

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number HB42 **Sponsor** Garcia, M.
Tracking Number .211625.1 **Committee Referrals** HEC/HAFC
Short Title Teacher Incentive Pay in Free Lunch Schools
Analyst Sena **Original Date** 1/17/19
Last Updated _____

BILL SUMMARY

Synopsis of Bill

House Bill 42 (HB42) establishes a new section of the Public School Code, the “Teacher Incentive Pay Act,” a 10-year teacher incentive pay program intended to attract effective teachers to low-performing schools serving large populations of economically disadvantaged students. The incentive program would support six five-year cohorts of qualifying teachers. Qualifying teachers, defined as level 3-A teachers, would earn \$3,000 per year, in addition to their regular contract salaries, to fill vacancies at elementary schools in which at least 90 percent of students qualify for free or reduced lunch and was rated a D or F school pursuant to the A-B-C-D-F Schools Rating Act.

Qualifying teachers would also be required to hold national board certification or master’s degree plus eight additional credit hours and be rated highly effective or exemplary. A teacher would have to maintain their effective or exemplary rating to continue to qualify for the incentive. Teachers could participate for up to five years as long as they continue to meet qualifying requirements. Qualifying schools would apply for incentive funding from the Public Education Department (PED).

A teacher who fails to complete a year of service and fulfill the requirements of their incentive contract would be required to repay to the state all incentive pay received up to the date the contract is terminated or work with the department to establish alternative terms of repayment or service.

FISCAL IMPACT

HB42 creates the “teacher incentive fund”, which would consist of appropriations, gifts, and donations, and appropriates \$2 million from the general fund to the “native New Mexican teacher incentive fund” for expenditure in FY20 and subsequent fiscal years through FY29. Any unexpended or unencumbered balance remaining at the end of FY30 shall revert to the general fund.

It is unclear how many teachers would be served by the program, and language in the bill, while allowing for five cohorts of teachers, does not specify whether the department could spend all funds in one year or distribute them evenly over the course of the program. Assuming no further appropriations, the fund could support approximately 133 teachers for five years each.

SUBSTANTIVE ISSUES

Research has shown that incentive programs have been effective in both attracting high-quality teachers to low-performing schools and in raising student achievement in those schools. A 2013 report by Mathematica Policy Research found the impacts were greater in elementary schools. The researched Teacher Talent Initiative was implemented in 10 school districts in seven states, and teachers were offered \$20 thousand over two years to fill vacancies in schools with low average test scores. Research also found the incentive program also meant vacancies were filled by more experienced teachers than would normally have been hired. Teachers in the program also required less mentoring and provided more mentoring to less experienced teachers.

Similarly, the bill is intended to fill vacancies and help improve struggling schools' grades, a teacher's continued participation in the program is not firmly tied to improvement. The bill indicates if a teacher fails to meet rating requirements or the school does not raise its letter grade, a principal, in consultation with a superintendent, may refuse to renew a teacher's incentive contract. Leaving personnel decisions to the discretion of local administrators could allow for the possibility that a teacher who does not meet requirements could continue to receive incentive pay without maintaining high-quality instruction or supporting school improvement. The bill also does not address middle schools or high schools.

It is also reasonable to assume incentives might prompt highly effective or exemplary teachers to leave a school with a higher school grade, creating vacancies in successful schools. If the bill assumes effective teachers are important to school performance, the departure of effective teachers might create vacancies and harm schools.

Budget recommendations from the executive and the Legislative Finance Committee (LFC) both include raising the at-risk index in the public school funding formula, which would mean school districts serving large at-risk populations – many at-risk students attend schools that disproportionately earn Ds and Fs – would receive additional discretionary funds. Districts could choose to funnel funds to local incentive initiatives that would better suit local needs.

Budget recommendations from the executive and the Legislative Finance Committee also include increases to statutory teacher minimum salaries, as well as across the board increases for all teachers. These increases could serve as an incentive to more people entering teaching in New Mexico, reducing the number of overall teaching vacancies.

ADMINISTRATIVE IMPLICATIONS

According to provisions of the bill, PED would be responsible for administering the program, promulgating rules to carry out the program, and for monitoring and evaluating the efficacy of the program. The department would also be responsible for reporting findings and recommendations to the Legislative Education Study Committee (LESC) and the LFC. Lastly, the department would be responsible for working with teachers who fail to complete terms of incentives contracts, including repayment or alternative service requirements.

Qualifying schools would need to apply to the department in order to be considered for incentive funds. The application would include the qualifications of teaching candidates.

TECHNICAL ISSUES

The bill does not contain specific language or provisions for charter schools to apply for incentive funding. The sponsor might consider amending the bill to add provisions for charter schools.

The incentive program runs through FY29, but provisions of the bill indicate unexpended or unencumbered funding would not revert to the general fund until FY30, prohibiting the use of those funds for other purposes. The sponsor might consider amending the bill to specify that unexpended or unencumbered funds revert to the general fund at the end of FY29.

Qualifying teachers must hold national board certification or a master's degree plus eight additional credit hours, although there are no licensure requirements in statute or regulation that call for a master's degree plus eight additional credit hours. This requirement could limit participation in the program because it does not conform to any licensure requirements.

OTHER SIGNIFICANT ISSUES

The LESC's school grades work group proposed changes to the school grading system. No changes have been made, but any alteration of the system, including eliminating the use of letter grades to rate schools, would nullify criteria of qualifying schools. The sponsor might consider language that addresses low-performing schools rather using current school grading criteria.

New Mexico's teacher evaluation system, NMTeach, has also been the subject of concern, specifically as it relates to the reliability and consistency of using student achievement data to rate teachers. Recently, Executive Order 2019-002 directed PED to develop a new teacher evaluation system.

Current ratings also do not necessarily indicate the ability to improve student achievement. Of the approximately seven thousand teachers rated highly effective or exemplary during the 2017-2018 school, for example, few than half, about three thousand, were rated highly effective or exemplary in student growth. Student growth is an integral component of school grades.

Two bills have been introduced that would significantly alter the current evaluation system, including the rating designations. Any changes to the system would nullify criteria for qualifying teachers.

RELATED BILLS

HB39, Native New Mexican Teacher Incentive Pay Act
HB212, Teacher and Principal Evaluation Act
SB247, Teacher Evaluation Act

SOURCES OF INFORMATION

- LESC Files

JDS/