

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: *SB 169

48th Legislature, 1st Session, 2007

Short Title: School Closure Moratorium

Sponsor(s): Senator Sue Wilson Beffort

Analyst: Kathleen Forrer

Date: January 27, 2007

Bill Summary:

SB 169:

- imposes a moratorium on and prohibits local boards from approving the closure of a public school from the effective date of the act until July 1, 2008;
- directs that after the moratorium is lifted, any closures under consideration prior to the start of the moratorium must be reconsidered “in light of actions taken” by the 2008 Legislature “pursuant to findings and recommendations” of the Public School Funding Formula study currently being conducted by the Funding Formula Study Task Force;
- appropriates funds and allows school districts that “had contemplated or begun the process of closing a public school” prior to the moratorium to apply to the Public Education Department (PED) for funding to continue operating the school;
- requires that a school district applying for funds provide proof that it “had contemplated or was in the process of closing one or more public schools” prior to the moratorium;
- directs PED to determine the amount of funding to be awarded based on the district’s budget and on the school’s operating costs; and
- specifies that these funds must be used to supplement and not supplant other revenue sources, such as the State Equalization Guarantee (SEG) and emergency supplemental distributions.

* The bill contains an emergency clause.

Fiscal Impact:

\$5.5 million is appropriated from the General Fund to PED for expenditure in FY 07 and FY 08 to provide funding for school districts to which the closure moratorium applies. The bill contains a reversion clause.

Issues:

During school year 2006-2007, the media has reported that the Santa Fe and Moriarty school districts are considering closing small schools because of the additional operating costs associated with their operation. In its analysis of SB 169, PED notes the following: “There is a trend of small rural school districts with declining enrollment having issues balancing their operational budgets since they would receive a smaller allocation of money from the public school operational funding formula. One of the ways that they deal with this operational budget shortfall is to close a school. This, however, creates issues with the parents and students in the affected district.”

The Office of the Attorney General states in its analysis: “By providing additional funding to local school districts to continue to operate schools designated for closure, the bill circumvents calculations resulting in the state equalization guarantee distribution for school district operating revenue as set forth in NMSA Section 22-8-25. The additional funding could result in certain school districts receiving more funding than others in order to maintain and operate unnecessary public school facilities, as determined by the local school board.”

Related Bills:

None as of January 27, 2007.