



2025 Quick Guide to New Mexico Education Laws and Budget

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Purpose of the Quick Guide

The Legislative Education Study Committee (LESC) is committed to serving the New Mexico Legislature and the state's constituents with excellence. The 2025 Quick Guide to New Mexico Education Laws and Budget is designed for three main purposes:

- First, this document is aimed at an external audience—the stakeholders most impacted by decisions related to education policy and budget—superintendents, education leaders, principals, teachers, ancillary staff, the Public Education Department (PED) program staff, students, and families.
- Second, the document is short and easily readable, covering both legislation and budget outcomes from the session.
- Third, this document is usable for stakeholders, prioritizing government transparency in the Legislature and building comprehensive knowledge around both policy and budget processes.

Using succinct explanations of need-to-know information, the first half of the Quick Guide describes the most impactful pieces of education legislation enacted in 2025, with a list of implications for both school districts and charter schools, as well as PED. These implications include considerations and suggestions for implementers to create programs in alignment with existing research and evidence. Following this, the document describes memorials the Legislature offered as direction for upcoming research and study by LESC staff.

A table on page 14 of this document describes legislation that was enacted but is not likely to have a significant impact on public schools or PED.

The second half of the document is an accessible explanation of New Mexico's public school budget accompanied by a spreadsheet known as the "high-level." The public school support budget, including all state funding that will flow to schools in New Mexico, is described in a reader-friendly manner with particular appropriations highlighted for detailed context.

LESC endeavors to employ a framework for policymaking and budget that is based on the following five principles:

- I. Prioritizing research and evidence-based policy and program;
- II. Ensuring community voice, support, value, and context are evident in the policymaking process;
- III. Appreciating social connectedness and planning for both designed and emergent systems;
- IV. Understanding implementation science, including program management, resources, capacity, and leadership are dynamic—the programmatic work can mirror, as well as model, existing status quo or help to build healthy communities; and
- V. Approaching each action through an adaptive lens that embraces opportunity costs, trade space, and design, because while ideally beneficial, all policy and budget decisions have consequences.

Grounding our work in this framework, and valuing our strong partnerships across the state, we hope this Quick Guide is useful and timely.

2025 Education Committees



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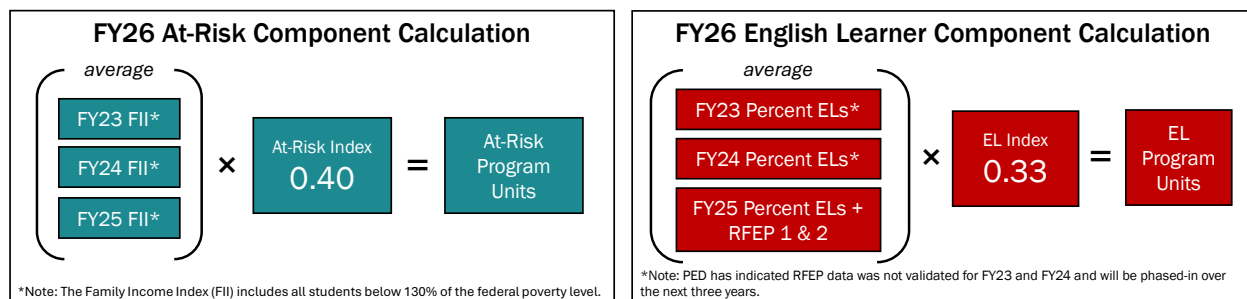


Bills Enacted

HB63: Public School Funding Formula Changes (Chapter 89)

Bill Summary

- Laws 2025, Chapter 89 (House Bill 63) revises the state equalization guarantee (SEG), the state's public school funding formula, to make three key changes:
 - Embeds the methodology of the family income index (FII) as the indicator for student poverty in the at-risk index;
 - Creates a standalone factor for English learners (ELs) and students who have been reclassified as fluent English proficient (RFEP) in the prior two academic years; and
 - Increases the basic program weight for sixth through 12th grade to 1.30.
- HB63 is accompanied by a \$133 million appropriation to the SEG.



Implementation Considerations

- HB63 is the result of a two-year working group that included representation from the Public Education Department (PED), the Legislative Finance Committee (LFC), school districts, charter schools, and other statewide education organizations. The bill aligns with the working group's recommendations.
- HB63 presents an opportunity for school districts and charter schools to more intentionally target operational funds to low-income students, English learners, and middle and high school students, by using school-specific family income data and creating a standalone factor for English learners.
- Using the FII, school districts should be able to tell approximately how much at-risk funding was generated by each school, allowing officials to effectively target resources to schools with the greatest needs.
- The New Mexico School Boards Association, Public Charter Schools of New Mexico, and the New Mexico School Business Officials Association will be critical partners in assisting school districts and charter schools in implementation of the bill. These organizations can support schools in effectively spending at-risk, English learner, and secondary funding to expand innovative and locally responsive programs, such as career and technical education (CTE), secondary fine arts programs, or effective out-of-school time programs.

Implications for PED

- PED will no longer be required to compile Title I and mobility data to calculate the at-risk index. Instead, PED will be required to use FII data, which the department already collects in compliance with Section 22-8F-3 NMSA 1978.
- The EL component will also use data that is already available to PED. Students identified as English learners who later score proficient on the ACCESS for ELs 2.0 assessment will become RFEP students. RFEP students will generate funding for the first two years in RFEP status. PED has indicated RFEP data was not previously validated; the department plans to phase-in this element of the EL component over the next three years.
- PED will need to revise administrative documents, such as 910B-5 forms, charter school application forms, and other processes to reflect the revised calculation of the at-risk index.
- PED will likely be required to collaborate with the Taxation and Revenue Department (TRD) and the Health Care Authority (HCA) to formalize processes for exchanging consistent and reliable student data for calculating the FII. PED, TRD, and HCA will need to standardize a consistent period from which income data is used and create a framework to verify the accuracy of the data.

Implications for Schools and Districts

- HB63's simplification of funding factors means schools and school districts now have an opportunity to more intentionally target at-risk and English learner funding to the students who generated those dollars. This process can inform the development of school district and charter school educational plans, which require districts and charters to describe how at-risk funding will be used to provide at-risk services.
- HB63 includes several suggested activities and services school districts should support using funds generated by English learners, including the following:
 - Culturally sustaining case management, tutoring, language development interventions, out-of-school time programs, and student service-leadership development opportunities;
 - Culturally sustaining professional learning, coursework, and curriculum development;
 - Culturally and grade-level-appropriate instructional materials;
 - Compensation strategies that support culturally and linguistically sustaining instruction;
 - Innovative staffing, scheduling, and programming strategies that promote collaborative instruction; and
 - Services to support and partner with parents and families in the long-term success of students.
- The inclusion of the FII in the at-risk index will create a specific at-risk index for every charter school. Previously, charter schools received the at-risk index for the school district in which they were geographically located.
- As the revision of the at-risk index takes effect, some school districts and charter schools may have to adjust their operating budgets due to a reduction in program units.

HB156: Increase Educational Salaries (Chapter 149)

Bill Summary

- Laws 2025, Chapter 149 (House Bill 156) increases minimum teacher salaries by \$5,000 at each licensure level to \$55 thousand for a level 1 teacher, \$65 thousand for a level 2 teacher, and \$75 thousand for a level 3 teacher.
- HB156 also increases minimum salaries for school counselors and principals, given that salaries for these personnel are tied to minimum teacher salaries.
- HB156 is accompanied by two appropriations for educator salary increases. The Legislature appropriated \$135 million to increase educator salaries by 4 percent, as well as an additional \$4.4 million to increase minimum salaries consistent with HB156. These funds will flow to LEAs through the state equalization guarantee (SEG), the state's public school funding formula.

Implementation Considerations

- Increasing minimum teacher salaries helps New Mexico keep pace with inflation, creates an incentive for individuals to become teachers, and helps retain current teachers for longer.

Implications for PED

- PED will be required to certify that teacher salaries at each school district and charter school were increased by 4 percent for the 2025-2026 school year. In addition, PED must certify that school staff are paid in compliance with the minimum salaries in HB156.

Implications for Schools and Districts

- School districts and charter schools will be required to submit budgets to PED ensuring compensation of teachers, school counselors, and principals adheres to the increased salary minimums.
- The amount of funding provided through the SEG was estimated by first increasing salaries by 4 percent, then adjusting any salaries that still fall below the new minimum salary tiers.
- The accuracy of LESC and LFC staff salary estimates relies on high quality data in school and district data systems. Ensuring that district data systems include accurate information will help inform budget recommendations in future years.

HB156: Increase Educ. Salaries (Science of Reading Provisions)

Bill Summary

- Laws 2025, Chapter 149 (House Bill 156) was amended to require educator preparation programs (EPPs) to use only structured literacy practices and to train future educators in scientifically based reading instruction.
- The law identifies structured literacy as the primary approach to teaching literacy for all learners, but further specifies literacy instruction for English learners must include evidence-based practices for biliteracy, differentiation, and culturally and linguistically responsive instruction.

