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FISCAL IMPACT REPORT

SPONSOR Egolf **ORIGINAL DATE** 02/07/11 **LAST UPDATED** _____ **HB** 175
SHORT TITLE School Closure & Consolidation Procedures **SB** _____
ANALYST Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY11 | FY12 | FY13 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|------|------|------|----------------------|-------------------------|------------------|
| Total | | NFI | NFI | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 175 establishes procedures that a school district must follow before closing or consolidating any of its schools. The procedures require:

A school board must comply with all applicable municipal and county zoning ordinances and land use codes, obtain from the municipal or county government a certification that a proposed closure or consolidation plan complies with all local laws or ordinances applicable to a private entity, and provide the certificate of compliance to the PED.

In addition, a school board must conduct a comprehensive analysis, requiring subsequent approval by the PED prior to a final vote by the school board on closure or consolidation that demonstrates that the closure/consolidation would either

- (1) result in financial savings to the district for five years, or
- (2) improve educational outcomes.

FISCAL IMPLICATIONS

House Bill 175 has no fiscal implications.

SIGNIFICANT ISSUES

The PED comments:

When the PED looks at reorganization requests from superintendents, it currently looks at such issues as: AYP determinations for the new or reconfigured grades; capital outlay considerations such as pending projects, groundbreaking dates or additions to existing buildings; the effect on school transportation and the capacity and routing of buses; the impact on personnel which would include licensed and non-licensed employees; the availability of school lunches; custodial services; insurance; and educational benefits.

House Bill 175 places the PED in an ultimate approval role on what may be more appropriately a local issue given a local community's justification and reasoning for wanting to close or consolidate a school. Given these many layers, the result of this bill neither promotes efficient nor effective use of government resources.

Currently, school buildings must already comply with county and municipal zoning ordinances, state or local fire codes, building occupancy codes; and in some cases requirements of the Department of Environment, the Department of Health, the Human Services Department, the PED, the Public Schools Facilities Authority, and the Public Regulation Commission.

It would be redundant and the addition of another layer of bureaucracy to require a school district contemplating closure/renovation to obtain a certificate from county or municipal officials to evidence their compliance with laws and ordinances they already must comply with, especially where those public bodies that are empowered with issuing licenses and occupancy permits already have the authority to either issue or deny the issuance of an occupancy permit.

Understanding that establishing zoning standards is regulated locally by county boards and separate municipal boards that are different across the state, Santa Fe County oversees a land development code that includes provisions for public schools which already require the submission of a master plan and school impact report for projects over which the county has jurisdiction. Similarly, the City of Santa Fe has specific public school site standards that require compliance.

Given the established zoning requirements that already exist independent of this bill, it is not clear why or how county or municipal zoning authorities should be directly involved in the closure or consolidation of a public school. This proposed structure does not exist in relation to fire or police departments.

OTHER SUBSTANTIVE ISSUES

The PED states that the bill does not address how a local board can comply if a public school is situated on an Indian reservation. There are numerous public schools in New Mexico situated on tribal lands (e.g., Zuni, Crownpoint, Red Rock, Mescalero, Santo Domingo, and Shiprock, just to name a few).

GH/bym