

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 be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Beffort DATE TYPED 3/17/05 HB 789/aSEC/aSFC/aSFI#1/  
 SHORT TITLE Program Units For Extracurricular Activities SB aHEC  
 ANALYST Hanika-Ortiz

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$0.1	Recurring	General Fund

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment strikes the SFI #1 amendment and removes Sections 1 and 2 in their entirety. Section 1 describes the program cost calculations for remedial and enrichment programs. Section 2 relates to a school district's eligibility for additional program units for home school and charter school students participating in extracurricular activities. The amendment enacts a new section of the Public School Code to allow charter school students in grades seven through twelve to participate in public school extracurricular activities. The amendment removes Section 3 in its entirety that proposed a new section of the Public School Code to allow home school students to participate in school district extracurricular activities.

#### Significant Issues

Charter school students will be allowed to participate in public school extracurricular activities but school districts will not generate additional program units. Home school students will not be allowed to participate.

Synopsis of SF Amendment #1

The Senate Floor amendment number one restores the program cost calculations for remedial and enrichment programs and enacts a new section of the Public School Finance Act allowing a school district to be eligible for additional program units for home school and charter school students participating in NMAA extracurricular activities at the public school in their attendance zone.

Synopsis of SFC Amendment

The Senate Finance Committee amendment removes Sections 1 and 2 in their entirety. Section 1 describes the program cost calculations for remedial and enrichment programs. Section 2 enacting a new section of the Public School Finance Act regarding a school district's eligibility for additional program units for home school and charter school students participating in school district extracurricular activities is removed. The amendment enacts a new section of the Public School Code to allow home school students and charter school students in grades seven through twelve to participate in public school extracurricular activities sanctioned by the NMAA.

Significant Issues

PED will not receive additional program units for charter and home school students to participate in NMAA sanctioned extracurricular activities under the amendment.

Synopsis of SEC Amendment

The Senate Education Committee amendment allows a charter school student to participate in school district extracurricular activities in a public school in their attendance zone and may only choose one public school in which to participate.

Synopsis of Original Bill

Senate Bill 789 amends the NMSA 1978, Section 22-8-18, Program Cost Calculation to add program units for school districts who have home school and charter school students participating in extracurricular activities sanctioned by the New Mexico Activities Association (NMAA). The bill proposes to enact new sections of law to allow home school student and charter school student participation in public school extracurricular activities.

Significant Issues

Home school students will be permitted to participate in NMAA sanctioned extracurricular activities in the public school in the attendance zone in which the student lives if they meet eligibility requirements other than enrollment in a particular public school. Students enrolled in charter schools will be allowed to participate if the charter school does not offer such activities sanctioned by the NMAA or any other association. Charter school students will be permitted to participate in either the public school in the attendance zone in which the student lives or in which the student's charter school is located; the student may choose only one public school.

Under current NMAA guidelines, charter schools must join NMAA on their own and compete against schools of similar size.

Many charter schools have chosen not to participate in NMAA, but to form their own activity groups. Several charter schools within the Albuquerque Public Schools have joined together to compete in team sports. It is reported that several charter schools have lost students to the public schools because students want to participate in team sports but are unable to under current NMAA guidelines.

### **PERFORMANCE IMPLICATIONS**

The PED reports the bill supports the PED's and the Governor's legislative initiatives.

### **FISCAL IMPLICATIONS**

SB 789 provides for the PED to receive additional program units for charter and home school students to participate in NMAA sanctioned extracurricular activities.

SB 789 will allow school districts to generate additional program units. There are approximately 6,600 charter school students in grades 7-12 and approximately 6,000 home school students. If 25% of charter school and home school students participate in extracurricular activities at a cost factor of .1 with the current unit value of \$3,068.70, the costs are estimated to be approximately \$966.0. If 10% of charter school and home school students participate, the costs are estimated to be approximately \$387.0.

If the Legislature chooses not to fund the additional units, then it will reduce the unit value by approximately \$2 dollars.

The bill will result in additional costs; such as uniforms, equipment and transportation to allow home school and charter school students to participate in extracurricular activities.

### **ADMINISTRATIVE IMPLICATIONS**

Portions of the Accountability Data System will have to be reprogrammed to calculate the State Equalization Guarantee Funding Formula (SEG) for each district and charter school.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to HB 249 which proposes to amend Section 22-8-18 NMSA by correcting the reference in subsection A to include the additional units generated by the national board for professional teaching certification.

Relates to HB 668 which requires the local school board of the school district in which a charter school is located allow charter school students to participate in school district extracurricular activities if they meet eligibility requirements other than enrollment in a particular public school. The bill would further require the NMAA to allow charter school students in grades 7-12 to participate in extracurricular activities if they meet eligibility requirements other than enrollment in a particular public school.

### **TECHNICAL ISSUES**

The bill does not address catastrophic health and accident insurance coverage. It appears that the

public school where the student participates will be required to mandate that the student obtain insurance and the coverage be offered through the school.

New material in the bill alternates between language that states "...activities sanctioned by NMAA.", and "...activities sanctioned by the NMAA or any other association." The language may be unclear in its intent.

The bill does not address transportation for students. Students may have to travel far to participate in a school sport in the attendance zone in which he/she lives.

### **OTHER SUBSTANTIVE ISSUES**

Charter schools do not have attendance areas and often serve students from outside the attendance zone of the school or district. The bill appears to afford charter school students the choice of participating in the attendance zone of their home or the attendance zone that the physical location of the charter school lies within.

If the charter school does not provide sports activities but rather requires students to participate in other programs (e.g. service learning, work programs, mentorship programs, etc.), the bill may create a tension between the mission of the school and individual students who choose to avail themselves of the opportunity to participate in sports.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

By not enacting this bill, school districts and charter schools will continue to receive funding through the SEG based on the current calculation. In addition, home school students and charter school students will not be afforded the opportunity to participate in NMAA sanctioned\_public school extracurricular activities.

**AHO/yr:rs:lg**