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HOUSE BILL 21

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Joy Garratt

AN ACT

RELATING TO CHARTER SCHOOLS; REQUIRING THE CHARTERING AUTHORITY TO PROVIDE AN OVERSIGHT AND EXPENDITURE PLAN FOR THE MONEY RETAINED FROM A CHARTER SCHOOL'S STATE EQUALIZATION GUARANTEE DISTRIBUTION; REQUIRING REPORTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 22-8B-13 NMSA 1978 (being Laws 1999, Chapter 281, Section 13, as amended) is amended to read:

"22-8B-13. CHARTER SCHOOL FINANCING.--

A. The amount of funding allocated to a charter school shall be not less than ninety-eight percent of the school-generated program cost. The school district or division may withhold and use up to two percent of the school-generated program cost for its administrative support of a charter school and its monitoring and oversight obligations specified in

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1 Section 22-8B-12 NMSA 1978.

2 B. That portion of money from state or federal  
3 programs generated by students enrolled in a locally chartered  
4 charter school shall be allocated to that charter school  
5 serving students eligible for that aid. Any other public  
6 school program not offered by the locally chartered charter  
7 school shall not be entitled to the share of money generated by  
8 a charter school program.

9 C. When a state-chartered charter school is  
10 designated as a board of finance pursuant to Section 22-8-38  
11 NMSA 1978, it shall receive state and federal funds for which  
12 it is eligible.

13 D. Charter schools may apply for all federal funds  
14 for which they are eligible.

15 E. All services centrally or otherwise provided by  
16 a local school district, including custodial, maintenance and  
17 media services, libraries and warehousing, shall be subject to  
18 negotiation between the charter school and the school district.  
19 Any services for which a charter school contracts with a school  
20 district shall be provided by the district at a reasonable  
21 cost.

22 F. By July 15, 2024 and each year thereafter, every  
23 local chartering authority and the division acting for the  
24 commission for state-chartered charter schools shall provide to  
25 every charter school that it charters an oversight and

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1 expenditure plan for the money withheld from each charter  
2 school's school-generated program cost that includes:

3 (1) the percentage and amount of the planned  
4 withholding;

5 (2) the detail of how the chartering authority  
6 plans to spend that percentage to monitor the fiscal practices,  
7 overall governance, student performance, progress toward  
8 performance framework goals and legal compliance with state law  
9 and the charter contract and perform any other obligations of  
10 the chartering authority to the charter school pursuant to the  
11 charter contract; and

12 (3) a budget for the oversight and expenditure  
13 plan.

14 G. By August 1, 2025 and each year thereafter,  
15 every local chartering authority and the division acting for  
16 the commission for state-chartered charter schools shall  
17 provide to every charter school that it charters a detailed  
18 review of how the withheld percentage and amount was spent in  
19 the prior year, including proposed and actual expenditures, and  
20 how activities of the chartering authority pursuant to its plan  
21 resulted in measurable value to the charter school and  
22 improvements in the financial management, governance or  
23 performance of the charter school."