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FISCAL IMPACT REPORT

SPONSOR Vigil DATE TYPED 2/10/05 HB 666

SHORT TITLE Business Training for School Principals SB _____

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 286 and SB 135

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 666 amends Section 22-10A-18 covering the duties of school principals to add the phrase “and the effective administration of the school” and requires every principal and assistant principal to have training in business administration as required by the public school district superintendent and approved by PED.

Significant Issues

The bill requires business administration training but does not define the term or content of the training, the length of time for the training or the frequency.

DFA points out that “fiscal leadership” is a competency required for a level 3-B educational administration license and law and regulation indicate “business administration” are required for licensure.

PED assesses school districts would have to develop their own programs with review, and presumably, assistance from the department.

PERFORMANCE IMPLICATIONS

While fiscal responsibility is inherent in a principal's job description, the amount of time required in fiscal oversight will vary from school to school depending on staff competencies and district fiscal support. Fiscal responsibilities could detract from the other aspects of the principal's duties as educational leader of the school.

DFA is concerned there may be an "unintended consequence of restricting the ability of colleges and universities to provide graduate credit to individuals seeking licensure in educational administration by specifying "training in business administration."

FISCAL IMPLICATIONS

Additional costs may be incurred by the districts and PED in developing business administration courses or in obtaining classes to fulfill the requirement from colleges and universities.

PED estimates a part-time FTE will be required to assist in training development, approval and implementation of the training program.

ALTERNATIVES

DFA points out the Educational Leadership Academy proposed in SB 135 may provide a more focused curriculum in business administration skills as well as other skills needed by school principals and assistants.

POSSIBLE QUESTIONS

1. Should PED develop a statewide curriculum and course content to be tailored by the districts to suit their needs?
2. What specific areas of business administration do principals and assistants need to adequately perform their jobs?

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