

B i t e - S i z e

🍏 The Public Education Department (PED) published a revised version of its *Martinez-Yazzie* Action Plan on November 3, meeting court deadlines to submit a plan. PED notes its revisions intend to better identify specific student outcomes and accountability measures. The plan can be viewed online at martinezyazzieactionplan.org.

🍏 On October 28, the State Investment Council (SIC) shared updated balances of the state's permanent fund holdings. Overall, SIC reported a net asset value of \$67.8 billion. Of this, the land grant permanent fund balance was \$37.2 billion, the early childhood education and care fund was \$10.3 billion, and the higher education trust fund was \$1 billion.

🍏 The New Mexico State University Southwest Outreach Academic Research (SOAR) Evaluation and Policy Center published its 2025 Educator Vacancy Report. SOAR found an 18 percent decrease in teacher vacancies, meaning the state has 604 teacher vacancies as of September 2025, compared with 737 vacancies in September 2024.



i n f o r m E D

a publication of the Legislative Education Study Committee

Senator William P. Soules, Chair / Representative G. Andrés Romero, Vice Chair / John Sena, Director / November 2025

From the Chair

There are three important lessons New Mexico can learn from recently released school assessment data, which showed significant improvements in reading and continued stagnation in math. First, when the state makes significant, targeted, and aligned investments—as it has in literacy—student outcomes will improve. Second, if we are ever going to make the same kind of progress in math, we will have to make similar efforts in both policy and budget. And, lastly, we have to keep pushing.

The percent of students scoring proficient in reading increased in all grades, but progress in early grades was particularly significant. In 2022, only 31 percent of kindergartners scored proficient in reading. By 2025, that increased to 50 percent. It's no coincidence that during that time, the state invested in literacy training for all elementary teachers and provided literacy grants to schools, which includes professional development and support from literacy coaches. More recently, the Legislature passed a law requiring educator preparation programs to include evidence-based reading strategies in their curriculum.

We've only just begun to address math. The state is now offering additional training to teachers, and I am sponsoring legislation for the 2026 session that will increase the math preparation pre-service teachers receive and create a more coherent statewide math framework. Both of these efforts will take time and money.

In the early 2000s, New Mexico took part in the federally funded Reading First initiative, and outcomes improved. Eventually, funding ran out and we slipped backward. As we shift our focus to math, it's important we don't lose momentum in literacy or other efforts, such as educator salaries or career and technical education. Let's keep our foot on the gas.

William P. Soules

An Early Review of HB63's Impact on School Funding

The Legislature has made significant strides to increase its investment in public education, but New Mexico is still experiencing challenges in improving outcomes among low-income students, English learners (ELs), and middle and high school students. Lawmakers moved to address these challenges with Laws 2025, Chapter 89 (House Bill 63), by revising the at-risk index, creating a factor for ELs and reclassified fluent English proficient (RFEP) students, and increasing the factor for grades six through 12 in the state equalization guarantee (SEG), the state's public school funding formula. These changes were paired with a \$132.9 million appropriation to the SEG resulting in the largest targeted investment intended for low-income students, ELs, and secondary students in the state's history.

Around 70 percent of school districts and charter schools gained program units because of HB63, with an average increase in program cost of 5.4 percent and an average decrease of -4.3 percent. Of the 57 school districts and charter schools that lost at-risk and secondary program units, 43 had enrollment declines that caused the decrease in units, and

13 were charter schools serving disproportionately low numbers of low-income students and ELs.

HB63 increased at-risk and EL program units for approximately 59 percent of school districts and charter schools. In 2025 site visits, LESC staff found school districts and charter schools benefiting from the at-risk changes are investing in dual-language programs, social workers, and community liaisons. HB63 also increased the funding generated by each sixth through 12th grade student by 7 percent. With middle school typically being the point at which students' academic outcomes begin to decline, HB63's secondary factor increases were designed to better support the needs of students in these grades.

Overall, HB63 was intended to improve the capacity of school districts and charter schools to serve the comprehensive and long-term needs of low-income students, ELs, and middle and high school students. As implementation of these changes unfolds, existing accountability structures like accreditation, educational plans, and Open Books financial reporting will be important tools for understanding how the SEG revision is influencing

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Preparing Highly Effective K-8 Teachers

Persistent achievement gaps among elementary and middle school students suggest not all students in New Mexico have access to a highly effective teacher. Over the 2025 interim, LESC staff studied traditional kindergarten through eighth-grade (K-8) educator preparation programs (EPPs), including supply and demand of K-8 teachers in the state and a comparison of course and clinical experience across the state's EPPs. LESC staff conducted site visits at EPPs, interviewed program faculty, and reviewed coursework and clinical experience requirements.

