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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/15
 LAST UPDATED 03/12/15 HB 318/aHEC

SPONSOR Pacheco

SHORT TITLE Education Counselor Salary Eligibility SB _____

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY15 | FY16 | | |
| | NFI | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY15 | FY16 | FY17 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|---------|---------|-------------------|---------------------------|--|
| Total | | \$233.7 | \$233.7 | \$467.4 | Recurring | School District and Charter School Operating Budgets |

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of HEC Amendment

House Education Committee Amendment to House Bill 318 eliminates inconsistent language used in Subsections C and D, addressing concerns noted in Significant Issues. The amendments result in the requirement that counselors that hold a level three or level three-A license are paid a minimum of \$50 thousand.

Synopsis of Bill

House Bill 318 amends the School Personnel Act to entitle school counselors to the same salary as a level three-A teacher (currently \$50 thousand) with the adoption by the public education department of a high objective uniform statewide standard of evaluation. The bill states that the minimum salary for a counselor who holds the highest-ranked counselor license as provided in the School Personnel Act and rules promulgated by the department will be the same as a level three-A teacher.

FISCAL IMPLICATIONS

The bill does not include an appropriation to cover costs associated with paying counselors a base minimum salary for a standard nine and one half month contract of \$50 thousand (this amount annualizes out to \$63.2 thousand over a 12 month period). The bill will require 26 school districts and one charter school to increase the salaries of 59 school counselors. The below chart shows the fiscal impact to each school district and charter school:

| SCHOOL DISTRICT/CHARTER SCHOOL | ADDITIONAL OPERATING BUDGET IMPACT | SCHOOL DISTRICT/CHARTER SCHOOL | ADDITIONAL OPERATING BUDGET IMPACT |
|--------------------------------|------------------------------------|--------------------------------|------------------------------------|
| ALAMOGORDO | \$ 2,472.00 | LA ACADEMIA DOLORES HUERTA | \$ 4,020.00 |
| ALBUQUERQUE | \$ 34,795.00 | LAS CRUCES | \$ 43,672.00 |
| ARTESIA | \$ 9,600.00 | LOS LUNAS | \$ 34,044.00 |
| AZTEC | \$ 6,050.00 | MORIARTY-EDGEWOOD | \$ 3,603.00 |
| BELEN | \$ 2,739.00 | MOUNTAINAIR | \$ 8,585.00 |
| BLOOMFIELD | \$ 3,774.00 | PENASCO | \$ 7,170.64 |
| CLAYTON | \$ 4,901.63 | PORTALES | \$ 2,532.00 |
| DEMING | \$ 7,403.00 | RIO RANCHO | \$ 5,214.00 |
| ESPANOLA | \$ 7,351.00 | RUIDOSO | \$ 3,246.00 |
| FLOYD | \$ 4,095.00 | SANTA FE | \$ 7,175.00 |
| GADSDEN | \$ 9,556.00 | SILVER CITY | \$ 7,386.00 |
| GALLUP | \$ 5,571.00 | ZUNI | \$ 939.00 |
| HOBBS | \$ 743.00 | TOTAL IMPACT | \$ 233,652.27 |
| JAL | \$ 7,015.00 | | |

LFC staff notes the minimum salary established for level three teachers is for a nine one half month contract. If the bill is interpreted to require a minimum base salary of \$50 thousand for counselors for nine and one half months of work, costs could be significantly increased for school districts and charter schools.

Potential future fiscal implications could be much larger if the legislature considers increasing base salaries for level three license holders. For the past several legislative sessions bills have been introduced to increase the minimum salaries of teachers and school administrators. Because the bill ties the level three or level three-A counselors salary directly to the level three-A teacher salary, any future increase to level three-A teacher salaries will directly impact level three or three-A counselor salaries.

PED also notes counselors are included in the calculation of each school district’s and charter

school's training and experience (T&E) index. While the T&E index does not compensate districts by licensure level, it does compensate by education level and years of experience. Level III licensed counselors will have a master's degree, but will have varying levels of experience.

Additionally, PED notes affected school districts and counselors will have to adjust their salary structures to accommodate the changes in this bill and long-term implications of the changes proposed in the bill are unknown.

SIGNIFICANT ISSUES

School counselors are considered instructional support providers in PED rule. In PED rule, there are three licensure levels for instructional support providers in grades Pre-K through 12 not covered in other rules (6.63.3 NMAC). These licensure levels are not tied to salary minimums:

- Level 1: three-year provisional licensure for those providers with fewer than three full school years of school experience in the service area of the license;
- Level 2: nine-year professional licensure for those providers with three to five full school years of school experience in the service area of the license; and
- Level 3: nine-year instructional support leader, for those providers with six or more full years of school experience in the service area of the license.

The amendment bill requires school districts and charter schools to pay level three and three-A counselors a minimum salary of \$50 thousand for nine and one half months of work. PED's analysis notes most counselors have an extended contract, which likely result in a base will pay in excess of the \$50 thousand for level three-A teachers.

Lastly, PED noted that school counselors fall under the definition of "instructional support providers" pursuant to Section 22-1-2 NMSA 1978. If Section 22-10A-11 NMSA 1978 is amended to include school counselors as eligible for the same salaries as level three-A teachers, creating an inequity with regard to other "instructional staff providers" such as social workers, speech-language pathologists, physical therapists, and occupational therapist.

Additionally, as noted above, directly tying counselor salaries to level three teacher salaries will result in a larger fiscal impact if the Legislature considers increasing level three teacher salaries in the future.

Lastly, PED notes the bill does not have an effective date, making it possible that level three and level three A counselor salaries would have to be adjusted upon enactment of the bill. **The Legislature may want to include an effective date of July 1, 2015 to ensure changes are effective for the 2015-2016 and subsequent school years.**

RSG/bb