

**FORTY-SEVENTH LEGISLATURE
SECOND SESSION, 2006**

February 11, 2006

Mr. Speaker:

Your **EDUCATION COMMITTEE**, to whom has been referred
HOUSE BILL 630

has had it under consideration and reports same with
recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 19, after the semicolon insert "PROVIDING FOR STUDIES OF THE CAPITAL OUTLAY AND OPERATIONAL FUNDING PROCEDURES FOR CHARTER SCHOOLS;".

2. On page 13, lines 16 and 17, strike "to school districts".

3. On page 23, between lines 12 and 13, insert the following sections:

"Section 17. Section 22-8-26 NMSA 1978 (being Laws 1967, Chapter 16, Section 76, as amended) is amended to read:

"22-8-26. TRANSPORTATION DISTRIBUTION.--

A. Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each school district or charter school for the to-and-from school transportation costs of students in grades kindergarten through twelve attending public school within the school district or charter school and of three- and four-year-old children who meet the [~~state board~~] department approved criteria and definition of developmentally disabled and for transportation of students to and from their regular attendance centers and the place where vocational education programs are being offered.

B. In the event a school district's or charter school's transportation allocation exceeds the amount required to meet obligations to provide to-and-from transportation, three- and four-year-old developmentally disabled transportation and vocational education transportation, fifty percent of the remaining balance shall be deposited in the transportation emergency fund.

C. Of the excess amount retained by the school district or charter school, at least twenty-five percent shall be used for to-and-from transportation-related services, excluding salaries and benefits, and up to twenty-five percent may be used for other

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transportation-related services, excluding salaries and benefits as defined by rule of the department.

D. In the event the sum of the proposed transportation allocations to each school district or charter school exceeds the amounts in the transportation distribution, the allocation to each school district or charter school shall be reduced in the proportion that the [~~local~~] school district or charter school allocation bears to the total statewide transportation distribution.

E. A local school [~~boards~~] board or governing body of a charter school, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-4 NMSA 1978 to meet established program needs.

F. Nothing in this section prohibits the use of school buses to transport the general public pursuant to the Emergency Transportation Act."

Section 18. Section 22-8-27 NMSA 1978 (being Laws 1967, Chapter 16, Section 77, as amended) is amended to read:

"22-8-27. TRANSPORTATION EQUIPMENT.--

A. The [~~state superintendent~~] department shall establish a systematic program for the purchase of necessary school bus transportation equipment.

B. In establishing a system for the replacement of school-district-owned buses, the [~~state superintendent~~] department shall provide for the replacement of school buses on a twelve-year cycle. School districts requiring additional buses to accommodate growth in the school district or to meet other special needs may petition the [~~state superintendent~~] department for additional buses. Under exceptional circumstances, school districts may also petition the [~~state superintendent~~] department for permission to replace buses prior to the completion of a twelve-year cycle or to [~~utilize~~] use buses in excess of twelve years contingent upon satisfactory annual safety inspections.

C. In establishing a system for the [~~utilization~~] use of contractor-owned buses by school districts or charter schools, the [~~state superintendent~~] department shall establish a schedule for the

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payment of rental fees for the use of contractor-owned buses. As with school-district-owned or charter-school-owned operations, the [~~state superintendent~~] department shall establish procedures to ensure the systematic replacement of buses on a twelve-year replacement cycle. School districts and charter schools requiring additional buses to accommodate growth in the school district or charter school or to meet other special needs may petition the [~~state superintendent~~] department for additional buses. Under exceptional circumstances, school districts or charter schools may also petition the [~~state superintendent~~] department for permission to replace buses prior to the completion of a twelve-year cycle or to [~~utilize~~] use buses in excess of twelve years contingent upon satisfactory annual safety inspections. [~~Effective with the 1995-96 school year~~] No school district or charter school shall pay rental fees for any one bus for a period in excess of five years. In the event a school bus service contract is terminated, the [~~state superintendent~~] department shall calculate the remaining number of years that a bus could be used based on a twelve-year replacement cycle and calculate a value reflecting that use. The [~~local~~] school district or charter school shall deduct an amount equal to that value from any remaining amount due on the contract or if no balance remains on the contract, the contractor shall reimburse the school district or charter school an amount equal to the value calculated."

