

# **APS AND CHARTER SCHOOLS: WORKING TO MEET CAPITAL NEEDS**

**Presented to:**

**Public School Capital Outlay  
Oversight Task Force**

**Representative Rick Miera,  
Chair**

**October 5, 2011**

# PRESENTERS

- Paula Maes
  - President, APS Board of Education
- Martin Esquivel
  - Chairman, APS Finance and Audit Committees
- Brad Winter
  - Chief Operations Officer
- Diego Gallegos
  - Assistant Superintendent for Student and Community Support
- Mark Tolley
  - Director, Charter and Magnet Schools
- Carrie Robin Menapace
  - Legislative Liaison and Policy Analyst

# PRESENTATION OUTLINE

- Charter schools within Albuquerque Public Schools district boundaries
- Charter school facility requirements
- Memorandum of understanding between APS and locally-authorized charter schools
- Locally-authorized charter school facilities in the 2011-2016 APS Capital Master Plan strategy
- Charter school required inclusion in SB9 and HB33 resolutions and distribution of funds
- APS Board of Education Resolution, September 2011
- Questions for Discussion

# CHARTER SCHOOLS IN ALBUQUERQUE

- APS Board of Education authorized charter schools (a.k.a. locally-authorized charters):
  - 21
- Public Education Commission authorized charter schools (a.k.a. state-authorized charters):
  - 29
  - 5 schools just authorized by PEC
    - Open in Fall 2012
- **Total charter schools in Albuquerque with capital needs:**
  - 55

# FACILITY STANDARDS STATUTE AFFECTING CHARTER SCHOOLS

## §22-8B-4.2 NMSA 1978 CHARTER SCHOOL FACILITIES; STANDARDS

- Charter school facilities must meet educational occupancy standards
- Charter schools that have been renewed at least once are eligible for grants pursuant to the Public School Capital Outlay Act and are evaluated the same way all other public schools in the state are evaluated
  - Those grants may be used to provide additional lease payments for improvements made by the lessor
- New charter schools and existing charter schools upon renewal must have a facility that receives a condition rating equal to or better than the average condition for all NM public schools that year

# THE 2015 REQUIREMENT

- By 2015 all charter schools must be:
  - housed in a building that is:
    - owned by the charter school, the school district, the state, an institution of the state, another political subdivision of the state, the federal government or one of its agencies or a tribal government; or
    - subject to a lease-purchase arrangement that has been entered into and approved pursuant to the Public School Lease Purchase Act
  - if it is not housed in a building described above, the charter school must demonstrate that:
    - the facility in which the charter school is housed meets the statewide adequacy standards developed pursuant to the Public School Capital Outlay Act and the owner of the facility is contractually obligated to maintain those standards **at no additional cost** to the charter school or the state; and
    - either: 1) public buildings are not available or adequate for the educational program of the charter school; or 2) the owner of the facility is a nonprofit entity specifically organized for the purpose of providing the facility for the charter school

## 2011 REGULAR LEGISLATIVE SESSION & SENATE BILL 446

- This legislation outlines the requirements of *performance contracts* for charter schools only
- Statutory changes did not specifically affect the requirements for charter school facility standards
- Statutory changes did not specifically affect any requirement of a local school district to provide capital to charter schools within its geographic boundary
- Statutory changes did not specifically affect the per-member distribution of SB9 or HB33 money to charter schools
- Bottom line: there are still concerns regarding charter school capital needs that SB446 will not solve

# ONE APS SOLUTION: MEMORANDUM OF UNDERSTANDING BETWEEN APS AND LOCALLY-AUTHORIZED CHARTER

- 6 locally-authorized charter schools chose to sign an memorandum of understanding for assistance with capital needs
- Charter school agrees to:
  - Lease-assistance monies received are paid to APS for purchase of land, buildings and construction
  - 6% of the school's SEG is paid to APS for maintenance/utilities costs
  - HB33 per-membership is a line-item in the school's budget that is collaboratively spent on design costs, technology and small fixed asset purchases
- In return for agreeing to the above, the charter school receives a facility that is:
  - Constructed by APS
  - Managed by APS
  - \$34 million of the current APS Capital Master Plan

