

2026 General Appropriation Act

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Objectives

- Discuss how to read the General Appropriation Act (GAA) as it relates to education funding.
- Discuss the connection between the GAA and the “high-level.”
- Discuss the impacts of legislative appropriations on school district and charter school funding.
- Review major appropriations from the 2026 legislative session.

Reading the 2026 GAA

- The LESC Post-Session Memo contains an abbreviated guide to reading the GAA (Appendix B, page 42).
- It contains page numbers (and digitally, links) to specific sections of the GAA.

Appendix B: Reading the General Appropriation Act (GAA)

Reading the General Appropriation Act as Related to Education

The final version of the General Appropriation Act (GAA) of 2026 is [here](#).

General guidelines when reading the GAA (also noted in Section 3 beginning on [page 3](#)):

- Appropriation amounts are expressed in thousands of dollars, unless otherwise indicated.
- If the appropriation is from the Other State Funds column, continue reading to identify the source.
- Continue reading to identify any reversion provisions.

Key Sections and Subsections of the GAA

Section 4: FISCAL YEAR 2027 APPROPRIATIONS (begins on [page 4](#) of the bill)

- Section 4, Subsection F, is titled "Health, Hospitals and Human Services," and includes appropriations for the Early Childhood Education and Care Department ([page 84](#)).
- Section 4, Subsection I, is titled "Other Education," ([page 136-139](#)) and includes operational appropriations and special appropriations for the Public Education Department (PED), regional education cooperatives, and the Public School Facilities Authority (PSFA).
- Section 4, Subsection J, is titled "Higher Education," ([page 139-178](#)) and includes the Higher Education Department (HED), as well as each university and community college.
- Section 4, Subsection K, is titled "Public School Support," ([page 178-184](#)) and includes the state equalization guarantee (SEG) distribution and categorical appropriations. The SEG is a needs-based funding formula designed to equitably distribute state revenue for operations of school districts and charter schools. SEG funding accounts for around 75 percent of a school district or charter school's operating budget and is discretionary.

Section 5: SPECIAL APPROPRIATIONS (begins on [page 184](#) with appropriations to PED on [page 219-223](#))

- Amounts in Section 5 are appropriated from the general fund or other funds as indicated for the purposes specified, and unless otherwise indicated, may be expended in fiscal year 2027.

Section 6: SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS (begins on [page 234](#) of the bill).

- Amounts in Section 6 are appropriated from the general fund or other funds as indicated for expenditure in fiscal year 2026 or other fiscal years for the purposes specified.

Section 7: Information Technology Appropriations ([page 237](#)).

Section 8: Natural Disasters and Executive Orders Appropriations ([page 243](#)).

Section 9: Government Results and Opportunity Expendable Trust and Public Education Reform Fund ([page 244](#)).

Section 10: Special Transportation Appropriations ([page 275](#)).

Section 11: Fund Transfers ([page 275](#)).

Section 12: Additional Fiscal Year 2026 Budget Adjustment Authority ([page 278](#)).

Section 13: Certain Fiscal Year 2027 Budget Adjustments Authorized ([page 281](#)).

Section 14: Transfer Authority ([page 290](#)).

Section 15: Severability ([page 290](#)).



Section 4: Subsection I, Other Education

- This section begins on page 136 of the GAA and includes the Public Education Department's (PED) operational budget and special appropriations, appropriations to Regional Education Cooperatives, and appropriations to the Public Schools Facilities Authority (PSFA).

