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FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/14
SPONSOR Trujillo, Ch **LAST UPDATED** _____ **HB** 122

SHORT TITLE Licensed School Employee Program Units **SB** _____

ANALYST Gudgel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$137.0	\$166.1	\$195.5	\$498.6	Recurring	School District and Charter School Operating Budgets

(Parenthesis () Indicate Expenditure Decreases)

Relates to Public School Support Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 122 amends the Public School Finance Act to expand the individuals who are eligible to generate program units in the public school funding formula for being certified by the National Board of Professional Teaching Standards to all licensed school employees beginning with the 2014-2015 school year. Currently only teachers are eligible to generate these units.

FISCAL IMPLICATIONS

Generally, an increase in program units generated by school districts or charter schools that is not accompanied by an appropriation has the effect of diluting the unit value, impacting school districts and charter schools statewide.

Currently, each National Board of Professional Teaching Standards (NBPTS) certified teacher generates 1.5 program units. These units are multiplied by the unit value, resulting in the amount distributed to the teacher in the form of a one-time salary increase. For FY13, this totaled \$5,510

per NBPTS certified teacher. Based on the final unit value in FY14, for FY14, this has increased to \$5,726 per NBPTS certified teacher.

PED indicates there are currently 870 NBPTS certified teachers in New Mexico, representing 3 percent of the teaching work force. For FY14, little more than \$3 million will be allocated to school districts and charter schools to distribute to NBPTS certified teachers in the form of one-time salary increases. Since FY08, PED indicates the number of NBPTS certified teachers has increased an average of 17.8 percent per year.

Assuming 3 percent of school counselors already have NBPTS certification, LFC staff estimates this bill will have an impact to school district operating budgets of \$137 thousand. PED data indicates that on average approximately 93 new teachers receive NBPTS certification annually. Since FY04, the first year units could be claimed by NBPTS teachers, the number of teachers receiving NBPTS certification has grown from 85 teachers to 870 teachers in FY14. If the rate of school counselors receiving certification grows annually, the impact to school district budgets will also grow.

SIGNIFICANT ISSUES

NBPTS offers 25 certificates that cover a variety of subject areas and student developmental levels, and are applicable to more than 95 percent of America's teachers. Of these 25 certificates, 24 are for teachers while one is for school counselors. Under current statutory language, only school counselors do not qualify to generate units and receive a one-time salary increase. The expansion to all licensed school employees will make NBPTS certified school counselors eligible for the one time salary increase.

The original intent of including units in the funding formula for teachers earning a NBPTS certificate was to offer incentives to teachers to improve their capacity to positively impact student achievement. PED recognizes the contribution school counselors provide to students, but notes it is unclear if their impact on student achievement rises to the level to that of a teacher or school principal. PED notes there is no research to support a correlation between student achievement and school counselors or other licensed school employee impact. PED's analysis in 2013 stated, "Creating an incentive for this type of credentialing is still suspect, as there is no data to inform on the impact it will have on student outcomes."

PED also notes potential long term effects of this legislation could be for other licensed professionals to seek inclusion in the funding formula for the purpose of similar salary increases for completing a national certification program. Many school employees are "licensed", including educational assistants, psychologists, speech-language therapists, physical and occupational therapists, and business managers.

ADMINISTRATIVE IMPLICATIONS

PED will be required to approve these units after the school district or charter school verifies the licensed school employee the district is claiming units for has received a one-time salary increase for being NBPTS certified that is at least as much as the amount generated by the units multiplied by the unit value.