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FISCAL IMPACT REPORT

SPONSOR: Romero DATE TYPED: 03/08/01 HB _____
 SHORT TITLE: Student Alternatives Act SB 127/aSFC
 ANALYST: Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 State Department of Public Education (SDE)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment strikes the appropriation and does not change the original intent of the bill.

Synopsis of Original Bill

Senate Bill 197 enacts the Student Alternatives Act which requires Department of Finance and Administration (DFA) to develop a pilot program to provide alternative educational opportunities for students.

Significant Issues

Senate Bill 197 will enable governmental entities, secondary schools, or nonprofit organizations to enter into contractual agreements with DFA to provide alternative educational services for students. The eligible applicants could include the New Mexico Youth Conservation Corps, charter schools, secondary schools operated by an Indian nation, tribe or pueblo or Bureau of Indian Affairs or nonprofit and for-profit corporations.

The alternative schools will target students between the ages of fourteen and eighteen who have been disenrolled from a public school for any reason or whose attendance or conduct indicates they he or she may not meet graduation requirements.

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The joint powers agreement or contract shall contain a provision that provides for a salary increase for a teacher employed at a school alternative whose students show exemplary improvement in academic achievement or attendance. It shall also contain a provision that provides more funding to a program that demonstrates exemplary academic achievement and attendance.

Students enrolled in a school alternative are held to the same graduation requirements prescribed in the Public School Code.

School alternative programs shall not operate on the same site with another public school.

School alternative programs are exempt from the School Personnel Act.

The bill specifies that alternative schools can have no less than 100 and no more than 200 students.

The student alternatives board is created consisting of 13 members appointed by the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Governor, and the State Board of Education, and the executive director of the New Mexico Office of Indian Affairs.

The duties of the board are: review proposals submitted by applicants; allocate funding and ensure that no more than 25 percent is allocated to any one student alternative program; and evaluate the performance of the alternative education programs. The board is required to report annually to the Legislative Finance Committee, the Legislative Education Study Committee, the State Board of Education and the Governor prior to October 15th.

FISCAL IMPLICATIONS

This bill appropriates \$3,000.0 from the general fund to DFA for expenditure in fiscal year 2002. No more than 25 percent of the appropriation may be used to contract with any one school alternative. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund. The bill also carries an emergency clause.

The bill does not provide an appropriation for mileage and per diem for board members.

ADMINISTRATIVE IMPLICATIONS

The Department of Finance and Administration will administer the program.

TECHNICAL ISSUES

Page 3, Line7 states that the pilot program shall run until June 1, 2005, however, page 13 line23 allows expenditure of the funds in fiscal year 2002 with balances remaining at the end shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

SDE is concerned that oversight of this educational program will reside with an agency that does not have professional staff specifically trained to handle education issues.

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The department is also concerned with potential constitutional and statutory conflicts between the student alternative board and the State Board of Education, if public schools are funded under this act. The potential for State Board accreditation of these alternative programs would be reduced or eliminated.

SDE also raises concerns that there may be a violation of the New Mexico Constitution if funding was provided to private educational programs.

RS/ar