

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2019 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment** _____ **Date** 1/30/19
Correction _____ **Substitute** _____ **Bill No:** HB181

Sponsor: Rep. Linda M. Trujillo **Agency Code:** 924
Short Title: CONVERSION CHARTER SCHOOL STUDENT PREFERENCE **Person Writing:** Daniel Manzano
Title: PREFERENCE **Phone:** 505-670-3820 **Email:** Daniel.Manzano@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

This bill proposes to require differing enrollment preference for conversion charter schools (defined as existing public schools within a school district that was authorized by a local school board to become a charter school prior to July 1, 2007).

While the proposed bill does not change enrollment preferences for “start-up” charter schools (new charter schools), it does include adding a new enrollment preference for “conversion” charter schools to add an additional enrollment requirement for “students who reside within the boundaries of the attendance area for the public school that existed at the time of conversion” p.5, lines 9-11).

The bill eliminates “enrollment preference” from the Charter School Act (p.2, lines 8-11).

FISCAL IMPLICATIONS

Conversion charter schools could see increased funding generated if students who reside near the school are given enrollment preference and choose to enroll. The local school district may experience a decrease in funding commensurate with withdrawal of such students.

SIGNIFICANT ISSUES

The Charter School Act impacts nearly 100 schools across the state serving over 26,000 students yet the proposed changes in this bill would impact very few charter schools – most are not conversion schools. This bill creates additional requirements for conversion charter schools, impacting lottery requirements of all charter schools, which are designed to ensure charter schools can be accessed by all students in accordance with the state’s open enrollment statute.

HB181 proposes to allow for different enrollment preferences for charter schools by drawing a distinction between “start-up” or new charter schools and “conversion” charter schools. The proposed language would require conversion school to continue giving enrollment preference to students residing in the attendance area where the school is located long after the students who would have been initially impacted due to being enrolled at the school at time of conversion.

Also, start-up and conversion schools physically located in the same area would be required to implement different enrollment preferences, even if both share the same chartering authority such as the local school district.

PERFORMANCE IMPLICATIONS

Given the oversight and monitoring of charter schools for which the PED's Charter School Division (CSD) is responsible, per the Charter School Act, the CSD staff would be required to evaluate compliance with new enrollment requirements and report non-compliance to the chartering authority in non-uniform ways. Additionally, there are implications for the evaluation of state-authorized charter schools bound by the charter school performance framework approved by the Public Education Commission (PEC), per 22-8B-9.1 NMSA 1978. The charter school performance framework includes metrics related to enrollment and operational performance indicators, and the PEC's approved Organizational Framework requires evaluation of the school's enrollment and admission practices to ensure they are not discriminatory or unfair, and comply with legal requirements.¹

ADMINISTRATIVE IMPLICATIONS

The PED's CSD would need to update its guidance in accordance with any changes if the proposed bill is enacted, while also working at the direction of the PEC to make any necessary adjustments to monitoring and evaluation of state-authorized charter schools. The CSD would also work with other chartering authorities to ensure compliance with any amendments to statute.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The proposed changes in HB181 appear to be in conflict with the general provisions in the Public School Code, 22-1-4A NMSA 1978, which requires "a free public school education shall be available to any school-age person who is a resident of this state and has not received a high school diploma or its equivalent."

Further, the proposed changes to the Charter School Act in this bill may also be in conflict with enrollment priorities as further delineated in 22-1-4(3)(a)-(d) NMSA, which apply to all school districts, if *state-authorized* charter schools are also considered school districts:

- (3) priorities for enrollment of students as follows:
 - (a) first, students residing within the school district and within the attendance area of a public school and students who had resided in the attendance area prior to a parent who is an active duty member of the armed forces of the United States or member of the national guard being deployed and whose deployment has required the student to relocate outside the attendance area for custodial care;
 - (b) second, students enrolled in a school rated as "F" for two of the prior four years pursuant to the A-B-C-D-F Schools Rating Act [22-2E-1 through 22-2E-4 NMSA 1978];
 - (c) third, students who previously attended the public school; and
 - (d) fourth, all other applicants;

Also, the bill does not account for the fact that some conversion schools which were once locally-authorized can and do change chartering authority, becoming state-authorized charter schools. State-authorized charter schools assume the role and responsibilities of a school district, and therefore should be able to operate within the parameters granted in their charter contract and further comply with any additional policies approved by their chartering authority, which in many cases is not the local school district.

TECHNICAL ISSUES

¹ See the PEC's Organizational Performance Framework which can be accessed at:
https://webnew.ped.state.nm.us/wp-content/uploads/2018/04/Organizational-Performance-Framework_4-13-18.pdf

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS