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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 2nd Session, 2020

Bill Number	<u>SB13</u>	Sponsor	<u>Padilla</u>
Tracking Number	<u>.215766.1</u>	Committee Referrals	<u>SEC/SFC</u>
Short Title	<u>Increase Salaries for Special Ed Teachers</u>		
Analyst	<u>Simon</u>	Original Date	<u>1/23/2020</u>
		Last Updated	<u>1/28/2020</u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 13 (SB13) would increase the minimum salary for teachers holding a special education license and providing services to special education students to \$46 thousand for level 1 teachers, \$57.5 thousand for level 2 teachers, and \$69 thousand for level 3-A teachers. The bill would be applicable to salaries in summer 2020 K-5 Plus programs, FY21, and subsequent fiscal years.

FISCAL IMPACT

SB13 does not include an appropriation.

SB13 would increase salary and benefits costs for school districts, charter schools, and state-supported educational institutions. Salary data from the Public Education Department (PED) indicates there were 3,692 returning teachers with a special education job code, including those holding a special education license for gifted students. Increasing these employees' salaries to the minimums required by SB13 would cost school districts and charter school \$24.7 million, including fringe benefits. SB13 could have a small fiscal impact on FY20 due to K-5 Plus programs that begin in June, before the start of FY21. However, most K-5 Plus programs do not begin until after the start of the new fiscal year.

The Legislative Finance Committee's (LFC) budget recommendation includes \$16.4 million to provide additional compensation to special education teachers, but this funding is contingent on legislation creating a cost differential of 0.75 program units per teacher with a special education licensure endorsement that is providing services to special education students. While similar, SB13 would not meet this contingency because it does not create additional program units.

A portion of the salary and benefits cost for school districts and charter schools may be offset by proposed salary increase for FY21. The LESC recommendation includes a minimum of 3 percent and average 6 percent increase for educator salaries, the executive recommendation includes a 4 percent salary increase for educators, and the LFC recommendation includes a 3 percent salary increase for educators. After a 6 percent increase for special education teachers, the fiscal impact

would be \$12 million; after a 4 percent increase for special education teachers, the fiscal impact would be \$16 million, and after a 3 percent increase for special education teachers, the fiscal impact would be \$18.1 million.

The Public Education Department (PED) estimates the cost of SB13 at \$14.5 million, after applying a 4 percent salary increase as proposed by the executive. PED's estimate also includes the costs of fringe benefits. PED's estimate assumes a minimum salary for a level 1 special education teacher of \$47,150, reflecting the \$41 thousand minimum teacher salary for level 1 teachers that is not required by statute but was included in the General Appropriation Act of 2019. Budget recommendations for FY21 continue the \$41 thousand minimum salary.

In addition to school districts and charter schools, state agencies responsible for the education of children are required to meet the minimum salaries included in the School Personnel Act. According to information from Central Regional Educational Cooperative, which assists many of these agencies in providing educational services, SB13 could increase costs for the New Mexico Corrections Department by \$42.9 thousand for salaries and fringe benefits. The Department of Health, which operates the Sequoyah Adolescent Treatment Center, and the University of New Mexico's Children's Psychiatric Center could each see about \$10 thousand in increased costs. The relatively minimal costs for these organizations are due to the higher salaries these employees receive because of year-round, rather than 9.5 month employment. The Children, Youth and Families Department, which provides educational services to children in juvenile justice facilities, reports a cost of \$66 thousand per year to comply with SB13.

SB13 will likely also impact the New Mexico School for the Deaf (NMSD) and the New Mexico School for the Blind and Visually Impaired (NMSBVI). Based on data from the NMSD, salary costs could increase by \$124.2 thousand and benefits costs could increase by \$30.4 thousand. NMSBVI reports a cost increase of \$53.5 thousand, stating that because many of their employees have served for long periods, some are already above the minimum salary level required by SB13.

SUBSTANTIVE ISSUES

School districts and charter schools in New Mexico and nationwide continue to face shortages of teachers with the qualifications to serve students with special needs. This shortage is chronic and exists in every geographic region of the nation. The 2019 educator vacancy report from New Mexico State University notes 151 special education teacher vacancies in New Mexico, although this is down from 267 vacancies in 2018. The 1st Judicial District Court found in the consolidated *Martinez* and *Yazzie* lawsuit that New Mexico had chronic shortages of special education teachers. Nationally, 44 states report shortages of special education teachers.

PED notes special education teachers generally earn slightly more than their general education counterparts, citing 2018 data from the federal Bureau of Labor Statistics that shows special education teacher salaries are \$1,410 higher at the elementary school level, \$1,650 higher at the middle school level, and \$280 higher at the high school level. PED further notes survey information that shows a frequent complaint of special education teachers that leave the field is based on their perception of colleagues' support.

State achievement data shows more schools were designated for targeted support and improvement (TSI) due to low achievement among special education students than low achievement among any other subgroup. Of the 111 TSI schools, 70 had an underperforming special education population.

SB13 would target additional teacher compensation to those licensed in special education; however, many teachers serve students with special needs without a special education license. Federal law requires students with special needs to be educated in the “least restrictive environment.” As a result, many students with special needs spend as much time as appropriate receiving instruction in a general education classroom.

SB13 could lead to salary compaction among teachers in the field of special education. Salary compaction occurs when more experienced teachers are paid about the same as less experienced teachers. Following recent increases to statutory minimum salaries, many school districts reported increased compaction of their salary schedules. The fiscal impact of the bill may increase if school districts and charter schools increase the salaries of experienced special education teachers above the minimums required by SB13.

OTHER SIGNIFICANT ISSUES

SB13 could increase the amount school districts and state-chartered charter schools are required under federal law to spend each year in order to qualify for grants under the federal Individuals with Disabilities Education Act (IDEA). Under federal law, a school district is not allowed to reduce the amount it spends on special education except in certain circumstances. School districts are allowed to apply offsets to this target, known as “maintenance of effort,” based on changes to their cost structures, such as the retirement of an experienced teacher with a high salary or the disenrollment of a high-need student that required many expensive services.

At the state level, federal law requires a state to make available at least as much for services to students with disabilities as it made available in the prior fiscal year. SB13 would marginally increase the state-level maintenance of effort target by requiring increased spending by state agencies, NMSD and NMSBVI, but SB13 does not increase the amount made available for special education through the public school funding formula, limiting the increase to the state’s target.

ADMINISTRATIVE ISSUES

PED notes the requirement to “provide special education services” does not have a clear meaning and could benefit from a definition. The department asks if the full annual salary increase would need to be provided to a teacher providing special education services for a limited time or to only one or two students.

RELATED BILLS

Relates to HB241 and SB171 which create a new program unit in the public school funding formula to provide teachers with a special education licensure endorsement with additional compensation. The formula factor would provide an estimated \$3,424 in FY21 and \$5,022 in FY22 and subsequent fiscal years. SB171 was endorsed by the LFC and the funding for HB241 and SB171 is included in the LFC budget recommendation.

SOURCES OF INFORMATION

- LESC Files
- Public Education Department (PED)
- Children, Youth and Families Department (CYFD)
- New Mexico School for the Blind and Visually Impaired (NMSBVI)