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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/10

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Distributions to Charter Schools SB 270

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		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

No Response Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 270 would amend Section 22-25-3 NMSA 1978 to require that a bond resolution for the purpose of capital improvements in a school district that is submitted to qualified electors must “state that a portion of the tax revenue will be distributed to locally chartered and state-chartered schools located within the school district; provided that: (1) a specific charter school shall not be identified on the ballot unless the ballot also identifies each other public school that will receive tax receipts if the proposed property tax is imposed; and (2) a specific charter school shall not be identified in the resolution unless the charter school will receive revenue from the proposed tax that exceeds the amount that would be distributed pursuant to Subsection C of section 22-25-7 NMSA 1978.”

The bill would amend Section 22-25-7 NMSA 1978 to distribute revenues raised for capital improvements to charter schools that were not approved or open when the resolution was approved by the voters. The charter schools that were not approved or open when the resolution was approved includes only schools that have commenced operation in the prior school year.

The bill permits a charter school and a school district to enter into an agreement under which the charter school agrees to forego one or more distributions in return for a larger amount of tax receipts that will be used for a specific capital improvement identified in the authorizing resolution.

Section 22-25-9 NMSA 1978 describes the process for distributing amounts from the public school capital improvements fund to any school district that has imposed a tax under the Public School Capital Outlay Improvements Act. Senate Bill 270 would amend this section to require such distributions to go directly from the PED to each locally chartered or state-chartered school located within the school district.

Senate Bill 270 would amend Section 22-26-3 NMSA 1978 (AUTHORIZATION FOR LOCAL SCHOOL BOARD TO SUBMIT QUESTION OF CAPITAL IMPROVEMENTS TAX IMPOSITION) to require the resolution to state that a portion of the tax revenue will be distributed to locally chartered and state-chartered schools located within the school district. Specific charter schools shall not be identified on the ballot unless the ballot also identifies each other public school that will receive tax receipts if the tax is imposed, and a specific charter school shall not be identified unless it will receive revenue from the proposed tax that exceeds the amount that would be distributed under Section 22-26-9 NMSA 1978.

The bill amends Section 22-26-9 NMSA 1978 to require the distribution of local property tax revenue to charter schools in the district to flow only to charter schools that were in operation during the prior school year. The students in charter schools must be included in the school district's total enrollment for the purpose of calculating the total enrollment. A distribution will be made to a charter school that was not approved or open when the authorizing resolution was passed, as long as the school was in operation during the prior school year. A charter school and a school district are permitted under this section to enter into an agreement under which the charter school agrees to forego one or more distributions in return for a larger amount of tax receipts that will be used for a specific capital improvement identified in the authorizing resolution.

FISCAL IMPLICATIONS

Senate Bill 270 makes no appropriation.

CH/mew