

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 67

51st Legislature, 2nd Session, 2014

Tracking Number: .195465.2

Short Title: Phased Minimum Teacher Salary Increases

Sponsor(s): Representative Mimi Stewart

Analyst: David Craig

Date: February 2, 2014

Bill Summary:

HB 67 amends the *School Personnel Act* to phase-in, over a period of five years, increases in the statutory minimum salaries of teachers and principals as follows:

For Level 1 teachers, from \$30,000 for a standard nine and one-half month contract,

- to \$32,000 for school year 2014-2015;
- to \$34,000 for school year 2015-2016;
- to \$36,000 for school year 2016-2017;
- to \$38,000 for school year 2017-2018; and
- to \$40,000 for school year 2018-2019.

For Level 2 teachers, from \$40,000 for a standard nine and one-half month contract,

- to \$42,000 for school year 2014-2015;
- to \$44,000 for school year 2015-2016;
- to \$46,000 for school year 2016-2017;
- to \$48,000 for school year 2017-2018; and
- to \$50,000 for school year 2018-2019.

For Level 3-A teachers, from \$50,000 for a standard nine and one-half month contract,

- to \$52,000 for school year 2014-2015;
- to \$54,000 for school year 2015-2016;
- to \$56,000 for school year 2016-2017;
- to \$58,000 for school year 2017-2018; and
- to \$60,000 for school year 2018-2019.

For school principals, administrators and assistant school principals¹ on a standard one-year contract, HB 67 requires the same minimum salary provided for Level 3-A teachers. If enacted, the provisions of HB 67 become effective July 1, 2014.

¹ Level 3-B personnel

Fiscal Impact:

\$20.0 million is appropriated from the General Fund to the State Equalization Guarantee (SEG) for the first-year phase-in of the salary increase for FY 15. Unexpended or unencumbered balances remaining at the end of FY 15 revert to the General Fund.

House Bill 3, *Education Appropriation Act*, includes for FY 15:

- \$17.0 million to provide a \$2,000 salary minimum increase for Level 1, Level 2, and Level 3 school personnel, and
- A 3.0 percent average compensation increase for all certified and non-certified school personnel.

If the 3.0 percent average compensation increase is applied prior to calculating the estimates for FY 15 minimum salary increases, the cost is estimated to be \$10,310,853, as shown in the table below.

**FY 15 Cost Estimates for All License Level Increases,
after 3 Percent Average Increase in HB 3**

Level I to \$32,000	\$1,575,410
Level II to \$42,000	\$3,550,119
Level III to \$52,000	\$3,320,034
Subtotal	\$8,445,563
Partial Benefits (at 16%)	\$1,351,290
Estimated Other Costs	\$514,000
Total	\$10,310,853

Source: PED STARS, 10-1-2013 Snapshot

Fiscal Issues:

According to the National Center for Education Statistics (NCES),² for school year 2012-2013 the estimated average annual salary of teachers in public elementary and secondary schools is \$46,573. According to the data, New Mexico ranked 45th among the 50 states for estimated average annual salary of teachers in public elementary and secondary schools. The national estimated average annual salary of teachers in public elementary and secondary schools is \$56,383.

² Estimated average annual salary of teachers in public elementary and secondary schools, by state: Selected years, 1969-1970 through 2012-2013. Available online at http://nces.ed.gov/programs/digest/d13/tables/dt13_211.60.asp

The table below shows how New Mexico compares to its neighbor states with regard to estimated average annual salary of public elementary and secondary schools.

**Estimated Average Salary 2012-2013
(Current Dollars)**

Arizona	\$49,885
Colorado	\$49,844
Utah	\$49,393
Texas	\$48,110
New Mexico	\$46,573
Oklahoma	\$44,128

Source: NCES

Background:

In 2003, LESC-endorsed legislation was enacted to implement the existing sections of the *Public School Code* relating to teacher and principal licensure levels pertaining to minimum salaries. The legislation implemented a professional teacher licensure structure that includes three levels of licensure and establishes minimum salary levels for teachers beginning in FY 04. In 2007 LESC-endorsed legislation was enacted to establish, beginning in FY 08, the minimum salary of school principals and assistant principals at \$50,000 multiplied by an applicable responsibility factor. The definitions of the *School Personnel Act* provide for the separate responsibility factors as follows:

- 1.20 for elementary school principals;
- 1.40 for a middle school or junior high school principals;
- 1.60 for a high school principal;
- 1.10 for an assistant elementary school principal; and
- 1.25 for an assistant high school principal.

Committee Referrals:

HEC/HAFC-HEC

Related Bills:

HB 3 *Education Appropriation Act*
HB 148 *Streamline Teacher Access to Licensure*
SB 104 *Streamline Teacher Administrative Licensure*
SB 105 *Teacher Licensure & Advancement*
SB 214 *Teacher Evaluation System and Council*