

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: HB 35

48th Legislature, 1st Session, 2007

Short Title: School Principal Salary Calculation Changes

Sponsor(s): Representative Mimi Stewart and Others

Analyst: Frances R. Maestas

Date: January 23, 2007

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

Bill Summary:

HB 35 appropriates funds and amends the *School Personnel Act* to:

- implement minimum annual salaries for public school principals and assistant principals in school year 2007-2008 that are at least equal to the \$50,000 minimum salary of a Level 3-A teacher multiplied by a responsibility factor;
- define “responsibility factor” as a value (number) by school level (elementary, middle/junior high, and high school); and
- require the Public Education Department (PED), by school year 2008-2009, to adopt an evaluation component and rules for school principals and assistant principals linked to their school level responsibilities.

Fiscal Impact:

\$4.2 million is appropriated from the General Fund to the State Equalization Guarantee Distribution for expenditure in FY 08. HB 35 contains a reversion clause.

The appropriation in HB 35 does not consider a salary increase. If the Legislature appropriates a salary increase for FY 08, the Legislative Education Study Committee (LESC) recommends that the salary increase be implemented prior to the implementation of the salary minimums and that the appropriation for minimum salaries be adjusted accordingly.

For example, for FY 08, the LESC recommendations include a 7.0 percent salary increase for all school personnel, including school principals and assistant principals. Assuming that the 7.0 percent salary increase is implemented first, an appropriation would not be required for the minimum salaries of school principals and assistant principals since the salaries of these school personnel would meet the required minimums in HB 35.

If enacted, HB 35 will provide the following salary minimums for approximately 734 school principals and 376 assistant principals based on a responsibility factor by school level:

- \$60,000 for an elementary school principal;
- \$70,000 for a middle/junior high school principal;
- \$80,000 for a high school principal;

- \$55,000 for an elementary assistant principal;
- \$57,500 for a middle/junior high assistant principal; and
- \$62,500 for a high school assistant principal.

If HB 35 is not enacted, current law will implement minimum annual salaries for Level 3-B school principals based on school size. The salary minimums range from \$58,000 for school principals in schools with 200 or fewer students to \$68,000 for principals in school with more than 1,000 students. Although assistant principals are required to possess Level 3-B licenses, current law excludes these personnel from the salary minimums based on school size.

For FY 08, the Executive recommendation is based on current statute, which establishes minimum salaries based on school size for principals only.

Issues:

- According to the PED bill analysis, if HB 35 is enacted and minimum salaries for school principals are based on a responsibility factor by school level, PED would require \$400,000 in FY 08 to develop, implement and support a new evaluation system for school principals and assistant principals. However, in the 2006 interim, PED testimony to the Legislative Education Study Committee (LESC) indicated that using \$150,000 from the Teacher Professional Development Fund and an additional \$60,000 from a Wallace Foundation Grant to the Office of Education Accountability, the department had entered into a contract with the Center for Border and Indigenous Educational Leadership (CeBIEL), New Mexico State University, to begin the design of a new evaluation system that reflects the increased role and responsibility of a school principal in evaluating and developing teachers and improving student performance. PED reported that during the 2006 interim, CeBIEL facilitated a work group that examined the current competencies, roles, and responsibilities of school principals. Additional testimony indicated that if the legislation to base salary minimums for principals on school-level responsibilities is enacted, PED will move quickly to incorporate these factors into the design of the new evaluation system and to amend current PED rule.
- The PED bill analysis states that the “replacement of the term ‘instructional leader’ with ‘teacher’ on page 4, line 24, would preclude instructional staff whose position is in a non-teaching position from being eligible for a level 3-B license.” However, the term “instructional leader” is **not** defined in the *Public School Code* and the definition of “teacher” in the law includes other school personnel in non-teaching positions, as follows:

“teacher” means a person who holds a level one, two or three-A license and whose primary duty is classroom instruction or the supervision, below the school principal level, of an instructional program or whose duties include curriculum development, peer intervention, peer coaching or mentoring or serving as a resource teacher for other teachers;”

Background

- In 2003, the Legislature implemented minimum annual salaries based on school size for Level 3-B school principals to be effective in school year 2005-2006; however, concerns over tying the salary minimums to the size of the school led the LESL to establish a work group to examine current law and to develop recommendations for consideration prior to the 2005 legislative session.

- The work group was comprised of staff from the LESC, the Legislative Finance Committee, and PED; and representatives from school principals, superintendents, school district finance and human resources personnel, the New Mexico Coalition of School Administrators, and the New Mexico School Boards Association, and representatives from the state's postsecondary institutions.
- In both 2005 and 2006, the LESC endorsed legislation to implement the recommendations of the work group based on the following rationale:
 - salary minimums based solely on school size do not consider the varying roles and responsibilities of school principals according to the level of the school (elementary, middle/junior, or high school);
 - such factors as the complexity of instruction, the number and kind of after-school events, and the community expectations should be considered in a principal's salary;
 - assistant principals should be included in the minimum salary requirements; and
 - the minimum salary of a school principal and assistant principal in a school district should not be less than the minimum salary required for a Level 3-A teacher.
- Although this legislation did not pass in either 2005 or 2006, another measure from the 2006 session was enacted to delay the implementation of the minimum salaries until school year 2007-2008.

Related Bill:

SB 73 *School Principal Salary Calculation Changes* (identical)