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## FISCAL IMPACT REPORT

	<b>ORIGINAL DATE</b> 2-6-06		
<b>SPONSOR</b>	Wirth	<b>LAST UPDATED</b>	2-14-06
	HIGH SCHOOL FOR THE ARTS FEASIBILITY	<b>HB</b>	839/aHEC
<b>SHORT TITLE</b>	STUDY	<b>SB</b>	
		<b>ANALYST</b>	Hadwiger

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$500.0	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB723.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)

Public Education Department (PED)

### SUMMARY

#### Synopsis of HEC Amendment

The HEC amendment to House Bill 839 would change the recipient of the appropriation from the Office of the Governor to the Legislative Education Study Committee (LESC) and revise the remaining text to reflect that perspective. Whereas in the original bill, the Public Education Department and Department of Cultural Affairs would have been required to study the need and feasibility of establishing a school for the arts, in the amended version, this study would be conducted by the LESL.

#### Synopsis of Original Bill

House Bill 839 appropriates \$500 thousand from the general fund to the Office of the Governor in FY07 for a feasibility study on the creation of a publicly funded statewide residential high school for the arts. The Office of the Governor would direct the study through the Public Education Department (PED) and Department of Cultural Affairs (DCA). The Office may contract for part or all of the study.

PED and DCA would be required to study the need and feasibility of establishing a school for the arts and, if the study determines that such a school is necessary and feasible, the study would include one or more conceptual design options and consider how the school should be structured and governed; how the school should relate to the public school system, including the public education department, school districts and federal and state law; costs of and funding for the school; and any other matters the office of the governor or the public education and cultural affairs departments deem necessary.

The results of the study, including recommendations, would be reported to the Legislative Education Study Committee and the Legislative Finance Committee by October 15, 2006. Two copies of the report would be filed with the Legislative Council Service library.

### **FISCAL IMPLICATIONS**

The appropriation of \$500 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

### **SIGNIFICANT ISSUES**

DCA noted New Mexico is widely recognized as a center for the arts. However, no public high schools exist to prepare our own citizens for this industry.

PED indicated the feasibility study would allow the state to study and make recommendations concerning legal, budgetary and programmatic questions regarding a school of the arts. It is not clear whether the study is to address the feasibility of implementing the full high school, or whether the phase-in provided for in HB 332 and SB 599 is envisioned.

PED noted that issues to be studied and addressed concerning a publicly funded statewide residential high school for the arts include:

- governance;
- accreditation;
- legal status of the high school for purposes of compliance with federal law, including Title IX of the Education Amendments of 1972 (20 US Code 1681), the Individuals with Disabilities Education Act (IDEA - 20 US Code 1400), Section 504 of the Rehabilitation Act of 1973 (29 US Code 741) and No Child Left Behind Act (NCLB) of 2001 (PL 107-110 - the Elementary and Secondary Education Act). If the school is deemed an LEA for purposes of compliance with NCLB, this would implicate a host of federal statutory and regulatory provisions not least of which are mandatory annual standards-based assessments, the need to meet adequate yearly progress (AYP) based upon a state definition and the need to have “highly qualified teachers” in the classroom who teach core academic subjects. The core academic subjects include English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history and geography; and
- status of employees.

**PERFORMANCE IMPLICATIONS**

According to PED, the bill supports the Governor’s Making Schools Work policy framework for improving education for all New Mexicans.

**ADMINISTRATIVE IMPLICATIONS**

PED and DCA would enter into an MOU to administer the funds and contract with the appropriate entities if necessary to perform the study.

DH/nt:mt