Implementation Considerations

- The science of reading is an interdisciplinary body of research that explains how individuals learn to read and the best practices for reading instruction. Research demonstrates the science of reading and structured literacy can result in significant improvements in student reading proficiency.
- New Mexico has been implementing a statewide approach to structured literacy since 2019.

Implications for PED

- PED will collaborate with EPPs to develop teacher preparation standards related to the five components of the science of reading: phonemic awareness, phonics, fluency, vocabulary, and comprehension. Standards will be required to include knowledge and skills to support struggling readers, those with dyslexia, and English learners.
- PED will be required to oversee a state review and approval process for EPPs.

Implications for EPPs

- To meet the requirements of the review and approval process, EPPs must demonstrate evidence of alignment with the state's statutory and regulatory requirements for reading instruction. EPPs who do not comply with these requirements will face corrective action plans or loss of state approval.
- EPPs will be required to ensure all reading instruction coursework is accompanied by high-quality instructional materials that are research-based, culturally and linguistically relevant, and designed to support equitable learning for all students.
- EPPs will be required to provide elementary teacher candidates with 100 hours of supervised field experience in classrooms implementing the science of reading.
- As part of their annual educator accountability report, EPPs will be required to report a summary of program changes made to enhance science of reading instruction, data on teacher candidate performance in coursework and clinical experiences related to the science of reading, and EPP graduate impact data on student literacy outcomes.

HB157: New School Licenses

Bill Summary

- Laws 2025, Chapter 148 (House Bill 157) requires school administrator preparation programs to revise their programs to meet national and state standards and to apply for approval by PED.
- HB157 establishes three levels of licensure for assistant principals, principals, and charter school head administrators. It establishes two levels of licensure for superintendents.
- HB157 also establishes reciprocity guidelines for out-of-state school administrators.

Implementation Considerations

- HB157 aligns school administrator preparation and licensure in New Mexico with national best practices, aiming to reduce administrator and teacher turnover and improve student outcomes.
- Any individual holding a valid level 3B license on July 1, 2029 will be issued both a site administrator's license and a superintendent's license. After this date, the existing 3B license will no longer be recognized.
- Site administrator preparation programs will need to revise their programs to comply with new requirements adopted by PED rules adopted to comport with HB157. Administrator preparation programs will be eligible to apply for approval by January 15, 2027.

Implications for PED

- PED will need to work with administrator preparation programs and the Professional Practices and Standards Committee to publish a manual outlining approval requirements for site administrator preparation programs. PED must approve new or revised programs by July 1, 2027.
- PED will need to identify partners with whom to develop aspiring superintendent academies, requirements for the academies, and approval processes.
- PED will need to develop licensure requirements for central district administrators, business managers, and state agency education supervisors by July 1, 2029. The department will also need to update administrative rule regarding school administrator licensure and reciprocity.

Implications for Schools and Districts

- LEAs should actively work to develop administrator pipelines by identifying and supporting teachers to prepare for principalships and principals for superintendencies.
- LEAs may apply to PED for one-year, nonrenewable emergency principalship or superintendency waivers if they are unable to fill an unexpected vacancy with a fully qualified individual.

SB82: Public School Capital Outlay Changes

Bill Summary

- Laws 2025, Chapter 16 (Senate Bill 82) extends the temporary reduction of school districts' "local match" (the share of the cost of a public school capital outlay project school districts are responsible for paying) through FY27.
- SB82 also amends the eligibility criteria for local match waivers. Now, under Criteria A, a district is eligible if its total bonding capacity over the next four years exceeds the local match required for an upcoming project and it has imposed at least 10 mills. Under Criteria B, a district is eligible if its MEM is fewer than 1,500 and it has imposed at least seven mills.
- SB82 removed provisions related to schools' free and reduced-price lunch (FRL) rate and local match percentage for Criteria B, and removed Criteria C in its entirety.

Implementation Considerations

- The Public School Facilities Authority (PSFA) will continue to administer temporary local match reductions and implement the revised waiver eligibility criteria.
- Districts will continue to receive local match reductions of one-third, or one-half for school districts with fewer than 200 students, through FY27.
- Additional school districts will be eligible to apply to the PSCOC for local match waivers. However, eligibility for a waiver does not guarantee that it will be granted.
- LESC and its partners will continue to study the state and local match formula during the 2025 interim with the goal of building a formula that accurately reflects districts' actual ability to pay for

SB133: Educational Retirees Returning to Work

Bill Summary

- Laws 2025, Chapter 144 (Senate Bill 133) increases the maximum salary a return-to-work (RTW) Education Retirement Board (ERB) member may earn without having their retirement benefits suspended from \$15 thousand dollars per year to \$25 thousand dollars per year. SB133 also extends the maximum time period a RTW ERB member may work from 36 months to 60 months.

Implementation Considerations

- ERB will need to update policies and procedures to administer the increase of the maximum salary limitations for RTW members, and the extension of the RTW time period, particularly its policies regarding the "RTW less than \$15,000" and "RTW 36 Months" programs.
- SB133 increases the capacity for well-trained retired personnel to provide additional support to school districts and charter schools on a part-time and short-term basis, potentially reducing the frequency of hiring for school support positions.

SB163: Tribal Regalia at School Events

Bill Summary

- Laws 2025, Chapter 7 (Senate Bill 163) requires local school boards and charter school governing bodies to allow students who are enrolled in, or eligible for enrollment in, a federally recognized Indian nation, tribe, or pueblo to wear tribal regalia or objects of cultural significance at graduation ceremonies or public school events.
- SB163 also adds a new section to the Charter Schools Act, creating a policy of nondiscrimination and further reinforcing the authorization of tribal regalia at public school events

Implementation Considerations

- Public schools must uphold Native American students' right to wear their tribal regalia or culturally significant objects at graduation ceremonies and other public school events.
- The law went into effect immediately upon signature by the Governor, making it applicable to graduation and other school events this year.

Implications for PED

- PED may need to establish a reporting and monitoring system to ensure compliance. The department may wish to develop a mechanism for addressing instances of noncompliance, or repurpose existing systems like the department's anti-racism and anti-oppression reporting portal.



SB201: Public Ed. Reform Fund Uses

Bill Summary

- Laws 2025, Chapter 72 (Senate Bill 201) modifies the public education reform fund (PERF) to make the fund a targeted multiyear investment fund for education initiatives.
 - SB201 requires that initiatives funded through the PERF be evaluated for impacts on student outcomes, with an emphasis on causal evaluation when possible.
 - For FY26 through FY28, PERF-funded programs include attendance initiatives, math instruction, supports for students who are unhoused, innovative staffing strategies, and secondary educator literacy. A detailed discussion of these appropriations can be found beginning on page 27.
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Implementation Considerations

- By May 1 of each year, DFA, LFC, and LESC will issue instructions to PED on accountability and evaluation plans for PERF-funded programs.
 - Evaluation plans will include the goals and expected outcomes of the program, the specific actors and activities associated with the program, and a description of how the program will be evaluated.
 - By September 1 of the final year of the appropriation, PED, DFA, LESC, and LFC will consider the evaluation results and provide a recommendation regarding recurring funding for the program.
 - PED, DFA, LESC, and LFC will likely need to review the current status of each evaluation on an annual basis throughout the course of PERF-funded programs.
-

Implications for PED

- PED will be required to develop initial evaluation plans by July 1 of the first year of PERF-funded programs, then consider feedback from DFA, LESC, and LFC to develop a final evaluation plan by September 1 of the same year.
 - PED will also be required to submit its annual Public School Support Request on September 1 of each year, approximately 3 months sooner than the current deadline of November 30.
-

Implications for Schools and Districts

- LEAs participating in PERF-funded programs can expect recurring funding for the programs for at least 3 years, which should help LEAs build capacity to implement programs.
- Participating LEAs are expected to comply with the data collection required to facilitate effective program evaluation.



Memorials

HM2: LESC Artificial Intelligence Work Group

Bill Summary

- House Memorial 2 requests LESC to convene a working group to study education data governance and artificial intelligence (AI) and provide recommendations by October 31, 2025 regarding a formal structure for education data governance, statewide education data governance policies, and policies governing the use of AI in education.

Implementation Considerations

- In recent years, data quality has become a significant barrier to reliable evaluation of educational programs. The working group would be tasked with recommending policies and systems that streamline collaboration, reduce duplication, and improve data quality.
- LESC staff will invite participation from many state agencies, including PED, the Higher Education Department (HED), the Early Childhood Education and Care Department (ECECD), and many other entities related to data, student success, and social and emotional well being.
- School and school district staff will also be invited to participate in the working group. Participation would offer school data personnel an opportunity to learn more about their data systems, share best practices with state policymakers, and provide input on data collection policies and practices.

HM43: Hispanic & Bilingual Education Programs

Bill Summary

- House Memorial 43 requests LESC to collaborate with education leaders statewide to study and provide recommendations by December 31, 2025 on the Hispanic Education Act, the Bilingual Multicultural Education Act, and the programs provided under these acts.

Implementation Considerations

- The memorial requests participation from many stakeholders with work related to student success and funding structures supporting Hispanic and bilingual education, including a representative group of youth named in the *Martinez-Yazzie* lawsuit, educator preparation programs, higher education institutions, educational leaders, educators with expertise in bilingual education bilingual educational leaders, members of the community, and PED.

