

LFC Requester:	Sunny Liu, LFC
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**AGENCY BILL ANALYSIS
2018 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: **Date** 01/29/18
Original **Amendment** **Bill No:** HB106
Correction **Substitute**

Sponsor: Rep. Miguel P. Garcia **Agency Code:** 924
Short Title: NATIVE NEW MEXICAN TEACHER INCENTIVE PAY ACT **Person Writing:** Matthew Montano
Phone: _____ **Email:** Matthew.montano1@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	2,000.0	Recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 106 establishes the Native New Mexican Teacher Incentive Pay Act which provides for the implementation and administration of an incentive pay program for native New Mexican teachers who agree to teach in elementary schools in which at least 85 percent of students are ethnic minorities and which earned a rating of D or F in the most recent year.

HB 106 contains a \$2 million appropriation from the General Fund.

FISCAL IMPLICATIONS

HB106 appropriates two-million dollars (\$2,000,000.00) from the general fund to the Native New Mexican Teacher Incentive Fund for use in fiscal year 2019 through fiscal year 2028 to implement the provisions of the Act.

HB-106 creates the Teacher Incentive Fund.

Any funds remaining in the Native New Mexican Teacher Incentive Fund at the end of FY28 shall revert to the general fund.

The appropriation contained in HB 106 may not be sufficient to meet the anticipated need of schools in a chronic D or F status. Additional appropriations will likely be needed in future years.

SIGNIFICANT ISSUES

Currently, about 50% of teachers in New Mexico come via interstate reciprocity. This legislation limits incentive opportunities for high-performing teachers not born in New Mexico.

HB 106, in two different sections has differing requirements for eligibility; when read together it appears that HB 106 requires that for a teacher to be eligible to take advantage of the Teacher Incentive Pay program, a teacher must hold a level 3-A teaching license, and hold either a Master's Degree plus eight additional credit hours or hold a national board for professional teaching standards certification (NCBT).

This provision may serve to reduce the pool of candidates incentivized to serve in high-need schools. Incentivizing level 2 teachers with the commensurate experience and effectiveness ratings would provide a larger pool for recruitment into these positions.

HB 106 takes into account the decades of research that establish the most important school-controlled factor in student outcomes: the effectiveness of a teacher. The 2010 publication *The Widget Effect* indicates that schools who struggle to meet the needs of underserved populations often fail to understand the quality and effectiveness of their teaching pool in strategic placement.

Chetty, Friedman, and Rockoff (2011 and 2014) indicate that the impact of highly effective teachers on students is not limited to improving student achievement and closing gaps on standardized assessments, but the benefits to students who have access to these teachers is significant over the long term. Students assigned to highly effective teachers are more likely to attend college (including higher ranked colleges), earn higher salaries, and save more for retirement. This can equate of up to an increased classroom earning of \$250,000 over a lifetime. This not only has lasting benefits to students in classrooms taught by highly effective teachers, but also to the economy of New Mexico.

Limiting stipends to only elementary schools may cause challenges in staffing for middle and high schools that have the same population, school grade and need for the best teachers. The criteria for teachers pose another limitation. Teachers must be native New Mexican who have a valid New Mexico birth certificate, hold a level 3A license, have a masters plus at least eight (8) additional credit hours, or national board certification and be rated highly effective or exemplary. Limiting these stipends to only native New Mexican level 3A teachers may mean that a significant population of highly effective and exemplary teachers at each level of licensure who are not native New Mexicans already teaching in these locations might choose to leave to teach elsewhere.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

HB 106 calls upon the department to establish, promulgate rules, and administer the ten year teacher incentive pay program but does not outline funds to cover the cost of additional work required.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB 105 Teacher Incentive Pay bill

TECHNICAL ISSUES

While HB 106 requires that a native New Mexican teacher be rated highly effective or exemplary to receive the incentive pay, on Page 5, lines 12 through 18 provides “If a native New Mexican teacher falls below highly effective in the native New Mexican teacher’s annual evaluation or if the qualified school does not improve its school grade, the school principal, in consultation with the local superintendent or the local superintendent’s authorized representative, may refuse to renew the teacher recipient’s incentive contract with the qualified school”. The use of the word may imply that the district could continue to pay the teacher rated less than highly effective.

This is in conflict with language on Page 4, lines 16 through 18 that provide that “A native New Mexican teacher who receives a rating of highly effective or exemplary shall be eligible for renewal of the incentive contract. This section makes it a requirement that in order to be eligible for the incentive pay, a teacher **must** have a rating of highly effective or exemplary rendering the permissive language in conflict with the remainder of this bill and with HB 105 dealing with another teacher incentive program.

Allowing permissive language in HB 106 and restrictive language in HB 105 appears to be discriminatory to one group of teachers and may lead to legal challenges.

OTHER SUBSTANTIVE ISSUES

HB106 would require a native New Mexican teacher recipient who does not complete their term of service to repay the funds received but does not provide guidance on how and when repayment should occur.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS