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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/28/15

SPONSOR Cisneros LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE National Board Certification to Teacher T&E SB 581

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Potentially Significant				

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

Higher Education Department (HED)

Central New Mexico Community College (CNM)

### SUMMARY

#### Synopsis of Bill

Senate Bill 581 amends the Public School Finance Act to create a new category of the training and experience (T&E) index for qualifying instructional staff with a bachelor's degree and National Board for Professional Teaching Standards (NBPTS) certification. These individuals would be counted the same as instructional staff with a master's degree or bachelor's degree and 45 additional credit hours.

### FISCAL IMPLICATIONS

The training and experience (T&E) index is a powerful multiplier in the public education funding formula. The index is based on the educational attainment and years of experience of instructional staff. See chart below. Each qualifying instructional staff member generates a value based on the table below. All values are added together and divided by the total number of qualifying instructional staff, resulting in a district or charter school T&E index value of between 1.0 and 1.5 (indexes that are calculated below 1.0 are adjusted to 1.0 by statute).

Educational Attainment	Years of Experience				
	0 to 2	3 to 5	6 to 8	9 to 15	Over 15
Bachelor's Degree or Less	0.75	0.90	1.00	1.05	1.05
Bachelor's Degree Plus 15 Credit Hours	0.80	0.95	1.00	1.10	1.15
Bachelor's Degree Plus NBPTS Certification	0.85	1.00	1.05	1.15	1.20
Master's Degree	0.85	1.00	1.05	1.15	1.20
Bachelor's Degree Plus 45 Credit Hours	0.85	1.00	1.05	1.15	1.20
Master's Degree Plus 15 Credit Hours	0.90	1.05	1.15	1.30	1.35
Post-master's Degree	1.00	1.15	1.30	1.40	1.50
Master's Degree Plus 45 Credit Hours	1.00	1.15	1.30	1.40	1.50

Note: The bill proposes to create the Bachelor's Degree Plus NBPTS Certification category (highlighted in grey). Individuals that fall into this category currently are counted in one of the first two categories in the chart.

The district's or charter's T&E index value is then multiplied by early childhood education, base membership, special education, related service provider, fine arts, bilingual, and elementary physical education program units (or almost 84 percent to of all units generated by school districts and charter schools) to generate additional units for each school district and charter school. An increase or decrease in a school district's or charter school's T&E index value has a significant effect on the total program units a school district or charter school generates. Including individuals with a Bachelor's degree and only NBPTS certification (no additional instructional hours) could have significant effect on the number of units generated statewide. PED has not provided any data related to the number of teachers with a bachelor's degree that also have NPBTS certification.

Generally, an increase in program units generated by school districts or charter schools that is not accompanied by an appropriation has the effect of diluting the unit value, impacting school districts and charter schools statewide.

**SIGNIFICANT ISSUES**

The National Conference of State Legislatures indicates the National Board offers 25 different certificates for prekindergarten through 12<sup>th</sup>-grade subject areas that require teachers to pass 10 rigorous assessments including four portfolio entries featuring teacher practice and six exercises that assess content knowledge. Trained teachers in the candidate's certificate area review the assessments. The certification process can take from one to three years and costs \$2,565. Once a candidate passes the assessments, the teacher becomes a National Board Certified Teacher. The certificate, valid for 10 years, can be renewed.

HED indicates the NBPTS process is not educational; instead, it is an evaluation of evidence of accomplished practice. The NBPTS uses a four-component standards-based assessment of evidence that a teacher has met their standards specific to a certificate field chosen by the

candidate teacher. HED indicates the components are as follows:

- Content Knowledge—measured by computer-based assessment;
- Differentiation in Instruction—assessed by classroom-based portfolio;
- Teaching Practice and Learning Environment—assessed by classroom-based portfolio;  
and
- Effective and Reflective Practitioner—assessed by portfolio.

To be eligible to begin the process, the teacher must have a bachelor's degree, have completed three years of successful teaching as an employee in K-12 or early childhood education, and have held a valid state teaching license for each of the three years of employment.

State statute requires, for any teaching license, a candidate must have, at a minimum, a baccalaureate degree. To move from a level two to a level three license, a candidate must generally have a bachelor's degree, and either a post-baccalaureate degree or NBPTS certification. Inclusion of the bachelor's degree plus NBPTS certification option in the current T&E index matrix aligns with licensure requirements. However, as noted below in Other Significant Issues, the T&E index matrix is generally not aligned to the current licensure system.

Additionally, a factor currently exists in the funding formula to provide a one-time salary differential equal to at least 1.5 program units multiplied by the unit value – which for the FY15 school year totals \$6,011.63 – to each teacher with NBPTS certification. For the FY15 school year 627 teachers generated almost \$3.8 million in formula funding in the form of a one-time salary differential.

## ADMINISTRATIVE IMPLICATIONS

PED would be required to ensure school district and charter school T&E calculations conform to the changes in this bill.

## OTHER SUBSTANTIVE ISSUES

LFC and the Legislative Education Study Committee performed a joint evaluation of the public school funding formula in 2011 and noted the following with regard to the T&E index:

- ***The current training and experience index is not aligned to the three-tiered licensure system.*** Currently, the T&E index produces units and funding for teacher salaries based on years of experience and education level. Both the New Mexico Effective Teaching Task Force final report and the AIR funding formula study recommended better alignment of the T&E index with the three-tiered licensure system.
  - The AIR study also proposed replacing the training and experience (T&E) index with an index of staff qualifications (ISQ) to reflect the three-tiered licensure system and the average experience and education of staff in New Mexico.
- ***The T&E index encourages higher education levels and more years of service, despite inconclusive evidence these factors increase student achievement.*** No clear body of research links higher education level or more years of service with better student outcomes or achievement. A 2009 report from the Urban Institute states that characteristics such as graduate education and experience are at best weak predictors of a

teacher's contribution to student achievement. However many states, including New Mexico, continue to use education and experience as the basis for teacher compensation.

- ***The funding formula's training and experience (T&E) index incentivizes district and charter policies requiring teachers to earn a master's degree despite uncertain impact on student achievement.*** At least five districts have developed policies requiring staff included in the T&E index to obtain a master's degree to keep their positions. The Lovington superintendent confirmed that such a policy was put in place to boost their district's T&E index. There is not a conclusive scientific body of research that links higher degree level to higher student achievement; at least two scientific studies link obtaining a master's degree as having negatively impacting student achievement.

## **ALTERNATIVES**

Fully align the T&E index with the current licensure system.

RSG/bb