

FORTY-SIXTH LEGISLATURE
FIRST SESSION, 2003

February 17, 2003

Mr. Speaker:

Your EDUCATION COMMITTEE, to whom has been referred
HOUSE BILL 3

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 2, line 11, under the General Fund column, strike "1,714,071.3" and insert in lieu thereof "1,721,785.2".

2. On page 2, line 13, under the General Fund column, strike "80,814.8" and insert in lieu thereof "84,082.7".

3. On page 2, line 15, under the General Fund column, strike "3,700.0" and insert in lieu thereof "3,718.5".

4. On page 2, line 17, under the General Fund column, strike "10,800.0" and insert in lieu thereof "11,980.6".

5. On page 3, between lines 3 and 4, insert:

"The state equalization guarantee distribution includes credits from school district and charter school unrestricted and unreserved cash balances and emergency reserves, as of June 30, 2003, that shall be transferred to school districts' and charter schools' fiscal year 2004 budgets.

For the 2003-2004 school year, the state equalization guarantee distribution contains sufficient funding for school districts implementing a formula-based program for the first time. Those districts shall use current year MEM in the calculation of program units for the new formula-based program."

6. On page 3, strike line 5 and 6 and insert in lieu thereof:

"funds to provide a six percent salary increase for teachers and instructional staff and a minimum salary of thirty thousand dollars (\$30,000) for teachers, no later than the last pay period of December 2003, and a two percent salary increase for other certified and non-certified staff including".

7. On page 3, line 7, before the period insert ", effective

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July 1, 2003".

8. On page 3, between lines 7 and 8, insert:

"Prior to the approval of a budget for a school district or charter school for fiscal year 2004, the superintendent of public instruction shall verify that:

A. the budget reflects the provision of a six percent salary increase for teachers and instructional staff, a minimum salary of thirty thousand dollars (\$30,000) for teachers and a two percent salary increase for other certified and non-certified staff, including transportation employees;

B. an amount equal to or greater than one percent of a school district's or charter school's approved fiscal year 2003 operating budget has been reallocated to direct instruction for expenditure in fiscal year 2004; and

C. the school district's or charter school's ending cash balance does not exceed:

(1) nine percent if the current year program cost is less than five million dollars (\$5,000,000);

(2) seven and one-half percent if the current year program cost is five million dollars (\$5,000,000) or greater but less than ten million dollars (\$10,000,000);

(3) six percent if the current year program cost is ten million dollars (\$10,000,000) or greater but less than twenty-five million dollars (\$25,000,000);

(4) four and one-half percent if the current year program cost is twenty-five million dollars (\$25,000,000) or greater but less than two hundred million dollars (\$200,000,000); and

(5) three and one-half percent if the current year program cost is two hundred million dollars (\$200,000,000) or greater.

The above limits shall be implemented provided that the amount of a school district's or charter school's credit does not exceed fifteen percent of its cash balance but is not less than seven dollars fifty cents (\$7.50) per MEM as reported on the fortieth day of the current year. For a school district or charter school that

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exceeds these limits, the superintendent of public instruction shall adjust the state equalization guarantee distribution accordingly.

Through the end of fiscal year 2003, any changes in budgets of a school district or charter school between series using current year cash balances shall require the approval of the superintendent of public instruction and the secretary of finance and administration.

In developing fiscal year 2004 operating budgets, school districts and charter schools shall not budget June 30, 2003 cash balances without the approval of the superintendent of public instruction.

A school district or charter school may request a waiver of the maximum cash balance limitation from the superintendent of public instruction if a hardship exists that would impair the operation of the school district or charter school.

The federal No Child Left Behind Act of 2001 provides funding for key federal initiatives that parallel state initiatives, with the funds flowing directly to New Mexico school districts to support existing statewide initiatives. The federal No Child Left Behind Act of 2001 provides greater flexibility in the use of federal funds, although the funds must still be used for purposes within the law and they must be used to supplement, not supplant, state and local funds. In order to ensure that New Mexico's initiatives are carried forward, the superintendent of public instruction shall monitor the progress of school districts for the following programs:

A. teacher quality, which may include teacher recruitment, retention, mentorship programs and professional development for educators, as well as class size reduction if it had been implemented in school year 2001-2002;

B. reading first grant, with the majority of the funds designated for grades kindergarten through third grade to ensure that all children are reading at grade level by grade three, and a set-aside for professional development;

C. improvement of English language learners;

D. assistance to school improvement schools; and

E. enhancement of education through technology.

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Additional funding is available to the state department of public education for development of criterion-referenced tests. On a quarterly basis, the superintendent of public instruction shall report progress to the legislative education study committee on the development of criterion-referenced tests. By December 2003, the superintendent of public instruction shall report to the legislative education study committee and the legislative finance committee on the progress of school districts to implement programs and the improvement of student achievement."

