

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Boitano DATE TYPED 2/7/04 HB \_\_\_\_\_

SHORT TITLE Charter Schools Educational Cooperative SB 474

ANALYST Baca

### APPROPRIATION

| Appropriation Contained |         | Estimated Additional Impact |      | Recurring or Non-Rec | Fund Affected |
|-------------------------|---------|-----------------------------|------|----------------------|---------------|
| FY04                    | FY05    | FY04                        | FY05 |                      |               |
|                         | \$150.0 |                             |      | Recurring            | General Fund  |

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates language for Regional Education Cooperatives in §22-2b-1 through §22-2B-6, NMSA 1978

Relates to HB 404, SB 403 & SB 475  
 Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Response Received From  
 New Mexico Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 474 amends the Public School Code to create the “Charter Schools Educational Cooperative Act,” provides for its powers and duties, creates a coordinating council and makes an appropriation of \$150 thousand to the PED to carry out the provisions of the Charter Schools Educational Cooperative Act.

#### Significant Issues

This bill authorizes charter schools to form a cooperative modeled after existing Regional Educational Cooperatives and provides that charter schools may contract with the cooperative for a variety of education-related services such as accounting and fiscal management, centralized pur-

chasing, professional development, grant writing and grant management. Research and planning and other services determined by the council and the PED.

The cooperative shall be administratively attached to the PED, and the PED shall determine which provisions of the Public School Finance Act shall apply to the cooperative. In addition, the PED shall establish procedures for oversight of the cooperative.

The bill allows the cooperative to own buildings and land and exempts it from the School Personnel Act.

The coordinating council shall consist of the principals or financial officers of each of the participating charter schools, and the council shall serve as the governing board of the cooperative.

### **FISCAL IMPLICATIONS**

The appropriation of \$150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund unless the PED designates the cooperative as its own board of finance.

### **OTHER SUBSTANTIVE ISSUES**

In its analysis, the PED cites the following issues:

- The educational cooperative for charter schools duplicates some of the functions of the 10 existing Regional Educational Cooperatives.
- It is not clear whether the charter schools will be required to flow any state or federal funds to the cooperative to access services.
- It is not clear how the cooperative will pay for services it provides to the charter schools.
- There is no mechanism for continued funding of the cooperative.
- The charter schools should be required to join the cooperative.

The PED has no direct control over the cooperative. The cooperative does not have to provide services as directed by the PED.

**LB/lg**