Section 19. Section 22-8-29 NMSA 1978 (being Laws 1967, Chapter 16, Section 78, as amended) is amended to read:

"22-8-29. TRANSPORTATION DISTRIBUTIONS--REPORTS--PAYMENTS.--

A. Prior to November 15 of each year, each local school board of a school district and governing body of a charter school shall report to the state transportation director, upon forms furnished by the state transportation director, the following information concerning the school district's or charter school's operation on the fortieth day of school:

(1) the number and designation of school bus routes in operation in the school district;

(2) the number of miles traveled by each school bus on each school bus route, showing the route mileage in accordance with the type of road surface traveled;

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(3) the number of students transported on the fortieth day of school and adjusted for special education students on December 1;

(4) the projected number of students to be transported in the next school year;

(5) the seating capacity, age and mileage of each bus used in the school district for student transportation; and

(6) the number of total miles traveled for each school district's or charter school's per capita feeder routes.

B. Each local school board of a school district and governing body of a charter school maintaining a school bus route shall make further reports to the state transportation director at other times specified by the state transportation director.

C. The state transportation director shall certify to the [~~state superintendent~~] secretary that the allocations from the transportation distributions to each school district and charter school are based upon the transportation distribution formula established in the Public School Code. The allocations for the first six months of a school year shall be based upon the tentative transportation budget of the school district or charter school for the current fiscal year. Allocations to a school district or charter school for the remainder of the school year shall adjust the amount received by the school district or charter school so that it equals the amount the school district or charter school is entitled to receive for the entire school year based upon the November 15 report and subject to audit and verification.

D. The department shall make periodic installment payments to school districts and charter schools during the school year from the transportation distributions, based upon the allocations certified by the state transportation director."

Section 20. Section 22-8-29.1 NMSA 1978 (being Laws 1995, Chapter 208, Section 10, as amended) is amended to read:

"22-8-29.1. CALCULATION OF TRANSPORTATION ALLOCATION.--

A. As used in this section:

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(1) "annual variables" means the coefficients calculated by regressing the total operational expenditures from two years prior to the current school year for each school district and charter school using the number of students transported and the numerical value of site characteristics;

(2) "base amount" means the fixed amount that is the same for all school districts and an amount established by rule for charter schools;

(3) "total operational expenditures" means the sum of all to-and-from school transportation expenditures, excluding expenditures incurred in accordance with the provisions of Section 22-8-27 NMSA 1978; and

(4) "variable amount" means the sum of the product of the annual variables multiplied by each school district's or charter school's numerical value of the school district's and charter school's site characteristics multiplied by the number of days of operation for each school district or charter school.

B. The department shall calculate the transportation allocation for each school district and charter school.

C. The base amount is designated as product A. Product A is the constant calculated by regressing the total operations expenditures from the two years prior to the current school year for school district or charter school operations using the numerical value of site characteristics approved by the [~~state board~~] department. The legislative education study committee and the legislative finance committee may review the site characteristics developed by the state transportation director prior to approval by the [~~state board~~] department.

D. The variable amount is designated as product B. Product B is the predicted additional expenditures for each school district or charter school based on the regression analysis using the site characteristics as predictor variables multiplied by the number of days.

E. The allocation to each school district and charter school shall be equal to product A plus product B.

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F. For the 2001-2002, 2002-2003 and 2003-2004 school years, the transportation allocation for each school district shall not be less than ninety-five percent or more than one hundred five percent of the prior school year's transportation expenditure.

G. The adjustment factor shall be applied to the allocation amount determined pursuant to Subsections E and F of this section."

