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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/10
 SPONSOR Miera LAST UPDATED 02/08/10 HB 232/aHEC
 SHORT TITLE Standardized School Finance Reporting Dates SB _____
 ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|------|-------------------------|------------------|
| FY10 | FY11 | | |
| | NFI | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY10 | FY11 | FY12 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|------|---------------|------|----------------------|-------------------------|------------------|
| Total | | See narrative | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Public Education Department (PED)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 232 makes the following changes.

Language is struck that would have given the PED the authority to require each public school to report MEM or other information at other times specified by the department.

Section 3 Paragraph E, first sentence, is changed to specify that the “superintendent of each school district and the head administrator of each state-chartered charter school shall furnish all reports *required by law or the department...*” The original language included the phrase “including financial reports required by the department...”

Synopsis of Original Bill

House Bill 232 would amend various sections of the Public School Finance Act and the Public School Building Act, Chapter 22 NMSA 1978, by removing the 40th, 80th and 120th days as reporting dates and standardizes reporting dates by establishing the second Wednesday of October as the “first” reporting date, the second Wednesday of December as the “second” reporting date and the second Wednesday of February as the “third” reporting date. The bill would allow the department to impose penalties for not providing all reports required by the department.

FISCAL IMPLICATIONS

The PED states that modifications to the PED data warehouse that currently collects student membership data, STARS, will need to be made, and costs could be incurred to implement any changes needed.

SIGNIFICANT ISSUES

The PED provides the following as significant to House Bill 232.

- House Bill 232 would further amend the Public School Finance Act, Section 22-8-13, imposing penalties on school districts or charter schools who do not supply all reports (including financial) within ten days of the close of the reporting period. This is important because under the current system, some school districts or charter schools are late in submitting their reports. It would allow the PED to withhold 100% of the allocation of funds to the school district or state-chartered charter school for no compliance or until compliance is reached.
- House Bill 232 may reduce the double counting of students. The current 40th, 80th and 120th-day reporting dates vary according to a school district or charter schools adopted school calendar. Because the dates are not standard, a student could potentially be double reported. This occurs when a student is present in one district on their 80th day and then transferred to another district or charter school and then present on their 80th day, resulting in double counting for funding purposes.
- Standardizing reporting dates statewide will significantly simplify the submission of data into the Student Teacher Accountability Reporting System (STARS) and reduce the amount of time it takes for the PED to certify data.
- The bill specifies that a district or charter will not be found noncompliant if the PED fails to approve timely submissions. Districts and charters will be held to a ten-day timeline for the submission of data, but does not penalize or hold them responsible for the PED approval of the data once it has been submitted.
- Currently, there is a five-day timeline established in Section 22-8-13, NMSA 1978. Under shorter timelines for the submission of data by school districts and charter schools, potential bandwidth issues could arise due to large amounts of web traffic attempting to submit data. The ten-day timeline for submission of data will provide additional time to the PED Information Technology staff to assist districts with their data submissions occurring, assuming submissions can be scheduled for larger school districts.
- House Bill 232 includes a new section, Section 8, providing a temporary provision allowing current references in to the 40th, 80th and 120th days in the Public School Code

be deemed the first, second and third reporting dates as referenced in the bill. The temporary provision in the bill also allows the PED, during the transition period, to use former and new data as necessary for the purpose of building budgets for the 2010-2011 school year.

PERFORMANCE IMPLICATIONS

This bill relates to the PED core performance measures outcome D: percent of bureaus in five core areas meeting the PED's customer service standards 85%. By standardizing reporting dates the business process for data collection and reporting will improve resulting in increased customer service standards.

The PED Information Technology department indicates standardizing reporting dates will improve data quality and improve the business process in subsequent years.

CH/mew:mt