

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: HB 197

49th Legislature, 1st Session, 2009

Short Title: Regional Education Cooperative Programs

Sponsor(s): Representative Thomas A. García and Others

Analyst: Kathleen Forrer

Date: February 11, 2009

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

Bill Summary:

HB 197 amends the *Regional Cooperative Education Act* to:

- allow a Regional Education Cooperative (REC) to provide and to be reimbursed for education-related services provided to nonmembers, so long as those services do not detract from the cooperative's ability to fulfill its responsibilities to its members;
- authorize an REC to make application for and receive public and private grants, "gifts, donations, bequests and devises" and use the revenue to further the purposes and goals of the cooperative; and
- require each REC (1) to submit to the Public Education Department (PED), on a schedule and in a manner to be determined by PED, reports that include an evaluation of the effectiveness of technical assistance and other services provided by the cooperative; and (2) to make these reports available upon request to the Legislative Education Study Committee (LESC) to and the Legislative Finance Committee (LFC).

Fiscal Impact:

HB 197 makes no appropriation.

Fiscal Issues:

Implementation of HB 197 does not require additional funding. If there is any fiscal impact, expressly allowing RECs to provide education-related services for a fee to nonmembers should help them support their statutory obligations to their members.

Current statute neither expressly allows nor prohibits the provision of revenue-generating services. In its analysis of HB 197, PED notes that approximately one-third of the RECs already provide revenue generating services, adding that, although the fiscal impact of HB 197 is difficult to determine:

The bill should have a positive impact on revenues for the RECs; however, the amount of revenues generated will be dependent upon how many of the RECs choose to provide revenue-generating services, how much they will charge for such services and which, if any, grants, etc. they apply for and receive.

HB 3, as amended, appropriates a total of \$1.2 million in General Fund revenue to the RECs. Both the LESC and the LFC included this funding in their public school support recommendations for FY 10.

State Funding Appropriated for RECs in Prior Fiscal Years

- The 2006 Legislature provided \$750,000 in a special nonrecurring, non-reverting appropriation to PED to provide temporary cash flow assistance for REC operations to address funding shortfalls due, in part, to federal reimbursement cycles.
- The 2007 Legislature appropriated an additional \$1.05 million to PED for use beginning in FY 08, bringing the total amount of funding available for temporary REC cash flow assistance to \$1.8 million.
- The 2008 Legislature not only appropriated \$1.4 million in recurring funds to PED for cash flow assistance for school year 2008-2009 but also included language in the *General Appropriation Act of 2008* allowing the RECs to retain any distributed portion of the \$1.8 million appropriated to PED in previous fiscal years.

Issues:

New Mexico has nine RECs, which together serve 58 of the state's 89 schools districts (see Attachment 1). The districts that they serve are primarily, but not exclusively, small and rural: only 10 of the 58 districts have a student membership (MEM) of 1,000 or greater. The largest district is Hobbs, a member of Lea Regional Cooperative 7, with a 2008-2009 funded MEM of 7,782. The smallest is Mosquero, a member of High Plains Regional Education Cooperative 3, with a 2008-2009 funded MEM of 38 (see Attachment 2 for a complete list).

The RECs provide fiscal administration, technical assistance, and direct services to participating member school districts and state-operated schools. Among the multiple services that they currently provide to their members are professional development, Child Find activities, technical assistance with the Student Teacher Accountability Reporting System (STARS), and procurement of goods and personnel, including special education ancillary staff.

During the 2008 interim, the LESC held a series of regional hearings to gather input regarding the proposed public school funding formula included in HB 331, which is also endorsed by the LESC. During those hearings, many of the small school districts expressed their support for the RECs, citing their assistance in providing cost-effective services, and noted that the need for the RECs would not diminish should the new formula be implemented.

Among the accomplishments cited by the RECs are the following:

- for school year 2006-2007, 66 percent of schools served by RECs made Adequate Yearly Progress (AYP), as compared to the state average of 41.9 percent;
- for school year 2007-2008, 70 percent of schools served by RECs made AYP, as compared to the state average of 45.5percent;
- during school year 2007-2008, over 9,745 educators participated in REC sponsored professional development activities;
- annually, approximately 379 students participate in REC sponsored work-study or Workforce Development programs; and

- annually, about 1,748 children participate in REC sponsored Child Find programs, designed to screen students who may have special needs.