HM47: Study Public School Employee Compensation

Bill Summary

- House Memorial 47 asks LESC to study compensation for public school employees, including how salary competitiveness, compaction, and sustainability affect recruitment and retention of public school employees. LESC staff will report findings to the Legislature and the governor by December 31, 2025.

Implementation Considerations

- To conduct the study, LESC staff will collaborate with PED, educator preparation programs, the LFC, school districts and charter schools, teachers' unions, and public school employees.

SM9: Continue & Improve 520 Language

Bill Summary

- Senate Memorial 9 requests LESC to convene a working group to study and make recommendations concerning the 520 Native American Language and Culture (520 NALC) certificate.

Implementation Considerations

- LESC staff will identify stakeholders for the working group and select members broadly representative of the state.
- The working group will be tasked with making recommendations to LESC, the Legislature, and the Public Education Department's (PED's) Indian Education Division regarding the 520 NALC organizational structure and accountability, advancement and professional development, data collection and transparency, and a long-term strategy for system improvement.
- PED staff are requested to participate in the working group.
- School districts and charter schools specializing in Native American language and culture education, bilingual and multicultural education programs, and 520-certified educators are asked to participate in the working group, which may improve program initiatives.



Other Enacted Education-Related Legislation

Bill No. and Short Title	Impact on Public Education
HB8 (Ch. 4) Criminal Competency and Treatment	The bill increases the criminal penalty for a shooting threat from a misdemeanor to a fourth-degree felony. An individual who commits a shooting threat against a school could be charged with a felony.
HB54 (Ch. 129) Defibrillators in Every High School	The bill requires all schools to install automated external defibrillators (AEDs) and develop cardiac emergency response plans no later than the 2027-2028 school year. PED would be required to develop guidance to ensure AED training is provided to all New Mexico school employees.
HB128 (Ch. 96) NMFA Local Solar Access Fund	The bill establishes a local solar access fund administered by the New Mexico Finance Authority (NMFA), which will provide grants to counties school districts and other entities for the purchase of solar energy systems and interconnection equipment.
HB532 (Ch. 135) Student Water Safety Guidance	The bill requires school boards and charter school governing bodies to adopt student water safety guidance, including information on local swimming lessons and other safety courses, and distribute this guidance to parents.
SB11 (Ch. 155) Anti-Distraction Policy in Schools	The bill requires all school districts and charter schools to adopt a wireless communication device policy by August 1, 2025 regulating the use of devices like smartwatches, smartphones, tablets, and laptops in schools. While schools can restrict the use of devices during instructional hours, exceptions must be made for medical needs, disability accommodations, and individualized education programs. PED may establish statewide guidelines, and LEAs must publish their policies online after adoption.
SB345 (Ch. 146) Teacher & Instructional Support License	The bill allows applicants for a level 1 teaching license to choose whether to complete a teacher portfolio or pass teacher assessments. The assessment for teaching reading is still required for elementary teachers and the special education assessment is still required for special education teachers, regardless of whether candidates choose to complete a portfolio. SB345 also allows instructional support providers (ISPs) licensed in other states to receive a level 2 or level 3 ISP license in New Mexico if they meet the requirements for that license.
SB387 (Ch. 81) Community School Fund & Framework	The bill amends the Community Schools Act to provide for implementation grant awards of up to \$150 thousand and renames the community schools fund as the Dr. Jeannie Oakes memorial community school fund.
HM32 Study Means of Teacher Advancement	The memorial asks PED to collaborate with teacher preparation programs to study the possibility of giving master's degree credit to level 1 teachers for the professional work required to move to a level 2 license, and to level 2 teachers for the professional work required to move to a level 3 license.

Public Education Budget



In the months prior to the legislative session, staff from LESC, LFC, PED, and the Department of Finance and Administration (DFA) design separate budget recommendations for public education for the upcoming fiscal year. Recommendations from each agency are considered by the House Appropriations and Finance Committee and the Senate Finance Committee as the two committees draft the provisions of the General Appropriation Act (GAA).

Each agency's budget recommendations, and later, the final appropriations in the GAA, are summarized on a spreadsheet known as the "high-level." The high-level spreadsheet graphically displays appropriations to several components of the public school support budget, including the state equalization guarantee (SEG), categorical programs, below the line programs, and other nonrecurring priorities.

The State Equalization Guarantee

A majority of the money appropriated to public schools is appropriated to the SEG, the funding formula designed to equitably distribute funding directly to public school districts and charter schools. The high-level begins on row 2 with the total appropriation to the SEG from the prior year, an amount considered the "base" level of funding. Rows 3 through 24 demonstrate the Legislature's actions to add or subtract from funding from the prior year. The final SEG distribution for FY26 can be found on row 27, followed by the percentage and dollar increase from the prior year.

Categorical Programs

Appropriations to categorical programs are found on the high-level in rows 30 through 53. Categorical programs are programs with a statutory distribution mechanism that differ from the SEG, including the transportation distribution, out-of-state tuition, emergency supplemental funding, standardized assessments, and the Indian education fund.

Below-the-Line

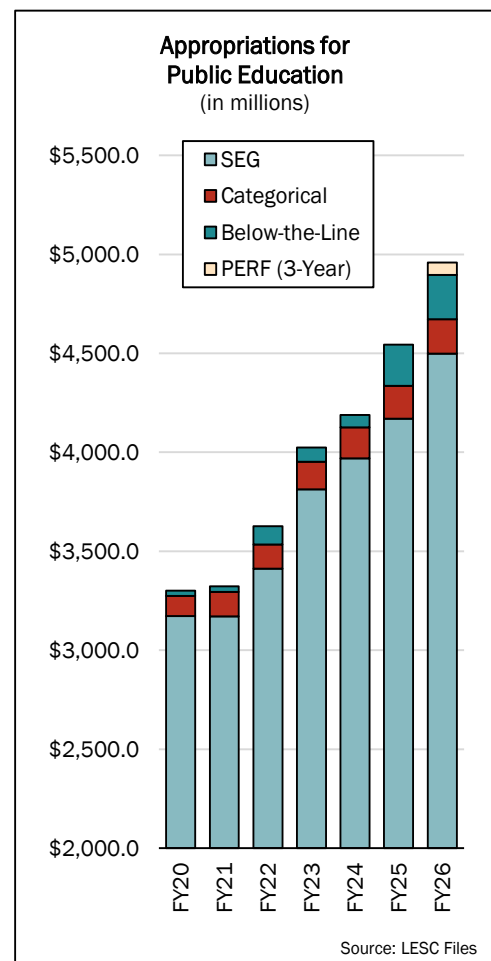
"Below-the-line" appropriations to PED give the department authority to decide how to best expend funds without a statutory distribution mechanism. Below-the-line programs beginning on row 54 are included in appropriations to the PED on a semi-recurring basis, while below-the-line programs beginning on row 80 are considered nonrecurring.

Public Education Reform Fund (PERF)

Beginning this year, the Legislature made three-year appropriations to PED for sustained implementation of certain programs that must be evaluated for their impact on student achievement, consistent with the provisions of SB201. Appropriations from the PERF are found in rows 135 through 139.

Other Nonrecurring Appropriations

Appropriations for short term needs, including appropriations from the PERF, the public school capital outlay fund, or other fund transfers, are found beginning on row 134 of the high-level.



Since FY20, the Legislature has increased appropriations to the SEG by 42 percent, appropriations to categorical programs by 70 percent, and appropriations to below the line programs by 734 percent.

Throughout the GAA, the Legislature includes language detailing its intent for how certain appropriations should be used, both by PED and by LEAs. Both the high-level and the budget are limited in their ability to explain the Legislature's intent. The high-level for the FY26 GAA can be found beginning on the next page. On page 20, LESC staff have compiled a table of "budget highlights," which include additional discussion of the legislative intent of various budget line items.



