education program, admissions, or employment policies or operations

An STEC school is required to report enrollment to PED for state and federal funding.

ADMINISTRATIVE IMPLICATIONS

PED will be required to establish comprehensive procedures for STEC schools by July 1, 2026. These procedures will include application and approval processes, negotiation procedures between PED and tribes, nations, or pueblos, timelines for compact approval or disapproval, and protocols for compact execution. When a tribe, nation, or pueblo submits an application, PED must convene a government-to-government meeting within ninety (90) days of receipt for consideration and negotiation. PED is also responsible for promulgating rules to implement the STEC Schools Act and must make all STECs publicly accessible by posting them on the PED website.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None at the time of analysis.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB13 were not passed, then State Tribal Education Compacts would not be allowable in New Mexico.

AMENDMENTS

N/A