

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2017 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: **Date** January 30, 2017
Original **Amendment** **Bill No:** SB89
Correction **Substitute**

Sponsor: Sen. Sander Rue/ Rep. David E. Adkins **Agency Code:** 924
Short Title: SCHOOL DISTRICT SIZE LIMITS **Person Writing:** Aguilar/Craig
Title: LIMITS **Phone:** 505-827-6519 **Email:** Paulj.aguilar@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	\$150.0	Non-recurring	General Fund
	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB 89 limits the size of school districts to 40,000 students and requires PED to order all districts larger than 40,000 to be divided according to a task force established from members of the local school board and residents of the existing school district.

FISCAL IMPLICATIONS

One hundred fifty thousand dollars is appropriated from the General Fund to the PED for

expenditure in FY18 to FY20. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the General Fund.

As SB 89 is projected to only impact one school district, it is unlikely additional funds are necessary to enact the provisions of SB 89.

It is unclear of the immediate fiscal impact of splitting very large district however reducing the layers of administration and the improving ability of superintendents to influence instruction and student achievement is clear.

It is anticipated that districts of 40,000 or less in an urban area would be able to take advantage of economies of scale in improving efficiencies of operations and the division of existing assets and decreased maintenance and operations cost may result in significant efficiencies.

The work of the taskforce will be important in ensuring that these efficiencies are taken advantage of.

SIGNIFICANT ISSUES

The provisions of SB 89 would require the PED to divide only Albuquerque Public Schools (APS). In FY17 funded membership in Albuquerque Public Schools, inclusive of locally-chartered charter schools, was approximately 90,128. The next largest school district was Las Cruces Public Schools with approximately 24,040 in funded student membership counts. It is extremely unlikely that any other community is growing at a rate sufficient to trigger the provisions of SB 89 in the next three years.

For more than a decade, APS has struggled with improving student performance, with distributing funding to those school and student most in need and continues to deal with a layered administration that appears to be paralyzed in moving the district forward. Smaller, more nimble districts and administrators not constrained with dealing with an administrative hierarchy will be free to innovate and meet student need more quickly and efficiently.

Due to the fact that SB 89 requires the division of a school district upon reaching 40,000 in student membership, APS would split into at least three new school districts because dividing equally the current student membership in APS would automatically trigger the provisions of SB 89 again if the original task force did not recommend a split into three school districts.

ADMINISTRATIVE IMPLICATIONS

Minimal related to possibly facilitating, and requiring a report be generated from the appointed task force.