

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: HAFC DATE TYPED: 03/12/01 HB 949/HAFCS
 SHORT TITLE: Rapid Response Intervention Pilot SB _____
 ANALYST: Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		\$ 3,517.2	\$ 5,857.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to HB-365, HB563, HB808, HB874, SB451, SB 517 and SB547.

SOURCES OF INFORMATION

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Appropriations and Finance Committee substitute for House Bill 949 provides for a rapid response intervention program pilot project for schools in need of improvement. The bill requires a study of Impact Aid receipts and the State Equalization Guarantee funding formula and conditionally reduces the reliance on certain federal and local revenue when calculating the State Equalization Guarantee distribution.

Significant Issues

According to SDE, the bill requires the SDE to design and implement a three-year rapid response intervention program pilot project for certain public schools in need of improvement. Rapid response teams would be deployed to augment and assist the instructional, administrative and managerial programs of schools in need of improvement. This program shall include summer programs of professional development for teachers, administrators and other school personnel and intensive summer extended learning opportunities for students as well as activities during the school year.

The pilot project will be in public schools that as of January 2001 have been designated as schools in need of improvement. The selected schools will be those in which 5% or more of the student population is Native American. Of the 63 schools that are currently identified as schools in need of improvement, 37 of those schools would be eligible under the provisions of the bill.

House Bill 949/HAFCS -- Page 2

Each participating school is eligible for direct grant aid to implement the provisions of the rapid response intervention plan. Grants from \$50,000- \$105,000 will be graduated, based on the size and grade level of the school.

The SDE indicates that provisions within the bill appear to allow the department to supersede the authority of the local board of education without affording the local board due process protections.

House Bill 949/a requires the Legislative Council to contract for a study of Impact Aid funding and the State Equalization Guarantee funding formula.

The bill amends the Public School Finance Act, Section 22-8-25, NMSA 1978, to add a new subsection relating to the percent of local and federal revenue receipts that the state takes into consideration when calculating the State Equalization Guarantee. Subsection G would allow the state to take credit for 70% of the basic support portion of Impact Aid, 70% of the local half-mill property tax receipts, and 70% of the Forest Reserve receipts in determining the State Equalization Guarantee. This would be contingent upon the State Superintendent certifying that the federal government has allowed the state to calculate disparity based on the unit value. Districts would be required to budget 25% of these federal and local receipts for capital outlay.

The bill contains an emergency clause.

FISCAL IMPLICATIONS

If enacted the legislation would require \$2,340.0 for the Rapid Response Intervention grants to participating schools.

According to SDE, the responsibility of contracting the study of impact aid funding and the State Equalization Guarantee funding formula is given to the Legislative Council and would have no fiscal impact to the department.

The emergency clause would require the 2001 Legislature to appropriate for FY2001 and FY2002, a projected additional \$3,517.2 per year, which is the loss in credits for the half-mill property tax, impact aid, forest reserve receipts in General Fund revenue to the SEG to maintain current unit value.

ADMINISTRATIVE IMPLICATIONS

SDE indicates that no additional administrative resources will be needed to carry out the provisions the bill.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Relates to HB365, HB563, HB808, HB874, SB451, Sb517 and SB547.

RS/ar