Senate Memorial 41

Senate Memorial 41 (2008), *Study Regional Education Cooperatives*, requested the LESC, PED, and the state’s nine RECs to study the roles, responsibilities, and financial requirements of the RECs and report to the LESC their findings and recommendations, including recommendations for statutory changes and funding, if necessary. The memorial was introduced in response to several fiscal and communication issues that had arisen in recent years between PED and the RECs – issues related to late reimbursements, loss of federal funding, and misunderstandings regarding the RECs’ ability to apply for and receive federal grants on behalf of their members.

The LESC formed a work group that met throughout the 2008 interim. Many of the recommendations that the work group presented to the LESC at the committee’s September meeting are incorporated in HB 197, including strengthened reporting requirements; express authority to apply for and administer funding to support the educational mission of the RECs; and express authority to provide education-related services for a fee to nonmembers, so long as such activities do not interfere with an REC’s obligations to its members.

Background:

In 1984, the former State Board of Education (SBE) by regulation authorized the creation of Regional Center Cooperatives (RCCs) to submit consolidated applications to PED to provide services to groups of school districts and other eligible state-supported schools for eligible school-aged children under the federal *Education of the Handicapped Act*, now known as IDEA.

In 1993, the *Regional Cooperative Education Act* was enacted to permit the State Board of Education (now PED) to authorize the formation of RECs to provide education-related services: “Upon authorization by the [department], local school boards may join with other local school boards or other state-supported educational institutions to form cooperatives to provide education-related services. Cooperatives shall be deemed individual state agencies administratively attached to the department of education....”

Unlike other state agencies but similar to school districts, RECs:

- may “own, and have control and management over, buildings and land” without going through the state’s General Services Division;
- submit their budgets to PED rather than to the Department of Finance and Administration; and
- may be designated their own board of finance by the Secretary of Public Education.

Each REC is governed by a coordinating council composed of the superintendents or chief administrative officers of each participating local school district or state-supported educational institution. The council oversees the operation of the REC, which is directed by statute to provide the following to its members:

- education-related services to all entities participating in the cooperative;
- technical assistance and staff development opportunities to all entities participating in the cooperative;

- cooperative purchasing capabilities and fiscal management opportunities to all entities participating in the cooperative; or
- such additional services to participating entities as may be determined by the council to be appropriate.

Related Bill:

SB 56 *Exempt Border Authority from Property Control*

REGIONAL EDUCATION COOPERATIVES

Northwest Regional Education Cooperative 2 (REC 2), Gallina

Members: Chama Valley Independent Schools, Cuba Independent Schools, Dulce Independent Schools, Jemez Mountain Public Schools, Mesa Vista Consolidated Schools, Peñasco Independent Schools, and Questa Independent Schools

High Plains Regional Education Cooperative 3 (REC 3), Raton

Members: Cimarron Municipal Schools, Clayton Municipal Schools, Des Moines Municipal Schools, Maxwell Municipal Schools, Mosquero Municipal Schools, Raton Public Schools, Roy Municipal Schools, and Springer Municipal Schools

Northeast Regional Education Cooperative 4 (REC 4), Las Vegas

Members: Las Vegas City Public Schools, Mora Independent Schools, Pecos Independent Schools, Santa Rosa Consolidated Schools, Wagon Mound Public Schools (including Rancho Valmora), and West Las Vegas Public Schools

Central Regional Education Cooperative 5 (REC 5), Albuquerque

Members: Estancia Municipal Schools, Jemez Valley Public Schools, Magdalena Municipal Schools, Mountainair Public Schools, Quemado Independent Schools, Vaughn Municipal Schools, NM Department of Corrections, UNM Children's Psychiatric Hospital, and Sequoyah Adolescent Treatment Center

Regional Education Cooperative 6 (REC 6), Portales

Members: Dora Consolidated Schools, Elida Municipal Schools, Floyd Municipal Schools, Ft. Sumner Municipal Schools, Grady Municipal Schools, House Municipal Schools, Logan Municipal Schools, Melrose Public Schools, San Jon Municipal Schools, and Texico Municipal Schools

Lea Regional Education Cooperative 7 (REC 7), Hobbs

Members: Eunice Public Schools, Hobbs Municipal Schools, Jal Public Schools, and Tatum Municipal Schools

Pecos Valley Regional Cooperative 8 (REC 8), Artesia

Members: Dexter Consolidated Schools, Hagerman Municipal Schools, Lake Arthur Municipal Schools, and Loving Municipal Schools

