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FISCAL IMPACT REPORT

SPONSOR Vigil DATE TYPED 2/25/05 HB 937

SHORT TITLE School Board Termination & Discharge Hearings SB _____

ANALYST Hanika-Ortiz

APPROPRIATION

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

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department

SUMMARY

Synopsis of Bill

HB 937 amends a provision of the Public School Code to confer upon local school boards the power and duty to hear appeals from the decision of a local superintendent to terminate or discharge a school employee. HB 937 further permits local school boards to designate another person (hearing officer) to hear the appeals.

Significant Issues

The General Counsel of the PED reports the proposed amendment creates conflict with existing provisions of the School Personnel Act.

According to the School Personnel Act, a local school board may terminate an employee with fewer than three years of consecutive service for any reason it deems sufficient. An employee who has been employed for three or more consecutive years and who receives a notice of termination may not be terminated without just cause. A local school board shall conduct the hearing informally within the provisions of the Open Meetings Act.

An employee still aggrieved by the decision of the local school board may appeal to an independent arbitrator at a de novo hearing. The decision of the independent arbitrator shall be binding on both parties except where the decision was procured by corruption, fraud, deception or

collusion, in which case it shall be appealed to the district court.

PERFORMANCE IMPLICATIONS

There is the potential for future litigation as the provisions within the School Personnel Act and the local school board powers may be seen as conflicting.

FISCAL IMPLICATIONS

Depending on how many “appeals” employees have a right to; this amendment could increase the administrative costs of local school boards that convene to hear these appeals.

According to the School Personnel Act, each party to an appeal will bear its own costs and expenses. The arbitrator’s fees and other expenses incurred are assigned at the discretion of the independent arbitrator.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB 969, Local School Board Hiring Practices
Relates to HB 914, School Employee Termination Process

TECHNICAL ISSUES

Clarify the PED’s concerns in whether the appeals hearing process in the bill replaces the de novo hearing before the independent arbitrator; and if the bill provides all employees the right to appeal a decision in front of a local school board, regardless of their length of service.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

The clarification of the School Personnel Act inserting a local school board as an appellate authority will not be implemented and rights and procedures under the current version of the law would continue to apply.

Employees who have up to three years invested with the PED may have limited options in appealing a termination.

AHO/lg