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FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 03/08/01 HB _____
 SHORT TITLE: Educational Assistant Scholarship Act SB 789
 ANALYST: Fernandez

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | \$ 7,500.0 | | | Recurring | G/F |
| | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act Related to HB25, HB68, HB600 and SB187

SOURCES OF INFORMATION

Commission on Higher Education (CHE)
 State Department of Public Education (SDE)

SUMMARY

Synopsis of Bill

Senate Bill 789 appropriates \$7,500.0 from the general fund to the Educational Assistant Scholarship Fund for the purpose of providing scholarships to those individuals working as educational assistants in the public schools who want to become teachers.

Significant Issues

Scholarships will be awarded in an amount sufficient to pay for the recipient’s tuition, student fees and books for a maximum of four years or until the recipient graduates from a four-year institution, whatever comes first.

Priority is given to New Mexico students who are members of an underrepresented group and students with the greatest financial need. An underrepresented group is defined as “women, minorities, the visually handicapped and the physically disabled, ethnic minorities and other groups traditionally underrepresented in the teaching profession.

Scholarship recipients must be U.S. citizens or have a permanent resident visa, currently employed as an educational assistant at a New Mexico public school, has been accepted in a teacher education program, has complied with the rules for award of the scholarship and provisions for the administration of scholarships and agrees to work or teach in a public school in New Mexico for at least four years.

According to SDE, New Mexico is currently facing a shortage of approximately 1,500 teachers per year. New Mexico's colleges of education only prepare approximately 1,300 students per year. This gap between teacher supply and demand is further increased by existing teacher retirements and attrition.

There are many educational assistants who are currently working successfully in schools and may wish to pursue teaching as a career but do not have the financial means to pay tuition for four years of college, purchase books, etc. This bill could have a significant impact on reducing the teacher shortage.

FISCAL IMPLICATIONS

The appropriation of \$7,500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

CHE may adopt rules for the distribution of educational assistant scholarship funds and for carrying out the provisions of the Educational Assistant Scholarship Act.

CHE suggests including language that would allow the commission to use up to 3 percent of the funds for administration of the program.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Related to HB25, HB68, HB600 and SB187

TECHNICAL ISSUES

SDE offers the following:

For clarity and consistency with other scholarship and loan forgiveness legislation, SB 789 should require that the recipients of the scholarships complete teacher education programs that are approved by the State Board of Education (SBE) for educator licensure. This language would

prevent the rare, but possible situation in which a student may complete an education program or a selection of education coursework that has not been approved by the SBE as a licensure program.

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The recipient would likely not receive licensure.

CTF/njw:ar