Region IX Education Cooperative (REC 9), Ruidoso

Members: Capitan Municipal Schools, Carrizozo Municipal Schools, Cloudcroft Municipal Schools, Corona Public Schools, Hondo Valley Public Schools, Ruidoso Municipal Schools, and Tularosa Municipal Schools

Southwest Regional Cooperative 10 (REC 10), Truth or Consequences

Members: Animas Public Schools, Deming Public Schools, Hatch Valley Public Schools, Lordsburg Municipal Schools, Reserve Independent Schools, and Truth or Consequences Municipal Schools

**REGIONAL EDUCATION COOPERATIVES
MEMBER SCHOOL DISTRICTS 2008-2009 FINAL FUNDED MEMBERSHIP**

REC/MEMBER DISTRICTS	TOTAL MEM	PROGRAM MEM				
		SPECIAL ED. MEM	RELATED SERVICES FTE	ELEMENTARY FINEARTS MEM	BILINGUAL MEM	ELEMENTARY PE MEM
NORTHWEST REGIONAL EDUCATION COOPERATIVE 2 (REC 2), Gallina						
CHAMA VALLEY	436.50	82.50	4.20	192.50	297.50	210.00
CUBA	685.00	114.00	6.42	202.50	384.50	200.00
DULCE	724.00	95.50	3.14	261.50	307.50	287.00
JEMEZ MOUNTAIN	344.00	33.00	2.20	159.50	341.00	181.00
LINDRITH AREA HERITAGE	25.50	6.50	0.21	19.00	0.00	0.00
JEMEZ MOUNTAIN W/C HARTERS	369.50	39.50	2.41	178.50	341.00	181.00
MESA VISTA	425.00	68.50	3.07	183.00	396.50	0.00
PENASCO	541.00	90.00	4.33	249.00	412.00	278.00
QUESTA	425.50	73.00	1.45	217.50	353.50	200.00
RED RIVER VALLEY	56.50	17.00	0.30	49.50	0.00	0.00
ROOTS & WINGS	26.00	2.00	0.00	12.50	0.00	0.00
QUESTA W/C HARTERS	508.00	92.00	1.75	279.50	353.50	200.00
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE 3 (REC 3), Raton						
C MARRON	448.75	71.50	2.92	164.50	0.00	57.00
MORENO VALLEY HIGH	82.00	10.00	0.00	0.00	0.00	0.00
C MARRON W/CHARTERS	530.75	81.50	2.92	164.50	0.00	57.00
CLAYTON	547.50	90.00	4.86	284.00	0.00	0.00
DESMOINES	93.00	8.00	1.02	42.50	0.00	0.00
MAXWELL	97.75	24.00	0.88	49.00	0.00	0.00
MOSQUERO	38.00	8.00	1.08	18.00	0.00	0.00
RATON	1,319.25	258.50	10.70	719.50	123.50	0.00
ROY	83.00	16.00	0.98	15.00	0.00	0.00
SPRINGER	194.50	34.00	2.52	88.50	0.00	101.00
NORTHEAST REGIONAL EDUCATION COOPERATIVE 4 (REC 4), Las Vegas						
LAS VEGAS CITY	2,029.50	468.50	12.62	984.00	1,339.50	324.00
MORA	570.50	97.00	3.29	252.00	370.00	244.00
PECOS	711.25	193.00	10.67	324.50	454.50	0.00
SANTA ROSA	637.75	78.50	6.93	308.00	528.50	299.00
WAGON MOUND	155.75	90.50	0.99	34.00	77.50	43.00
WESTLAS VEGAS	1,699.25	232.50	10.81	724.50	1,389.00	670.00
RIO GALLINAS CHARTER SCHOOL	86.50	20.00	0.25	57.00	86.00	0.00
WESTLAS VEGAS W/CHARTER	1,785.75	252.50	11.06	781.50	1,475.00	670.00
CENTRAL REGIONAL EDUCATION COOPERATIVE 5 (REC 5), Albuquerque*						
ESTANCIA	1,014.00	158.00	6.02	446.00	0.00	470.00
JEMEZ VALLEY	322.25	55.50	2.78	109.50	0.00	0.00
SAN DIEGO RIVERSIDE CHARTER	102.50	16.00	0.89	0.00	95.50	110.00
WALATOWA CHARTER HIGH	53.50	8.00	0.12	0.00	0.00	0.00
JEMEZ VALLEY W/CHARTER	478.25	79.50	3.79	109.50	95.50	110.00
MAGDALENA	427.25	97.50	8.17	205.00	108.50	235.00
MOUNTAINAR	330.50	67.00	4.56	143.50	0.00	164.00
QUEMADO	177.00	13.00	1.88	88.00	0.00	94.00
VAUGHN	100.50	23.00	1.68	59.50	84.50	59.00
REGIONAL EDUCATION COOPERATIVE 6 (REC 6), Portales						
DORA	232.00	55.00	1.38	107.50	0.00	0.00
ELIDA	116.50	23.00	0.55	63.00	0.00	0.00
FLOYD	241.75	51.50	0.43	107.50	26.00	125.00
FT. SUMNER	312.50	86.00	2.03	138.00	0.00	0.00
GRADY	125.00	23.00	0.67	54.00	0.00	0.00
HOUSE	108.00	15.00	0.63	27.00	0.00	0.00
LOGAN	218.50	39.00	0.61	93.00	0.00	107.00
MELROSE	209.00	67.50	0.74	82.50	0.00	0.00
SAN JON	150.25	29.00	0.54	44.50	0.00	0.00
TEXICO	517.50	67.50	1.73	140.50	0.00	0.00