Section 21. Section 22-8-29.4 NMSA 1978 (being Laws 1995, Chapter 208, Section 13, as amended) is amended to read:

"22-8-29.4. TRANSPORTATION DISTRIBUTION ADJUSTMENT FACTOR.--

A. The [~~state superintendent~~] department shall establish a transportation distribution adjustment factor. The adjustment factor shall be calculated as follows:

(1) calculate the unadjusted transportation allocation for each school district [~~previously~~] and charter school, designated in Section 22-8-29.1 NMSA 1978 as product A plus product B;

(2) the sum total of product A plus product B in all school districts and charter schools added together equals product C; and

(3) subtract product C from the total operational transportation distribution for the current year and divide the result by product C and then add 1 in the following manner:
"[(total operational transportation distribution - C) ÷ C] + 1".
The result is the transportation distribution adjustment factor.

B. As used in this section, "total operational transportation distribution" means the total legislative appropriation for the transportation distribution minus amounts included for capital outlay expenses.""

4. Renumber succeeding sections accordingly.

5. On page 26, line 17, strike "it" and insert in lieu thereof "the governing body".

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6. On page 27, line 5, after "school" insert "or does not have a member who was a member of a governing body of a charter school".
7. On page 34, line 21, strike "restructure" and insert in lieu thereof "structure".
8. On page 39, strike lines 8 through 14.
9. Reletter succeeding subsections accordingly.
10. On page 45, line 12, after "meeting" insert "in the school district in which the charter school is proposed to be located".
11. On page 46, line 9, after "if" insert a colon and the paragraph designation "(1)".
12. On page 46, line 9, strike the comma and insert in lieu thereof a semicolon and the paragraph designation "(2) it".
13. On page 46, line 11, strike the comma.
14. On page 46, line 12, strike ", or the application" and insert in lieu thereof a semicolon and the following new paragraphs:
 - "(3) the proposed head administrator or other administrative or fiscal staff was involved with another charter school whose charter was denied or revoked for fiscal mismanagement or the proposed head administrator or other administrative or fiscal staff was discharged from a public school for fiscal mismanagement;
 - (4) it does not propose to offer an educational program consistent with the requirements and purposes of the Charter Schools Act; or
 - (5) it".
15. On page 58, line 23, after "than" strike the remainder of the line, strike line 24 through "which" and insert in lieu thereof "two hundred seventy days prior to the date".
16. On page 59, strike lines 3 and 4 and insert in lieu

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thereof "one hundred eighty days prior to the expiration of the charter."

17. On page 83, between lines 3 and 4, insert the following new sections:

"Section 59. TEMPORARY PROVISION--CAPITAL OUTLAY STUDY.--The public school capital outlay oversight task force, in consultation with the public school capital outlay council, the public education department and the public school facilities authority, shall study the provisions in statute governing the funding of charter school capital outlay facilities, transportation costs and any other capital outlay issues concerning charter schools and shall make recommendations to the legislative education study committee, the legislative finance committee and the governor by November 1, 2006.

Section 60. TEMPORARY PROVISION--CHARTER SCHOOL FUNDING STUDY.--The funding formula study task force, in consultation with the public education department, shall study the provisions in statute regarding the application of the public school funding formula to charter schools, and the eligibility of charter schools for supplemental distributions pursuant to Section 22-8-30 NMSA 1978 and other applicable laws and shall make recommendations to the legislative education study committee, the legislative finance committee, the New Mexico legislative council and the governor by November 1, 2007."

18. Renumber the succeeding sections accordingly.

19. On page 83, line 9, after "provisions" insert "of Sections 1 through 58 and 61".,

and thence referred to the **JUDICIARY COMMITTEE.**

Respectfully submitted,

Rick Miera, Chairman

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)
Date _____

The roll call vote was 10 For 0 Against
Yes: 10
No: 0
Excused: Cordova, Fox-Young, King, Williams
Absent: None

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