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FISCAL IMPACT REPORT

SPONSOR <u>Stewart</u>	LAST UPDATED <u>2/15/23</u>
	ORIGINAL DATE <u>2/9/23</u>
SHORT TITLE <u>Licensed Teacher Prep Affordability</u>	BILL NUMBER <u>Senate Bill 307/aSEC</u>
	ANALYST <u>Helms</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	Teacher Preparation Affordability 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)
 Higher Education Department (HED)
 University of New Mexico (UNM)
 New Mexico State University (NMSU)
 San Juan Community College (SJCC)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 307 adds language which clarifies for teachers with a license pursuing graduate degrees who would qualify for teacher loan repayment consideration under SB307, said degree must be in education or related to their teaching specialty.

Synopsis of Original Bill

Senate Bill 307 amends the Teacher Preparation Affordability Act, striking language requiring an eligible student to be at least half-time, and adding language to include already licensed teachers pursuing graduate degrees. The bill also provides technical cleanup to existing law.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

Senate Bill 307 does not contain an appropriation.

The Teacher Preparation Affordability Act was enacted in FY20 with an initial appropriation of \$10 million. HED's Teacher Preparation Affordability Scholarship (TPAS) appropriation for FY23 is \$5 million, and HED projects they will distribute 2,700 scholarships for FY23. HED's actuals for FY22 scholarship distributions were 1,080 and roughly \$4 million in funds, falling short of distributing the \$5 million appropriated for FY22.

LFC has recommended an appropriation to HED of \$5 million for FY24, and LESC and LFC budget recommendations include a \$10 million nonrecurring appropriation from the public education reform fund to the TPAS fund. As of December 2022, the fund balance of the TPAS fund was \$16.7 million.

While increasing eligibility could increase qualifying applicants and increase demand and competition for available scholarships, it would not directly impact the fund balance or the appropriation.

SIGNIFICANT ISSUES

The Teacher Preparation Affordability Scholarship (TPAS) was created to encourage eligible New Mexico students to attend and complete an accredited Public Education Department approved teacher preparation program at a New Mexico public postsecondary education institution or tribal college. The scholarship is intended to help defray the education cost expended, charged by the public postsecondary institution or tribal college to include tuition, fees, books, course supplies, and living expenses. Notably, the Opportunity Scholarship does not render TPAS moot because TPAS can pay up to \$6,000 per year for all types of education expenses, not just tuition and fees.

Additionally, the scholarship award to each student cannot exceed \$6,000 per year, and a student cannot receive awards for more than five years.

NMSU analysis of SB307 notes widening the eligibility criteria is an inclusive amendment for students who may not have the means or contexts conducive for a half-time enrollment, and for licensed teachers with financial hardship who want to pursue further education, offering them new opportunities for professional advancement.

Additionally, UNM analysis notes, funds received from TPAS have been critical to support UNM students, and widening eligibility would be valuable for students who do want a teaching degree but have less than half-time enrollment, or for licensed teachers pursuing master's degrees.

This bill would have positive fiscal implications for UNM students and for the College of Education and Human Sciences, as scholarships would be available to students seeking licensure and licensed teachers seeking master's degrees. The funds received from this legislation in the past have been a critical source of support for UNM students. UNM also notes HED's allotment of funds to UNM has been insufficient to meet demand for the scholarship.

San Juan College, a two-year college who would not benefit from the eligibility for teacher's seeking additional degrees, also provided analysis noting

In FY23, San Juan College's Alternative Licensure Program had 142 enrollments of which only 48 were eligible for scholarship support due to the half-time enrollment threshold. Removing the half-time enrollment requirement would have supported the other 94 enrollments. The ALP program, designed to be taken on a part-time basis, could attract and enroll a much larger pool of students if scholarship assistance were made available to those who are less than half-time students.

ADMINISTRATIVE IMPLICATIONS

UNM analysis notes

Currently, these funds are disbursed by the Financial Aid Office. Students do not have to apply for TPA Scholarship dollars. Currently, if a student has a FASFA on file with Financial Aid Office and meet the level of "financial need" that they automatically receive the amount they are allowed to receive. The additions to the TPA may require additional scrutiny by Financial Aid Office to determine if a student who is a licensed teacher is working toward a masters' degree and may be eligible to receive these funds.

TECHNICAL ISSUES

In the SEC amendment of SB307, Section 2.B, the word "specialty" is misspelled as "speciality."

As Section 3B of SB307 notes a recipient must show "demonstrated financial need consistent with the criteria promulgated by the department," a definition of demonstrated financial need is unclear for current licensed teachers who earn at least \$50 thousand in gross salary.

OTHER SUBSTANTIVE ISSUES

Under current legislation, students can only receive this scholarship for two semesters every year. Several schools providing analysis note that if a student wants to enroll for a summer semester in addition to winter and spring, they may experience financial hardship if they rely on the scholarship.

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