

Teacher Compensation

Summary

Half of New Mexico teachers leave the profession within five years of graduating from educator preparation programs, intensifying the struggle across New Mexico schools to fill teacher vacancies. Quality teaching is the most influential school factor affecting student academic success and the recruitment and retention of high quality teachers must be a priority.

The Evaluation: *Public School Use of Additional Compensation on Recruitment, Retention, and Performance* (May 2015) assessed how districts and charter schools use additional compensation and the effectiveness of strategies and initiatives on teacher recruitment, retention, and performance. Two of the 2015 program evaluation's seven key recommendations have been implemented or are progressing toward implementation.

New Mexico implemented a number of strategies to improve recruitment and retention of high quality teachers including increasing statutory minimum teacher salary levels, pay increases for all classroom teachers, incentive pay for exemplary teachers, loan assistance programs, strategies to recruit local students to become teachers, and professional development programs, amongst others. Despite interventions to recruit and retain high quality teachers, the number of returning teachers declined by 6 percent since 2016. A New Mexico State University study also reports a corresponding increase in teacher vacancies. Returning teachers in FY18 have 1.4 years less experience on average compared with teachers three years ago. Additionally, despite pay increases and incentive pay, at an average of \$47.6 thousand annually, teacher pay in New Mexico is lower than the national average, though somewhat competitive for the region. Fewer students are enrolling in and graduating from New Mexico educator preparation programs and assessing loan repayment assistance program effectiveness is difficult because data is not collected.

In line with past LFC recommendations, the Legislature modified the public school funding formula to align the training and experience index to the three-tiered licensure system. However, the Legislature should consider adding an adjustment factor for teachers meeting minimum competencies at hard to staff schools, and should consider repealing the Teacher Loan for Service Act. The Public Education Department also needs to evaluate the impact of initiatives aimed at improving teacher retention including the use of merit pay.

Progress Reports foster accountability by assessing the implementation status of previous program evaluation reports, recommendations and need for further changes.



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New Mexico Education Workforce

There are almost 1,200 educator vacancies in New Mexico and of those, 740 are teacher vacancies.

The majority of school vacancies are in the central region that includes Albuquerque, Santa Fe, and Rio Rancho.

Historically, the New Mexico education workforce fluctuates from year to year, falling and rising. Over an eight-year period, the total number of licensed teachers went from a high of 22.3 thousand teachers in FY08 to a low of 21.4 thousand teachers in FY13 and slightly increased to 21.7 thousand in FY15. At 3,033, the number of teachers leaving the profession in FY15 outpaced the number of new teachers entering the workforce.

More recent data is available from a report published by the Southwest Outreach Academic Research (SOAR) Lab at New Mexico State University which found 1,173 current educator vacancies across New Mexico, with 740 teacher vacancies. The number of vacancies increased from FY17 by 342 total vacancies and 264 teacher vacancies. The report estimates over 53 thousand, or 16 percent, of New Mexico students are taught by a long-term substitute teacher and not certified teachers. As the SOAR report indicates, there is no systemic way of tracking educator vacancies in New Mexico and researchers relied on recruitment service data, individual school websites, and calls to districts to determine the number of vacancies. The number reported reflects the number of vacancies on October 1, 2018 and does not include state charter schools or private schools.

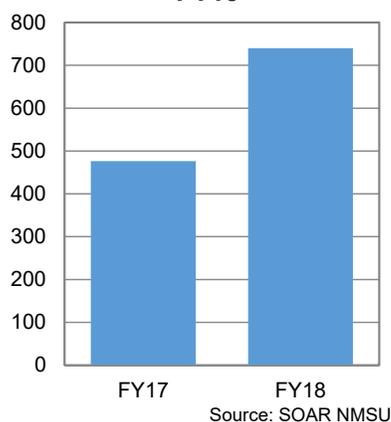
Additionally, New Mexico educator preparation programs are enrolling and graduating fewer students than in previous years. As reported by previous LFC reports, enrollment at New Mexico public and private programs decreased by 3,441 students, or 58 percent, from academic year 2012 to academic year 2016. The number of students graduating from these programs has also decreased by 476 students, or 34 percent. These data, from federal Higher Education Act Title II reports published by the U.S. Department of Education, indicate fewer students are choosing to become teachers.

