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FISCAL IMPACT REPORT

SPONSOR Rodella DATE TYPED 02/11/05 HB 328

SHORT TITLE Northern NM State School Teacher Program SB _____

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$565.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for Northern New Mexico Community College in the General Appropriations Act.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Public Education Department (PED)
New Mexico Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

House Bill 328 – Making an Appropriation to Northern New Mexico State School to Implement a Teacher Education Program – appropriates \$565,000 from the general fund to the Board of Regents of Northern New Mexico State School for expenditure in FY06 to implement a teacher education program. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues:

PED indicates that New Mexico will need approximately 1,850 new teachers each year for the next ten years. Further, that there are presently nine undergraduate teacher preparation programs and ten alternative teacher preparation programs in operation in New Mexico. Together, these

programs train approximately 1,500 new teachers each year, although not all become teachers and some are recruited to other states.

PRD notes that that Northern New Mexico Community College (NNMCC) seeks to apply the proposed appropriation to design and implement a four-year Special Education Licensure Program and endorsement programs in bilingual and reading. The 2004 legislature approved and supported an NNMCC request to design and implement a four-year standard licensure program in FY05 and, currently, NNMCC has 114 students enrolled in the four-year elementary licensure program, which was implemented in the fall of 2004.

PED suggests that NNMCC anticipates that the funding formula to be adequate to support the four-year teacher preparation program beginning in FY07; and that the appropriation would allow for program planning and development and hiring faculty to teach the bilingual, reading and special education courses in FY06. PED further observes that the establishment of a baccalaureate degree program would expand opportunities for teacher education in the region and would be responsive to helping the high-need districts in NNMCC's service area fill hard-to-staff positions in special education, bilingual and reading.

This project is not included in the *CHE 2005-2006 Higher Education Funding Recommendation*.

PERFORMANCE IMPLICATIONS

PED observes that expanding the licensure programs available to prepare teachers could help address PED's continuing efforts to increase the pool of potential teachers and thereby increase the percent of classes being taught by "highly qualified" teachers in high-need schools. These efforts could help PED meet the requirements set forth in the federal *No Child Left Behind Act of 2001*, namely that all teachers teaching in core academic subjects must be "highly qualified" by the end of the 2005-2006.

FISCAL IMPLICATIONS

The appropriation of \$565,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

Northern New Mexico Community College will retain oversight of this project.

While PED states that it (PED) is tasked with approving teacher education programs – and that the development of a licensure programs would also require PED approval of the expanded teacher preparation program – this could be accomplished with existing PED staff.

CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

Relates to the appropriation for Northern New Mexico Community College in the General Appropriations Act.

OTHER SUBSTANTIVE ISSUES

CHE indicates that the commission is committed to the adequate and equitable support of necessary instructional, student services, and academic support initiatives for all students in New Mexico. Activities to be funded in this proposal will be funded through the Instruction and General (I&G) higher education funding formula within the General Appropriation Act in FY06. Funding of a specific program without consideration of similar needs at all institutions could weaken the equitability and thus the integrity of the I&G formula.

CHE further suggests that higher education institutions receive indirect cost revenues from federal contracts and grants. This money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. A great deal of this money is used as seed money to develop new research and public services projects at institutions. A portion of the indirect cost revenue, or earned overhead, is used to support items such as the salaries of the accountants responsible for monitoring the contracts and grants, or for paying utilities and other expenses required to maintain the space where the contract and grant activities are housed.

CHE concludes that the higher education funding formula allows institutions to retain 100 percent of this indirect cost revenue, and that one of the purposes of retaining these funds is to provide seed money and matching funds for projects such as the one proposed in this bill.

BFW/lg