

SENATE EDUCATION COMMITTEE SUBSTITUTE FOR
SENATE BILLS 224 & 696

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO PUBLIC EDUCATION; AMENDING THE 1999 CHARTER SCHOOLS
ACT TO PROVIDE FOR A RENEWAL TERM OF FIFTEEN YEARS;
AUTHORIZING SHORT-TERM SEVERANCE TAX BONDS TO ASSIST CHARTER
SCHOOLS WITH LEASED FACILITIES; PROVIDING FOR AN ANNUAL
DISTRIBUTION; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8B-1 NMSA 1978 (being Laws 1999,
Chapter 281, Section 1) is amended to read:

"22-8B-1. SHORT TITLE. -- ~~[Sections 1 through 15 of this
act]~~ Chapter 22, Article 8B NMSA 1978 may be cited as the "1999
Charter Schools Act". "

Section 2. Section 22-8B-12 NMSA 1978 (being Laws 1999,
Chapter 281, Section 12) is amended to read:

"22-8B-12. CHARTER SCHOOLS-- TERM - RENEWAL OF CHARTER--

. 146191. 1

underscoring material = new
[bracketed material] = delete

1 **GROUNDS FOR NONRENEWAL OR REVOCATION. --**

2 A. A charter school may be approved for an initial
3 term of five years. A charter may be renewed for successive
4 periods of [~~five~~] fifteen years each. Approvals of less than
5 [~~five~~] fifteen years can be agreed to between the charter
6 school and the local school board.

7 B. No later than January 1 of the year prior to the
8 year in which the charter expires, the governing body of a
9 charter school may submit a renewal application to the local
10 school board. The local school board shall rule in a public
11 hearing on the renewal application no later than March 1 of the
12 year in which the charter expires, or on a mutually [~~agreed~~]
13 agreed-upon date.

14 C. A charter school renewal application submitted
15 to the local school board shall contain:

16 (1) a report on the progress of the charter
17 school in achieving the goals, objectives, student performance
18 standards, state board minimum educational standards and other
19 terms of the initial approved charter application, including
20 the accountability requirements set forth in Section 22-1-6
21 NMSA 1978;

22 (2) a financial statement that discloses the
23 costs of administration, instruction and other spending
24 categories for the charter school that is understandable to the
25 general public, that will allow comparison of costs to other

1 schools or comparable organizations and that is in a format
2 required by the state board;

3 (3) contents of the charter application set
4 forth in Section [~~8 of the 1999 Charter Schools Act~~] 22-8B-8
5 NMSA 1978;

6 (4) a petition in support of the charter
7 school renewing its charter status signed by not less than
8 sixty-five percent of the employees in the charter school; and

9 (5) a petition in support of the charter
10 school renewing its charter status signed by a majority of the
11 households whose children are enrolled in the charter school.

12 D. A charter may be revoked or not be renewed by
13 the local school board if the board determines that the charter
14 school did any of the following:

15 (1) committed a material violation of any of
16 the conditions, standards or procedures set forth in the
17 charter;

18 (2) failed to meet or make substantial
19 progress toward achievement of the state board minimum
20 educational standards or student performance standards
21 identified in the charter application;

22 (3) failed to meet generally accepted
23 standards of fiscal management; or

24 (4) violated any provision of law from which
25 the charter school was not specifically exempted.

. 146191. 1

underscored material = new
[bracketed material] = delete

1 E. If a local school board revokes or does not
2 renew a charter, the local school board shall state in writing
3 its reasons for the revocation or nonrenewal.