Teacher Compensation is on the rise in New Mexico

Teacher pay in New Mexico is lower than the national average but competitive for the region.

New Mexico implemented a number of strategies to improve recruitment and retention of high quality teachers including increasing teacher pay. In 2003, New Mexico enacted comprehensive public school reform legislation including the three-tiered system, which created a three-level career ladder for teachers to ascend based on experience, leadership, and skills. Movement up a level results in pay increases of \$8,000 to \$10 thousand depending on the levels. Previous evaluations of the three-tiered system confirmed the system decreased widespread teacher shortages, reduced unqualified teachers, and improved teacher pay, but pay increases were not aligned with increased student achievement. Additionally, as reported in the 2015 Program

Chart 1. Teacher Vacancies Increased by 55 Percent from FY17 to FY18



In FY18, districts and charter schools spent \$99 million on additional compensation.

Evaluation, school districts and charter schools spend millions on additional compensation and supplemental pay annually, but the impact on recruitment and retention is unclear because these funds are not strategically used. In FY14, school districts and charter schools spent over \$91 million on additional compensation for employees, including teachers, across all funding sources. In FY18, districts and charter schools spent \$99 million on additional compensation.

School districts and charter schools also use stipends as an incentive to attract bilingual and Teaching English to Speakers of Other Languages (TESOL) endorsed teachers and to compensate teachers for additional school duties. The 2015 Program Evaluation found bilingual and TESOL endorsed teachers could earn an additional \$1,000 to \$2,000 per year. Stipends for coaching and after school activities range between \$1,000 and \$2,000 as well. Teachers can also earn up to roughly \$500 for additional duties such as lunch duty, recess duty, after school duty, and others. Some districts reported at the time compensating teachers up to \$5,000 for bilingual and \$8,000 for coaching.

One of the largest incentive pay programs in New Mexico provides additional compensation to teachers through the states' funding formula for obtaining National Board Certified Training (NBCT) certification. In FY18, the funding formula allocated about \$4.1 million for additional compensation to 662 NBCT certified teachers, up from \$3.7 million, and 627 teachers in FY15 and FY19 projections are flat with FY18 numbers.

The Public Education Department (PED) estimates the average New Mexico teacher salary was \$47.6 thousand in FY17, a \$116 increase from FY16. Data shows New Mexico teacher salaries ranked in the middle of surrounding states, behind Texas and Nevada but ahead of Arizona, Colorado, Oklahoma, and Utah in FY17. New Mexico teacher pay also lags behind the national average of \$59 thousand.

New Mexico pulled ahead or stayed competitive in the region in recent years due to statutory minimum salary level increases in the General Appropriation Acts (GAA) of 2014, 2015, 2016, and 2018, however, recent protests in surrounding states including Oklahoma and Arizona have resulted in future increases to teacher wages in those states.

Recent legislation increases the statutory minimum teacher salary for levels one, two, and three-A licensees. Senate Bill 119 increases the statutory minimum teacher salary level for the following:

- Level one teacher: from \$30 thousand to \$36 thousand;
- Level two teacher: from \$40 thousand to \$44 thousand; and
- Level three-A teacher: from \$50 thousand to \$54 thousand.

The bill effectively raises teacher salaries by \$2,000 for each licensure tier since minimums were maintained in the 2017 GAA at \$34 thousand for level one, \$42 thousand for level two, and \$52 thousand for level three teachers.

