

Policy Brief

Budget Considerations for FY28

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During the interim, LESC staff engages in a continuous cycle of adaptive policymaking, where research, analysis, and feedback inform budget and policy proposals for the Legislature. If enacted, these proposals are evaluated for their impact on student outcomes and educator wellbeing, subsequently informing potential revisions to existing programs or legislative appropriations.

As part of this iterative cycle of adaptive policymaking, LESC staff developed the LESC roadmap, which is the committee's long-term plan for improving New Mexico's public education system. The LESC roadmap encompasses four key areas: educator ecosystem, academic design, overarching systems, and whole child supports. As illustrated in **Figure 1:**

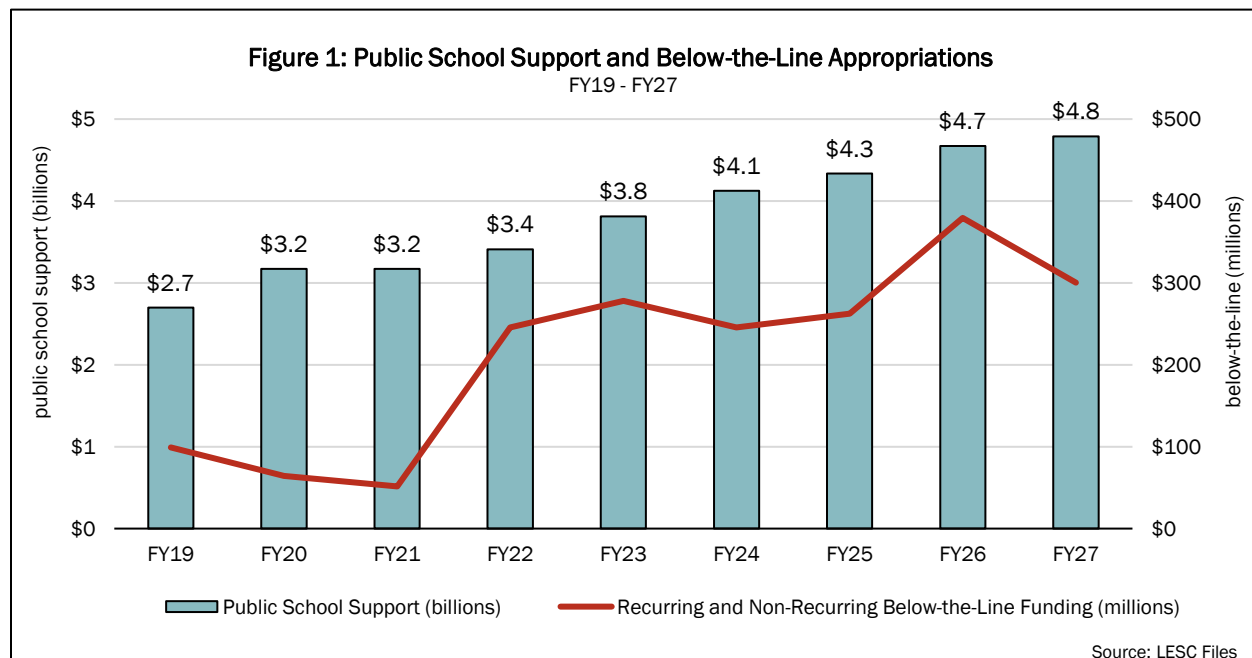
Public School Support and Below-the-Line Appropriations, over the last several years, the Legislature has invested in key areas aligned with the LESC roadmap. These investments include educator compensation and benefits, targeted support for students with at-risk factors, an increase in instructional time, strategic investments in literacy and math instruction, and improvements to data systems.

During the 2026 interim, LESC staff presented on the need to support paid educator leave, ensuring all school districts and charter school have access to recurring career and technical education (CTE) funding, supporting the social-emotional needs of students, alleviating the workload on educators, and expanding access to extracurricular activities and robust fine arts programs. In response to these challenges, LESC members indicated interest in continuing support for regionally competitive compensation and benefits, professional learning, CTE, literacy and math initiatives, attendance, and culturally and linguistically relevant instruction.

This brief summarizes key LESC budget considerations for FY28 reflecting the roadmap's four key areas and building on the Legislature's progress in addressing the critical gaps in New Mexico's public education system.

Key Takeaways

- Since FY19, the Legislature has significantly increased its appropriations for public school support and below-the-line programs.
- The LESC roadmap informs each of the budget considerations for FY28.



FY28 Budget Considerations

(in millions)

Educator Ecosystem	FY26	FY27	FY28
Compensation Increases for Public School Personnel ¹	\$33.8	\$36.0	\$36.2
Paid Family Leave for Public School Personnel ¹	\$0.0	\$0.0	\$17.7
Health and Liability Insurance Premium Increases ¹	\$38.4	\$45.4	\$109.9
Increasing Minimums ¹	\$4.4	\$0.0	\$42.3
Educator Clinical Practice	\$0.0	\$0.0	\$25.0
Academic Design			
Literacy	\$14.0	\$14.0	\$14.0
Literacy and Math Summer Programming	\$29.0	\$29.0	\$29.0
STEAM Initiatives and the STEM Network	\$6.0	\$6.0	\$6.0
Career and Technical Education	\$40.0	\$35.0	\$35.0
School Transformation ²	\$6.0	\$4.0	\$30.0
Whole Child Supports			
Out-of-School Time Programs	\$14.0	\$20.0	\$20.0
Universal Meals Program	\$42.2	\$42.2	\$48.1
Overarching Systems			
Fiscal System Improvements ³	\$0.0	\$0.0	\$1.7
Financial Forecasting Tools	\$0.0	\$0.0	\$1.5
NMPSIA-HCA Consolidation Study	\$0.0	\$0.0	\$0.2

1. Indicates the initiative would require a recurring appropriation to the state equalization guarantee.

2. Indicates the initiative is proposed for the public education reform fund as a multi-year appropriation.

3. First of three annual appropriations of a similar size.

Note on Potential SEG Shortfall

On July 14, 2026, the Public Education Department (PED) notified school districts and charter schools of a potential shortfall in the FY27 SEG distribution. Based on the information currently available to the department, PED estimates the final FY27 unit value may decrease by up to \$16. In the department's memo to school districts and charter schools, PED attributed this potential shortfall to delays in local data reporting, large numbers of requests for data corrections, and continued shifts in school calendars. Further clarity on the potential SEG shortfall will be available after the completion of the first reporting period in October and when final calendar validations and SEG revisions have been completed.