

<b>LFC Requester:</b>	<b>Sunny Liu</b>
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**AGENCY BILL ANALYSIS  
2017 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto: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:*

<b>Original</b>	<input checked="" type="checkbox"/>	<b>Amendment</b>	<input type="checkbox"/>	<b>Date</b>	<u>1/29/2017</u>
<b>Correction</b>	<input type="checkbox"/>	<b>Substitute</b>	<input type="checkbox"/>	<b>Bill No:</b>	<u>HB70</u>

<b>Sponsor:</b>	<u>Rep. William "Bill" R. Rehm</u>	<b>Agency Code:</b>	<u>924</u>
<b>Short Title:</b>	<u>LOCAL SCHOOL SUPERINTENDENT CRITERIA</u>	<b>Person Writing</b>	<u>Aguilar/Pahl/Narkun</u>
		<b>Phone:</b>	<u>505-827-6519</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	See fiscal implications		

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: HB70 provides local superintendent employment criteria, including background checks and standards for termination.

**FISCAL IMPLICATIONS**

The provisions of HB70 would limit the use of public funds directed to buying out superintendent contracts. In Albuquerque Public Schools alone, the previous two superintendents received more than \$450,000 in severance pay and contract buyouts.

HB70 would limit the impact of superintendent buyouts. The maximum severance pay provided for in the bill for termination of a superintendent contract without cause to eight weeks' salary,

upon execution of a release of claims agreement by the superintendent limiting his or her ability to pursue litigation for further compensation.

## **SIGNIFICANT ISSUES**

HB70 substantially increases the ability of school boards to exercise local control by allowing for termination of superintendent contracts with or without cause at any time, and by allowing for school boards to set job duties and carry out supervision and performance evaluations of superintendents.

HB70 requires that superintendent contracts delineate the salary, benefits, duties, performance requirements, and dates of contract period, which cannot exceed two years. If a school board desires to renew a superintendent contract, that renewal cannot be completed earlier than six months prior to the end of the initial contract period, and the period of that renewal can also not exceed two years.

HB70 provides more influence to local school boards by allowing superintendent contracts to be terminated without cause or with just cause, which can include: inadequate or non-performance of duties, incompetence, insubordination, falsification of employment material, breach of fiduciary duties, misappropriation of funds, sexual harassment, discrimination, substance abuse, gross misconduct, conviction of a felony or misdemeanor, violation of confidentiality, or conduct causing damage to a district or its reputation.

## **TECHNICAL ISSUES**

HB70 does not describe how superintendent appeals to the Secretary regarding termination are to be handled or whether and/or how the Secretary can overturn a school board's decision. This portion of the bill should be aligned with the School Personnel Act at Section 22-10A NMSA 1978.

## **PERFORMANCE IMPLICATIONS**

HB70 allows for greater school board control of the terms and provisions of a superintendent contract, including job duties, supervision, and performance evaluations. In addition, HB70 would require comprehensive background checks for applicants to the superintendent position, which may improve the hiring process and better ensure the safety of students and staff.

HB70 requires performance evaluations twice within the first year of a superintendent's employment and annually thereafter.

HB70 allows for superintendents terminated for cause to request a hearing by the school board to review its decision, and for that superintendent to appeal to the NM Secretary of Education within thirty days of the decision.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Districts will continue to be vulnerable to large and potentially fiscally destabilizing buyouts and severance pay agreements on superintendent contracts, regardless of a given superintendent's performance or cause for termination.