9. On page 3, line 21, under the General Fund column, strike "4,990.0" and insert in lieu thereof "5,000.0".

10. On page 3, strike lines 24 and 25 and insert in lieu thereof under the Item and General Fund columns:

"THREE-TIERED LICENSURE SYSTEM IMPLEMENTATION 2,800.0".

11. On page 4, line 1, under the Federal Funds column, strike "281,925.3" and insert in lieu thereof "300,000.0".

12. On page 4, line 3, under the General Fund column, strike "4,790.5" and insert in lieu thereof "5,000.0".

13. On page 4, line 7, under the General Fund column, strike "8,235.9" and insert in lieu thereof "8,735.9".

14. On page 4, line 15, under the General Fund column, strike "998.0" and insert in lieu thereof "1,000.0".

15. On page 4, strike line 16 in its entirety.

16. On page 4, between lines 18 and 19, insert under the Item and General Fund columns:

"(d) Advanced placement framework	1,000.0
(e) Charter schools stimulus fund	200.0
(f) Computerized system/aligning curriculum	3,200.0
(g) Enrollment growth (formula change)	6,300.0
(h) Indian Education Act	2,500.0
(i) National board certification (formula change)	470.0

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- (j) Office of education accountability 500.0
- (k) Professional development 2,000.0".

17. On page 4, line 23, under the Other State Funds column, strike "850.0" and insert in lieu thereof "85.0".

18. On page 5, between lines 3 and 4, insert:

"Section 5. SPECIAL APPROPRIATIONS. -- The following amounts are appropriated from the general fund to the following agencies for the purposes specified for expenditure in fiscal years 2003 and 2004. Any unexpended or unencumbered balance of the appropriations remaining at the end of fiscal year 2004 shall revert to the general fund.

- (1) LEGISLATIVE COUNCIL SERVICE: 300.0

For a study of the public school funding formula.

- (2) STATE DEPARTMENT OF PUBLIC EDUCATION: 300.0

For program implementation of state student identification number.

- (3) 250.0

To hold those school districts harmless that do not have the means to offset a one percent reallocation of their fiscal year 2003 operating budget to direct instruction for expenditure in fiscal year 2004.

Section 6. SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS. -- The following amounts are appropriated from the general fund to the state department of public education for expenditure in fiscal year 2003 for the purposes specified. Disbursement of these amounts shall be subject to certification by the department to the department of finance and administration and the legislative finance committee that no other funds are available in fiscal year 2003 for the purpose specified and approval by the department of finance and administration. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

STATE DEPARTMENT OF PUBLIC EDUCATION:

- (1) 334.0

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To save-harmless the adult basic education program in fiscal year 2003 at ninety percent.

(2) 196.7

To fund three permanent full-time-equivalent positions in the public school capital outlay unit.

(3) 3,600.0

To restore the fiscal year 2003 unit value at two thousand eight hundred ninety-six dollars and one cent (\$2,896.01).

(4) 2,497.5

For school-owned bus replacements.

Section 7. ADDITIONAL FISCAL YEAR 2003 BUDGET ADJUSTMENT AUTHORITY. -- During fiscal year 2003, subject to review and approval by the department of finance and administration, in addition to the budget adjustment authority granted in Laws 2002 (1st E.S.), Chapter 4, Section 9 and pursuant to Sections 6-3-23 through 6-3-25 NMSA 1978, the state department of public education may request transfers up to one hundred sixty-two thousand dollars (\$162,000) from any other category to the contractual services category for services associated with the provision of materials for and the administration of the New Mexico high school competency examination. "

19. Renumber succeeding sections accordingly.

20. Adjust all totals and subtotals to correspond with these amendments. ,

and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

Rick Miera, Chairman

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: None

Absent: None

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