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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 2nd Session, 2022

Bill Number	<u>SB1</u>	Sponsor	<u>Stewart/Sariñana</u>
Tracking Number	<u>.221617.2GLG</u>	Committee Referrals	<u>SEC/SFC/HEC</u>
Short Title	<u>Increasing Salary for Licensed Teachers</u>		
		Original Date	<u>1/24/2022</u>
Analyst	<u>Hoxie</u>	Last Updated	<u>2/9/2022</u>

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of Bill

Senate Bill 1 (SB1) amends the School Personnel Act to increase the statutory minimum teacher salaries to \$50 thousand for level 1 teachers, \$60 thousand for level 2 teachers, and \$70 thousand for level 3-A teachers and counselors. The bill would also increase the statutory salary minimums for principals and assistant principals.

The bill has an effective date of July 1, 2022.

FISCAL IMPACT

The bill does not contain an appropriation. The H AFC Substitute for House Bill 2 includes \$76.8 million from the general fund to the state equalization guarantee (SEG) to increase teacher and administrator minimum salary levels to \$50 thousand from \$40 thousand for level 1 teachers, \$60 thousand from \$50 thousand for level 2 teachers, and \$70 thousand from \$60 thousand for level 3-A teachers and level 3-A counselors. The \$76.8 million is contingent upon passage of SB1 or similar legislation.

Funding for salary increases is distributed through the SEG based on student and school characteristics, which will lead to differences in per-teacher allocations of funds. For example, a school district or charter school with a falling student population may receive less per teacher than a school district or charter school with a growing student population. Following sizeable minimum salary increases for FY20, many school district and charter school stakeholders reported significant compaction in their salary schedules—a phenomenon where employees with more experience have only a slightly higher salary than those employees with less experience.

SUBSTANTIVE ISSUES

Since FY04, the School Personnel Act sets minimum salaries for teachers based on licensure level. Statute currently requires level 1 teachers to be paid a minimum of \$40 thousand, level 2 teachers a minimum of \$50 thousand, and level 3 teachers a minimum of \$60 thousand. The GAA of 2021 increased minimum level 1 teacher salaries to \$41 thousand. Minimum salaries for school principals and assistant school principals are tied to the minimum salary of a level 3-A teacher.

The Legislature last increased teacher salary minimums in FY20. If enacted, SB1 would provide a 22 percent increase to minimums for level 1 teachers, a 20 percent increase to minimums for level 2 teachers, and a 16 percent increase to level 3-A teacher minimums.

Recruitment and Retention. Research shows recruiting and retaining excellent teachers and principals is important for meeting the needs of students and improving student academic outcomes. Compensation is a recruitment and retention strategy within the educator workforce. Although average pay for New Mexico teachers grew twice as fast in FY20 than in any other state - from an average of \$47,826 to \$54,923, an increase of 14.8 percent - New Mexico’s average teacher salary is still lower than other states in the region. Salary estimates from the National Education Association indicate that New Mexico ranks 32nd in the nation for average teacher salaries, although the state is in the lower middle of surrounding states when comparing average teacher salaries. New Mexico’s average FY22 teacher salary of \$54,923 was lower than Colorado, Texas, and Utah but higher than Arizona and Oklahoma.

**Average Teacher Salary
FY22***

State	Average Starting Salary	Average Teacher Salary
U.S. Average	\$41,869	\$65,090
Colorado	\$35,724	\$60,611
Texas	\$44,527	\$57,641
Utah	\$44,349	\$56,918
New Mexico	\$41,737	\$54,923
Oklahoma	\$38,074	\$54,256
Arizona	\$40,554	\$52,157

Source: National Education Association

*Preliminary Data

While salary represents only a portion of total teacher compensation, it remains an important factor for many when selecting a profession or, for those who have already decided on teaching as a career, selecting where a teacher will enter the teaching profession. While more generous health and retirement benefits may boost overall teacher compensation, benefits may not have the strongest impact on teacher recruitment and retention.

Principal and Assistant Principal Salaries. Research indicates principal leadership and support are among the most important factors in teacher retention. Increasing the minimum salary for teachers also impacts the minimum salaries for principals and assistant principals. For example, elementary school principal salaries are equal to a level 3-A teacher salary multiplied by a responsibility factor of 1.20; under SB1 the statutory minimum of an elementary principal salary would increase to \$84 thousand per year from \$72 thousand per year.

Minimum Teacher and Principal Salaries

	Current Law	Senate Bill 1
Level 1 Teacher	\$41,000	\$50,000
Level 2 Teacher	\$50,000	\$60,000
Level 3 Teacher	\$60,000	\$70,000
Principal		
Elementary Assistant	\$66,000	\$77,000
Middle School Assistant	\$69,000	\$80,500
High School Assistant	\$75,000	\$87,500
Elementary School	\$72,000	\$84,000
Middle School	\$84,000	\$98,000
High School	\$96,000	\$112,000

Source: LESC Files

OTHER SIGNIFICANT ISSUES

Teacher Vacancies. Learning Policy Institute research finds teachers are more likely to choose to enter the workforce when teacher salaries are competitive. Both starting salaries and the potential for salaries to grow impact the recruitment and retention of educators. Teacher salaries that are low compared with alternative opportunities make teachers more likely to quit the profession. This is especially true in high-demand fields like mathematics and science. In 2021 New Mexico State University reported the academic subjects with the highest teacher vacancy rates were in science and math.

In New Mexico, teacher demand outpaces the number of teacher preparation candidates graduating each year, reflective of a national trend in teacher shortages. In 2021, New Mexico State University reported the state had 1,048 teacher vacancies, but only 979 students completed a teacher preparation program in 2021. Teacher vacancies increased by 84 percent in FY21, up from 571 in FY20. However, teacher preparation programs report, after many years of falling enrollment, new admissions to New Mexico educator preparation programs increased by 24 percent, from 1,287 in FY20 to 1,597 in FY21. Although this data source is cited throughout the state as a metric to measure the teaching shortage, the report only represents publicly posted job postings.

RELATED BILLS

SB1 relates to House Bill 60, which requires salary parity for Native American language and culture certificate holders with that of a level 2 licensed teacher.

SOURCES OF INFORMATION

- LESC Files
- National Education Association

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