I. OTHER EDUCATION						
7	PUBLIC EDUCATION DEPARTMENT:					
8	The purpose of the public education department program is to provide a public education to all students, including administering and enforcing the laws with which the department is charged, through a focus on leadership and support, productivity, accountability, communication and fiscal responsibility.					
9	Appropriations:					
10	(a) Personal services and					
11	employee benefits	22,139.0	5,213.5	91.8	11,973.4	39,417.7
12	(b) Contractual services	2,612.5	2,227.2		20,257.1	25,096.8
13	(c) Other	2,280.9	1,300.0		3,572.1	7,153.0
14	Performance measures:					
15	(a) Outcome:	Number of local education agencies and charter schools audited for program compliance and funding formula components, including at-risk, English learner, special education and gifted education funding				15
16	Subtotal					71,667.5

PUBLIC EDUCATION DEPARTMENT SPECIAL APPROPRIATIONS:						
Appropriations:						
Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target	
(a) Early literacy and reading support	14,000.0				14,000.0	
(b) School leader professional development	5,000.0				5,000.0	
(c) Graduation, reality and dual-role skills program	750.0		500.0		1,250.0	
(d) National board certification assistance		500.0			500.0	
(e) Advanced placement, international baccalaureate and PSAT 11th grade test assistance	1,250.0				1,250.0	
(f) Student nutrition						
(g) School safety	1,500.0				1,500.0	
(h) Literacy coaches	2,000.0				2,000.0	
and wellness	42,201.0				42,201.0	

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Section 4: Subsection K, Public School Support

5 **K. PUBLIC SCHOOL SUPPORT**

6 Except as otherwise provided, unexpended balances of appropriations made in this subsection shall not

7 revert at the end of fiscal year 2027.

8 **PUBLIC SCHOOL SUPPORT:**

9 (1) State equalization guarantee distribution:

10 The purpose of public school support is to carry out the mandate to establish and maintain a uniform

11 system of free public schools sufficient for the education of, and open to, all the children of school

12 age in the state.

13 Appropriations:

14 (a) Other 4,574,365.5 1,500.0 **4,575,865.5**

15 The rate of distribution of the state equalization guarantee distribution shall be based on a program

16 unit value determined by the secretary of public education. The secretary of public education shall

17 establish a preliminary unit value to establish budgets for the 2026-2027 school year and then, on

18 verification of the number of units statewide for fiscal year 2027 but no later than January 31, 2027,

19 the secretary of public education may adjust the program unit value. In setting the preliminary unit

20 value and the final unit value in January, the public education department shall consult with the

21 department of finance and administration, legislative finance committee and legislative education study

22 committee.

Study Committee (values in thousands)

	FY28 OpBud	FY27 EXEC Recommend.	FY27 LFC Recommend.	FY27 LESC Recommend.	Laws 2026
PROGRAM COST					
Prior Year Program Cost OpBud	4,171,971.2	4,499,235.5	4,499,235.5	4,499,235.5	4,499,235.5
UNIT CHANGES					
Removing Title I Units from ARI	(163,229.9)	-	-	-	-
Removing Mobility Units from ARI	(99,298.0)	-	-	-	-
Adding Fill Units to ARI	300,740.7	-	-	-	-
Adding EL Units	3,458.0	-	-	-	-
Adding Grades 7 - 12 Units	51,148.3	-	-	-	-
Adding Grade 8 Units	40,115.8	-	-	-	-
Subtotal: Proposed Formula Changes	132,935.0	-	-	-	-
Increased K-12 Plus Units	49,731.7	-	-	-	-
Other FY25 Net Unit Changes	(12,996.5)	-	-	-	-
Subtotal: Net Base Unit Adjustments	36,735.2	-	-	-	-
Other Projected Net Unit Changes	(22,215.1)	-	(44,952.7)	-	(44,952.7)
UNIT VALUE CHANGES					
Average Salary Increase (EXEC: 1%, LFC: 1%, LESC: 3%)	135,129.6	36,043.7	36,043.7	106,131.1	36,043.7
Increase Minimum Salaries for Teachers (\$55K, \$65K, \$75K)	4,380.5	-	-	-	-
Instructional Materials and Educational Technology	-	10,050.0	-	-	-
Insurance Parity (80/20) ¹	-	-	73,153.9	73,153.9	73,153.9
Insurance Premium Increases	36,884.4	-	45,396.5	47,724.7	45,396.5
Fixed Costs	1,934.7	5,050.0	3,032.3	4,863.1	3,032.3
Subtotal Current Year Program Cost Base	4,499,235.5	4,550,379.2	4,611,909.2	4,733,108.3	4,611,909.2
\$ Change from OpBud	\$27,264.3	51,143.7	112,673.7	233,872.7	112,673.7
% Change from OpBud	7.8%	1.1%	2.5%	5.2%	2.5%
STATE EQUALIZATION GUARANTEE (SEG)					
Subtotal Current Year SEG Base	4,497,735.5	4,548,879.2	4,610,409.2	4,731,808.3	4,610,409.2
\$ Change from OpBud	-	51,143.7	112,673.7	233,872.7	112,673.7
% Change from OpBud	-	1.1%	2.5%	5.2%	2.5%
CATEGORICAL APPROPRIATIONS					
TRANSPORTATION DISTRIBUTION					
Maintenance and Operations	-	-	-	-	121,913.4
Fuel	-	-	-	-	13,201.2
Rental Fees	-	-	-	-	5,894.1
Insurance	-	-	-	-	966.6
Insurance Parity (80/20) ¹	-	-	-	-	1,343.6
Average Compensation Increase (EXEC: 1%, LFC: 1%, LESC: 3%)	-	-	-	-	662.0
Adequacy Funding	-	-	-	-	-
Subtotal Current Year Transportation Base	141,008.7	145,760.0	143,980.9	153,711.3	143,980.9

