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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 1st Session, 2021

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|------------------------|------------------------------|----------------------------|----------------|
| Bill Number | <u>SB237</u> | Sponsor | <u>Lopez</u> |
| Tracking Number | <u>.218921.2</u> | Committee Referrals | <u>SEC/SJC</u> |
| Short Title | <u>Charter School Duties</u> | | |
| Analyst | <u>Hathaway</u> | Original Date | <u>2/7/21</u> |
| | | Last Updated | <u></u> |

BILL SUMMARY

Synopsis of Bill

Senate Bill 237 (SB237) amends various sections of Chapter 22, Article 8B, NMSA 1978, known as the Charter Schools Act, to clarify the powers and duties of chartering authorities in monitoring schools and to expand the prohibition of nepotism in charter schools. SB237 includes an effective date of June 18, 2021.

SB237 would prohibit a charter school from employing any immediate family member of (1) the charter school's head administrator, (2) any member of the charter school's governing body, or (3) any charter school employee who would be a direct supervisor of the immediate family member. SB237 also requires a charter school with existing employees who would be prohibited from employment under the provisions of SB237 to notify the charter school's chartering authority of the relationship. The chartering authority would then be required to work with the charter school to alleviate or mitigate the effects of nepotism, including identifying who the supervisor of record will be.

SB237 also adds language to the Charter Schools Act to expand the role of chartering authorities in monitoring governing bodies of charter schools and directs chartering authorities to (1) oversee the charter school's compliance with federal and state laws and (2) take action, following the appropriate steps, when a charter school is not following laws or its own policies and procedures. Finally, SB237 adds language to the state Charter Schools Act specifying a chartering authority must follow its policies regarding the suspension, revocation, or nonrenewal of a charter school's charter.

FISCAL IMPACT

SB237 does not contain an appropriation. No fiscal impact is anticipated.

Agency analysis from the Public Education Department (PED) was not available at the time of bill analysis.

SUBSTANTIVE ISSUES

Charter schools in New Mexico are public schools operated independently of public school districts. Charter schools must follow the same laws for finances and operations as traditional public schools although their educational models may vary. There are currently 96 charter schools serving just over 27 thousand students in New Mexico. In accordance with the Charter Schools Act, charter schools in New Mexico can be authorized by two entities:

1. The Public Education Commission (PEC), a state commission with 10 elected commissioners that serve staggered terms of four years and who are administratively supported by the Options for Parents and Families Division at the Public Education Department (PED); or
2. A local school district, under which charter schools operate under the jurisdiction of that local school district.

Of the 96 charter schools in New Mexico, 54 charter schools are authorized by the PEC (state-chartered) and 44 charter schools are authorized by local school boards (locally chartered).

Each charter school also has its own governing body, which must include at least five members and be approved by PED in accordance with the Charter Schools Act. A charter school governing body can currently waive the nepotism rule for an immediate family member of the charter school's head administrator. SB237 would prohibit a charter school governing body from waiving the prohibition of nepotism after June 18, 2021.

State law allows charter school authorizers to withhold 2 percent of a charter school's program cost funding from the public school funding formula to fund its administrative support of the charter school (Section 22-8B-13 NMSA 1978). SB237 amends existing statute to direct charter school authorizers to use these funds specifically "to monitor and oversee the charter school and the governing body."

ADMINISTRATIVE IMPLICATIONS

Charter school authorizers, including the PEC and local school districts, would need to update policies and practices related to nepotism and additional provisions of SB237.

RELATED BILLS

Relates to SB318, Charter School Changes, which addresses facilities and capital outlay at charter schools.

Relates to SB51, Charter School Enrollment Preference, which would establish an enrollment preference for the children of employees at charter schools.

SOURCES OF INFORMATION

- LESC Files
- New Mexico Attorney General (NMAG)

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