PUBLIC SCHOOL SUPPORT
General Fund High-Level
(dollars in thousands)

	FY25 OpBud	FY26 Exec. Recommend.	FY26 LFC Recommend.	FY26 LESC Recommend.	GAA of 2025
1 PROGRAM COST					
2 Prior Year Program Cost OpBud	3,976,002.1	4,171,971.2	4,171,971.2	4,171,971.2	4,171,971.2
3 UNIT CHANGES					
4 Removing Title I Units from ARI ¹	-	-	(163,229.9)	(163,229.9)	(163,229.9)
5 Removing Mobility Units from ARI ¹	-	-	(99,298.0)	(99,298.0)	(99,298.0)
6 Adding FII Units to ARI ¹	-	-	300,522.5	300,522.5	300,740.7
7 Adding EL Units ¹	-	-	3,317.2	3,317.2	3,458.0
8 Adding Grades 7 - 12 Units ¹	-	-	-	51,148.3	51,148.3
9 Adding Grade 6 Units ¹	-	-	15,190.5	40,115.8	40,115.8
10 Subtotal: Proposed Formula Changes	-	-	56,502.3	132,576.0	132,935.0
11 Increased K-12 Plus Units	-	57,707.5	49,731.7	49,731.7	49,731.7
12 Other FY25 Net Unit Changes	-	-	(12,996.5)	-	(12,996.5)
13 Subtotal: Net Base Unit Adjustments	-	57,707.5	36,735.2	49,731.7	36,735.2
14 Other Projected Net Unit Changes	(19,915.3)	-	(22,215.1)	-	(22,215.1)
15 UNIT VALUE CHANGES					
16 K-12 Plus Units	60,000.0	-	-	-	-
17 Average Salary Increase (FY25: 3%, FY26: 4%)	94,154.4	101,377.2	135,129.6	101,377.2	135,129.6
18 Increase Minimum Salaries for Teachers (\$55K, \$65K, \$75K) ¹	-	-	4,380.5	7,432.1	4,380.5
19 Insurance	25,666.7	38,462.7	38,364.4	37,884.5	38,364.4
20 Fixed Costs	6,063.3	4,997.8	1,934.7	4,997.8	1,934.7
21 Education Innovations (CTE, Literacy, Community Schools)	30,000.0	-	-	-	-
22 Subtotal Current Year Program Cost Base	4,171,971.2	4,374,516.4	4,422,802.8	4,505,970.5	4,499,235.5
23 \$ Change from OpBud	195,969.1	202,545.2	250,831.6	333,999.3	327,264.3
24 % Change from OpBud	4.9%	4.9%	6.0%	8.0%	7.8%
25 STATE EQUALIZATION GUARANTEE (SEG)					
26 Less: Other State Funds	(1,500.0)	(2,000.0)	(1,500.0)	(1,500.0)	(1,500.0)
27 Subtotal Current Year SEG Base	4,170,471.2	4,372,516.4	4,421,302.8	4,504,470.5	4,497,735.5
28 \$ Change from OpBud	201,469.1	202,045.2	250,831.6	333,999.3	327,264.3
29 % Change from OpBud	5.1%	4.8%	6.0%	8.0%	7.8%
30 CATEGORICAL APPROPRIATIONS					
31 TRANSPORTATION DISTRIBUTION					
32 Maintenance and Operations	104,839.5	116,554.8	118,683.7	116,554.8	118,683.7
33 Fuel	13,843.3	13,201.2	13,201.2	13,201.2	13,201.2
34 Rental Fees	9,097.7	5,894.1	5,894.1	5,894.1	5,894.1
35 Insurance	594.7	-	888.9	594.7	888.9
36 Average Compensation Increase (FY25: 3%, FY26: 4%)	1,488.6	1,755.6	2,340.8	1,755.6	2,340.8
37 Density Factor Removal	3,929.5	-	-	-	-
38 Adequacy Funding	-	-	-	5,283.7	-
39 Subtotal Current Year Transportation Base	133,793.3	137,405.7	141,008.7	143,284.1	141,008.7
40 \$ Change from OpBud	6,971.5	3,612.4	7,215.4	9,490.8	7,215.4
41 % Change from OpBud	5.5%	2.7%	5.4%	7.1%	5.4%
42 OTHER CATEGORICAL APPROPRIATIONS					
43 Indian Education Fund	20,000.0	20,000.0	20,000.0	20,000.0	20,000.0
44 Standards-Based Assessments (FY26: Quarterly Reporting)	10,000.0	13,000.0	12,770.0	12,770.0	12,770.0
45 Emergency Supplemental	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
46 Out-of-State Tuition	393.0	600.0	393.0	393.0	393.0
47 Universal School Meals	-	50,700.0	-	55,700.0	-
48 Subtotal Current Year Categorical Appropriations	165,186.3	222,705.7	175,171.7	233,147.1	175,171.7
49 \$ Change from OpBud	8,002.5	57,519.4	9,985.4	67,960.8	9,985.4
50 % Change from OpBud	5.1%	34.8%	6.0%	41.1%	6.0%
51 SUBTOTAL PUBLIC SCHOOL SUPPORT	4,335,657.5	4,595,222.1	4,596,474.5	4,737,617.6	4,672,907.2
52 \$ Change from OpBud	209,471.6	259,564.6	260,817.0	401,960.1	337,249.7
53 % Change from OpBud	5.1%	6.0%	6.0%	9.3%	7.8%
54 RELATED REQUESTS: RECURRING					
55 Universal School Meals	41,000.0	-	42,201.0	-	42,201.0
56 Early Literacy and Reading Support	14,000.0	14,000.0	14,000.0	14,000.0	14,000.0
57 School Leader Professional Development	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
58 Teacher Professional Development	4,000.0	4,500.0	4,000.0	5,000.0	4,000.0
59 Regional Education Cooperatives	1,350.0	1,350.0	1,500.0	1,500.0	1,500.0
60 School Safety (Panic Buttons)	-	5,000.0	-	-	1,500.0



PUBLIC SCHOOL SUPPORT

General Fund High-Level

(dollars in thousands)

	FY25 OpBud	FY26 Exec. Recommend.	FY26 LFC Recommend.	FY26 LESC Recommend.	GAA of 2025	
61 Test Fee Waivers and Training	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	61
62 GRADS – Teen Parent Interventions	750.0	750.0	750.0	750.0	750.0	62
63 STEAM (Science, Technology, Engin., Arts, and Math) Initiatives	-	-	-	6,000.0	-	63
64 New Mexico Grown	-	2,300.0	-	2,300.0	-	64
65 Bilingual Multicultural, Hispanic, and Black Education Acts	-	1,500.0	-	-	-	65
66 Learning Management System and Microcredentials	-	3,700.0	-	-	-	66
67 Subtotal Current Year Base	67,350.0	39,350.0	68,701.0	35,800.0	70,201.0	67
68 \$ Change from OpBud	41,403.4	(28,000.0)	1,351.0	(31,550.0)	2,851.0	68
69 % Change from OpBud	159.6%	-41.6%	2.0%	-46.8%	4.2%	69
70 PUBLIC EDUCATION DEPARTMENT						70
71 Prior Year OpBud	23,589.1	24,521.6	24,521.6	24,521.6	24,521.6	71
72 Base Changes	932.5	3,000.0	802.0	3,000.0	802.0	72
73 Subtotal Current Year Base	24,521.6	27,521.6	25,323.6	27,521.6	25,323.6	73
74 % Change from OpBud	4.0%	12.2%	3.3%	12.2%	3.3%	74
75 TOTAL PUBLIC SCHOOL SUPPORT						75
76 Prior Year OpBud	4,175,721.6	4,427,529.1	4,427,529.1	4,427,529.1	4,427,529.1	76
77 Base Changes	251,807.5	234,564.6	262,970.0	373,410.1	340,902.7	77
78 Total	4,427,529.1	4,662,093.7	4,690,499.1	4,800,939.2	4,768,431.8	78
79 % Change from OpBud	6.0%	5.3%	5.9%	8.4%	7.7%	79

SECTIONS 5, 6, 7, AND OTHER NONRECURRING APPROPRIATIONS

80 General Fund						80
81 Public Education Reform Fund ¹	-	-	150,000.0	150,000.0	63,800.0	81
82 FY25 Unit Value Supplemental (State Support Reserve Fund)	-	40,000.0	40,000.0	40,000.0	40,000.0	82
83 Indian Education Initiatives (FY26-FY28)	-	-	-	5,000.0	30,000.0	83
84 Structured Literacy Implementation (Summer Literacy Institute)	30,000.0	30,000.0	30,000.0	30,000.0	29,000.0	84
85 Career Technical Education (Pilot, CTOs, Innov. Zones, & WBL)	-	15,762.4	40,000.0	30,000.0	28,500.0	85
86 Educator Fellows	20,000.0	20,000.0	15,000.0	20,000.0	20,000.0	86
87 Out-of-School Learning, Summer Enrichment, High-Dosage Tutors	15,000.0	15,000.0	15,000.0	20,000.0	15,000.0	87
88 Statewide Student Information System	-	4,000.0	12,000.0	12,000.0	12,000.0	88
89 Summer Internships	5,000.0	-	5,000.0	-	10,000.0	89
90 Universal School Meals Supplemental (FY25)	-	7,848.0	7,848.0	7,848.0	7,848.0	90
91 Community School and Family Engagement Initiatives	-	8,000.0	6,000.0	8,000.0	6,000.0	91
92 Math Lab Pilots (FY26-FY28)	-	-	-	-	6,000.0	92
93 School Improvement	-	-	-	10,000.0	6,000.0	93
94 Potential Cost Overruns for School Meals	-	5,000.0	-	-	5,000.0	94
95 Youth Behavioral Health Supports (FY26-FY28)	-	-	-	-	5,000.0	95
96 Special Education Initiatives	6,000.0	4,000.0	-	4,000.0	4,000.0	96
97 Universal School Meals FY24 Deficiency	-	3,054.0	3,054.0	3,054.0	3,054.0	97
98 STEAM Initiatives	-	-	-	-	3,000.0	98
99 STEM Network	-	-	-	-	3,000.0	99
100 Class Size Reductions & CTE Startup Costs (Rio Rancho)	-	-	-	-	3,000.0	100
101 Administrator Preparation, Induction and Evaluation	-	-	2,280.0	2,280.0	2,280.0	101
102 Career Development Success Pilot (FY26-FY28)	-	-	-	1,500.0	1,500.0	102
103 Outdoor Classroom Initiatives	500.0	-	500.0	500.0	500.0	103
104 Rent Shortfall	-	-	230.3	230.3	230.3	104
105 Safety Summit	-	200.0	200.5	200.5	200.5	105
106 School Panic Buttons	1,000.0	-	1,000.0	1,000.0	-	106
107 K-12 Plus Program	20,000.0	-	15,000.0	15,000.0	-	107
108 Behavioral Health Supports	-	-	-	3,000.0	-	108
109 Bilingual Multicultural, Hispanic, and Black Education Acts	-	-	-	1,500.0	-	109
110 Sufficiency Lawsuit Fees	-	500.0	-	500.0	-	110
111 Legal Expenses	-	-	-	500.0	-	111
112 Universal School Meals Supplemental (FY24)	19,904.8	-	-	-	-	112
113 Attendance Success Initiatives	5,000.0	-	-	-	-	113
114 Indian Education Initiatives (Navajo Nation and Zuni)	5,000.0	-	-	-	-	114
115 Nova Space Telescope (Data System)	3,171.2	-	-	-	-	115
116 Secondary Educator Literacy	2,500.0	5,000.0	-	-	-	116
117 Learning Management System (LMS)	2,305.0	-	-	-	-	117
118 School for the Arts Dormitory Operational Funding (FY25 & FY26)	2,300.0	-	-	-	-	118
119 Micro-credentials	1,100.0	-	-	-	-	119



