

<b>LFC Requester:</b>	<b>Helms</b>
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**AGENCY BILL ANALYSIS  
2023 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

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

**Date Prepared:** 2/13/23  
**Bill No:** HB296

**Sponsor:** Lara  
**Short Title:** INSTRUCTIONAL SUPPORT PROVIDERS

**Agency Name and Code Number:** Agency Name and Code Number: PED - 924  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Undetermined	Undetermined	Undetermined	Undetermined	Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

**Synopsis:** House Bill 296 (HB296) would amend [Section 22-8-49 NMSA 1978—Teacher Cost Index](#). The bill would include instructional support providers in the Teacher Cost Index (TCI) factor of the Statewide Equalization Guarantee (SEG) funding formula.

The population of instructional support providers includes educational assistants, school counselors, school social workers, school nurses, speech-language pathologists, psychologists, physical therapists, occupational therapists, and other service providers.

The TCI of the SEG multiplies the full time equivalent of teachers against factors from 0.755 to 1.277 that are based on classroom teacher years of experience and licensure level. The result is the greater of 1.0 or the average of the licensure-experience factors of all full-time-equivalent teachers. The previous Training and Experience Index (T&E) which was based on educational attainment and years of experience for instructional staff (not limited to teachers), was determined to exacerbate funding gaps between well-resourced and less well-resourced schools, therefore the Staffing Cost Multiplier (SCM) was enacted in 2018 to distribute school funding more equitably by phasing in the TCI to replace the T&E as of SY23.

SEG is calculated utilizing the SCM from the October report of the prior school year so fiscal impacts would not be seen until SY25 if signed into law.

### **FISCAL IMPLICATIONS**

HB296 does not contain an appropriation.

Tying the TCI directly to classroom teacher licensure level rather than educational attainment was one of several changes in SEG. The SCM phased in the TCI and phased out the T&E over the course of 4 years and the multiplier was moved higher within the SEG formula, applying the factor only to early childhood education and basic/grade-level membership program units. As a result of phasing in TCI, the overall program units generating funds for school districts and charter schools based on staffing dropped by 35 percent (14,351 program units) between SY18 and SY21. The corresponding drop in funding was \$36 million, according to the January, 2022 [LESC Report to Legislature](#).

It is difficult to determine whether including in TCI calculations the licensure-level-to-year-of-experience factors of instructional support providers would change school funding. For any given school, if the general population of instructional support providers has 6 or more years of experience and holds a level 2 or 3 license, than SEG funding could increase for that school. If the newly included staff generally have less experience and lower licensure levels, then the overall TCI average would drop, but not below the minimum 1.0 TCI. A drop in TCI average is because the multipliers in TCI for less experience and lower licensure levels are less than 1.0. Licensure data is not available on instructional support providers, complicating preliminary fiscal analysis and potential implementation.

### **SIGNIFICANT ISSUES**

In a presentation to school districts and charter schools titled, [Implementing the New TCI](#), PED noted that TCI was designed to help schools afford the higher cost of employing more experienced teachers without underfunding schools that lack them. According to the PED presentation, legislative stakeholders behind the new TCI also held “a belief that non-teachers should not be included.”

Section 22-8-49 NMSA 1978 anticipates future changes to the TCI to follow from required annual reports by PED and the Legislative Education Study Committee (LESC). On November 1, 2022, the analysis outlined a dataset of 21.1 thousand teachers from the 40th day of SY22. While the analysis does not inform a change such as proposed by HB296, the analysis reported two findings validating the economic efficiency of TCI:

1. In FY22, the TCI allocated enough statewide funding to cover additional costs of employing full-time teachers with higher teaching license levels and more years of experience.
2. Current teacher salaries are driven by teaching license levels rather than college degrees or experience.

**PERFORMANCE IMPLICATIONS**

N/A

**ADMINISTRATIVE IMPLICATIONS**

HB296 would require PED to update the Manual of Procedures for the Calculation of the Staffing Cost Multiplier for school districts and charter schools to include instructional support providers. Also, PED has recently developed reporting requirements in OBMS for TCI moving away from reporting in a SharePoint site. PED would require additional funding to update OBMS accordingly if signed into law. School districts and charter schools may need to update salary schedules, procedures, and working with accounting software developers to updated canned reports.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

[House Bill 39 \(HB39\) Dual-licensed Instructional Support Providers](#) would move some instructional support providers into the three-tier licensure system as a new category of dually-licensed instructional support providers and dually-licensed instructional support program administrators. The impact of this bill on HB296 if enacted is undetermined.

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

Instructional support providers must hold licenses issued by PED pursuant to Rule [6.63.3 NMAC](#) and Section [22-10A-17.1 NMSA 1978](#). Their licensure Levels 1, 2, & 3 correspond to teaching license levels:

- (1) Level 1 is a three-year provisional license for those providers with fewer than three full school years of school experience in the service area of the license;
- (2) Level 2 is a nine-year professional license for those providers with three to five full school years of school experience in the service area of the license; and
- (3) Level 3 is a nine-year instructional support leader license, for those providers with six or more full years of school experience in the service area of the license.

**Matrix of Licensure Level and Years of Experience for Calculating TCI.** TCI for a school district is the average of individual classroom-assigned teachers’ licensure-level-to-experience factors from the matrix defined in Section 22-8-49 NMSA 1978. HB296 would include instructional support providers in the calculated average based on the same licensure-level-to-experience matrix.

Licensure Level	Years of Experience				
	0 to 2	3 to 5	6 to 8	9 to 15	Over 15
1	0.755	0.785	0.800		
2		0.994	1.023	1.050	1.123
3			1.184	1.208	1.277

**ALTERNATIVES**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

N/A

**AMENDMENTS**

N/A