LESC staff found while the number of K-8 general education teachers graduating from EPPs increased in the 2024-2025 school year (SY25), the number of EPP graduates is not yet sufficient to meet demand. While estimated vacancies for both general elementary and middle school teachers declined in

SY26, nearly 200 classrooms were still not being taught by an appropriately licensed teacher.

Traditional K-8 teacher preparation programs prepare candidates to teach elementary school and middle school. Following initial approval of these programs, PED conducts a review every three years to ensure programs meet state requirements. While some EPPs have voluntarily sought accreditation from national accrediting bodies, PED will require all EPPs to do so in the future. PED will issue EPPs guidance this year with the deadline for accreditation, and PED will streamline state and national approval processes to reduce administrative burden.

LESC staff found while all EPP programs reviewed meet minimum state coursework requirements, each program's approach to meeting requirements varies. EPP candidates complete

substantially more coursework in certain areas than others, depending on which program they attend. As a result, some teacher candidates graduate with more explicit coursework and practice focused on meeting the needs of at-risk students than others. To ensure every teacher enters the classroom prepared to meet the needs of the state's learners, EPPs will need to continue to work together to conduct in-depth reviews of coursework and clinical experiences and develop a consistent approach to educating the state's future teachers.

This report is the latest in LESC's ongoing research into preparing highly effective teachers. Although it focuses on K-8 traditionally prepared teachers, future research will look at other grade bands and preparation pathways.

LESC staff will present additional findings from their report at LESC hearings on Thursday, November 20.

HB63's Impact

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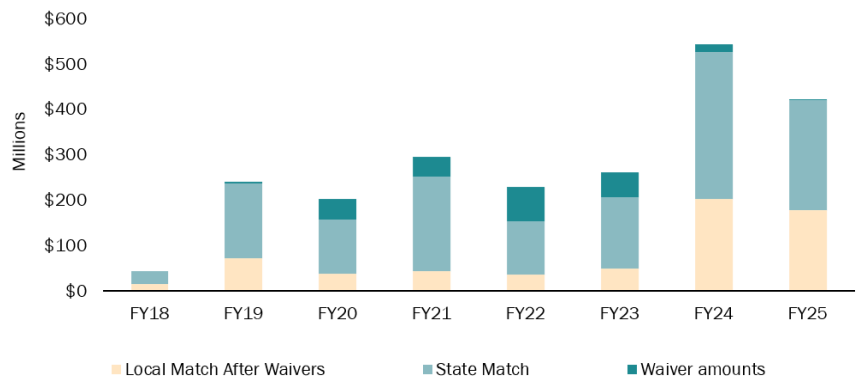
local spending decisions and priorities.

Looking forward, lawmakers could consider ways to allocate consistent funding for evidence-based programs. In particular, lawmakers could study innovative programs and staffing models that could be supported by SEG funds, monitor the programmatic and fiscal impact of HB63, and consider ways to accurately account for enrollment declines in the state's funding formula.

The full report and additional findings will be discussed at LESC's hearing on November 19.

Understanding Changes in Capital Outlay Funding

Local Match, State Match, and Waiver Amounts



Note: This chart shows waivers as they correspond to their original award years, even if the waiver was approved several years later. Some districts with projects awarded in FY23, FY24, and FY25 still intend to apply for waivers as they approach the construction stage. Because this chart captures only approved waivers and not likely future waiver liability, FY24 and FY25 appear to have lower waiver rates.

Source: LFC and LESC Analysis of PSFA Data

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November 2025

Published monthly in the interim by the
Legislative Education Study Committee
325 Don Gaspar, Suite 100
Santa Fe, NM 87501
(505) 986-4591

<https://www.nmlegis.gov/Entity/LESC/Default>

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LESC and Legislative Finance Committee (LFC) staff have been studying varying components of New Mexico's public school capital outlay system. One recent trend is more districts asking for state help in funding capital projects. Local contributions fall after waivers are applied, while the state's share rises to cover the growing gap. This pattern has accelerated in recent years, reflecting both rising construction costs and the public school capital outlay formula's difficulty in accurately capturing districts' ability to pay.

These findings are part of a broader study examining public school capital outlay funding, the drivers behind increasing waiver requests, and long-term implications for fiscal sustainability. A full report will be discussed at a joint hearing Friday, November 21.