PUBLIC SCHOOL SUPPORT

General Fund High-Level

(dollars in thousands)

		FY25 OpBud	FY26 Exec. Recommend.	FY26 LFC Recommend.	FY26 LESC Recommend.	GAA of 2025	
120	Black Education Act	500.0	-	-	-	-	120
121	Hispanic Education Act	500.0	-	-	-	-	121
122	Implementing Indian Education Act	500.0	-	-	-	-	122
123	Legal Settlements	250.0	-	-	-	-	123
124	HB2 Jr. School of Dreams Academy Security	200.0	-	-	-	-	124
125	Indian Education Fund (FY26-FY28)	-	90,000.0	-	-	-	125
126	Family Income Index	-	9,000.0	-	-	-	126
127	Data Quality Supports	-	1,500.0	-	-	-	127
128	School Dashboards and Reporting Portal	-	1,125.0	-	-	-	128
129	Family Engagement and Supports for Unhoused Students	-	1,000.0	-	-	-	129
130	Rent Shortfall, ESSER Positions, and Legal Expenses	-	800.0	-	-	-	130
131	Student Assessment Data Collection	-	500.0	-	-	-	131
132	Negative Fund Balances	-	15.5	-	-	-	132
133	Subtotal Current Year Base	140,731.0	262,304.9	343,112.8	366,112.8	304,912.8	133

OTHER STATE AND FEDERAL FUNDS

134	Public Education Reform Fund						134
135	Support for Attendance for Success ^{1,2,3}	-	-	30,900.0	30,900.0	18,600.0	135
136	Secondary Educator Literacy ^{1,2,3}	-	-	15,500.0	15,000.0	15,600.0	136
137	Math Achievement ^{1,2,3}	-	-	38,440.0	15,600.0	13,500.0	137
138	Innovative Staffing Strategies ^{1,2,3}	-	-	19,840.0	7,500.0	7,800.0	138
139	Supports for Students who are Unhoused ^{1,2,3}	-	-	-	30,000.0	6,300.0	139
140	Learning Management System (Microcredentials)	-	-	3,700.0	3,700.0	3,700.0	140
141	Wellness Rooms Pilot	-	-	-	-	1,000.0	141
142	Hispanic Education Act	-	-	-	-	500.0	142
143	Black Education Act	-	-	-	-	500.0	143
144	Bilingual Multicultural Education Act	-	-	-	-	500.0	144
145	Fund Clean-Up (K3PF, RMF, SLAF)	-	-	15.5	15.5	15.5	145
146	School Improvement and Transformation ^{1,2,3}	-	-	29,450.0	-	-	146
147	Career Technical Education	40,000.0	14,237.6	-	-	-	147
148	Family Income Index	10,000.0	-	-	-	-	148
149	Secondary Educator Literacy	2,500.0	-	-	-	-	149
150	Community School and Family Engagement Initiatives	2,000.0	-	-	-	-	150
151	Teacher Professional Development	-	500.0	-	-	-	151
152	Innovation Zones ^{1,2,3}	-	-	-	45,000.0	-	152
153	STEM Network ^{1,2,3}	-	-	-	6,000.0	-	153
154	Indigenous Education Initiatives ^{1,2,3}	-	-	15,500.0	-	-	154
155	Subtotal Current Year Base	54,500.0	14,737.6	153,345.5	153,715.5	68,015.5	155
156	Other State Funds and Inter-Agency Transfers						156
157	Security, CTE, Maintenance, and Repair SB9 Distribution (PSCOF)	-	-	50,000.0	50,000.0	50,000.0	157
158	Electric Vehicle Infrastructure and Bus Conversion (FY26-FY28)	-	-	-	-	60,000.0	158
159	Literacy Building (PSCOC)	30,000.0	-	-	-	-	159
160	School Bus Replacement (PSCOF)	29,166.6	-	-	-	-	160
161	Community Schools (CSF)	6,000.0	-	-	-	-	161
162	Prekindergarten Classrooms (PSCOF)	5,000.0	-	-	-	-	162
163	Renovations at Memorial Middle School in Las Vegas (PSCOF)	1,500.0	-	-	-	-	163
164	Alternative School Bus Fueling or Charging Infrast. (PSCOF)	1,500.0	-	1,500.0	1,500.0	1,500.0	164
165	Navajo Prep Infrastructure and Drainage Improvement (PSCOF)	-	-	-	-	3,000.0	165
166	Paolo Soleri Amphitheater (PSCOF)	-	-	-	-	3,000.0	166
167	HED STEM Institute Construction (PSCOF)	-	-	-	-	20,000.0	167
168	Learning Management System (ELF)	1,000.0	-	-	-	-	168
169	Broadband Access and Expansion at DoIT (PSCOF)	650.0	-	-	-	-	169
170	School Bus Cameras (PSCOF)	547.5	-	-	-	-	170
171	National Board Certification Scholarship Fund	500.0	500.0	500.0	500.0	500.0	171
172	GRADS – Teen Parent Interventions (TANF)	500.0	500.0	500.0	500.0	500.0	172
173	Grow Your Own Teachers Fund (FY26: EdFellows)	-	-	300.0	-	300.0	173
174	Sufficiency Lawsuit Fees (Consumer Settlement Fund)	-	-	500.0	-	500.0	174
175	Transfers to PERF (FYRF, TPF, ISIF, SNIF, ETDCF, CSSF, KPF)	-	258.7	258.7	258.7	258.7	175
176	School Safety Summits (PSCOF)	200.0	-	-	-	-	176
177	School Wellness Rooms (CSF)	200.0	-	-	-	-	177



PUBLIC SCHOOL SUPPORT
General Fund High-Level
(dollars in thousands)

		FY25 OpBud	FY26 Exec. Recommend.	FY26 LFC Recommend.	FY26 LESC Recommend.	GAA of 2025	
179	Online Licensure Portal (ELF)	-	4,000.0	4,000.0	4,000.0	4,000.0	179
180	State Support Reserve Fund (FY24 unit value)	-	-	-	-	-	180
181	Career Technical Education (CTEF)	-	10,000.0	-	-	10,000.0	181
182	Subtotal Current Year Base	76,764.1	15,258.7	57,558.7	56,758.7	153,558.7	182

SECTION 9 APPROPRIATIONS

183	Government Results and Opportunity Expendable Trust Fund						183
184	Support for Attendance for Success	-	18,000.0	-	-	-	184
185	School Improvement and Transformation	-	18,000.0	-	-	-	185
186	Math Achievement	-	15,000.0	-	-	-	186
187	Educator Clinical Practice	60,000.0	-	-	-	-	187
188	Special Education Differentials	15,000.0	-	-	-	-	188
189	HB2 Jr. GRO Appropriations	7,000.0	-	-	-	-	189
190	Subtotal Current Year Base	82,000.0	51,000.0	-	-	-	190

Footnotes

1. Contingent on enactment of legislation
2. Appropriation authorized for three fiscal years (FY26, FY27, FY28)
3. Includes appropriation from the public education reform fund



Budget Highlights

During the 2025 session, the Legislature continued to invest significant funding in public schools, with a 7.8 percent increase to the state equalization guarantee (SEG), as well as supports for literacy, career and technical education, student behavioral health, and the educator ecosystem. This section specifies the amount, associated language, and legislative intent of particular appropriations, as well as where those items may be found in the high-level and the General Appropriation Act (GAA).

