

**FORTY-SIXTH LEGISLATURE
FIRST SESSION, 2003**

February 14, 2003

Mr. Speaker:

Your EDUCATION COMMITTEE, to whom has been referred
HOUSE BILL 212

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 2, line 21, after "quality" insert "and diverse".
2. On page 2, lines 21 and 22, strike "for public schools" and insert in lieu thereof "to teach New Mexico's multicultural student population".

3. On page 2, between lines 24 and 25, insert a new paragraph:

"(3) integrates the cultural strengths of its diverse student population into the curriculum with high expectations for all students;".

4. Renumber the succeeding paragraphs accordingly.

5. On page 111, between lines 17 and 18, insert the following new section:

"Section 71. TEMPORARY PROVISIONS--BUDGET REQUIREMENTS.--

A. Prior to the approval of school district and charter school budgets for fiscal year 2004, the state superintendent shall verify that each local school board is providing a six percent salary increase for teachers and instructional support providers, except educational assistants, no later than the last pay period of December, 2003 and a two percent salary increase for all other school employees, including transportation employees, effective July 1, 2003, and a minimum salary of thirty thousand dollars (\$30,000) for teachers, effective July 1, 2003.

B. Prior to the approval of a school district or charter school's budget for fiscal year 2004, the state superintendent shall verify that an amount equal to or more than one percent of a school district's or charter school's approved fiscal year 2003 operating budget has been reallocated to direct instruction for expenditure in

FORTY-SIXTH LEGISLATURE
FIRST SESSION, 2003

HEC/HB 212/a

Page 2

fiscal year 2004.

C. A total of nine million dollars (\$9,000,000) in school districts' and charter schools' unrestricted and unreserved cash balances and emergency reserve, as of June 30, 2003, shall be transferred to school districts' fiscal year 2004 budgets.

D. Prior to the approval of a school district's or charter school's budget for fiscal year 2004, the state superintendent shall verify that the school district's or charter school's ending cash balance does not exceed:

(1) nine percent if the current year program cost is less than five million dollars (\$5,000,000);

(2) seven and one-half percent if the current year program cost is five million dollars (\$5,000,000) but less than ten million dollars (\$10,000,000);

(3) six percent if the current year program cost is ten million dollars (\$10,000,000) but less than twenty-five million dollars (\$25,000,000);

(4) four and one-half percent if the current year program cost is twenty-five million dollars (\$25,000,000) but less than two hundred million dollars (\$200,000,000); and

(5) three and one-half percent if the current year program cost is two hundred million dollars (\$200,000,000) or more.

E. The limits provided for in Subsection D of this section shall be implemented if the amount of a school district's or charter school's credit does not exceed fifteen percent of its cash balance but is not less than seven dollars fifty cents (\$7.50) per MEM as reported on the fortieth day of the current year. For a school district or charter school that exceeds those limits, the state superintendent shall adjust its state equalization guarantee distribution accordingly.

F. In developing fiscal year 2004 operating budgets, school districts and charter schools shall not budget June 30, 2003 cash balances without the approval of both the superintendent of public instruction and the secretary of finance and administration.

G. A school district or charter school may request a waiver of the maximum cash balance requirements in Subsection D of

FORTY-SIXTH LEGISLATURE
FIRST SESSION, 2003

HEC/HB 212/a

Page 3

this section from the superintendent of public instruction for a hardship that would impair the operation of the school district or charter school."

6. Renumber the succeeding sections accordingly.

7. On page 112, lines 1 through 7, strike Subsection B and insert in lieu thereof:

"B. Six million dollars (\$6,000,000) is appropriated from the general fund to the state department of public education for distribution through the state equalization guarantee in fiscal year 2004 to fund the first year implementation of the three-tier licensure structure for teachers and to bring all teachers to a minimum salary of thirty thousand dollars (\$30,000). Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

C. Thirty-seven million nine hundred thousand dollars (\$37,900,000) is appropriated from the general fund to the state department of public education for distribution through the state equalization guarantee in fiscal year 2004 for a six percent salary increase for teachers and instructional support providers except educational assistants. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

D. Eight million five hundred thousand dollars (\$8,500,000) is appropriated from the general fund to the state department of public education for distribution through the state equalization guarantee in fiscal year 2004 for a two percent salary increase for all other school employees including transportation employees. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

E. Twenty-five million dollars (\$25,000,000) is appropriated from the general fund to the state department of public education for distribution through the state equalization guarantee to school districts in fiscal year 2004 for the employers' portion of the increase in insurance costs. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

F. Two hundred fifty thousand dollars (\$250,000) is appropriated from the general fund to the state department of public education for expenditure in fiscal year 2004 to hold those school

FORTY-SIXTH LEGISLATURE
FIRST SESSION, 2003

HEC/HB 212/a

Page 4

districts harmless that do not have the means to offset the one percent reallocation of program cost required in Section 71 of this act. Disbursements of this amount shall be subject to certification by the state department of public education to the department of finance and administration and the legislative finance committee that no other funds are available in fiscal year 2004 for the purpose specified and approval by the department of finance and administration. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund."

8. Reletter the succeeding subsections accordingly, ,
and thence referred to the APPROPRIATIONS AND FINANCE
COMMITTEE.

Respectfully submitted,

Rick Miera, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11
Excused: Stapleton
Absent: None

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