**REGIONAL EDUCATION COOPERATIVES
MEMBER SCHOOL DISTRICTS 2008-2009 FINAL FUNDED MEMBERSHIP**

REC/MEMBER DISTRICTS	TOTAL MEM	PROGRAM MEM				
		SPECIAL ED. MEM	RELATED SERVICES FTE	ELEMENTARY FINEARTS MEM	BILINGUAL MEM	ELEMENTARY PE MEM
LEA REGIONAL EDUCATION COOPERATIVE 7 (REC 7), Hobbs						
EUNICE	555.00	88.50	0.23	288.00	30.00	0.00
HOBBS	7,781.75	1,121.00	30.47	4,396.00	286.50	1,994.00
JAL	407.25	77.50	0.83	214.00	0.00	0.00
TATUM	294.00	49.00	1.08	124.50	0.00	0.00
PECOS VALLEY REGIONAL COOPERATIVE 8 (REC 8), Artesia						
DEXTER	1,079.00	237.50	6.48	473.50	533.00	476.00
HAGERMAN	440.00	91.00	2.09	187.50	39.00	202.00
LAKE ARTHUR	151.00	31.00	0.84	57.50	18.00	74.00
LOVING	563.50	74.50	2.81	261.00	494.00	266.00
REGION IX EDUCATION COOPERATIVE (REC 9), Ruidoso						
CAPTAN	538.50	47.50	2.38	235.50	0.00	0.00
CARRIZO	206.25	26.50	1.28	96.50	0.00	65.00
CLOUDCROFT	455.25	92.00	1.85	173.50	0.00	0.00
CORONA	82.50	11.50	0.35	43.50	36.00	0.00
HONDO	126.00	16.50	0.66	69.00	73.50	69.00
RUIDOSO	2,236.50	394.00	17.30	1,181.00	255.00	0.00
TULAROSA	962.00	122.00	6.33	499.00	0.00	515.00
SOUTHWEST REGIONAL COOPERATIVE 10 (REC 10), Truth or Consequences						
ANIMAS	265.25	53.50	1.38	81.00	0.00	0.00
DEMING	5,298.50	703.50	21.08	2,839.50	1,515.50	2,524.00
DEMING CESAR CHAVEZ	115.00	6.00	1.00	0.00	78.00	0.00
DEMING W/CHARTERS	5,413.50	709.50	22.08	2,839.50	1,593.50	2,524.00
HATCH	1,387.25	169.00	4.03	636.00	434.50	641.00
LORDSBURG	676.00	144.00	3.97	341.00	0.00	376.00
RESERVE	184.00	46.00	1.90	82.00	0.00	80.00
TRUTH OR CONSEQ.	1,390.00	342.50	6.89	610.00	138.50	698.00
TOTAL ALL RECS	42,436.25	7,121.00	246.48	20,410.00	11,107.00	12,438.00

*Other members of REC 5 are the NM Department of Corrections, UNM Children's Psychiatric Hospital, and Sequoyah Adolescent Treatment Center.