The high-level spreadsheet lists the dollar amount of appropriations contained in HB2, which becomes the GAA once signed into law. All appropriations can be found in the high-level on the line indicated and in the GAA on the page number specified. Some appropriations also include evidence-based recommendations, so as to encourage innovative local practices that are rooted in data and research.

The State Equalization Guarantee

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Proposed Formula Changes \$132.9 million High-Level Line Numbers: 4-10 GAA Page Number: 178	<p>The Legislature appropriated \$132.9 million to enact HB63, which revises the at-risk index methodology, creates a new factor for English learners, and increases the basic program weight for grades six through 12.</p> <p>The simpler calculations and additional funding in the SEG should help schools better understand how much funding low-income students and English learners generate, helping schools focus on using those funds to address student needs.</p> <p>The revision to the basic program factor for secondary students is intended to provide recurring funding for career and technical education programs, secondary fine arts programs, and other locally responsive programs that support student engagement and achievement.</p>	<p><i>“The general fund appropriation to the state equalization guarantee distribution includes one hundred thirty-two million nine hundred thirty-five thousand dollars (\$132,935,000) contingent on enactment of House Bill 63 or similar legislation of the first session of the fifty-seventh legislature amending the Public School Finance Act to replace at-risk program units with program units based on the family income index, create program units for students identified as English learners and program units for students who have exited English learner status and increase the formula factors for sixth grade through twelfth grade to one and three tenths.”</i></p>
Net Unit Changes -\$35.2 million High-Level Line Numbers: 12, 14 GAA Page Number: No language	<p>The GAA includes a \$12.9 million reduction to account for declining student enrollment in FY25, and a \$22.2 million reduction to the SEG for continued projected declines in enrollment.</p> <p>Since FY18, the Legislature has accounted for decreasing enrollment through targeted reductions in the SEG appropriation. Most notably, the Legislature decreased the SEG by \$23.9 million for FY24 and again by \$19.9 million in FY25.</p> <p>Reductions in the SEG are often offset by increases in other areas of the formula, usually resulting in a net increase in funding for public schools.</p>	

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Salary Increases \$135.1 million High-Level Line Number: 17 GAA Page Number: 179	<p>The GAA includes a \$135.1 million appropriation to the SEG to provide a 4 percent salary increase to all public school personnel. The governor vetoed language authorizing an average salary increase.</p> <p>The appropriation amounts for average salary increases and teacher minimum salaries were calculated by first ensuring public school personnel receive a 4 percent raise based on their current salary, then further adjusting salaries to ensure all teachers receive the new minimum salaries.</p>	<p><i>"The general fund appropriation to the state equalization guarantee distribution includes one hundred thirty-five million one hundred twenty-nine thousand six hundred dollars (\$135,129,600) to provide an average four percent salary increase to all public school personnel."</i></p>
Increase Minimum Salaries for Teachers \$4.4 million High-Level Line Number: 18 GAA Page Number: No language	<p>The GAA includes \$4.4. million in the SEG to increase teacher minimum salaries consistent with HB156, providing a minimum of \$55 thousand at level 1, \$65 thousand at level 2, and \$75 thousand at level 3.</p>	
Insurance \$38.4 million High-Level Line Number: 19 GAA Page Number: No language	<p>The Legislature appropriated \$38.4 million in recurring funding for increases in medical and risk premiums incurred by school districts and charter schools.</p> <p>The appropriation aligns with a 10 percent increase in medical premiums and an 8.5 percent increase in risk premiums.</p>	

Categorical Appropriations

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Transportation Distribution \$141 million High-Level Line Number: 39 GAA Page Number: 182	<p>The transportation distribution includes base funding of \$138 million, with an additional \$2.3 million to increase transportation personnel salaries by 4 percent.</p> <p>The Legislature cannot require private school bus contractors to increase salaries, but LESC staff estimate the funds provided are adequate to support the cost of a 4 percent salary increase for private contractors.</p>	<p><i>"The general fund appropriation to the transportation distribution includes two million three hundred forty thousand eight hundred dollars (\$2,340,800) to provide an average four percent salary increase to all public school transportation personnel."</i></p>
Indian Education Fund \$20 million High-Level Line Number: 43 GAA Page Number: 183	<p>Since the court's 2018 ruling in the <i>Martinez-Yazzie</i> consolidated lawsuit, the Legislature has significantly increased appropriations to the Indian education fund. Since FY24, the Legislature has appropriated \$20 million annually to the fund.</p> <p>PED is required to use the Indian education fund in collaboration with tribal education departments for the purposes stated in the Indian Education Act. PED carries over fund balances that are not spent at the end of each fiscal year.</p>	<p><i>"The general fund appropriation to the Indian education fund includes four million six hundred thousand dollars (\$4,600,000) to support tribal education departments. The public education department shall enter into agreements with tribal education departments for the purposes of disbursing funds. The public education department shall issue monthly distributions from the Indian education fund to New Mexico tribal education departments."</i></p>

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Standards-Based Assessments \$12.8 million High-Level Line Number: 44 GAA Page Number: 183	<p>The Legislature appropriated \$12.8 million to PED for standards-based assessments in FY26.</p> <p>The appropriation includes an increase of \$2.8 million from FY25. The governor vetoed language that would have made the increase contingent on PED providing quarterly interim assessment results to LESC, LFC, and DFA.</p>	<p><i>"The general fund appropriation for standards-based assessments includes two million seven hundred seventy thousand dollars (\$2,770,000) contingent on the department of finance and administration certifying the public education department has provided quarterly reporting of interim assessment results to the department of finance and administration, legislative finance committee and legislative education study committee."</i></p>

Below-the-Line Appropriations

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Universal School Meals \$42.2 million High-Level Line Number: 55 GAA Page Number: 136	<p>New Mexico's Healthy Universal School Meals program ensures K-12 students receive two meals during the school day at no cost to the student's family.</p> <p>Following federal reimbursement for school meals, the state covers the remaining balance for all meals reimbursed at the federal reduced and paid meal rates.</p> <p>The total cost of the program in FY25 was estimated at \$48.8 million. Given some uncertainty in the actual cost of the program, the FY26 budget also includes \$5 million for potential cost overruns (line 94).</p>	
Early Literacy and Reading Support \$14 million High-Level Line Number: 56 GAA Page Number: 135	<p>The Legislature appropriated \$14 million to PED for early literacy and reading support for FY26, the same amount appropriated in FY25. PED will continue to use this funding to support awards for structured literacy model and support schools and literacy coaches.</p> <p>Structured literacy is an umbrella term used to describe evidence-based approaches for helping students learn to read and write proficiently. A strong body of evidence supports the implementation of structured literacy to improve early literacy rates.</p>	
School Leader Professional Development \$5 million High-Level Line Number: 57 GAA Page Number: 135	<p>The Legislature appropriated \$5 million to PED for expenditure on school leader professional development.</p> <p>Research suggests effective school principal professional development creates explicit support for collaborative learning, includes applied learning experiences that are context-specific, and provides individualized support from coaches and mentors.</p>	

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Teacher Professional Development \$4 million High-Level Line Number: 58 GAA Page Number: 135	<p>The Legislature appropriated \$4 million to the PED for expenditure on teacher professional development.</p> <p>Research suggests effective teacher professional development is content focused, job-embedded, and of sustained duration.</p>	
Indian Education Initiatives (FY26-FY28) \$30 million High-Level Line Number: 83 GAA Page Number: 227	<p>In addition to a \$20 million appropriation to the Indian education fund, the Legislature provided \$30 million in funding for Indian education initiatives in FY26 through FY28.</p> <p>The funds will flow directly to New Mexico pueblos, tribes, and nations to implement the Indian Education Act. Effective uses of these funds could include culturally and linguistically relevant curriculum development, language preservation, tribal consultation, and educator training.</p>	<p><i>"To New Mexico pueblos, tribes and nations to support activities pursuant to the Indian Education Act for expenditure in fiscal years 2026 through 2028, with no more than ten million dollars (\$10,000,000) expended in each fiscal year to support activities pursuant to the Indian Education Act."</i></p>
Structured Literacy Implementation (Summer Literacy Institute) \$29 million High-Level Line Number: 84 GAA Page Number: 229	<p>The Legislature appropriated \$29 million to PED for implementation of a summer reading program for FY26, a decrease of \$1 million from FY25.</p> <p>New Mexico's summer reading program is a free program offering reading interventions for students in kindergarten through eighth grade. Efforts include focused reading instruction in small groups with trained literacy instructors. The goals of the program are to enhance literacy, track reading progress, and boost confidence and skills in literacy.</p>	<p><i>"For a reading intervention program based on the science of reading."</i></p>
Career and Technical Education \$40 million High-Level Line Nos.: 85, 102, 181 GAA Page Number: 226	<p>The Legislature appropriated a total of \$40 million to PED for career and technical education (CTE) initiatives for FY26, maintaining FY25 and FY24 levels of funding for CTE. The funding for FY26 is included in two separate appropriations.</p> <p>The bulk of CTE funds are included in a \$38.5 million appropriation to PED, which includes \$28.5 million from the general fund and \$10 million from a separate CTE fund. PED will determine how to allocate this funding for FY26. In previous fiscal years, this funding has flowed to school districts and charter schools for the NextGen CTE Pilot Program, Innovation Zones, work-based learning, career technical student organizations, and other career-connected learning efforts.</p> <p>The Legislature also appropriated \$1.5 million to PED to create a pilot program that offers funding to high schools whose students earn industry-recognized credentials. Language included in the GAA maintains many of the ideas proposed in SB64, which did not pass. The language requires PED to report on the effectiveness of the program by 2028.</p>	<p><i>"For the career technical education pilot project, including career technical student organizations, innovation zones and work-based learning initiatives. The other state funds appropriation is from the career technical education fund."</i></p> <p><i>"For a three-year career development success pilot project in high school that, upon completion, results in a credential recognized by business and industry locally, statewide or nationally that verifies a person's qualification and competence to work in an occupation, trade or profession. Any unexpended balances remaining at the end of fiscal year 2026 shall not revert and may be expended through fiscal year 2028. By December 31, 2028, the public education department shall provide a final report on the pilot project to the governor and the legislative education study committee that includes the department's assessment of the pilot project and legislative recommendations."</i></p>

