

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

SPONSOR Sariñana/Garratt/ Soules/Stewart/Lane
ORIGINAL DATE 1/21/22
LAST UPDATED 2/08/22
HB 13/aHEC/aHAFC
SHORT TITLE Teacher Residency Changes
SB _____
ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB104
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
Higher Education Department (HED)
New Mexico State University (NMSU)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 13 strikes the \$20 million appropriation and further clarifies that candidates for a teacher residency program do not hold a level 1, 2, or 3-A teaching license.

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 13 requires PED to partner with department-approved teacher preparation programs (TPP) to establish residency programs and clarifies that eligible candidates for a teacher residency include undergraduate seniors and graduates or professionals without a teaching license.

Synopsis of Original Bill

House Bill 13 appropriates \$20 million from the general fund to the teacher residency fund for

teacher residency programs in FY23. The bill further allows undergraduate students in the final year of a PED-approved TPPs to apply for a teaching residency, increases the stipend for teaching residents from \$20 thousand to \$35 thousand, provides a \$2,000 stipend to partnering classroom teachers (which the bill now defines as level 2 or level 3 teachers), provides a \$2,000 stipend to principals or head administrators at partner schools, and provides a minimum of \$50 thousand for teacher residency program coordinators at each teacher residency program.

FISCAL IMPLICATIONS

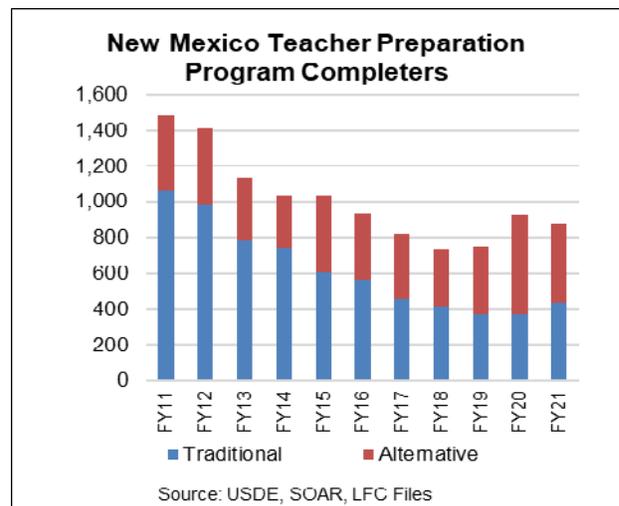
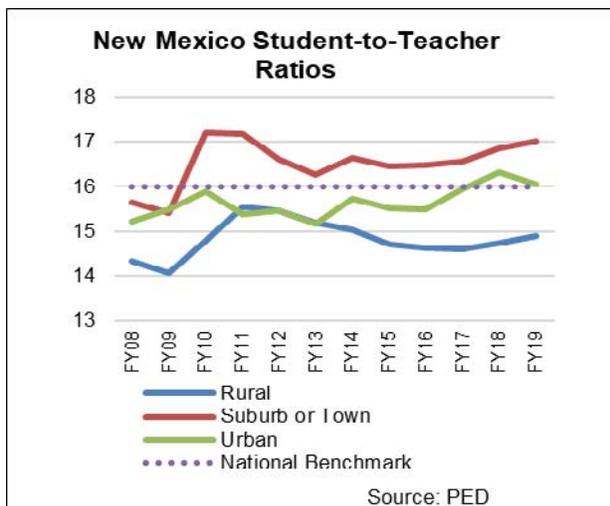
The HAFC amendment strikes the appropriation from the original bill. As such, provisions of this bill simply change the distribution of funds and eligibility of candidates for the teacher residency program. The HAFC Substitute for House Bill 2 includes \$5.5 million for teacher residencies from the public education reform fund, which finances the costs of implementation.

Provisions of this bill would increase the cost of programming for each teaching resident and expand eligibility into the program to undergraduate students. PED currently funds two residency programs, one at the University of New Mexico (UNM) and another at New Mexico State University (NMSU). Both programs focus on preparation of alternative license candidates who already hold a bachelor’s degree or higher. In FY22, 25 students participated at UNM for a cost of \$416 thousand, and 15 students participated at NMSU for a cost of \$581 thousand.

