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FISCAL IMPACT REPORT

SPONSOR Lara LAST UPDATED _____
ORIGINAL DATE 2/14/23
BILL _____
SHORT TITLE Instructional Support Providers NUMBER House Bill 296
ANALYST Helms

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$17,100.0 - \$20,500.0	\$17,100.0 - \$20,500.0	\$34,200.0 - \$41,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to HB39 (Dual-Licensed Instructional Support Providers)

Sources of Information

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of House Bill 296

House Bill 296 (HB296) amends Section 22-8-49 NMSA 1978 to include instructional support providers within the Teacher Cost Index (TCI) calculation. HB296 adds language on instructional support provider licensure levels and an instructional support provider tiered licensing system.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

HB296 does not contain an appropriation.

Technicalities in HB296 make it difficult to determine fiscal impact. LFC analysis estimates the implications of HB296 could have a fiscal impact of \$17.1 million to \$20.5 million per year.

TCI is based on the three-tiered licensure system, and the funding generated by the TCI is

directly tied to the pay grades inherent in the three-tiered licensure system, plus additional funding based on years of experience. HB296 intends that schools would also receive additional funding for higher licensure levels and years of experience associated with instructional support providers, as is currently the case for teachers. However, the three-tiered licensure system that is the basis for TCI calculations does not currently encompass instructional support providers. Integration to the three-tiered licensure system includes matching minimum base salaries at \$50 thousand, \$60 thousand, and \$70 thousand for Level 1, 2, and 3 teaching licenses, respectively.

Even outside of what they would generate in TCI costs, PED preliminary FY23 data on school personnel salaries suggests the estimated fiscal impact of adding instructional support providers to the three-tiered licensure system would be at least \$3.1 million annually for over 3,600 current positions at 0.75 FTE up to full FTE. An upper range of nearly \$6.5 million in increased salary costs could be possible if PED's chosen guidelines for reassigning current instructional support providers into Level 2 or Level 3 licenses, which apply to those with more than five years of experience, ended up including the majority of providers.

The Teacher Cost Index generates funding for teachers who have at least a level 2 licensure and more than five years of experience. In FY22, this included 12.3 thousand teachers. The TCI, once fully phased in, would generate \$123.9 million to cover additional salary costs for these teachers. The actual additional salary these teachers received was \$84.9 million for FY22, showing that the TCI index covers additional salary costs districts pay to higher-licensed and higher experienced teachers by \$39 million. Based on the average funding TCI generates per teacher and estimated license levels if instructional support providers were moved into a three-tier licensure system, LFC analysis estimates HB296 could add at least 1,400 personnel to the TCI who would generate at least \$14 million in additional funding to schools.

SIGNIFICANT ISSUES

According to PED's most recent FY23 salary data, approximately 63 percent of instructional support providers affected by HB296 already make above the Level 3 licensure threshold of \$70 thousand. Of the positions making below \$70 thousand, the bill does not define how PED would integrate these positions existing outside of the three-tier licensure system into Level 1, Level 2, or Level 3 licensure positions, as the licensure system is based on how salary and experience in the teaching profession progresses. It is unclear if salary progression has the same pathways for fields with different required skill sets, licenses, and education levels. For example, many instructional providers, such as speech-language pathologists, psychologists, nurses, and audiologists, already have several years of practicum, apprenticeship, or fellowship experience before gaining licensure. Additionally, most recent PED data on instructional support provider salary did not offer years of experience, which could potentially help locate where these positions would fall in the three-tier licensure scale, complicating preliminary fiscal analysis and potential implementation.

ADMINISTRATIVE IMPLICATIONS

If PED had to create a new tiered licensure system commensurate with TCI, this could be significant administrative work in adjusting pay scales and determining licensure system for the 11 professions included under typical definitions of instructional support providers.

RELATIONSHIP

HB296 relates to House Bill 39, which would add dual-licensed instructional support providers to the three-tiered licensure system.

TECHNICAL ISSUES

HB296 leaves room for a different license level system defined as “instructional support provider licensure level provided by rule” (Section C) and defined as “‘teacher’ includes instructional support providers for whom the department has created a tiered licensing system” (Section C).

HB296 potentially implies, but is not clear, that instructional support providers would be added into the existing three-tiered licensure system since that system is the basis for TCI; using a different licensure system within TCI would impact the intent of TCI to estimate costs of salaries based on the three-tier system.

SH/rl/ne