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LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Educator Fellows \$20 million High-Level Line Number: 86 GAA Page Number: 226	<p>The GAA includes \$20 million for the Educator Fellows program and for Grow Your Own Teacher scholarships.</p> <p>The appropriation sets aside \$1 million for teacher recruitment pilots and programs. PED is required to prioritize awards to school districts and charter schools who provide local matching funds for participants.</p> <p>In 2024, the Legislature also appropriated \$60 million to the Government Results and Opportunity (GRO) fund for educator clinical experiences from FY25 through FY27, or about \$20 million per year.</p>	<p><i>“For the recruitment and retention of educator fellows and grow your own teacher scholarships pursuant to the Grow Your Own Teachers Act, including one million dollars (\$1,000,000) for teacher recruitment pilots and programs to improve the teacher workforce pipeline. The public education department shall prioritize awards to school districts and charter schools that provide local matching funds for participating educators.”</i></p>
Out-of-School Learning, Summer Enrichment, High-Dosage Tutors \$15 million High-Level Line Number: 87 GAA Page Number: 228	<p>The GAA includes \$15 million for out-of-school time programs, including after school and summer programs. The appropriation includes \$14 million specifically for out-of-school time programming, and \$1 million for tutoring programs focused on at-risk student literacy and STEM.</p> <p>Out-of-school time programs serve to engage and enrich students’ education and can include high-impact tutoring and academic supports, CTE, STEM activities, exposure to the arts, educational field trips, and more. In FY25, funding for high-impact tutoring represented the majority (\$8.5 million) of the \$15 million appropriation.</p>	<p><i>“For affordable, effective out-of-school time programs for school-aged youth statewide, including nutritional education programs. The general fund appropriation includes one million dollars (\$1,000,000) for tutoring programs for at-risk students in literacy, science, technology, engineering and math that incorporate social emotional learning and community service learning.”</i></p>
Statewide Student Information System \$12 million High-Level Line Number: 88 GAA Page Number: 229	<p>The Legislature appropriated \$12 million to PED to adopt a statewide student information system (SIS) and improve other data systems.</p> <p>Previous LESC and LFC analyses have noted the adoption of a statewide SIS could improve data quality by establishing uniform data collection and transformation techniques.</p> <p>PED plans to collect feedback from educators and administrators in regional engagement sessions to determine how the statewide SIS will be selected and implemented. Feedback provided to LESC staff on a statewide SIS has proposed that a statewide SIS should be an option, rather than a requirement, given the administrative burden associated with switching to a new SIS.</p>	<p><i>“For a statewide student information system and connected educational data systems in fiscal year 2026.”</i></p>
Summer Internships \$10 million High-Level Line Number: 89 GAA Page Number: 229	<p>The Legislature appropriated \$10 million to PED in FY26 for summer internship opportunities, maintaining FY25 funding levels for the program. Created in 2021, the program offers high school students summer internship opportunities with government and tribal entities statewide.</p>	<p><i>“For summer internship opportunities for working-age high school students.”</i></p>

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Community School and Family Engagement Initiatives \$6 million High-Level Line Number: 91 GAA Page Number: 226	<p>The Legislature appropriated \$6 million to PED—a \$2 million decrease from FY25—to support grant awards to school districts and charter schools to create and maintain community schools in FY26.</p> <p>Language in the GAA allows PED to use up to \$400 thousand to evaluate community schools' student outcomes and develop a process to accredit community schools.</p>	<p><i>“For community school and family engagement initiatives. Up to four hundred thousand dollars (\$400,000) may be used by the public education department to evaluate student outcomes and accredit community schools. The public education department shall prioritize awards to school districts and charter schools that provide local matching funds for community school coordinators.”</i></p>
Math Lab Pilot Project \$6 million High-Level Line Number: 92 GAA Page Number: 227	<p>The Legislature appropriated \$6 million to PED in FY26 through FY28, or \$2 million per year, for a math lab pilot project.</p> <p>The appropriation includes language specifying how the program will be designed and implemented, including testing, evaluation, and reporting requirements. Schools participating in the program are guaranteed a minimum award of \$100 thousand. The GAA language is consistent with SB116, a bill that was introduced but did not pass.</p>	<p><i>“For a three-year math lab pilot project for kindergarten through sixth grade that provides students with support and practice in mathematics with a focus on hands-on activities and project-based learning within a dedicated learning environment designed to improve student math skills. Participating public schools shall test students before, during and after the pilot project and follow those students through the remainder of the students' time in public school. The data collected during the pilot project and over time shall be evaluated biennially to help the public education department and the school districts determine the efficacy of math labs... Each annual grant award shall be a minimum of one hundred thousand dollars (\$100,000) for each participating public school.”</i></p>
School Improvement \$6 million High-Level Line Number: 93 GAA Page Number: 228	<p>The Legislature appropriated \$6 million to PED for school improvement activities. PED will have broad discretion over the funds, but may decide to use the funds to support programs for schools identified for support and improvement via the NM Vistas accountability system.</p>	<p><i>“For school improvement activities.”</i></p>
Youth Behavioral Health Supports (FY26-FY28) \$5 million High-Level Line Number: 95 GAA Page Number: 229	<p>The GAA includes a \$5 million appropriation from FY26 to FY28, or approximately \$1.7 million per year, to expand suicide prevention and behavioral health supports for students.</p> <p>The funds could help improve mental health outcomes by integrating comprehensive and accessible support within schools. LESC research in 2019—prior to the pandemic—found suicide was the leading cause of death for teenage youth in the state. About 10.5 percent of New Mexico high school students reported having attempted suicide, higher than the national rate of 8.9 percent.</p>	<p><i>“To expand suicide prevention and youth behavioral health supports in schools through educational resources, outreach, awareness, multi-component digital platforms and behavioral health services for expenditure in fiscal years 2026 through 2028. Any unexpended balance remaining at the end of fiscal year 2028 shall revert to the behavioral health trust fund.”</i></p>

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LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Special Education Initiatives \$4 million High-Level Line Number: 96 GAA Page Number: 229	The Legislature appropriated \$4 million to PED for special education initiatives, a decrease of \$2 million from FY25. PED could use the funding to promote its special education fellows, teachers, and leadership academies, provide professional development, and create accountability mechanisms to support school district and charter school compliance.	<i>"For the implementation of special education initiatives by the public education department."</i>
STEAM Initiatives \$3 million High-Level Line Number: 98 GAA Page Number: 229	The GAA appropriates \$3 million to PED for science, technology, engineering, arts, and math (STEAM) initiatives, reinstating funds that were not included in the FY25 budget. PED has historically used STEAM funding to support the work of the department's Math and Science Bureau.	<i>"For science, technology, engineering, arts and mathematics initiatives."</i>
STEM Network \$3 million High-Level Line Number: 101 GAA Page Number: 229	<p>The Legislature appropriated \$3 million to PED for a science, technology, engineering, and math (STEM) network.</p> <p>During the 2024 legislative interim, LESC staff highlighted ongoing work to connect existing STEM education, workforce, and community resources statewide to improve access to STEM resources, ensure a cohesive state approach to STEM, and create workforce pathways for New Mexico students. The resulting bill, SB107, outlined a proposed model for a STEM network consisting of a steering committee, a center of excellence at NMSU operating as the principal network hub, and tribal and regional hubs. While SB107 did not pass, this appropriation could support the creation and operation of the network.</p>	<i>"For the science, technology, engineering and math network."</i>
Administrator Preparation, Induction, and Evaluation \$2.3 million High-Level Line Number: 101 GAA Page Number: 226	<p>The Legislature appropriated \$2.3 million to the PED for the induction, preparation and evaluation of school administrators.</p> <p>HB157 requires site administrator preparation programs to meet national best practices. The bill also established separate licensure requirements for school principals and superintendents, including completion of mentoring and induction programs.</p>	<i>"For the induction, preparation and evaluation of school administrators contingent on enactment of House Bill 157 or similar legislation of the first session of the fifty-seventh legislature creating standards for induction, preparation and evaluation of school administrators."</i>

