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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 1st Session, 2023

Bill Number	<u>*SB422</u>	Sponsor	<u>Stewart</u>
Tracking Number	<u>.224830.1</u>	Committee Referrals	<u>SEC/SHPAC</u>
Short Title	<u>School District Membership Plan</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>2/17/2023</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

*Senate Bill 422 (*SB422) would amend the Charter School Act so that an individual or entity cannot file an application in a school district where charter school enrollment exceeds 10 percent of that school district's enrollment.

The bill has an emergency clause that requires its provisions take effect immediately upon its signature by the governor.

FISCAL IMPACT

The bill does not contain an appropriation.

*SB422 may have a minimal fiscal impact as it does not change existing provisions in statute that limit the number of charter schools that may be opened in any particular year. Rather, the bill expands an existing restriction on the establishment of new charter schools in school districts where charter school enrollment is more than 10 percent of the district's total enrollment. The bill would apply this restriction to all school districts, rather than only those with fewer than 1,300 students.

SUBSTANTIVE ISSUES

In FY23, there were a total of 100 charter schools in New Mexico, 45 of which were locally chartered and 55 were chartered by the Public Education Commission (PEC).

Impact of SB422 on Charter School Growth. SB422 expands an existing restriction on the submission of applications for new charter schools. If SB422 were implemented, a new charter school could not open in a school district where charter school enrollment exceeds 10 percent of reported membership in that respective school district. This restriction includes both locally chartered and state-chartered charter schools within school districts' geographic boundaries. An analysis by LESC staff found ten school districts already exceed that proposed cap, including

Albuquerque, Carlsbad, Cimarron, Española, Jemez Valley, Moriarty-Edgewood, Questa, Santa Fe, Socorro, and Taos.

Process for Establishing a Charter School. Section 22-8B-6 NMSA 1978 of the Charter School Act specifies the process and stipulations a charter school applicant must meet to establish a charter school in the jurisdictional boundaries of a school district. First, the charter school applicant must file a notice with the PEC and local school district by the second Tuesday of January indicating their intent to establish a charter school. An applicant for an initial charter must then file their application by June 1 with either their local school board or the PEC for consideration in the following fiscal year. That deadline may be waived by mutual agreement of the charter applicant and the entity to which they are submitting their application.

An application for a charter school must specify the total number of grades it intends to offer, either when it opens the facility or if it intends to phase in those grades over a specific period of time. Statute stipulates an established charter school may decrease the number of grades it offers but it may not increase either the number of grades it offers or the number of students the charter school intends to serve in each grade.

Applicants must also stipulate the total number of students the charter school intends to serve in the first three years of its operation as well as the facilities the charter school anticipates it will need. There are a number of entities and individuals who may submit a charter school application, including teachers, parents, community members, a public post-secondary educational institution, or a nonprofit organization. Entities that cannot submit a charter school application include municipalities, counties, private post-secondary educational institutions, and for-profit businesses.

Currently, statute bars an individual or entity from submitting or receiving a charter if the intended charter school would be geographically located in a school district with a total enrollment of less than 1,300 students. The total enrollment of charter schools in the geographic area of an individual school district may also not surpass 10 percent of that school district's membership.

Chartering Authorities. There are two paths that a charter school applicant may pursue to receive a charter, including approval from their local school board or the PEC. If a charter school is approved by the PEC, they are considered to be considered to be independent Local Educational Agencies (LEAs), but they are considered to be part of their local school district if they receive their charter from their local school board.

Section 22-8B-11 allows the establishment of a maximum of fifteen new charter schools each year, with a provision allowing the remaining slots in any one year to be transferred to succeeding years. A maximum of 75 new charter schools may be established in any five-year period.

SOURCES OF INFORMATION

- LESC Files

DE/ma/tb/mb