

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](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 03/04/15

SPONSOR HEC LAST UPDATED \_\_\_\_\_ HB 529/HECS

SHORT TITLE Alternative Level 3-B School Licensure SB \_\_\_\_\_

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	Up to \$25.0	Up to \$25.0	Recurring	Public Education Department Educator Licensure Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

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

### SUMMARY

#### Synopsis of Bill

House Bill 529 enacts a new section of the School Personnel Act to establish an alternative level three-B school administrator license for an applicant who is a school counselor, school social worker, school nurse, speech-language pathologist, psychologist, physical therapist, physical therapy assistant, occupational therapist, occupational therapy assistant, recreational therapist, marriage and family therapist, interpreter for the deaf or diagnostician. To qualify, an applicant must have a post-baccalaureate degree, completed a PED-approved course in administration and a PED-approved administration apprenticeship program, and demonstrate instructional leader competence. The bill removes the level three-B pathway for school counselors enumerated in

Section 22-10A-11 NMSA 1978, and includes counselors as eligible under the proposed alternative level three-B license

## **FISCAL IMPLICATIONS**

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 costs a school district would experience from the changes proposed in this bill would be the result of making the choice to hire an individual who holds an alternative level three-B license to serve as a school administrator.

Most of the fiscal implications of this bill exist for PED. PED would likely see an increase in revenue due to more individuals applying for administrator licenses. New applications for licenses are \$125. PED has not provided any estimate of individuals that would be eligible to apply. The \$25 thousand estimate assumes up to 200 individuals would apply pursuant to the provisions of this bill. Any revenues received are limited to use by PED to fund the educator background check program, to enforce educator ethics requirements; and to process applications for licensure or for renewal of licensure, including review of professional development dossiers.

ERB notes the additional contributions associated with a salary increase are expected to have a slight immediate positive impact on the educational retirement fund. In the long term, assuming the salary increases are fairly broad-based, the effect on the actuarial status of the educational retirement fund should be negligible. ERB assumes access to an alternative level three-B licensure track for certain employees would lead to potential salary increases. In determining costs and liabilities, the ERB's actuary employs assumptions about the future, including an assumption regarding the rate of inflation and salary increases, or wage inflation. ERB periodically conducts experience studies to test its assumptions, and subsequently revises its assumptions as warranted. The ERB's current wage inflation assumption is 4.25 percent.

## **SIGNIFICANT ISSUES**

The bill would allow individuals other than teachers to qualify for an alternative level three-B administrator license, allowing them to be a school principal or assistant principal. These individuals would need to demonstrate instructional leader competence, hold a post-baccalaureate degree, and satisfactorily completed a PED approved course in administration and a department-approved administration apprenticeship program. The individuals that would be able to apply for level three-B license are as follows: school counselor, school social worker, school nurse, speech-language pathologist, psychologist, physical therapist, physical therapy assistant, occupational therapist, occupational therapy assistant, recreational therapist, marriage and family therapist, interpreter for the deaf and diagnostician.

The Legislature may want to consider ensuring individuals eligible for license advancement pursuant to the provisions of this bill are licensed pursuant to Section 22-10A-17, which requires PED to license instructional support providers, including educational assistants, school counselors, school social workers, school nurses, speech-language pathologists, psychologists, physical therapists, physical therapy assistants, occupational therapists, occupational therapy

assistants, recreational therapists, marriage and family therapists, interpreters for the deaf, diagnosticians and other service providers. Additionally, statute requires these individuals to have a professional license where applicable. The Legislature may want to consider limiting the alternative level three-B pathway to individuals who have current professional licensure (ensuring the individual's license has not been suspended for poor performance).

### **PERFORMANCE IMPLICATIONS**

Research confirms that, among school-related influences on student learning, principal leadership is second in importance only to classroom teaching. Nearly 60 percent of a school's influence on student achievement is attributable to principal and teacher effectiveness: principals account for as much as a quarter and teachers over a third of a school's total impact on achievement.

A good principal is the single most important factor in attracting and retaining high-quality teachers, as reported from working condition surveys of teachers across the country. The principal also is uniquely positioned to ensure that excellent teaching and learning are spread school-wide.

### **ADMINISTRATIVE IMPLICATIONS**

PED will be required to implement a licensure system for newly qualified applicants for the alternative level three-B administrator license.

### **CONFLICT**

HB 71 and SB 153 conflict.

### **TECHNICAL ISSUES**

The bill as drafted eliminates current requirements for teachers who wish to advance their teaching license to a level three-B administrator license. See page 3 line 15 through page 4 line 7. It appears the intent was to remove school counselors from the current provision of law and create an alternative pathway certain individuals other than teachers. If this is the case the phrase "or holds a current level two teacher's license and, for at least four years, has held the highest-ranked counselor license as provided in Chapter 22, Article 10A NMSA 1978 and rules promulgated by the department" should be removed from current law.

### **OTHER SUBSTANTIVE ISSUES**

PED notes the requirement to have a post-baccalaureate degree to obtain a level three-B administrators license may limit some of the positions this bill seeks to enact an alternative administrators pathway for. The department also notes post-baccalaureate degrees have not been shown to improve the ability of school administrators to drive student performance at their schools.

RSG/aml/je/bb/aml