- FY27 preliminary unit value: \$7,117.10
- \$240 increase from FY26 final unit value

For FY27, appropriations to the SEG were made in both the GAA and another bill. These numbers don't align as the \$36 million for compensation is not in the GAA, though the high-level reflects all funding to the SEG.

Additional SEG Appropriations (FY27)

- During the 2026 session, Laws 2026, Chapter 69 (Senate Bill 151), appropriated funding to the SEG to fund compensation increases for public school personnel.
- This funding does not appear in the GAA but does appear in the “high-level.”

23	B. Thirty-six million forty-three thousand seven	
24	hundred dollars (\$36,043,700) is appropriated from the	
25	general fund to the state equalization guarantee distribution	SFC/STBTC/SB 151 Page 53
<hr/>		
1	of the public school fund for expenditure in fiscal year 2027	
2	to recruit and retain public school personnel, comparable to	
3	an average one percent salary increase. Any unexpended	
4	balance remaining at the end of fiscal year 2027 shall revert	
5	to the general fund.	

Connections to Funding Formula

- The SEG distributes funds to school districts and charter schools using student characteristics.
- The formula does not generate funds itself; it only distributes existing legislative appropriations.
- The formula largely does not require school districts and charter schools to spend their SEG allocations on particular uses.

State Equalization Guarantee Computation, FY26				
	Grade Level/Program Membership		Timea	Cost Differential = Units
Basic Program Units	Kindergarten & Three- and Four-Year-Old DD	FTE MEM	x	1.44
	Grade 1	MEM	x	1.20
	Grades 2-3	MEM	x	1.18
	Grades 4-5	MEM	x	1.045
	Grades 6-12	MEM	x	1.30
				SUM OF UNITS
Staffing Cost Multiplier	Staffing Cost Multiplier: _____		= TOTAL PROGRAM UNITS	
	Teacher Cost Index _____ (years of experience and licensure level)		Times Value from 1.000 to 1.277 = ADJUSTED PROGRAM UNITS	
	PLUS			
Special Education Units	Special Education			
	Related Services (Ancillary)	FTE STAFF	x	25.00
	A/B Level Service Add-on	MEM	x	0.70
	C Level Service Add-on	MEM	x	1.00
	D Level Service Add-on	MEM	x	2.00
	3- and 4-Year-Old DD Program Add-on	MEM	x	2.00
Special Program Units	Bilingual Education			
	Fine Arts Education	FTE MEM	x	0.50
	Elementary Physical Education	FTE MEM	x	0.055
	K-12 Plus (Days between 181-190 OR 156-165)	MEM	x	0.06
	K-12 Plus (Days between 191-205 OR 166-175)	MEM	x	0.012
	K-12 Plus (Days between 191-205 OR 166-175)	MEM	x	0.016
Size Units	Elementary/Jr. High Size Units			
	Senior High Size Units			
	District Size Units			
	Micro District Size Units			
	Rural Population Units			
	Percentage of Students below 130 percent of the federal poverty line * 0.40 * Total MEM		At-Risk Units	
	Percentage of English Learners and Reclassified Fluent English Proficient Students * 0.33 * Total MEM		English Learner Units	
	Enrollment Growth Units			
Add-on Units	National Board for Professional Teaching Standards Units			
	National Board for Certification of School Nurses Certification Units			
	Charter School Activities Units			
	Home School Activities and Program Units			
