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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/13

SPONSOR Baldonado LAST UPDATED \_\_\_\_\_ HB 91

SHORT TITLE Education Superintendent Limits SB \_\_\_\_\_

ANALYST Roberts

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
	(\$688.8)	(\$688.8)	Recurring	District Operations

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 91 would amend the Public School Code, Section 22-5-4 NMSA 1978, by adding a provision under local school boards powers and duties, capping the salaries of superintendents at an amount equal to that of the Governor. Currently, local school board members may establish superintendent's contracts at any level they choose. Further proposed changes in the bill include:

- Superintendents shall receive no greater than the categories of benefits, percentage of contributions for insurance and retirement benefits as determined by salary, and number of leave days as a public school teacher;
- Caps supplemental compensation at 20 percent of the annual salary, and specifies that it must be based on merit criteria set by the school board, and that at least 50 percent of the criteria shall be based on student performance, all compensation shall be provided for in the contract; and
- Sets superintendent contracts at 365 days, allows for the contracts to be renewed, and only allows contracts to be renewed up to 60 days before they expire.

**FISCAL IMPLICATIONS**

The PED estimates that passage of this legislation would save districts approximately \$669 thousand annually in base salaries. Further, additional savings could be generated by provisions limiting additional compensation. However given that these vary greatly among districts, estimating the amount would be difficult.

**SIGNIFICANT ISSUES**

The PED reports that currently, the highest superintendent salary in New Mexico is \$256 thousand and the lowest is \$78 thousand. Based on the salary cap of \$110 thousand set forth in this bill, 30 out of 89 superintendents' salaries (2012–2013 school year) would be affected.

HB91 does not take into consideration that each benefits package and contract for a public school teacher is different in every individual district. The bill also does not take into consideration other compensations such as car allowance, housing allowance, travel allowance, etc. nor does it address head of school contracts for charter schools.

Passage of this bill may negatively impact recruitment and retention of highly qualified superintendents and will affect many current superintendents. Additionally, it will make New Mexico less competitive with neighboring states.

MIR/blm