



NEW MEXICO PUBLIC EDUCATION COMMISSION and  
NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEMORANDUM OF UNDERSTANDING

PEC PROPOSED CHANGES TO MOU

- 1) Budget and State Charter contribution
- 2) Staffing: PEC to decide on Director and Commission Liaison
- 3) Remove State Charters as a component unit of PED/PEC audit

Topic	Proposed change	Sections of the MOU modified	Statutory provision
1) Up to 2% state charter contribution and PEC budget	<ul style="list-style-type: none"> <li>• PED to provide information on SEG funding for state charters</li> <li>• PEC will create and submit a budget for the PEC, to PED within the budget cycle which will include the charter schools division</li> <li>• The budget submitted will become the budget to be utilized for that fiscal year.</li> </ul>	Sections 1, 2	<p><b>9-24-9. Public education commission.</b></p> <p>A. The "public education commission" is created pursuant to Article 12, Section 6 of the constitution of New Mexico. The commission shall be administratively attached to the department, with administrative staff provided by the department. Additional requests for staff services shall be made through the secretary.</p> <p><b>9-1-7. Administratively attached agency; relationships.</b></p> <p>A. An agency attached to a department for administrative purposes only shall:</p> <ol style="list-style-type: none"> <li>(1) exercise its functions independently of the department and without approval or control of the department;</li> <li>(2) submit its budgetary requests through the department; and</li> <li>(3) submit reports required of it by law or by the governor through the department.</li> </ol> <p>B. The department to which an agency is attached for administrative purposes only shall:</p> <ol style="list-style-type: none"> <li>(1) provide, if mutually agreed, the budgeting, record-keeping and related administrative and clerical assistance to the agency; and</li> <li>(2) include the agency's budgetary requests, as submitted and without changes, in the departmental budget.</li> </ol> <p>C. Unless otherwise provided by law, the agency shall hire its own personnel in accordance with the Personnel Act</p> <p><b>22-8B-9. Charter school contract; contents; rules.</b></p> <p>B. The charter contract shall include:</p> <ol style="list-style-type: none"> <li>(8) a detailed description of how the chartering authority will use the withheld two percent of the school-generated program cost as provided in Section 22-8B-13 NMSA 1978;</li> </ol>

			<p><b>22-8B-13. Charter school financing.</b></p> <p>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 two percent of the school-generated program cost for its administrative support of a charter school. (The division is the charter schools division created in the Act)</p>
2) Staffing	<p><b>Director</b></p> <ul style="list-style-type: none"> <li>a) PEC develops the job description</li> <li>b) PEC will recommend candidates(s) to the Secretary when the position is vacant</li> <li>c) PEC will provide an annual evaluation of the Director to the Secretary</li> <li>d) PEC may recommend that a director be removed for cause</li> <li>e) The Executive Committee and the Director's supervisor at PED will meet quarterly on the director's duties and performance</li> </ul> <p><b>Committee Liaison</b></p> <ul style="list-style-type: none"> <li>a) PEC develops the job description which shall be an Executive Secretary type position</li> <li>b) PEC will recommend candidates(s) to the Director when the position is vacant</li> <li>c) PEC may recommend that a Committee Liaison be removed for cause</li> </ul>	Section 1	<p><b>9-1-7. Administratively attached agency; relationships.</b></p> <p>C. Unless otherwise provided by law, the agency shall hire its own personnel in accordance with the Personnel Act</p>

	d) PEC will provide an annual evaluation of the Director to the Secretary		
3) Remove State Charters as a Component Unit of PEC	The PEC proposes to take action, in consultation with the State Auditor, to designate state-chartered charter schools as a primary government entity for the purposes of annual financial audit (rather than a component unit) and allow them to select independent auditors of their choice	Not in MOU	<p><b>22-8-38. Boards of finance; designation.</b></p> <p><b>B.</b> A charter school applicant requesting a charter from the commission shall submit a plan detailing how its governing body will qualify for designation as a board of finance for public school funds of the charter school. .... The governing body of a state-chartered charter school designated as a board of finance may require all funds distributed to, allocated to or collected for the state-chartered charter school to be deposited with the governing body.</p>