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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 02/01/15  
**LAST UPDATED** 03/18/15    **HB** 71/aHEC/aSEC

**SPONSOR** Lewis

**SHORT TITLE** Streamline Teacher & Administrator Licensure    **SB** \_\_\_\_\_

**ANALYST** Gudgel

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY14	FY15	FY16		
	\$0.0 to \$10.7	\$0.0 to \$10.7	Recurring	PED Operating Budget

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Education Retirement Board (ERB)  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of SEC Amendment

Senate Education Committee Amendment to House Bill 71 as amended by House Education Committee changes the administrator’s license from a five year license to a seven year license and requires an applicant for an administrator’s license to have completed a PED-approved administrator preparation program prior to applying for a license.

#### Synopsis of HEC Amendment

House Education Committee Amendment to House Bill 71 clarifies that a level three teacher qualifies for the changes proposed in the bill.

#### Synopsis of Original Bill

House Bill 71 amends Section 22-10A-11 NMSA 1978 of the School Personnel Act (SPA) and enacts a new section of the SPA making changes to the three-tiered licensure system for school administrator (principal and assistant principal) license. The bill decreases the administrator license from a nine-year license to a five-year license and changes the pathway to school administration. Pursuant to the bill, administrator licenses will be granted to level two teacher

applicants who have completed or are participating in a Public Education Department-approved administrator preparation program and hold a current level two license.

**FISCAL IMPLICATIONS**

License Renewal

The amended bill shortens the length of time an administrator license is valid from nine to seven years which may result in PED receiving increased revenues generated for license renewals. Assuming license renewal fees remain the same – \$125 – PED could collect up to \$10.7 thousand in additional fees annually. If fees are pro-rated for the shorter license period the department will not see increased license renewal revenues.

License Advancement

Statute currently requires school administrators (elementary, middle, and high school assistant principals and principals) are paid a minimum of \$50 thousand annually multiplied by the applicable responsibility factor as follows:

Assistant Elementary School Princ.	\$55,000	Elementary School Princ.	\$60,000
Assistant Middle School Princ.	\$57,500	Middle School Princ.	\$70,000
Assistant High School Princ.	\$62,500	High School Princ.	\$96,000
Source: LFC Files			

Advancement from a level two license to an administrator license has the following cost to a school district as follows:

Level Two to Assistant Elementary School Princ.	\$15,000	2003	Level Two to Elementary School Princ.	\$20,000
Level Two to Assistant Middle School Princ.	\$17,500	2003	Level Two to Middle School Princ.	\$30,000
Level Two to Assistant High School Princ.	\$22,500	2003	Level Two to High School Princ.	\$56,000
Source: LFC Files				

Costs associated with movement through the licensure system are funded by individual school districts and charter schools through their operating budgets and not funded by a unique appropriation, generally based on the assumption that at present, given the current licensure system and length of time required to advance through the system, costs of more expensive educators are balanced out by retirements and entry of new teachers into the system.

Any impact on the operating budget of a school district or charter school incurred by this bill would result from a school district’s or charter school’s action to hire a level three-B license holder for an administrative position (school principal or assistant school principal).

**SIGNIFICANT ISSUES**

Currently, a teacher must teach for at least six years – on a level one license for at least three years and level two license for at least three years – before they are eligible to apply for a level three-B administrator license; many teachers spend five years teaching with a level one license, extending this time to eight years. Additionally, current statute requires an applicant to have a post-baccalaureate degree or National Board for Professional Teaching Standards certification, be able to demonstrate instructional leader competence, and satisfactorily completed a PED-approved course in administration and a PED-approved administration apprenticeship program to

be eligible for a level three-B administrator license. The bill eliminates many of these requirements, effectively shortening the time it would take qualifying applicant level two teachers to reach administrative licensure and allows applicants that are participating in PED-approved administrator preparation programs to apply for a license concurrent with their enrollment in the preparation program.

Teachers and school leaders are the top two school-related factors influencing student achievement. Research has shown that teacher quality is the most important school-related factor influencing student achievement, while school leaders are the second most important school related factor contributing to student learning. School leadership plays a key role in improving student outcomes by influencing the motivations and capacities of teachers, promoting school and community visions and goals, as well as influencing the school climate and environment and ensuring resources and process are in place to enable teachers to be effective.

PED notes that the states surrounding New Mexico require two or three years of teaching experience before becoming eligible for an administrator's license. New Mexico's current requirement of six years makes the state uncompetitive when compared to other states in the region; many qualified individuals leave education prior to meeting the time criteria as other leadership opportunities arise.

The criteria established in the bill would only apply to licensure; school districts will still be able to impose additional requirements if they choose when hiring for school principals and assistant principals. Additionally, PED indicates the bill will allow school districts to establish a recruitment strategy for highly qualified entry-level teachers with an interest in leadership.

### **ADMINISTRATIVE IMPLICATIONS**

PED will be required to process increased applications for licenses, depending on the number of applications submitted pursuant to this bill.

### **CONFLICT, DUPLICATION**

Conflicts with HB 76, SB 91, SB 126, SB 153, SB 223, and SB 378 .

RSG/bb