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FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/09

SPONSOR Boitano LAST UPDATED _____ HB _____

SHORT TITLE School Class Size Load Waiver SB 392

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	\$0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 392 amends statute (22-10A-20 NMSA 1978), Staffing Patterns-Class Load-Teaching Load to allow waivers of current class loads and additional compensation for teachers who would be affected by the increased class loads. Any waivers would need to have the approval of the principals, the affected teacher and at least 75% of parents of students in the affected classroom for which the waiver is sought. Principals are required to notify the superintendent of the waiver. SB 392 applies only to school districts in the state with student enrollment above 40,000 and makes technical changes to language to align with changes in governance.

FISCAL IMPLICATIONS

Senate Bill 392 carries no appropriation. The Office of Educational Accountability (OEA) reports that the provisions in SB 392 may result in cost savings to the eligible district by avoiding hiring new staff; however, the salary premiums may require more fiscal resources from the district. The scope of the cost savings is difficult to calculate at this time because there is no way to definitely project how many classrooms might be implicated and to what degree because of the two-tiered salary incentive included in the bill.

Based on the salary incentive provisions of SB 392, the estimated operating impact is based on the average current salary for a teacher in New Mexico of \$41.6 thousand. This bill proposes a 7 percent increase for class loads 15 percent to 19 percent above current statute, and a 12 percent salary increase for class loads of 20 percent or more above current statutory limits. Depending on the number of waivers issued to a particular district, there may be substantial costs incurred by the school district.

SIGNIFICANT ISSUES

SB 392 would affect the Albuquerque Public School district, which has a reported enrollment of 94,836 children for school year 2008-2009. The next largest district in the state is Las Cruces Public Schools with an enrollment of an estimated 23,691 students.

OEA reports that based on a summary per district of student teacher ratios available on the PED website, the vast majority of school districts (89) are within range of the current class loads specified in statute at 22-10A-20 NMSA 1978. The following table summarizes the number of districts that exceed the maximum student teacher ratios that are now allowed in statute (i.e. ES = For K, the max is 20; For grades 1, 2 & 3, the max is 22; For Grades 4, 5 & 6, the max is 24) (MS & HS there is a maximum daily load for teachers of 160). These summary figures are based on numbers provided for SY 2007-2008:

	ES	MS/JH	HS
Districts	0	4 (~4.5%)	0

The districts and their teacher student ratios that exceeded the allowable limits in mid-school / junior high during school year 2007-2008, include: Deming (32.6), Grady (37.7), House (46.7), & Mesa Vista (29.0).

The table below shows the ratios for Albuquerque Public School (APS) for school year 2007-2008.

	ES	MS/JH	HS
APS Class Load Ratios	14.1	14.6	16.1

PED raises the following concerns with Senate Bill 392:

- Permitting individual schools to approve class overloads could encourage overloads. In times of budgetary shortfalls, districts could see local approval of class overloads as an easier solution than hiring additional teachers and providing additional space for classes.

- Removing PED oversight of class load waivers may not serve the interests of students.
- Additional study of a practice which allows a percentage of parents to approve a waiver needs to be considered since community involvement and conflict could filter into the classroom, which could interfere with the learning process.
- Paying teachers extra salary for approved class overloads in which they themselves have a substantial voice could become a conflict of interest.
- This bill places no upper limit on class size for waivers that could be approved by the individual school. The bill allows for “twelve percent of the teacher's negotiated contract rate for waived class loads of 20% percent or greater above statutory class requirements”. Example: a 20% increase in a 7th – 12th grade classroom (with a current maximum of 160 students for a teacher’s daily class load) could create a load of 192 students or more with no maximums.
- If class average numbers are allowed to extend to .9 and then be rounded down to the next lower whole number, classes could carry loads in excess of the maximum allowed under current rule without being required to obtain a waiver in any form. For example, grades 1-3 when averaged together should not exceed 22 students per class. Under SB 392, the average could be 22.75 and still not need a waiver though at least one class is obviously over in number of students.

PERFORMANCE IMPLICATIONS

PED states in their analysis that this bill is in direct contradiction to many research projects which consistently demonstrate smaller class size contributes significantly to student success. Research documented through WestEd supports the reduction of class size in Policy Brief #23.

ADMINISTRATIVE IMPLICATIONS

According to PED, reports run by STARS programming designed to calculate and report class overloads would become inefficient if individual schools and districts were permitted to approve class size waivers. Additional staff time would have to be allocated to either creating new programming to permit the reporting of waivers by the schools or to contact schools highlighted by overload reports generated by STARS to determine actual waivers granted locally.

OTHER SUBSTANTIVE ISSUES

According to OEA, SB 392 appears to give a principal of a school seeking a class load waiver a high degree of authority and autonomy since they are only required to notify the district superintendent of a waiver rather than seek approval.

It is unclear what benefit is achieved by restricting the proposed waiver to a single district rather than the remainder of the state. This issue is posed because the supply of available teachers in Albuquerque is not an issue; whereas in other smaller districts the demand of high quality teachers at times exceeds the available supply which poses a scenario that would justify the type of waiver sought in SB 392.