

<b>LFC Requester:</b>	<b>Charlene Cerny</b>
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**AGENCY BILL ANALYSIS  
2015 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 type="checkbox"/>	<b>Amendment</b>	<input type="checkbox"/>	<b>Date</b>	<u>March 9, 2015</u>
<b>Correction</b>	<input type="checkbox"/>	<b>Substitute</b>	<input checked="" type="checkbox"/>	<b>Bill No:</b>	<u>SB 263S</u>

<b>Sponsor:</b>	<u>Sen. Howie C. Morales</u>	<b>Agency Code:</b>	<u>Attorney General's Office</u>
<b>Short Title:</b>	<u>AUDITOR RULES FOR EDUCATION POLICIES</u>	<b>Person Writing</b>	<u>Joshua R. Granata, AAG</u>
		<b>Phone:</b>	<u>827-6088</u>
		<b>Email</b>	<u>jgranata@nmag.gov</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

**SECTION III: NARRATIVE**

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

**BILL SUMMARY**

Synopsis:

Senate Education Committee Substitute for Senate Bill 263 (“SB 263S”) proposes to add a new section to the Public School Code requiring audits of the Public Education Department and public schools regarding teacher evaluations and merit pay and the A-B-C-D-F Schools Rating Act, Sections 22-2E-1 to -4, NMSA 1978. While the original bill proposed to amend the Audit Act, the substitute bill proposes to amend the Public School Code.

**FISCAL IMPLICATIONS**

N/A

**SIGNIFICANT ISSUES**

As drafted, SB 263S, appears not to differ from the original SB 263 in terms of the substance of the bill. It is still unclear whether the Office of the State Auditor can perform the types of audits proposed in SB 263S. For example, Sec. 12-6-3(A) provides that “the financial affairs of every agency shall be thoroughly examined and audited each year by the state auditor.” It is unclear whether audits of “teacher evaluations” and/or “merit pay” fall within the definition of “financial affairs” of the agency.

**PERFORMANCE IMPLICATIONS**

N/A

**ADMINISTRATIVE IMPLICATIONS**

N/A

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

N/A

**ALTERNATIVES**

N/A

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

Status quo

**AMENDMENTS**

**N/A**