			= TOTAL UNITS	
			+ Save Harmless Units	
			= GRAND TOTAL PROGRAM UNITS	
	Grand Total x Unit Value = Program Cost			
	- Utility Conservation Program Contract Payments			
	- 90% of the Certified Amount (Energy Efficiency and Renewable Energy Bonding Act)			
	= STATE EQUALIZATION GUARANTEE			

Impact on School Districts

- How all these factors impact school districts and charter schools varies. Below is a sample of some funding formula factors.

District/Charter	Total Membership	Total Special Education Units	Final Bilingual Program 1hr Units	Final Bilingual Program 2hr Units	Final Bilingual Program 3Hr Units	Total Size Adjustment Program Units	At-Risk Units	Grand Total Program Cost	Per MEM Program Cost
ARTESIA	4,568.398	1,253.800	4.540	32.335	0.000	44.695	430.063	\$47,978,810.91	\$10,502.33
AZTEC	2,648.613	806.650	0.000	0.000	0.000	289.302	301.608	\$29,661,557.92	\$11,198.90
DEMING	5,791.451	1,533.750	0.000	6.500	293.625	287.402	1,020.635	\$71,176,345.39	\$12,289.90
ESPAÑOLA	3,173.630	1,251.500	89.250	65.250	19.375	138.355	409.160	\$39,864,807.17	\$12,561.26
PEÑASCO	321.318	123.000	14.165	1.335	0.000	267.532	43.602	\$5,854,364.03	\$18,219.84
SOCORRO	1,388.115	489.450	0.000	0.000	0.000	274.188	221.850	\$17,751,312.66	\$12,788.07
ZUNI	1,279.348	277.450	37.375	54.000	0.000	493.504	258.279	\$18,964,211.01	\$14,823.34

Performance Measures in the GAA

- The GAA also contains performance measures submitted by PED to the Department of Finance and Administration (DFA) and to the Legislative Finance Committee (LFC).
- These measures are used by LFC in its quarterly agency report cards.

6	Performance measures:		
7	(a) Outcome:	Eighth-grade math achievement gap between economically	
8		disadvantaged students and all other students, in	
9		percentage points	5%
10	(b) Outcome:	Fourth-grade reading achievement gap between economically	
11		disadvantaged students and all other students, in	
12		percentage points	5%
13	(c) Outcome:	Percent of fourth-grade students who achieve proficiency or	
14		above on the standards-based assessment in reading	50%
15	(d) Outcome:	Percent of fourth-grade students who achieve proficiency or	
16		above on the standards-based assessment in mathematics	39%
17	(e) Outcome:	Percent of eighth-grade students who achieve proficiency or	
18		above on the standards-based assessment in reading	50%
19	(f) Outcome:	Percent of eighth-grade students who achieve proficiency or	
20		above on the standards-based assessment in mathematics	39%
21	(g) Quality:	Graduation rate of current four-year cohort using shared	
22		accountability	81%
23	(h) Explanatory:	Percent of dollars budgeted by districts with fewer than	
24		seven hundred fifty members for instructional support in	
25		the budget categories for instruction, student support	

Section 5: Special Appropriations

- Special appropriations, often referred to as “below-the-line” are non-recurring and can come from various sources and funds.
- These appropriations go directly to PED and are awarded to school districts and charter schools based on statutory requirements or based on PED-established application processes.

