




B i t e - S i z e

 The National Center for Education Statistics released new high school dropout data showing New Mexico had an approximate 5 percent high school dropout rate in the 2023-2024 school year, compared with a national rate of nearly 3 percent. New Mexico ranked third nationally, with the state's highest dropout rates in ninth and 10th grade.

 The Public Education Department finalized FY26 program units generated through the state equalization guarantee (SEG), the state's public school funding formula, showing enrollment growth units declined 61 percent from FY25 after Laws 2026, Chapter 8 (House Bill 253) paused enrollment growth funding for distance learning students.

 The New Mexico Public Schools Insurance Authority (NMPSIA) recently discussed scenarios that could require a 26.5 percent increase in health insurance premiums in FY28. NMPSIA reports one cost driver is the use of GLP-1 medications increasing from 49 participants in FY23 to 2,150 in FY26, creating approximately \$18.1 million in annual costs.



i n f o r m E D

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Senator William P. Soules, Chair / Representative G. Andrés Romero, Vice Chair / John Sena, Director / May 2026

From the Chair

As students across New Mexico wrap up the 2025-2026 school year, LESC begins its interim work in May with a trip to Raton—the first stop in interim travel that also includes Peñasco, Taos, Gadsden, and Rio Rancho. Along the way, the committee will hear from superintendents, school board members, educators, and other stakeholders to better understand what is working in New Mexico education and how the Legislature can help improve the system.

This interim, the committee's work will focus on issues including distance learning and its impact on student outcomes and budgets, access to high-quality health professionals, educator career pathways, bilingual education, sustainable funding for career and technical education, and services for students with disabilities.

LESC will also continue its work on public school capital outlay, with a focus on maintaining adequate school facilities while prioritizing projects within the state's finite fiscal resources.

The committee's work comes amid continued uncertainty surrounding federal policy decisions and fluctuations in oil and gas prices tied to international events. Despite those challenges, New Mexico's budget position remains strong, allowing continued opportunities to invest in students and schools.

The court may also issue another ruling in the *Martinez-Yazzie* sufficiency lawsuit as it considers whether to accept the Public Education Department's remedial action plan or shift planning responsibilities to experts identified by plaintiffs. That decision could have significant implications for education policy and budget discussions.

School may be out for New Mexico students, but LESC's 2026 interim work is just beginning.

William P. Soules

New Mexico Reviews Distance Learning Trends

Distance learning programs continue to serve a growing number of New Mexico students, particularly secondary students seeking flexible learning environments, credit recovery opportunities, or alternatives to traditional schools, including students with complex medical needs. As enrollment has expanded, policymakers are also examining how virtual learning programs are funded and regulated.

During the 2025-2026 school year, approximately 9,700 students were enrolled in full-time distance learning programs statewide. Enrollment is concentrated largely among middle and high school students, with participation increasing significantly beginning in seventh grade and continuing through high school.

Most distance learning students are enrolled in a small number of statewide programs. Approximately 81 percent of students participate in five programs: Chama Valley Independent Schools, Santa Rosa Consolidated Schools, Pecos Cyber Academy, New Mexico Connections Academy, and Albuquerque Public Schools.

The demographic makeup of distance learning students differs somewhat from statewide

enrollment trends. Female students account for 54 percent of distance learning enrollment, compared with 49 percent statewide overall. Hispanic students represent approximately 64 percent of distance learning enrollment, compared with 57 percent statewide.

Students enroll in distance learning programs for a variety of reasons, including health needs, flexibility for work or family obligations, credit recovery, and school environment concerns. Survey data from Pecos Cyber Academy found social-emotional concerns and negative school environments were among the most cited reasons students selected distance learning programs.

New Mexico schools currently operate several models of distance learning, including locally managed programs, charter schools dedicated to online learning, and programs operated in partnership with third-party providers. Some programs enroll students from across the state, including students residing outside the geographic boundaries of the district operating the program.

Distance learning also became a significant topic during the 2026 legislative session after rapid en-

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Reviewing and Responding to Artificial Intelligence in Schools

Artificial intelligence (AI) is rapidly changing education. Teachers are using AI to develop lesson plans and differentiate instructional materials, while students are using AI to receive tutoring, get help with homework, and, sometimes, complete their homework.

The dueling nature of AI in education—holding the potential to personalize learning and enhance classroom efficiency while also being found to negatively impact children’s foundational development—has resulted in a scattershot approach that includes both supporters and skeptics. Meanwhile, policymakers are struggling to keep pace with the use of AI in education and how to best respond from a statutory and regulatory view.

In 2026 alone, 31 states introduced 134 bills on AI in education, 24 states enacted legislation or resolutions, and 35 states published AI-related

education guidance. New Mexico, too, is working to better manage the use of AI, having passed House Memorial 2 in the 2025 legislative session, which called for the Legislative Education Study Committee to conduct a study, while the Public Education Department (PED) issued guidance to school districts and charter schools. Despite those actions, the state has not yet created a regulatory framework to guide the use of AI in schools, which already includes an AI-assisted reading assessment required by PED.

The lack of clear guidance has led to concerns about student and data privacy, especially regarding tribal sovereignty, the use of AI in cyberbullying, and the general lack of support for students and educators seeking to use AI in classrooms.

The National Conference of State Legislatures has categorized AI-related

action into six policy areas: research and practice, guidance and requirements, literacy and professional development, career exploration and pathways, funding and pilot programs, and education and AI technologies. By examining trends across these six areas, LESC can better determine how to help schools use AI responsibly and effectively while creating policy frameworks to address potential risks.

Among the recommendations for policymakers are moving from guidance to enforceable standards, creating student privacy and procurement standards for AI tools, and enacting specific prohibitions or guardrails.

LESC staff will present a landscape analysis of actions states have taken to regulate AI in education, as well as potential recommendations, to the committee on May 27 at the LESC hearing in Raton.

Distance Learning

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rollment growth in several programs affected the state equalization guarantee (SEG), New Mexico’s public school funding formula. In response, lawmakers enacted House Bill 253, establishing reporting requirements for distance learning programs and revising portions of the SEG formula related to virtual enrollment.

Additional work on the topic is expected during the interim. LESC staff will present an overview of the distance learning landscape at LESC hearings in Raton on May 28.

Data Review Highlights

Student Health Staffing Needs

Table 1: Health Professional Need by Regional Education Cooperatives

Based on Per-REC Student Enrollment

Regional Education Cooperative	Student Enrollment	Total Counselors Needed (1:250)	Total Social Workers Needed (1:250)	Total Psychologists Needed (1:500)	Total Nurses Needed (1:750)
REC-1	33,431	134	134	67	45
Northwest REC-2	15,210	61	61	31	21
High Plains REC-3	1,684	7	7	4	3
Northeast REC-4	20,578	83	83	42	28
Central REC-5	118,925	476	476	238	159
REC-6	13,010	53	53	27	18
REC-7	15,047	61	61	31	21
Pecos Valley REC-8	24,049	97	97	49	33
REC-9	10,450	42	42	21	14
Southwest REC-10	45,825	184	184	92	62
TOTAL	298,209	1,193	1,193	597	398

Source: LESC Analysis of PED Data

School-based health professionals play a key role in supporting student well-being, behavioral health, and school climate, particularly as schools respond to increasing student mental health and social-emotional needs.

Using student enrollment figures, licensure statistics, and national guidelines on recommended staffing ratios, LESC staff estimated New Mexico schools need 1,193 counselors, 1,193 social workers, 597 psychologists, and 398 nurses to meet recommended staffing levels for the state’s 298.2 thousand public school students. A data review on this topic will be presented at LESC hearings on May 29.

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