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## FISCAL IMPACT REPORT

SPONSOR: Begaye DATE TYPED: 2/25/03 HB 607/aHEC

SHORT TITLE: Increase Paraprofessionals Income SB \_\_\_\_\_

ANALYST: L. Baca

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

#### Conflicts with HB 37, School Employees Salary Increase

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

#### Responses Received From

State Department of Education (SDE)  
Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of HEC Amendments

The amendments adopted by the House Education Committee change the term “paraprofessionals” to “educational assistants”, and direct the appropriation to the State Equalization Guarantee instead of to the State Department of Education.

#### Synopsis of Original Bill

House Bill 607 appropriates \$500.0 from the general fund to the State Department of Education to increase salaries of paraprofessional educational assistants statewide.

#### Significant Issues

New Mexico public school districts currently employ nearly 5,600 educational assistants (EA). SDE reports that their current average, annual salary is \$12,500. An estimated 50% of the EAs

are employed in federal programs. If the \$500.0 appropriation were distributed equally among all 5,600 of them, each would receive an increase of \$89.

The No Child Left Behind Act (NCLB) requires that EAs earn an associates degree by the 2006-2007 school year. Any increase awarded EAs can be used to help defray the cost of meeting the NCLB requirements.

### **FISCAL IMPLICATIONS**

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

SDE would have to ascertain the number of EAs in the state that qualify under the law in order to satisfy the provisions of the bill (law). The SDE analysis indicates this would have some administrative impact on the SDE.

### **CONFLICTAND RELATIONSHIP**

HB 703 conflicts with HB 37. HB 37 appropriates an 8% increase for all school employees.

### **TECHNICAL ISSUES**

With 50% or more of currently employed EAs with federal funds, the immediate and long-term consequences of this bill are indeterminate but could be problematic, especially if state funds are used to increase salaries for federally funded EAs.

### **POSSIBLE QUESTIONS**

1. Would it be better to mandate that school districts develop pay differential schedules for all EAs?
2. May federal funds be used to help federally funded EAs meet the training requirements of NCLB?

**LRB/njw**