

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB171 provides public school funding formula program units to school districts and charter schools for licensed school employees certified by the National Board for Professional Teaching Standards who do not hold an administrative position.

The bill becomes applicable for the 2021-2022 school year.

FISCAL IMPLICATIONS

The FY21 preliminary funded run contains 731.00 teacher FTE's for this category of units. This results in 1,096.50 units. Based on the current unit value of \$4,531.74, this equates to \$4,969,052.94.

Using the FY21 preliminary unit value of \$4,565.41, the estimated impact of HB171 is estimated to be \$183,535.47. According to the National Board for Professional Teaching Standards (NBPTS) website, to date there are 23 library media certificate holders and four school counseling certificate holders. In an odd quirk of state law, library media specialists are considered teachers and generate these units, but library technicians or assistants would not (please see "administrative implications" below). To create a conservative (high) estimate, PED assumed all library media certificate holders would *not* be serving as library media specialists and would newly generate funds. If all 27 certificate holders were to generate new units under the formula, the additional number of units statewide would be 40.5 as the cost differential for NBPTS units is 1.5 times the number of employees. Absent an appropriation, the additional units proposed to be generated would modestly influence the setting of the initial and final unit values for FY22.

SIGNIFICANT ISSUES

HB171 expands the definition for the eligibility of these program units through the public school funding formula from teachers to licensed school employees, assuming they are not holding an administrative position. The bill also provides that the units are to be awarded after the district has verified that the reported licensed school employees hold certification by the NBPTS, and are receiving a one-time salary differential equal to or greater than the amount generated by the

units multiplied by the program unit value during the fiscal year in which the school district or charter school will receive these units.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

The PED will need to modify the NBPTS funding formula worksheets used to compute the state equalization guarantee for school districts and charter schools. The unit value calculation will need to be modified to capture the impact of these additional minimum requirements to the funding formula.

School Budget Bureau (SBB) staff currently administers the Act such that school districts and charter schools are not to generate units unless they are certified *teachers* [emphasis added]. Additionally, the PED instructs school districts and charter schools that, although they may reward National Board certification for other, non-classroom instructors within the local school district or charter school framework for local governance, they will not receive units under the program cost calculation to provide stipends. In addition, in FY18 we sampled some certificates of teachers generating these units to ensure only teacher certification was included, which is an additional administrative burden on the Bureau. Through research, the PED learned that library media specialists are considered teachers for the purposes of generating these units under the licensure administrative rules (6.64.8.7 NMAC 1978), yet library technicians, library assistants, and school counselors are not, which complicates administration of this section. The expectation that SBB staff is able to review all NBPTS credentialing for all entities to screen for non-teacher staff may not be executable with current staffing levels, particularly given the desk audit conducted in FY18 found no exceptions.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None as of 2/2/2021.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

Pursuant to 22-8-23.4 NMSA 1978, the *Public School Finance Act* provides for entities to generate units for teachers certified by the National Board for Professional Teaching Standards (NBPTS) employed by the school district or charter school on or before the first reporting date of the school year and verified by the Public Education Department (PED). In addition, funding is contingent upon teachers are receiving a one-time salary differential (stipend) equal to or greater than the amount generated by the units. This section of the *Public School Finance Act* was enacted in 2003 with the passage of Senate Bill 216 (Laws 2003, Chapter 144). However, since this section of law was enacted, the NBPTS has expanded the certification from thirteen “teaching fields” to 28 “discipline areas,” including certification in non-teaching areas such as school counseling and library science.

Any modification to the public school funding formula normally requires a fiscal year to modify the existing data collection systems and worksheets before they can be fully implemented. With an applicable date of the 2021-2022 school year, the updates would need to take place prior to

the annual NBPTS collection in October of 2021.

The bill relates to the State Equalization Guarantee (SEG) appropriation contained in the General Appropriations Act.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None as of 2/2/2021.