According to PED and NMSU, the bill requires PED to establish and maintain teacher residency programs at all approved TPPs rather than creating a competitive grant process. The \$5.5 million appropriation could cover the cost of about 126 teaching residents, assuming all 14 TPPs have a teacher residency program and each program partners with an average of three schools.

SIGNIFICANT ISSUES

According to the National Center for Education Statistics, the number of teachers in New Mexico grew to 21.8 thousand FTE in FY20, an increase of 711 FTE, or 3.4 percent, from the prior year. Preliminary estimates suggest many teachers may have left in FY21 due to challenges brought forth by the Covid-19 pandemic. Educator retirements in July 2021 increased by 40 percent and included 1,079 public school employees. In the last decade, New Mexico has maintained an average of 21.9 thousand teacher FTE. As such, the FY21 count returns the teaching workforce to a relatively stable level after several years of declining employment. Previous LFC analyses of the teaching workforce show the statewide student-to-teacher ratio hovered between 15:1 and 16:1 during the period of FY08 and FY19.



Notably, enrollment at New Mexico TPPs has dropped precipitously in the last decade. In FY11, New Mexico TPPs graduated 1,484 teacher candidates, with 28.6 percent completing an alternative licensure pathway. In FY20, the number of graduates was 879 candidates, with half completing an alternative licensure pathway. While alternative licensure programs are less costly and quicker for individuals to become teachers, national trends show these individuals are 25 percent more likely to leave the profession than traditionally trained teachers when controlling for students, schools, and teaching conditions.

A 2020 study by the Los Alamos National Laboratory Foundation found veteran teachers in northern New Mexico were more likely to be graduates of traditional TPP pathways and local residents of the communities where they taught. The study also found few students aspired to become teachers due to perceptions of low pay and respect for the profession and only half of teachers were willing to encourage students to become teachers.

NMSU's 2021 *Educator Vacancy Report* notes the number of teacher vacancies statewide nearly doubled from 571 vacancies in FY21 to 1,048 vacancies in FY22, with elementary and special education teachers continuing to make up half of all posted vacancies. In addition to teacher vacancies, the number of vacancies for educational or instructional assistants nearly tripled, from 173 vacancies in FY21 to 456 vacancies in FY22. Education stakeholders note pandemic-related disruptions have contributed to staff burnout and may be affecting attrition rates this year.

In contrast, the state admitted 1,596 students into an educator preparation program (EPP) in FY21, an increase of 169 students, and 979 students completed their degree, an increase of 103 students—indicating renewed interest in the teaching profession amidst the pandemic. About half of all student admissions and completions continue to be from alternative licensure programs; however, contributing to a growing need for targeted support and on-the-job training.

PERFORMANCE IMPLICATIONS

Since FY21, the state has appropriated \$1 million to PED each year for teacher residency pilot programs; however, the state has not evaluated the effectiveness of the program to date. According to PED, national research suggests high-quality teacher residency programs can increase retention by as high as 93 percent after four years of employment in a school district, compared to average retention rates of 70 percent to 90 percent across other preparation models.

High-quality teacher residency programs may improve teacher retention rates and increase the racial diversity of the teacher candidate pool. In FY19, half of the first cohort of candidates in the Albuquerque Teacher Residency Partnership were teachers of color and 92 percent successfully completed the program (23 of 25 candidates).

ADMINISTRATIVE IMPLICATIONS

The bill would eliminate the competitive grant process currently used to make residency awards to TPPs, and would require PED to establish and maintain residency programs at all department-approved TPPs across the state. Additionally, PED must ensure all programs include representation from rural, urban, and suburban areas.

The bill requires TPPs to concurrently provide a full academic year of guided apprenticeship in a

classroom alongside TPP coursework, but reduces the number of faculty visits to residency sites from three times per month to once per month for purpose of monitoring the residency program.

RELATIONSHIP

The appropriation in this bill relates to the teacher residency appropriation in the General Appropriation Act.

This bill relates to Senate Bill 104, which changes teacher licensure requirements.

OTHER SUBSTANTIVE ISSUES

NMSU notes changes to residency eligibility to include undergraduate students who are participating in their final year of a department-approved TPP could have a major impact on retention and recruitment for teacher candidates, as students would have the opportunity to receive funding during their practicum and student teaching clinical experiences, as well as job security for a three-year minimum commitment in the district at which they complete their residency.

SL/acv/al/acv