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### FISCAL IMPACT REPORT

SPONSOR:	Stewart	DATE TYPED:	02/07/00	HB	300
SHORT TITLE:	Teacher Incentive Pay Pilot Project			SB	
				ANALYST:	Baca

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
				Recurring	GF
	\$2,000.0*				

\*The appropriation is for expenditure in fiscal years 2000 through 2005.

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 268

### SOURCES OF INFORMATION

LFC files

State Department of Education (SDE)

## **SUMMARY**

### Synopsis of Bill

House Bill 300 appropriates \$2,000.0 to SDE for the establishment of a pilot project to assess "the efficacy" of a teacher incentive (merit pay) plan. The pilot project is to operate during fiscal years 2000 through 2005 pursuant to provisions of the bill which detail the role of SDE, the State Board of Education and representatives from stake holder groups.

The bill contains an emergency clause.

### Significant Issues

The bill requires that the SBE appoint a professional Educators Council to assist SDE in the design and implementation of the pilot project, stipulates the composition of the Council, outlines the application process and allows for up to thirty pilot project sites, directs that SDE will provide the staff for implementation of the pilot projects and calls for the SBE to review, approve and adopt the teacher incentive pay pilot projects. In addition, the bill spells out the criteria to be used to select and measure the success of pilot projects. (See attachment for salient provisions of the bill)

## **FISCAL IMPLICATIONS**

The bill appropriates \$2,000.0 from the general fund to SDE for expenditure in fiscal years 2000 through 2005. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

The bill requires that SDE provide the staff needed to implement the provisions of the Bill. The effort needed to implement the provisions of the bill could hamper the SDE's ability to carry out its other statutory duties.

### **POSSIBLE QUESTIONS**

Will SDE be able to carry out its responsibilities without additional resources?

How will SDE carry out its oversight responsibilities?

LB/sb

**SALIENT PROVISIONS OF HB 300**

**TEACHER INCENTIVE PAY PILOT PROJECT**

The salient provisions of HB 300 require that:

The SBE appoint a Professional Educators Council (PEC) to design and assist SDE in designing and implementing the incentive pay pilot projects,

- the SBE review, approve and adopt the teacher incentive pay pilot projects,
- the PEC appointed by the SBE consist of:

fifteen (15) practicing teachers representative of the various grade levels and the state's geographic and ethnic makeup,

at least one-third of the professional educators will be certified by the National Board for Professional Teaching Standards, and

two members selected jointly by the New Mexico National Education Association and the New Mexico Federation of Teachers.

The PEC's duties are enumerated in the bill and include:

- developing criteria for selection of the incentive pay pilot project that include benchmarks and outcomes to be achieved,
- using an application process that will allow not more than thirty schools to participate as pilot project sites with elementary school, middle schools, high schools and charter schools deemed eligible to apply to become pilot project schools if seventy-five percent of the teachers agree to become a pilot school,
- designing a teacher incentive pay pilot project that rewards teachers for student achievement and includes peer assessment, assessment and accountability measures and a professional development framework contributes to the successful implementation of the pilot project.
- providing recommendations to the SBE on teacher development plans.

Responsibilities assigned to SDE area:

- provide staff for the PEC,
- provide professional development and assistance to participating schools for the implementation and operation of the pilot project, and report annually to the Legislature and the Governor on the pilot

project, including evaluation of the project and recommendations, and

- submit a final report, including any recommendations for proposed legislation by November 2005.