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FISCAL IMPACT REPORT

SPONSOR Tsosie DATE TYPED 3/3/05 HB _____
 SHORT TITLE McKinley County School Teacher Training SB 484
 ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$250.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicated HB 464

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of Workforce Training and Development (OWTD)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 484 appropriates \$250 thousand from the general fund to PED for the purpose of contracting with a program to train and employ, for at least a two-year commitment, recent college graduates as teachers in the Gallup-McKinley county public schools.

Significant Issues

PED states this bill is intended to address the teacher shortage in the McKinley county area but did not provide statistics reflecting the shortage.

PERFORMANCE IMPLICATIONS

This bill relates to PED measures in public school support on the percentage of highly qualified teachers in classrooms.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general

fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

Education reform will require the expenditures of at least an additional \$42 million in FY07 as follows: \$16 million for raising minimum salaries of level 3-A teachers to \$45,000; \$16 million for raising the employer contribution to the educational retirement fund by .075 percent; \$4 million for pre-kindergarten; and \$6 million for fine arts. These will be in addition to expected increased costs for opening the doors (fixed costs, insurance, and enrollment growth). The LFC cautions about putting additional funding requirements in statute because of potential shortfall in FY07 revenues.

ADMINISTRATIVE IMPLICATIONS

PED states it assesses a 3 percent for administering appropriations requiring a request for proposal, contract and monitoring services.

TECHNICAL ISSUES

PED recommends inserting in line 21 after "schools." "Three percent of the appropriation may be use by the department for administrative costs."

The sponsor may want the appropriation be made to the Gallup-McKinley County Schools directly or through the Department of Finance and Administration Local Government Division instead of the Public Education Department to save the administrative fee.

OTHER SUBSTANTIVE ISSUES

OWTD states it will coordinate efforts with workforce development boards. In addition, OWTD assesses the bill does not specify how the appropriation will be apportioned between training and employment services.

The LFC assesses that PED should provide administrative services to the school districts through the department operating budget rather than assess districts for contract services.

POSSIBLE QUESTIONS

1. Should this appropriation be to the Department of Finance and Administration Local Government Division for the Gallup-McKinley County School District?
2. Should this appropriation be to PED without specification as to school district and be used for statewide teacher recruitment?
3. What is the percentage of highly qualified teachers as defined by the federal No Child Left Behind act in the Gallup-McKinley Schools?