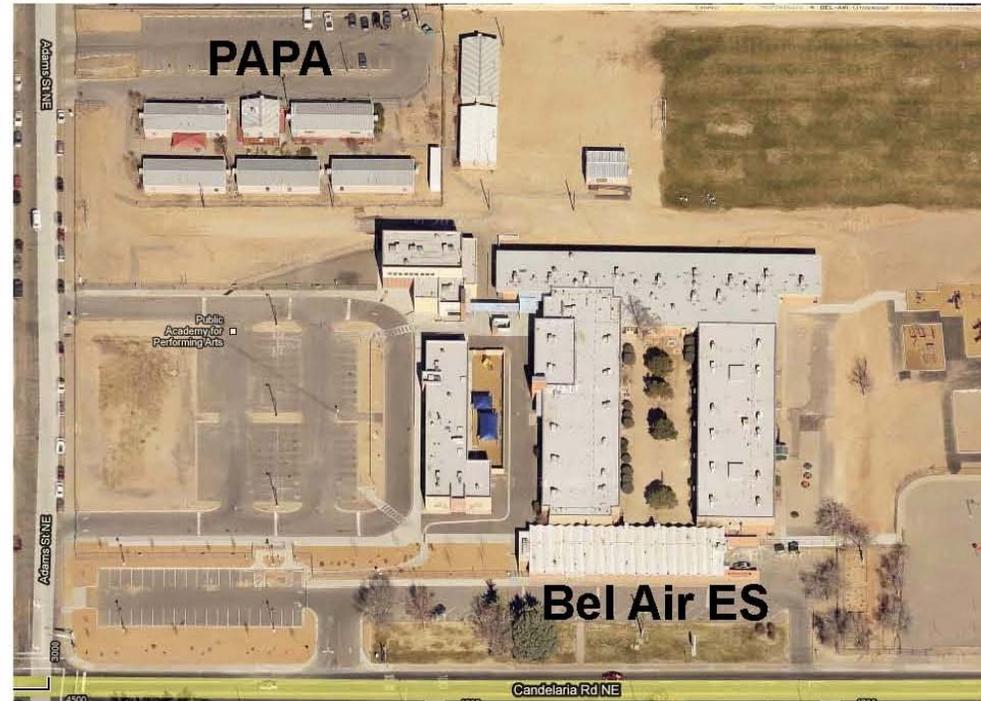
# FACILITY DESIGN #1: CO-LOCATION OF FACILITIES

- Native American Community Academy (NACA)
- Wilson Middle School
- 1100 Cardenas SE
- Enrollment: 391
- Grades: 6-10
- 2011-2016 CMP:
  - NACA Phase 1 – Development
  - Budget: \$12,678,770



# FACILITY DESIGN #1: CO-LOCATION OF FACILITIES

- Public Academy for Performing Arts (PAPA)
- Bel Air Elementary
- 3000 Adams NE
- Enrollment: 339
- Grades: 6-12
- 2011-2016 CMP:
  - Retrofit of existing facility
  - Budget: \$2,838,472



## FACILITY DESIGN #2: NEW CHARTER MODULAR FACILITY

- Robert F. Kennedy High Charter School
- 4300 Blake Rd. SW
- Enrollment: 270
- Grades: 9-12
- 2011-2016 CMP:
  - Site Development Plan/Assemble/PE Support spaces phase 1
  - Continue site and portable improvements
  - Budget \$4,981,837



# FACILITY DESIGN #3: PURCHASE OF EXISTING PRIVATE FACILITY

- Montessori of the Rio Grande Charter School
- 1650 Gibson Dr. NE
- Enrollment: 192
- Purchase Date: October 2009
- Purchase Price: \$1.58 million
- 2011-2016 CMP:
  - Site Development Plan
  - Phase 1- Multipurpose Building
  - Budget: \$2,850,020



## FACILITY DESIGN #3: PURCHASE OF EXISTING PRIVATE FACILITY

- South Valley Academy Charter School
- 3426 Blake SW
- Enrollment: 229
- Grades: 9-12
- Land Acquisition: In Process
- 2011-2016 CMP:
  - Phase 1 – Build New Facility
  - Budget \$7,749,378



# CHARTER SCHOOLS AND LOCAL SCHOOL DISTRICT'S CAPITAL MASTER PLAN

- Public Education Commission (PEC) has statutory authority to approve charter schools across the state
- Local school districts, with the exception of submitting comments during public hearings, have no control over the decision PEC makes to approve a state-authorized charter school
- Pursuant to §22-26-3 NMSA 1978:
  - Any resolution to the voters shall include capital improvements funding for a **locally chartered or state-chartered charter school located within the school district**
  - Charter schools must provide information to the district in a timely fashion that identifies their capital needs and how they will use revenue produced
  - Capital improvements for both locally-authorized and state-authorized charter **must be included** in the local district's capital master plan

# CHARTER SCHOOLS AND PER-MEMBERSHIP DISTRIBUTION

- Pursuant to §22-26-9 NMSA 1978:
  - Charter schools that were included in the resolution have access to the tax revenue produced by imposition of local property tax on a per-membership distribution
  - The distribution is the same proportion as the average enrollment of the charter school to the total enrollment in the district
- County treasurers are responsible for the distribution of the revenue, not the local districts

# APS BOARD OF EDUCATION RESOLUTION

- Resolution adopted September 20, 2011 states:
  - Charter school statutes need clarification regarding capital responsibilities, per-membership distribution of funds, local district responsibilities to provide capital resources to state-authorized charter schools and prioritization in the authorizer's capital master plan
  - Charter schools should not impact the authorizing school district's audit when significant findings are levied against the charter school
  - Authorizing school districts should have the right to determine and execute a formal process of suspending the authority of a charter school's governing body for failing to meet provisions of state law or its charter rather than moving to immediate revocation of the charter school

## QUESTIONS FOR DISCUSSION

- Local school district responsibility for capital needs for:
  - All traditional public schools
  - All locally-authorized charter schools
  - All state-authorized charter schools
- Do districts have the capacity to meet those needs?
- Is it reasonable for districts to require MOUs to provide adequate facilities?
- How should prioritization of state-authorized charter schools affect a district's capital master plan?
- Is the per-membership distribution of funds adequate to provide facilities to charter schools?
- Is there another solution with other state schools in New Mexico?