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
1 Mexico No. D-101-CV-2014-00793 and Yazzie v. state of New Mexico No. D-101-CV-2014-02224 for expenditure					
2 in fiscal years 2026 and 2027. The other state funds appropriation is from the public education reform					
3 fund.					
4 (231) PUBLIC EDUCATION DEPARTMENT	400.0				400.0
5 To purchase, install, test or maintain automated external defibrillators.					
6 (232) PUBLIC EDUCATION DEPARTMENT	500.0				500.0
7 For purposes pursuant to the Bilingual Multicultural Education Act.					
8 (233) PUBLIC EDUCATION DEPARTMENT	500.0				500.0
9 For purposes pursuant to the Black Education Act.					
10 (234) PUBLIC EDUCATION DEPARTMENT	17,000.0	18,000.0			35,000.0
11 For evidence-based career technical education pilot programs, including work-based learning. The other					
12 state funds appropriation is from the public education reform fund.					
13 (235) PUBLIC EDUCATION DEPARTMENT					
14 The period of time for expending the twenty-eight million five hundred thousand dollars (\$28,500,000)					
15 appropriated from the general fund in Subsection 246 of Section 5 of Chapter 160 of Laws 2025 for the					
16 career technical education pilot project, including career technical student organizations, innovation					
17 zones and work-based learning initiatives is extended through fiscal year 2027.					
18 (236) PUBLIC EDUCATION DEPARTMENT	20,000.0				20,000.0
19 For the recruitment and retention of educator fellows and grow your own teacher programs, including one					
20 million dollars (\$1,000,000) for teacher recruitment pilots and programs to improve the teacher					
21 workforce pipeline. The public education department shall prioritize awards to school districts and					
22 charter schools that provide local matching funds for participating educators.					
23 (237) PUBLIC EDUCATION DEPARTMENT	500.0				500.0
24 To increase kindergarten-through-twelfth-grade graduation rates for all New Mexico students by providing					
25 a statewide custom-built graduation planning and pathway system that continuously evaluates student					

Section 5: Special Appropriations

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21 workforce pipeline. The public education department shall prioritize awards to school districts and					
22 charter schools that provide local matching funds for participating educators.					
23 (237) PUBLIC EDUCATION DEPARTMENT	500.0				500.0
24 To increase kindergarten-through-twelfth-grade graduation rates for all New Mexico students by providing					
25 a statewide custom-built graduation planning and pathway system that continuously evaluates student					

