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FISCAL IMPACT REPORT

SPONSOR:	Williams	DATE TYPED:	02-14-00	HB	457/aHEC
SHORT TITLE:	Regional Education Cooperatives			SB	
				ANALYST:	Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

LFC files

State Department of Education (SDE)

SUMMARY

Synopsis of HEC Amendment

The amendment adopted by the House Education Committee adds a section which requires that:

- State Board of Education (SBE), with full participation by the cooperatives, shall develop a statewide, long-range plan to provide educational and technical assistance services in public and charter schools served by the cooperatives.
- SBE and the cooperatives shall provide a progress to the LFC, LESC and the Governor by November 15, 2000,
- Annual reports shall be provided thereafter.

The amendment appears intended to ensure that state-level policymakers are kept abreast of any changes in the services provided or in the mission of the cooperatives.

Synopsis of Original Bill

House Bill 457 amends Section 22-2B-1 of the Public School Code to give regional education cooperatives (REC) essentially the same legal status as public school districts including the authority to hold title to real property. RECs are currently "deemed to be" state agencies administratively attached to SDE and are exempt from the State Personnel Act, central purchasing through the State Purchasing Agent, and vouchering and payroll through DFA (by waiver from the DFA Cabinet Secretary).

RECs do not have, nor do they seek, statutory authority to issue bonds for any purposes.

Significant Issues

Regional cooperative centers (RCCs) were established to enable small school districts to provide services to special needs students in an effective and cost efficient manner. Ten RCCs were formed, and their mission was expanded to include professional development upon request by member school districts. In 1993, legislation was enacted that authorized the SBE to allow a regional cooperative center to become a regional education cooperative. Although legally defined as a state agency, a REC is operated and governed more like a school district. House Bill 457 proposes to accord RECs the legal status that can more appropriately reflect the governance needs of RECs.

The bill amends 15-3-2 NMSA 1978 to exempt REC's from the control of the Director of the Property Control Division but does empower RECs to enter into joint powers agreements which allow the Director of the Property Control Division to exercise control and jurisdiction over REC property as specified in the agreement.

The bill also:

Defines the RECs as state educational entities as enumerated in Article 12, Section 11 of the NM Constitution, and

- makes RECs eligible to participate in the programs sponsored under the aegis of the New Mexico Public School Insurance Authority (RECs are now covered by Risk Management), and
- pursuant to the rules of the State Board of Education may:

a) hold title to and have control over REC-owned buildings, thereby becoming eligible to apply for federal funds for capital outlay purposes,

b) submit budgets to the SDE, not to DFA, and the SBE shall, by rule, determine the provisions of the Public School Finance Act that are applicable to cooperatives, and

c) become its own board of finance, but if such a designation is not given or is suspended by the State Superintendent of Public Instruction, a REC must deposit with the State Treasurer any money appropriated or to be distributed by the REC.

As in the case school districts, balances remaining at the end of any fiscal year will not revert to the general fund.

The provisions of 22-10-3.3, background checks, will apply to potential REC employees and to REC contractors and contractors' employees.

FISCAL IMPLICATIONS

None. RECs are funded by federal funds and other state funds.

ADMINISTRATIVE IMPLICATIONS

None. SDE currently has oversight responsibilities over RECs.

LB/gm