The 2018 GAA included an appropriation to raise classroom teacher compensation. The recurring appropriation of over \$31 million to the state equalization guarantee (SEG) provides increased funding for teacher compensation by an average of 2.5 percent and the appropriation of over \$15

Table 1. Average Teacher Salaries, FY17
(in thousands)

United States	\$59.0
Nevada	\$57.4
Texas	\$52.6
Colorado	\$46.5
New Mexico	\$47.6
Utah	\$47.2
Arizona	\$47.4
Oklahoma	\$45.2

Source: National Center for Education Statistics

Table 2. Average New Mexico Teacher Salary

Fiscal Year	Average Salary	YOY Dollar Change	YOY Percent Change
2005-2006	\$40,695	\$1,279	3.24%
2006-2007	\$42,789	\$2,094	5.15%
2007-2008	\$44,830	\$2,041	4.77%
2008-2009	\$46,605	\$1,775	3.96%
2009-2010	\$45,530	-\$1,075	-2.31%
2010-2011	\$45,218	-\$312	-0.69%
2011-2012	\$45,207	-\$11	-0.02%
2012-2013	\$45,077	-\$130	-0.29%
2013-2014	\$45,572	\$495	1.10%
2014-2015	\$46,913	\$1,341	2.94%
2015-2016	\$47,522	\$609	1.30%
2016-2017	\$47,638	\$116	0.24%
2017-2018	\$47,792	\$154	0.32%
2018-2019*	\$49,784	\$1,992	4.17%

Source: PED

*Note: This is an estimated amount taken from 2018-2019 operating budgets

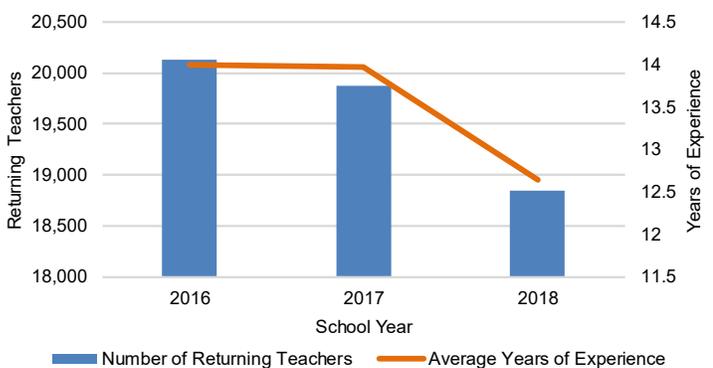
million provides funding for raises to all other school personnel compensation by an average of 2 percent. The appropriation language requires classroom teacher percentage raises to be in addition to salary increases due to licensure advancement and prohibits PED from approving a public school budget that disproportionately allocates salary increases for central office administrators.

The 2018 GAA included an appropriation for exemplary teacher awards. The nonrecurring \$5 million appropriation provides \$5,000 in additional compensation annually to returning teachers with improved student achievement and an exemplary rating on their performance evaluation. Secondary math and secondary science teachers teaching at “more rigorous intervention” schools are eligible for a total of \$10 thousand in additional compensation. About 1,000 teachers, or 90 percent of eligible recipients, returned in FY19 and received the award. For FY19, the Legislature appropriated \$5 million for these awards; however, PED disbursed about \$6.4 million statewide, given the increase in teachers rated exemplary. The exemplary teacher awards program grew out of merit pay, or pay for performance pilot (PPP), a previously implemented grant program for school districts and charter schools. Previous LFC reports emphasized establishing clear purpose and criteria to assess whether such programs achieve their goals is an important endeavor, however program effectiveness is unknown and LFC staff does not have data to analyze implementation or effectiveness.

Recruitment and Retention of High Quality Teachers Must Be a Priority in New Mexico

Interventions in New Mexico aim to improve recruitment and retention, though effectiveness is difficult to measure.