4 F. A decision to revoke or not to renew a charter
5 may be appealed by the governing body of the charter school
6 pursuant to Section [~~7 of the 1999 Charter Schools Act~~] 22-8B-7
7 NMSA 1978. "

8 Section 3. A new section of the 1999 Charter Schools Act
9 is enacted to read:

10 "[NEW MATERIAL] CHARTER SCHOOLS LEASED FACILITIES FUND--
11 DISTRIBUTION. --

12 A. The "charter schools leased facilities fund" is
13 created in the state treasury. The fund shall be administered
14 by the department of education. The fund shall consist of the
15 proceeds of severance tax bonds appropriated to the fund and
16 other money appropriated and transferred to the fund. Earnings
17 to the fund shall be credited to the fund, and the fund shall
18 not revert until the end of fiscal year 2012 when any
19 unexpended or unencumbered balance shall revert to the
20 severance tax bonding fund. Expenditures from the fund shall
21 be by warrant of the secretary of finance and administration
22 upon vouchers signed by the state superintendent.

23 B. The department of education shall, by rule,
24 establish an application process for charter schools that
25 desire allocations from the fund. The process shall provide

1 that applications for allocations shall be due no later than
2 June 30 of each year and, except as provided in Subsection C of
3 this section, shall include:

4 (1) a copy of a lease or other agreement
5 showing that the charter school is leasing facilities;

6 (2) a certification from the school district
7 showing the number of students enrolled in the charter school
8 in the preceding school year; and

9 (3) any other information reasonably required
10 by the department of education.

11 C. Pursuant to rule of the department of education,
12 a start-up school may submit an application for an allocation
13 from the fund. An application of a start-up school shall
14 include:

15 (1) a copy of the lease or other agreement or,
16 if no lease or agreement exists, evidence that the start-up
17 school will be leasing facilities and an estimate of the lease
18 costs;

19 (2) an estimate of the number of students that
20 will be attending the start-up school; and

21 (3) an agreement to repay excess amounts
22 received from the fund if the lease costs and number of
23 students submitted pursuant to Subsections A and B of this
24 section are overestimated.

25 D. Upon a determination that the information

. 146191. 1

underscored material = new
[bracketed material] = delete

1 submitted by a charter school is complete and accurate, the
2 department of education shall make an allocation to the charter
3 school. The amount of the annual allocation shall equal the
4 lesser of the amount of the annual lease payments or an amount
5 equal to nine hundred dollars (\$900) for each student who was
6 enrolled in the school during the preceding school year, or, in
7 the case of a start-up school, each student estimated to attend
8 in the subsequent school year; provided, however, that if the
9 total amount to be distributed pursuant to this section is
10 greater than the unexpended or unencumbered balance in the
11 fund, the amount allocated shall be reduced proportionately
12 pursuant to rules adopted by the department of education.

13 E. Money received by a charter school pursuant to
14 this section may only be used for construction, purchase or
15 lease of charter school facilities."

16 Section 4. [NEW MATERIAL] SEVERANCE TAX BONDS

17 AUTHORIZED-- APPROPRIATION OF PROCEEDS TO CHARTER SCHOOL LEASED
18 FACILITIES FUND. --

19 A. The state board of finance may issue and sell
20 severance tax bonds with a term that does not extend beyond the
21 fiscal year in which they are issued in fiscal years 2003
22 through 2007 in compliance with the Severance Tax Bonding Act
23 in an amount not exceeding a total of fifteen million dollars
24 (\$15,000,000) when the state department of public education
25 certifies the need for the issuance of the bonds; provided that

. 146191. 1

1 no more than three million dollars (\$3,000,000) may be issued
2 in any one fiscal year.

3 B. The state board of finance shall schedule the
4 issuance and sale of the bonds in the most expeditious and
5 economical manner possible upon a finding by the board that the
6 proceeds are needed by the state department of public education
7 for distributions pursuant to the provisions of the 1999
8 Charter Schools Act. The board shall further take the
9 appropriate steps necessary to comply with the Internal Revenue
10 Code of 1986, as amended.

11 C. The proceeds from the sale of the bonds are
12 appropriated to the charter school leased facilities fund.

13 D. Any unexpended or unencumbered balance remaining
14 at the end of fiscal year 2012 shall revert to the severance
15 tax bonding fund.

16 E. If the state department of public education has
17 not certified the need for the issuance of the bonds by the end
18 of fiscal year 2007, the authorization provided in this section
19 shall expire.

underscored material = new
[bracketed material] = delete