

LFC Requester:	Liu
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**AGENCY BILL ANALYSIS
2022 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:

Original **Amendment**
Correction **Substitute**

Date January 20, 2022

Bill No: SB1

Sponsor: Sen. Stewart & Rep. Sariñana

Agency Name and Code Number: PED - 924

Increasing Salary for

Person Writing John Sena

Short Title: Licensed Teachers

Phone 505-570-7816 **Email:** John.Sena@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY22	FY23	FY24		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		(\$200,467.2)	(\$200,467.2)	(\$400,934.4)	Recurring	SEG (General Fund)

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: House Bill 60 (HB60), Native American Language Certificate Salaries.
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 1 (SB1) would raise the statutory minimum salaries for teachers at licensure levels 1, 2, and 3-A to \$50 thousand, \$60 thousand, and \$70 thousand, respectively. The effective date of the provisions of SB1 is July 1, 2022.

FISCAL IMPLICATIONS

SB1 does not contain an appropriation.

The Public Education Department (PED) estimates the cost of increasing teacher minimums to \$50 thousand, \$60 thousand, and \$70 thousand is \$200.5 million. The executive budget recommendation includes a \$200.5 million increase to the state equalization guarantee (SEG) to fund the provisions of SB1. This estimate also includes flexible funding to account for local salary compaction issues.

The PED’s total proposed compensation package for FY23 has a total estimated impact of \$280.3 million. PED’s salary estimates also provide for a guaranteed salary increase for all educational personnel of at least 7 percent, which will cost an additional \$79.8 million.

Increasing the minimum salary for teachers also impacts the minimum salaries for principals and assistant principals, whose salaries are tied by statute to the minimum salaries multiplied by “responsibility factors.” For example, elementary school principal salaries are equal to a level 3-A teacher salary multiplied by a responsibility factor of 1.2. The estimated impact of \$200.5 million includes the cost of increasing principal salaries associated responsibility factors.

Licensure Level (Responsibility Factor)	Est. Statewide FTE	Average Salary (FY22)	Estimated Salary after SB1 and 7 percent increase (FY23)	Average Percent Increase
Level 1 Teachers	2,717	\$42,910	\$50,531	18%
Level 2 Teachers	7,998	\$53,353	\$60,795	14%
Level 3-A Teachers	10,136	\$65,987	\$73,452	11%
Assistant Principal, Elementary (1.1)	170	\$71,277	\$79,342	11%
Assistant Principal, Middle (1.15)	126	\$74,495	\$83,306	12%
Assistant Principal, High (1.25)	183	\$81,880	\$90,861	11%
Principal, Elementary (1.2)	447	\$83,818	\$91,520	9%
Principal, Middle (1.4)	155	\$91,046	\$101,322	11%
Principal, High (1.6)	215	\$99,361	\$114,303	15%

Source: PED

SIGNIFICANT ISSUES

Teacher Vacancies. New Mexico, like many states across the country, is facing an educator workforce crisis. New Mexico State University’s Southwest Outreach Academic Research (SOAR) Evaluation and Policy Center in the fall of 2021 reported more than 1,000 teacher vacancies across the state. Nearly 300 of those vacancies were for special education teachers, while there were 279 elementary teacher vacancies, 197 high school teacher vacancies, and 179 middle school teacher vacancies. Across all grade levels, the demand was highest for math teachers, with 84 vacancies, followed by 77 science vacancies and 56 English language arts vacancies. The Covid-19 pandemic has exacerbated those conditions, and recent teacher testimony before the Legislative Education Study Committee (LESC) indicated increasing vacancies in the months after the SOAR report was published.

Increasing teacher minimum salaries will help New Mexico recruit new educators to the teaching profession, as well as make New Mexico attractive to educators from other states. After statutory minimums were raised during the 2019 regular session, teacher vacancies dropped from 740 in the fall of 2019 to 644 in fall of 2020, a decrease of approximately 13 percent.

Regionally Competitive Teacher Salaries. Coupled with a percentage-based salary increase for all school personnel, which is included in the executive, the LFC, and the LESL budget recommendations, increasing salary minimums would mean New Mexico’s starting and average teacher salaries would be higher than those in neighboring states. If the Legislature adopts the executive recommendation to enact SB1 coupled with a 7 percent across-the-board increase for educational personnel, PED staff estimate the average salary of all New Mexico teachers would be \$64,006, the highest among its regional neighbors by a factor of 13 percent. This increase will significantly impact New Mexico’s ability to compete for highly qualified educators from other states, increasing the quality of education for New Mexico’s students.

Regional Average Starting Salaries

Current vs. FY23

<i>Rank</i>	<i>State</i>	<i>FY22 Starting Teacher Salary</i>	<i>Rank</i>	<i>State</i>	<i>FY23 Est. Starting Teacher Salary</i>
1	Texas	\$44,582	1	New Mexico	\$50,531
2	Utah	\$43,026	2	Texas	\$44,582
3	New Mexico	\$41,214	3	Utah	\$43,026
4	Arizona	\$39,057	4	Arizona	\$39,057
5	Oklahoma	\$37,992	5	Oklahoma	\$37,992
6	Colorado	\$35,292	6	Colorado	\$35,292

Source: National Education Association and PED Data

Regional Average Overall Salaries

Current vs. FY23

<i>Rank</i>	<i>State</i>	<i>FY22 Average Teacher Salary</i>	<i>Rank</i>	<i>State</i>	<i>FY23 Est. Average Teacher Salary</i>
1	Colorado	\$57,706	1	New Mexico	\$64,006
2	Texas	\$57,090	2	Colorado	\$57,706
3	Utah	\$54,678	3	Texas	\$57,090
4	New Mexico	\$54,256	4	Utah	\$54,678
5	Oklahoma	\$54,096	5	Oklahoma	\$54,096
6	Arizona	\$50,782	6	Arizona	\$50,782

Source: National Education Association and PED Data

Recent Salary Increases. In 2003, the year that New Mexico established the three tier-licensure system, salary minimums were \$30 thousand, \$40 thousand, and \$50 thousand for teachers at levels 1, 2 and 3-A. In the 15 years that followed, the legislature enacted incremental increases to those minimums. In the 2019 regular session, the legislature enacted the largest increases to those minimums in recent history, increasing the statutory minimums to \$41 thousand, \$50 thousand, and \$60 thousand. If enacted, SB1 would be the largest percent investment New Mexico has ever made in its educators; a 22 percent increase to minimums for level 1 teachers, a 20 percent increase to minimums for level 2 teachers, and a 16 percent increase to level 3-A teacher minimums.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

The PED would enforce each school district and charter school's salary increases through the department's budget approval process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB1 relates to HB60, Native American Language Certificate Salaries.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

N/A