Chart 2. New Mexico Returning Teachers 2016-2018



Source: PED Stat Books

New Mexico is retaining fewer teachers and losing teachers that are more experienced. According to PED, the number of returning teachers has fallen by 6 percent since 2016. Fewer returning teachers creates challenges for recruitment from a somewhat limited pool of teachers. The average years of experience for teachers that return is also declining. In 2016, the average returning teacher had 14 years of experience, falling to 12.6 years in 2018. Teaching experience is positively associated with student achievement. A 2016 research review from the Learning Policy Institute concluded teaching experience is positively and significantly associated with teacher effectiveness, also finding teachers improve at higher rates during the early years of teaching, but continue to improve throughout their careers.

In addition to pay increases, New Mexico implemented other initiatives to recruit and retain teachers including teacher loan assistance programs, strategies to recruit local high school and college students to become teachers, and professional development programs.

Loan for service and loan repayment programs aim to increase the number of teachers in New Mexico, however data on program effectiveness is limited. Attempting to increase the number of people pursuing an education degree, the Higher Education Department (HED) offers two financial aid programs, teacher loan for service (TLFS) and teacher loan repayment program (TLRP), to assist students interested in obtaining a teaching degree or to assist teachers with existing loans. These programs can encourage students interested in teaching who might otherwise be deterred by the prospect of incurring debt to obtain a teaching degree and making a beginning salary of \$36 thousand. Though New Mexico has some of the lowest tuition rates in the nation, and New Mexico students graduate with some of the lowest debt amounts in the nation, on average New Mexico students graduated with over \$21 thousand in debt in 2017. TLFS program reduces the financial burden of student loans while a student is still pursuing their degree and TLRP supports licensed teachers who fill at-risk teacher positions.

TLRP provides for repayment of the principal and reasonable interest accrued on loans obtained from the federal government for teacher education purposes. Recipients are required to contractually enter into at least a two school year commitment for a designated high-risk teacher position. If a participant does not comply with the terms of the contract, all loan payments must be reimbursed, plus reasonable interest. Created by statute in 2013, TLRP was not given an appropriation and funds were diverted from the TLFS fund. In the five years since its creation, TLRP granted 49 awards out of 626 qualified applications. HED reports with a maximum award of \$12,000, approximately \$1.5 million would be needed to fund all 128 applicants in 2018-2019.

According to HED, TLFS program attempts to proactively address New Mexico's teacher shortage by providing students with financial resources to complete or enhance their post-secondary teacher preparation education. The award is based on student financial need and may not exceed \$4,000 per year for up to five years. Since its creation, the TLFS program awarded 267 scholarships and has a 33 percent default rate compared to a default rate of zero for TLRP. Previous LFC reports recommended repealing the TLFS Act and transferring any cash balances to TLRP, though the program is still active and in statute.

These programs show potential for recruiting teachers, however, there is no incentive for teachers to remain teachers after the terms of their agreements are satisfied. High default rates for the TLFS program shows it is not inducing the type of behavior it intended and impact is delayed for four years. Loan repayment on the other hand, shows an immediate impact, with a smaller risk. It is difficult to determine whether teachers who participated in these programs stayed in the profession longer than obligated because HED does not track participants after they fulfill their contract or commitment. TLFS program received \$20 thousand in FY18 and TLRP received \$60 thousand in FY18, however, HED's expenditures show \$63 thousand was expended between the two programs in FY18.

New Mexico is also implementing strategies to recruit local students and motivate them to become teachers. Educators Rising and teacher residencies are two of those strategies. As reported by the Legislative Education Study Committee (LESC) in a recent hearing brief, Educators Rising is a program at the high school level that provides education

The teacher loan repayment program (TLRP) supports licensed teachers who fill at-risk teacher positions.

The teacher loan for service (TLFS) program assists students obtaining a teaching degree while they are still in school.

coursework and classroom application to motivate students to pursue an education degree. The program is a national membership organization and the Alliance for the Advancement of Teaching and Learning at NMSU established an office in 2015. Over 600 students enrolled in the 35 high school and college chapters across New Mexico participate in the program. Educators Rising would like to expand statewide, however funding is not adequate to expand to every region throughout New Mexico and the demand at some schools is not adequate to establish a credit earning course.

