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FISCAL IMPACT REPORT

SPONSOR <u>Stewart/Soules</u>	LAST UPDATED <u>2/5/24</u> ORIGINAL DATE <u>1/28/24</u>
SHORT TITLE <u>School Board Training</u>	BILL NUMBER <u>Senate Bill 137/aSEC</u>
ANALYST <u>Liu</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
School Budgets		\$0.0 - \$263.4	\$0.0 - \$263.4		Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bill 74

Sources of Information

LFC Files
 Legislative Education Study Committee (LESC) Files

Agency Analysis Received From
 Secretary of State (SOS)
 Public Education Department (PED)

SUMMARY

Synopsis of SEC Amendment to Senate Bill 137

The Senate Education Committee (SEC) amendment to Senate Bill 137 amends the School District Campaign Reporting Act to align with the definition change for candidate, reduces the availability of recorded board meetings from five years to three years, and clarifies that superintendents cannot be terminated without just cause nor have their contracts extended:

- During any time between the regular school board election and 60 days after the convening of the newly elected board or
- Within 60 days after a majority of a local school board has been appointed.

Synopsis of Original Senate Bill 137

Senate Bill 137 sets the number of training hours for new school board or governing board members from at 10 hours, requiring at least two training hours each of: ethics and school personnel, public school finance, open meetings and public records, governance and supervision, and student achievement and support services. All other school board and governing board

members would continue to receive 5 hours of training on similar topics. Each board or governing board member's number of training hours would be posted online under PED's accountability dashboard for each school district and charter school. The bill also requires all local school board and governing board meetings to be webcast, archived online for five years, and publicly available one week after the meeting.

The bill prohibits local school boards from terminating a superintendent without cause within 60 days after the first convening of a newly elected board in which one or more members are elected or recalled. The bill also requires all school board members to report campaign contributions and spending in excess of \$1,000 to SOS when seeking election for a board position. Previously, only board members seeking election in districts with 12 thousand or more students and reporting contributions and spending in excess of \$500 were subject to this requirement. The bill is endorsed by LESC, and the effective date is July 1, 2024.

FISCAL IMPLICATIONS

The bill does not include an appropriation but may create additional operating costs for extra board member training time, board meeting webcasts, and administrative costs for schools. Many schools already have online webcasting capabilities because of school closures during the Covid-19 pandemic, so additional webcasting costs are likely minimal.

In FY23, school districts and charter schools spent \$559.6 thousand on board training and \$494 thousand on board travel expenses. Assuming about a quarter of board members and governing board members will be new and require five additional hours of training, the estimated additional fiscal impact to schools could be up to \$263.4 thousand statewide, although this would be dependent on election results and cannot be determined with certainty.

SOS notes the election of school board members occurs in November of odd-numbered years and provisions of this bill would likely increase candidate filings in 2025. In 2023, 61 school board members filed campaign finance reports statewide. SOS anticipates the increased filings can be addressed with existing resources.

SIGNIFICANT ISSUES

Provisions of this bill would require board members to receive additional training on evaluating and improving student academic achievement, using data to set school goals, providing safe learning environments, legal concepts (such as the Open Meetings Act and Inspection of Public Records Act), and effective governance practices and methods. Currently, boards must attend trainings on department rules, board powers and duties, legal concepts, and financial issues.

PED rule requires school district board members to attend five hours of training annually, provided by the New Mexico School Boards Association (NMSBA), while charter school governing body members must attend 10 hours of training in their first year and eight hours of training in subsequent years. Experienced charter school governing members can be exempted from fiscal training based on school fiscal performance. However, PED does not track compliance or report information on board members meeting training requirements. According to NMSBA, in FY22, 94 of the 457 school board members across the state did not meet training requirements. According to PED for FY23, 22 percent of the 446 school board members did not meet training requirements.

Since 2018, New Mexico has lacked guardrails to ensure school board members attend required trainings. The Center for School Turnaround and Improvement recommends coupling school board training requirements with clear accountability structures to ensure meaningful implementation, including tracking and publishing board training participation. New Mexico statute and administrative code require a school district’s accountability report to include the names of local school board members who fail to attend annual mandatory training. Prior to 2018, school district report cards in New Mexico met this requirement by including school board member training attendance. In 2018, district report cards were discontinued and the state now meets federal accountability reporting requirements through the New Mexico Vistas website. However, while NMSBA continues to provide training attendance data to PED, this information is not published, making it difficult to determine compliance.

PERFORMANCE IMPLICATIONS

The National School Board Association finds effective school boards focus on eight practices, related to setting and monitoring goals, data-driven decision-making, and fostering collaborative relations between the board and superintendent and the community. When boards frequently engage in these practices, there is evidence that districts show higher student performance.

A 2023 LFC evaluation on western school districts found both the Central and Grants school district boards could more frequently engage in these eight practices. Between 2016 and 2023, Central lacked a strategic plan and both districts had superintendent turnover above the national average. An analysis of board meeting minutes indicated more time was spent on administrative rather than strategic decisions. A court found Central was not meaningfully consulting the Navajo Nation regarding the decision to return to in-person learning, pointing to a lack of collaboration with community. Effective training could help improve school board performance, as found by a growing body of research.

A 2020 study from Northern Arizona University and the University of Central Florida analyzed training data from the Arizona School Boards Association and found a statistically significant correlation between higher training attendance among school board members and higher district rankings. Texas administrative code outlines 11 content areas of training for school board members with a minimum of 29 hours of training in the first year in office; thereafter, 11 hours are required annually and an additional six hours biannually. PED cites a study conducted by the Center for Public Education shows the most effective boards have a least four hours to 12 hours of training per year.

ADMINISTRATIVE IMPLICATIONS

SOS notes the potential administrative work associated with increased campaign finance filings could be absorbed by existing resources, and no enhancements would be needed for existing systems.

PED notes current regulations on school board member trainings would need to be updated to reflect requirements outlined in the bill. The department notes the need to contract with a law firm at \$6,000 to provide training requirements on legal matters.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 74, which clarifies that school boards determine instructional days.

TECHNICAL ISSUES

The bill amends definitions in Section 1-22A-2 NMSA 1978 for a “candidate” to mean a person who either has filed a declaration of candidacy or has received contributions or made expenditures of \$1,000 or more or authorized another person or campaign committee to receive contributions or make expenditures of \$1,000 or more for the purpose of seeking election to a covered office. However, Section 1-22A-3 NMSA 1978 makes references to candidates who have received contributions or made expenditures of \$500. The sponsor may wish to adjust the subsequent sections in the School District Campaign Reporting Act to align with the definition change for candidate. The SEC amendment addresses this issue.

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