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FISCAL IMPACT REPORT

SPONSOR Herrera/Baca/Madrid/Sariñana/Trujillo LAST UPDATED _____
ORIGINAL DATE 1/26/23
SHORT TITLE Education Assistant Salary Increase BILL NUMBER House Bill 127
ANALYST Helms

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$16,860.0	\$16,860.0	\$33,720.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Public Education Department (PED)

New Mexico Public Schools Insurance Authority (NMPSIA)

New Mexico School for the Blind and Visually Impaired (NMSBVI)

SUMMARY

Synopsis of House Bill 127

House Bill 127 proposes to increase the statutory minimum salary for educational assistants from the current minimum, \$12 thousand to the new minimum, \$25 thousand, to be effective beginning in the 2023-2024 school year.

FISCAL IMPLICATIONS

HB127 does not contain an appropriation.

LFC analysis estimates for educational assistants already receiving an FTE salary (full time equivalent salary) from state funds, the additional cost to the general fund for raising educational assistant minimums in HB127 would be slightly under \$17 million at \$16.8 million beginning in FY24. This estimate includes a 5 percent increase to current salaries as recommend in the FY24 LFC budget recommendation, and estimates for educational assistant salary minimum increases would be higher if the legislature did not approve this recommendation.

A PED analysis for HB127 estimates a higher cost for HB127 at \$30.6 million per year beginning in FY24. PED analysis includes educational assistants funded via other state and federal sources, citing that schools may need general fund to supplement federal and other state funds. PED analysis calculated pay increases based on an average across all educational assistants, which also might not reflect the availability of federal funds or other state funds, and might not reflect that a minimum salary increase would not apply to educational assistants who are already making more than \$25 thousand.

SIGNIFICANT ISSUES

New Mexico State University’s 2022 New Mexico Educator Vacancy Report showed 33 percent of vacancies cited by schools are for educational assistants. Increasing pay could decrease the educational assistant shortage. A year salary of \$12 thousand is roughly \$6 per hour, whereas a \$25 thousand year salary is roughly \$12.50 an hour. According to the Michigan Institute of Technology’s living wage calculator for a single adult with no children, \$12.50 an hour meets the minimum wage (\$11.50), but not the living wage (\$16.97), per hour for the city of Santa Fe and meets the minimum wage (\$11.50 per hour) but not the living wage (\$15.67) for Albuquerque.

As noted in PED’s analysis, a large portion of school district and charter school operations receive funds from other revenue streams, such as federal funds, below-the-line appropriations, and special education. Schools would need to efficiently utilize additional funding streams to continue to pay for educational assistants currently not included in SEG-funded salaries.

NMPSIA analysis notes a pay increase has significant consequences for health insurance. The educational assistant insurance tier at \$12 thousand has educational assistants pay 25 percent of insurance. At \$25 thousand, educational assistants would pay 40 percent of insurance.

Analysis and conversations with New Mexico School for the Blind and Visually Impaired and New Mexico School for the Deaf indicate these two schools already pay above the new minimum of \$25 thousand for all of their educational assistants.

TECHNICAL ISSUES

PED analysis notes current statutory provisions refer to “educational assistants” in general terms, leaving room for confusion as to which specific assistants would be subject to the provisions of this bill. Both PED and LFC analysis used educational assistants included in Uniform Chart of Accounts job codes 1213, 1216, 1218, 1319, 1711, 1712, 1713, and 1714, which includes special education.

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