Teacher residencies offer an alternative pathway to obtain a teaching license for prospective educators who already have an undergraduate degree. The participants go through a yearlong classroom internship and at the same time are enrolled in a master's level teacher education program. The University of New Mexico (UNM) is implementing a residency model. The grant-funded initiative partnered with Albuquerque Public Schools to find high quality teachers willing to provide supervision and mentoring for participants. UNM's residency model has a cohort of 24 teachers who receive a \$20 thousand stipend for one full year school year, the duration of the program.

New Mexico piloted professional development programs to improve teacher performance and possibly aid in teacher recruitment and retention. The Legislature appropriated \$2 million in FY19 for Teachers Pursuing Excellence (TPE), which provides cohorts of teachers with professional development and mentoring for two years. PED reports teachers participating in TPE programs improve their teacher evaluation ratings and students at TPE schools achieve higher growth than the state average growth on PARCC exams. TPE teachers experienced 4.5 times more growth than the state average growth in PARCC English language arts proficiency, and 2.7 times more growth in PARCC math proficiency from 2016 to 2017. This may have positive impacts on retention as teachers who achieve highly effective and exemplary ratings on their performance evaluations may be more likely to stay in the profession and have the potential to earn more in compensation.

Previous LFC program evaluations recommended expanding incentive pay programs in the state funding formula for hard to staff schools.

Previous recommendations include aligning the training and experience (T&E) index with the three-tiered licensure system and updating the advancement and evaluation process to ensure teacher advancement is more closely tied to improving student outcomes. Recent legislation, Chapter 55 (House Bill 188), aligns funding formula components related to costs of teacher compensation with the three-tier licensure system and also increases funding for at-risk students.

Another key recommendation was to create a new incentive program similar to NBCT certification providing additional formula funding for some teachers. The adjustment factor would provide a stipend of \$5,000 to \$15 thousand for teachers who meet minimum competencies and are teaching in hard to staff schools.

Finding

Public Schools spend millions on incentive and supplemental pay annually, but the impact on recruitment and retention is unclear.

Recommendation	Status			Comments
	No Action	Progressing	Complete	
The Legislature should consider Modifying the public school funding formula to align the training and experience (T&E) index to the three-tiered licensure system.				Chapter 55 (House Bill 188) aligns funding formula components related to costs of teacher compensation with the three-tier licensure system and holds public schools partially harmless to these changes over the next few years. Should be fully implemented by FY24.
Add an adjustment factor that provides a stipend for teachers meeting minimum competencies at hard to staff schools.				An adjustment factor for teachers at hard to staff schools has not been added.
The Legislature should consider repealing the Teacher Loan for Service Act (Section 21-22E-1 NMSA 1978) and transferring any cash balances to the teacher loan repayment program.				The Teacher Loan for Service Act is still law and the program is still active.
The Legislature should consider increasing funding for the loan repayment program to better accommodate demand.				Funding for the program has remained flat at \$60 thousand.
The Legislature should consider convening a workgroup to gain consensus on updating New Mexico's system to attract, prepare, compensate and evaluate public school teachers.				A formal workgroup was not convened; however, LFC and LESC have worked together and with interested stakeholders to address many of the recommendations' goals.
The Higher Education Department should reprioritize existing resources to the teacher loan repayment program.				The Higher Education Department expended \$63 thousand between teacher loan for services program and teacher loan repayment program. Demand for teacher loan repayment program is high but few awards are granted due to lack of funding.
The Public Education Department should collaborate with LFC staff to assess the effectiveness of public school practices using incentive pay and additional compensation periodically through the budget review process, including NBCT stipends and STEM initiatives. This could include requiring school districts and charter schools to include specific information, as part of the budget or educational plan for student success (EPSS), on the use of additional compensation to improve recruitment, retention, and performance and to analyze whether these efforts are producing performance results as intended.				There has not been no collaboration on this matter.