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### FISCAL IMPACT REPORT

SPONSOR:	J.G. Taylor	DATE TYPED:	05/11/99	HB	15/aHEC/aHAFC
SHORT TITLE:	Student Alternatives Act			SB	
				ANALYST:	Fernandez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY99	FY2000	FY99	FY2000		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

State Department of Public Education (SDE)

LFC Files

### SUMMARY

### Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment strikes the appropriation.

### Synopsis of HEC Amendment

The House Education Committee amendment strikes language which would have required the two representatives of Indian nations to be experts in educational issues.

### Synopsis of Bill

House Bill 15 enacts the Student Alternatives Act which requires Department of Finance and Administration (DFA) to solicit proposals for a pilot program to provide alternative educational opportunities for students.

### Significant Issues

This bill will enable governmental entities and nonprofit or for-profit corporations and secondary schools located in New Mexico and operated by an Indian nation tribe or pueblo or by the Bureau of Indian Affairs to enter into contractual agreements with DFA to provide alternative educational services for students. The eligible applicants could include the New Mexico Youth Conservation Corps, charter schools, and public schools.

The alternative schools will target students between the ages of fourteen and eighteen who have been disenrolled from a public school for any reason or whose attendance or conduct indicates that he or she may not meet graduation requirements. The bill requires that special consideration be given to the 15 high schools with the highest annual dropout rate in the state and requires that students attending an alternative school be held to graduation requirements outlined in the Public School Code.

DFA shall solicit proposals and evaluate the proposals and provide recommendations to the board.

The department shall also monitor the performance of the schools.

The contract shall contain a provision that provides for a salary increase for any teacher employed at a school alternative whose students show exemplary improvement in academic achievement or attendance. The contract shall also contain a provision that provides more funding to any alternative school whose students, based on an independent analysis, demonstrate exemplary academic achievement and attendance.

School alternative programs are exempt from the School Personnel Act.

School alternatives are required to maintain records on student attendance, retention, academic achievement, and number of students that pass the New Mexico high school competency examination.

The student alternatives board is created consisting of 13 members. Two public members will be appointed by the Speaker of the House of Representatives, two public members appointed by the President Pro Tempore of the Senate, two members representing Indian nations, tribes or pueblos appointed by the New Mexico Commission on Indian Affairs, two representatives of the business community appointed by the Governor, two members of the State Board of Education, and three members from the education community appointed by the Governor.

The duties of the board are: review proposals submitted by applicants; allocate funding and ensure that no more than 25 percent is allocated to any one student alternative program; and evaluate the performance of the alternative education programs. The board is required to report annually to the Legislative Finance Committee, the Legislative Education Study Committee and the Governor prior to October 15<sup>th</sup>.

The alternative board is required to report to the State Board of Education.

Finally, the bill revises the section of the Public School Code which pertains to background checks, to require that an applicant for initial certification or for employment in a school alternative program or an employee who has unsupervised access to students be subject to a background check.

## **FISCAL IMPLICATIONS**

This bill appropriates \$3,000.0 from the general fund to DFA for expenditure in fiscal year 2000. No more than 25 percent of the appropriation may be used to contract with any one school alternative. Any unexpended or unencumbered balance remaining at the end of fiscal year 2000 shall revert to the general fund. The bill also carries an emergency clause.

#### **ADMINISTRATIVE IMPLICATIONS**

The Department of Finance and Administration will administer the program.

#### **OTHER SUBSTANTIVE ISSUES**

SDE is concerned that oversight of this educational program will reside with an agency that does not have professional staff specifically trained to handle education issues.

CTF/gm:njw