SECTIONS 5, 6, 7, AND OTHER NONRECURRING APPROPRIATIONS						
78	General Fund					78
79	Public Education Reform Fund	63,800.0	5,000.0	-	52,200.0	-
80	Career and Technical Education (CTE)	28,500.0	38,500.0	-	40,000.0	-
81	Reading and Math Interventions	29,000.0	30,000.0	29,000.0	30,000.0	29,000.0
82	Educator Fellows (GYO: \$1 Million)	20,000.0	20,300.0	20,000.0	20,000.0	20,000.0
83	Evidence-Based CTE and Work-Based Learning Pilot ²	-	-	-	-	17,000.0
84	Literacy Coaches (Schools in lowest quartile, FY27-FY29)	-	14,560.0	-	-	14,600.0
85	Summer Internships	10,000.0	10,000.0	10,000.0	10,000.0	10,000.0
86	Statewide Student Information System	12,000.0	8,500.0	-	-	6,000.0
87	HB63 Hold Harmless Supplemental	-	-	6,000.0	-	6,000.0
88	Administrator Preparation, Induction and Evaluation	2,280.0	5,600.0	5,600.0	5,600.0	5,600.0
89	School Improvement	6,000.0	6,300.0	-	6,000.0	4,000.0
90	Special Education Initiatives	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0
91	Learning Management System (Microcredentials)	-	3,700.0	4,000.0	-	3,700.0
92	STEM Network	3,000.0	3,000.0	-	3,000.0	3,000.0
93	STEAM Initiatives	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
94	NM School for the Arts Dorm Operations	-	1,150.0	-	-	2,300.0
95	Literacy Center Operations	-	3,000.0	-	5,000.0	2,000.0
96	REC Student Reading	-	-	-	-	1,200.0
97	Wellness Rooms Pilot	-	-	-	-	1,000.0
98	Trauma Informed Care Training	-	-	-	-	1,000.0
99	Outdoor Classroom Initiatives	500.0	500.0	500.0	700.0	500.0
100	Graduation Planning and Pathway System	-	-	-	-	500.0
101	Hispanic Education Act	-	1,500.0	-	-	500.0
102	Bilingual Multicultural Education Act	-	1,100.0	-	-	500.0
103	Black Education Act	-	500.0	-	-	500.0
104	Automated External Defibrillators	-	-	-	-	400.0
105	Unified Application for State and Federal Grants and Plans IT System	-	2,500.0	-	2,500.0	250.0
106	Safety Summit	200.5	200.5	200.5	200.5	200.5
107	Instructional Materials Resource Library (Heritage & Bilingual Programs)	-	-	-	-	200.0
108	Out-of-School Learning and Summer Enrichment	15,000.0	14,000.0	-	20,000.0	-
109	Potential Cost Overruns for School Meals	5,000.0	5,000.0	5,179.3	5,179.3	-
110	School Board Training	-	-	-	1,500.0	-

Section 9: Public Education Reform Fund

- Section 9, which begins on page 244 of the GAA, includes appropriations for the government results and opportunity expendable trust fund and the public education reform fund, which span multiple fiscal years. Each subsection of Section 9 indicates which fiscal year it is intended for.

21 (11) PUBLIC EDUCATION DEPARTMENT 7,200.0 7,200.0
22 To conduct a ~~randomized-controlled~~ trial of innovation zones to improve student attendance, graduation
23 and employability. Up to one hundred thousand dollars (\$100,000) may be used by the public education
24 department to evaluate and monitor outcomes. The other state funds appropriation is from the public
25 education reform fund.

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15 (9) PUBLIC EDUCATION DEPARTMENT 7,200.0 7,200.0
16 To conduct a ~~randomized-controlled~~ trial of innovation zones to improve student attendance, graduation
17 and employability. Up to one hundred thousand dollars (\$100,000) may be used by the public education
18 department to evaluate and monitor outcomes. The other state funds appropriation is from the public
19 education reform fund.
20 (10) PUBLIC EDUCATION DEPARTMENT 6,100.0 6,100.0
21 To conduct a ~~randomized-controlled~~ trial of community schools to improve student attendance. Up to one
22 hundred thousand dollars (\$100,000) may be used by the public education department to evaluate and
23 monitor outcomes. The other state funds appropriation is from the public education reform fund.
24 C. The following amounts are appropriated from the government results and opportunity
25 program fund or other funds as indicated in fiscal year 2029 for the purposes specified. The department

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Major FY27 Appropriations

- \$36 million: 1 percent compensation increase;
- \$73.2 million: 80/20 health insurance requirement;
- \$29 million: Reading and math interventions;
- \$35 million: Career and technical education pilot program;
- \$15.3 million: Three-year appropriation for high-impact tutoring; and
- \$20 million: Out-of-school time programs.



Questions?