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## FISCAL IMPACT REPORT

SPONSOR: Adair DATE TYPED: 1-31-02 HB \_\_\_\_\_  
 SHORT TITLE: New School District Boundaries SB 261  
 ANALYST: Baca

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1 Indeterminate		Recurring	General Fund

(Parenthesis) Indicate Expenditure Decreases)

Duplicates HB 13 and Conflicts with HB 153

### SOURCES OF INFORMATION

State Department of Education (SDE)  
LFC Files

### SUMMARY

#### Synopsis of Bill

Senate Bill 261 requires that beginning July 15, 2005, there be no more than 50 school districts in the state, requires that the State Board of Education (SBE) draw the new school district boundaries before that date in accordance with the provision of the bill and repeals sections of the Public School Code.

#### Significant Issues

The bill provides that the SBE must consider several factors when determining geographic boundaries of school districts. These factors include:

- An optimum student population of between 5,000 and 8,500.
- The boundaries of existing school districts, counties and municipalities.
- The equalization of educational opportunities for public school students in each school district.
- The best and most economical use of public school facilities and transportation.
- The convenience and welfare of public school students.
- The best interest of public education in the state and in each public school district.

The SBE must also consider each public school's accreditation status, accountability ranking and the socio-economic variables of its student population in order to apportion schools that are in need of improvement or probationary as evenly as possible among school districts.

The bill also provides that the board may appoint one or two district survey committees to advise it on how school district boundaries should be drawn. HB 13 specifies that the survey committee(s) must contain at least four people (one each) from the following groups:

- One member of the SBE.
- One person representing each school district being surveyed.
- One parent of a school-age student in one of the school districts being surveyed.
- One person knowledgeable about public schools and school management who does not reside in a school district being surveyed.

The SBE must announce the new boundaries by September 30, 2004, to take effect July 15, 2005. The boundaries must be published in a newspaper of general circulation in each county of the state as provided in Section 14-11-11 NMSA 1978. The existing school districts must also post notice in at least six conspicuous places within the school district. This cost must be borne by the school district.

Existing local school boards will cease to exist on July 15, 2005. New school boards must be elected on the first Tuesday of February 2005.

Contracts entered into by an existing district will be binding on the new school district.

Outstanding school district bonds or other indebtedness of an existing school district will not be affected by boundary changes pursuant to this piece of legislation. The existing school district will retain its identity for the purposes of paying any debt service until the bonds or certificates are paid in full. A new school district will not become responsible for the debt service of an existing school district that has become a part of a new school district.

This bill repeals Sections 22-4-1 through 22-4-18 NMSA 1978 (Creation, Consolidation and Annexation of School Districts).

### **FISCAL IMPACT**

The fiscal impact is indeterminate. The SDE analysis states the department will require additional funds for contractual services or FTEs in order to complete this project.

### **PERFORMANCE IMPLICATIONS**

It is not clear how this legislation would support or enhance the department's performance measures.

### **ADMINISTRATIVE IMPACT**

According to the SDE, implementing the provisions of this bill will have a significant impact on the

agency and will require additional resources, e.g., staff and funds to contract for the services need to carry out the provisions of the bill.

## **CONFLICT**

SB 261 duplicates HB 13, School district Boundaries. SB 261 conflicts with HB 153. HB 153, if enacted, will require school districts with a membership greater than 35,000 students to redistrict.

## **TECHNICAL ISSUES**

In its analysis, the SDE identifies two areas of concern:

1. Section 22-5-1.1 NMSA 1978 requires that members of local school boards in districts having a population in excess of 16,000 shall reside in and be elected from single-member districts. The districts would require drawing new boundaries prior to the initiation of the election process for February 2005. In addition, the School Election Law (Section-22-4 NMSA 1978) requires the board to issue a proclamation calling the school election; the superintendent must file the proclamation with the county clerk on the last Friday in November of the even-numbered year immediately preceding the date of the election. It is not clear what mechanism will be used to meet these requirements for the districts to take effect July 15, 2005.
2. The Advisory Referendum Act (Article 4A of the Public School Code) provides for a referendum for registered voters of an affected area, who may ultimately be called upon to vote on bond issues for capital projects for a new district, to express the extent of their support for the formation of that new public school district.

## **SUBSTANTIVE ISSUES**

According to the SDE, Article II (Bill of Rights) Section 19 of the New Mexico Constitution provides that no "law impairing the obligation of contracts shall be enacted by the legislature." The language in Section 5(A) may not be constitutionally sufficient to comply with this provision.

## **POSSIBLE QUESTIONS**

What is the rationale for limiting the number of school districts to no more than 50?

How was the range for the optimum number of students determined?

Will reducing the number of school districts (and school boards) also reduce citizen participation in educational policy decision-making?

Will this type of redistricting make local school board members less accessible to school patrons, especially in large geographic areas.

Does any one have any idea whether any savings will occur as a result of redistricting ?

Will additonal layers of bureaucracy be created as a result of redistricting ?

LB/njw