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

Bill Number SB47/aSEC **Sponsor** Stewart

Tracking Number .211549.2 **Committee Referrals** SEC/SFC

Short Title Increase School Personnel Salaries

Analyst Simon/Sena **Original Date** 1/22/2019
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FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee Amendment to Senate Bill 47 (SB47/aSEC) strikes the appropriation from the bill.

Synopsis of Original Bill

Senate Bill 47 (SB47) would amend the School Personnel Act to increase minimum salaries over three years to \$45 thousand for level 1 teachers, \$55 thousand for level 2 teachers, and \$65 thousand for level 3-A teachers and counselors. The bill would also index minimum salaries for principals and assistant principals to the minimum salary for a level 3-A teacher.

FISCAL IMPACT

SB47/aSEC would increase minimum salaries in FY20 from \$36 thousand to \$40 thousand for level 1 teachers, from \$44 thousand to \$50 thousand for level 2 teachers, and from \$54 thousand to \$60 thousand for level 3 teachers and counselors. In FY21 and FY22 minimum salaries at each level would increase by \$2,500 per year until minimums reached \$45 thousand for level 1 teachers, \$55 thousand for level 2 teachers, and \$65 thousand for level 3 teachers and counselors.

Minimum Salary Levels in SB47

Job	Current	FY20	FY21	FY22
Level 1 teacher	\$36,000	\$40,000	\$42,500	\$45,000
Level 2 teacher	\$44,000	\$50,000	\$52,500	\$55,000
Level 3 teacher or counselor	\$54,000	\$60,000	\$62,500	\$65,000
Elementary assistant principal	\$55,000	\$66,000	\$68,750	\$71,500
Elementary principal	\$60,000	\$72,000	\$75,000	\$78,000
Middle school assistant principal	\$57,500	\$69,000	\$71,875	\$74,750
Middle school principal	\$70,000	\$84,000	\$87,500	\$91,000
High School assistant principal	\$62,500	\$75,000	\$78,125	\$81,250
High School principal	\$80,000	\$96,000	\$100,000	\$104,000

Source: LESC Analysis

Based on the consensus methodology reached by the Public Education Department (PED), the Department of Finance and Administration, the Legislative Finance Committee (LFC) and LESC, staff estimate the cost of SB47/aSEC at \$225.8 million over three years, including \$213.4 million for teacher and level 3-A counselors and \$12.4 million for principals and assistant principals. In FY20, the estimated cost would be \$98.2 million in FY20, \$62.2 million in FY21, and \$65.4 million in FY22. This estimate is based on salary data from October 2018 and is adjusted for estimated benefits cost of 23 percent in each year.

The LFC FY20 recommendation for public school support includes \$113.7 million to increase compensation for teachers and principals and the executive recommendation for FY20 public school support includes \$132.8 million to increase compensation for teacher and principals. The LFC recommendation includes the same minimum salary levels for FY20 as SB47/aSEC, but the executive recommendation increases the level 1 minimum salary to \$41 thousand. Both recommendations also include across-the-board salary increases for teachers and principals, with LFC recommending 5.5 percent for teachers and 7.5 percent for principals and the executive recommending 6 percent for both teachers and principals.

SUBSTANTIVE ISSUES

Since FY04, state law has required public schools to pay teachers a minimum salary based on their licensure level. Level 3-A counselors were included in the minimum salary requirements in FY16. Initially, minimum salaries were set at \$30 thousand for level 1 teachers, \$40 thousand for level 2 teachers, and \$50 thousand for level 3 teachers. Subsequent legislation increased minimum salaries by \$6,000 for level 1 teachers and \$4,000 for level 2 and level 3 teachers.

In FY08, state law was amended to set the minimum salary for principals and assistant principals at \$50 thousand – then the minimum salary for a level 3 teacher – multiplied by a responsibility factor. While the minimum salary levels for teachers have been increased, the Legislature has not increased the statutory minimum salary for principals. As a result, there is currently only a \$1,000 gap between an elementary school assistant principal’s minimum salary and a level 3 teacher’s minimum salary. Further increasing minimum teacher salaries without increasing minimum salaries for principals and assistant principals could lead to salary compaction issues or teaching salaries that are higher than principal and assistant principal salaries.

Principal Responsibility Factors

School Type	Assistant	
	Principal	Principal
Elementary	1.1	1.2
Middle School	1.15	1.4
High School	1.25	1.6

Source: 22-10A-2 NMSA 1978

In the National Council of State Legislatures’ *No Time to Lose* report, maintaining a competitive

5-Year Change in the Average Teacher Salary, New Mexico and Surrounding States

State	2012	2017	5 Year Change	
Arizona	\$48,691	\$47,403	\$2,139	4.4%
Colorado	\$49,049	\$51,808	\$1,924	3.9%
Nevada	\$54,559	\$57,376	\$1,419	2.6%
New Mexico	\$45,622	\$47,122	\$1,669	3.7%
Oklahoma	\$44,391	\$45,292	\$919	2.1%
Texas	\$48,373	\$52,575	\$3,756	7.8%
Utah	\$48,159	\$47,244	\$1,701	3.5%
U.S. Average	\$55,389	\$59,660	\$3,595	6.5%

Source: NEA Rankings and Estimates

compensation system for educators is key to building a world-class education system. In the United States, teachers typically earn less than similarly educated professions, while in some high-performing countries, teacher pay is between 90 and 105 percent of the average for other college-educated workers.

According to the National Education Association, during 2016-2017 school year, the average starting salary for New Mexico teachers was \$34,544, about \$4,000 less than

the national average and the average salaries for New Mexico teachers was less than many of its neighboring states. The average teacher salary in Texas for FY17, for example, was \$52,575 compared to \$47,122 in New Mexico. New Mexico has also lagged the nation and many of its neighbors in the growth of average teacher salaries. From FY12 to FY17, average teacher salaries in New Mexico grew by 3.7 percent, while the average teacher salary nationally grew by 6.5 percent.

New Mexico school districts continue to struggle to recruit and retain qualified teachers. New Mexico State University “2018 Educator Vacancy Report” found there were 740 teacher vacancies in New Mexico school districts in October 2018. According to PED data, more than half of all new teachers are no longer employed by a New Mexico school district or charter school five years after they begin teaching. In addition, the educator vacancy report noted there was a 23 percent decrease in college students completing educator preparation programs between FY15 and FY18 and a 33 percent decrease between FY10 and FY18. While programs that encourage college students to enter the profession and incentivize young teachers to remain in the profession could help reverse these trends, competitive teacher salaries are a key tool for recruiting and retaining high-quality teachers.

RELATED BILLS

Senate Bill 1 would increase minimum salaries for FY20 to the same level as SB47/aSEC and would further increase minimum salaries for teachers participating in other funding formula programs created by that bill.

House Bill 171 would increase minimum salaries for FY20 to \$45 thousand for level 1 teachers, \$55 thousand for level 2 teachers, and \$65 thousand for level 3 teachers.

SOURCES OF INFORMATION

- LESC Files

JWS/mc