Public Education Reform Fund

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Support for Attendance for Success \$18.6 million High-Level Line Number: 135 GAA Page Numbers: 259, 266, 270	<p>The Legislature appropriated \$18.6 million to PED for FY26 through FY28, or \$6.2 million per year, for attendance initiatives to reduce student chronic absenteeism.</p> <p>PED will be required to design a program and an accompanying evaluation plan.</p> <p>LESC analysis has demonstrated that student absenteeism is a complex issue related to any number of student-specific root causes. While schools have control over some factors that may contribute to absenteeism, the issue is also related to deep, systemic issues such as student mental health and the perceived value of education.</p>	<p><i>“For attendance initiatives to reduce excessive student absenteeism, contingent on enactment of Senate Bill 201 or similar legislation of the first session of the fifty-seventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund.”</i></p> <p><i>“Up to two hundred thousand dollars (\$200,000) may be used by the public education department to conduct a randomized-controlled trial to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.”</i></p>
Secondary Educator Literacy \$15.6 million High-Level Line Number: 136 GAA Page Number: 260, 267, 271	<p>The Legislature appropriated \$15.6 million to PED for FY26 through FY28, or \$5.2 million per year, for implementation and evaluation of a secondary educator literacy program.</p> <p>PED will use this funding to begin training all sixth grade through 12th grade English language arts, English language development, and special education teachers using the <i>AIM Pathways to Proficient Reading: Secondary Training</i>.</p> <p>According to PED, the training will follow a phased approach similar to the phase-in of LETRS for elementary teachers. In FY26, sixth grade teachers will begin the training. In FY27, seventh and eighth grade teachers will begin the training. In FY28, ninth and 10th grade teachers will begin the training.</p> <p>PED will be required to design an evaluation plan to demonstrate the programs’ outcomes.</p>	<p><i>“For training secondary educators in evidence-based reading instruction, contingent on enactment of Senate Bill 201 or similar legislation of the first session of the fifty-seventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund.”</i></p> <p><i>“Up to two hundred thousand dollars (\$200,000) may be used by the public education department to conduct a randomized-controlled trial to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.”</i></p>
Math Achievement \$13.5 million High-Level Line Number: 137 GAA Page Number: 259, 266, 270	<p>The Legislature appropriated \$13.5 million to PED for FY26 through FY28, or \$4.5 million per year, for implementation and evaluation of evidence-based math instruction.</p> <p>PED will be required to design a program and an accompanying evaluation plan.</p>	<p><i>“For training educators in evidence-based math instruction, contingent on enactment of Senate Bill 201 or similar legislation of the first session of the fifty-seventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund.”</i></p> <p><i>“Up to two hundred thousand dollars (\$200,000) may be used by the public education department to conduct a randomized-controlled trial to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.”</i></p>

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LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Innovative Staffing Strategies \$7.8 million High-Level Line Number: 138 GAA Page Number: 259, 266, 271	<p>The Legislature appropriated \$7.8 million to PED for FY26 through FY28, or \$2.6 million per year, to pilot innovative or strategic school staffing models.</p> <p>PED will be required to design a program and an accompanying evaluation plan.</p> <p>The funds are intended to identify and test staffing models that better support teachers and expand the influence of highly effective teachers.</p>	<p><i>“For innovative or strategic school staffing models, contingent on enactment of Senate Bill 201 or similar legislation of the first session of the fifty-seventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund.”</i></p> <p><i>“Up to one hundred thousand dollars (\$100,000) may be used by the public education department to conduct a randomized controlled trial to evaluate and monitor outcomes. The public education department may waive requirements for class load, teaching load, minimum salary levels and staffing patterns for schools in the treatment group.”</i></p>
Supports for Students who are Unhoused \$6.3 million High-Level Line Number: 139 GAA Page Numbers: 259, 266, 270	<p>The Legislature appropriated \$6.3 million to PED for FY26 through FY28, or \$2.6 million per year, to pilot a program to support students who are unhoused.</p> <p>PED will be required to design a program and an accompanying evaluation plan.</p> <p>During the 2024 legislative interim, Albuquerque nonprofit New Mexico Appleseed presented a promising program to LESC. The program provided financial and educational assistance through conditional \$500 payments to homeless juniors and seniors in Cuba and West Las Vegas to support students who are inadequately housed. The findings showed improved academic outcomes, particularly in terms of student engagement and retention.</p>	<p><i>“For a pilot program to support students who are unhoused, contingent on enactment of Senate Bill 201 or similar legislation of the first session of the fifty-seventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund.”</i></p> <p><i>“Up to one hundred thousand dollars (\$100,000) may be used by the public education department to conduct a quasi-experimental study to evaluate and monitor outcomes.”</i></p>

Other Nonrecurring Appropriations

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Learning Management System (Microcredentials) \$3.7 million High-Level Line Number: 140 GAA Page Number: 227	<p>The Legislature appropriated \$3.7 million to PED to continue funding the learning management system, an online platform used to deliver learning resources to students, teachers, and educators. This system houses PED’s educator microcredentials.</p>	<p><i>“For the learning management system that delivers learning resources to students, educators and administrators outside of the classroom setting. The other state funds appropriation is from the public education reform fund.”</i></p>
Wellness Room Pilot \$1 million High-Level Line Number: 147 GAA Page Number: 230	<p>The Legislature appropriated \$1 million to PED to support wellness rooms in public schools, including staffing and equipment purchases. Wellness rooms offer students a calming place to go for short periods for support or to regulate their emotions.</p>	<p><i>“To pilot wellness rooms in school districts and charter schools. The other state funds appropriation is from the public education reform fund.”</i></p>

LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Hispanic Education Act \$500 thousand High-Level Line Number: 142 GAA Page Number: 227	<p>The Hispanic Education Act aims to improve educational outcomes for Hispanic students in New Mexico. In 2025, the Legislature passed HB487 to strengthen the act by promoting academic and lifelong success and expanding its purpose to preserve New Mexico’s heritage Spanish language and culture. Additionally, HM43 called on LESC and statewide education leaders to review both the Hispanic Education Act and the Bilingual Multicultural Education Act, with a focus on successful initiatives and funding structures.</p> <p>To meet the act’s goals, funding should support bilingual teacher training, teachers of English to speakers of other languages (TESOL) certification, culturally and linguistically responsive instruction rooted in students’ communities, and improved data collection and analysis.</p>	<p><i>“For purposes pursuant to the Hispanic Education Act.”</i></p>
Black Education Act \$500 thousand High-Level Line Number: 143 GAA Page Number: 225	<p>The Black Education Act aims to advance equity for Black students in New Mexico. The act created a liaison and an advisory council and requires anti-racism and racial sensitivity training for school personnel. PED and HED are required to collaborate in developing culturally relevant curricula and expanding job opportunities for Black educators.</p> <p>Expenditures should align with the act’s objectives, including the development of culturally responsive curricula and instructional materials, improving student outcomes, educator training and representation, and student support services.</p>	<p><i>“For purposes pursuant to the Black Education Act.”</i></p>
Bilingual Multicultural Education Act \$500 thousand High-Level Line Number: 144 GAA Page Number: 225	<p>The Bilingual Multicultural Education Act promotes bilingualism, biliteracy, and cultural understanding for all students, especially English learners. During the 2025 legislative session, lawmakers passed HM43, requesting that LESC and statewide education leaders review both the Hispanic Education Act and the Bilingual Multicultural Education Act, with a focus on successful initiatives and funding structures.</p> <p>The Bilingual Multicultural Education Act has not consistently received dedicated funding. However, the Legislature has long supported bilingual and English learner education through the SEG and other funding streams.</p> <p>The FY26 appropriation may support program implementation, educator professional development, and evaluation of bilingual programs.</p>	<p><i>“For purposes pursuant to the Bilingual Multicultural Education Act.”</i></p>

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LINE ITEM	EXPLANATION	SELECT BUDGET LANGUAGE
Security, CTE, Maintenance and Repair SB9 Distribution \$50 million High-Level Line Number: 157 HB450 Page Number: 245	<p>HB450, the statewide capital outlay bill for FY26, includes a \$50 million appropriation to the Public School Facilities Authority (PSFA) for school security, CTE equipment, school maintenance, and repair.</p> <p>The distribution methodology of the \$50 million allocation will be proportional to the FY26 SB9 distribution amount calculated by PED, with a \$100 thousand minimum distribution to each school district.</p> <p>PSFA will administer the distribution and communicate each school district's calculated distribution amount.</p> <p>The distribution will not affect the local match of any school district for any potential PSCOC funding award.</p>	<p><i>"Fifty million dollars (\$50,000,000) is appropriated from the public school capital outlay fund to the public school facilities authority to make a distribution to each school district in fiscal year 2026 for school security improvements, career-technical education facilities or for the maintenance and repair of public school buildings for expenditure in fiscal year 2026 and subsequent fiscal years. The public school facilities authority shall make the distribution to each school district in a manner such that each school district receives the greater of one hundred thousand dollars (\$100,000) or a percentage of the total appropriation."</i></p>
Electric Vehicle and Infrastructure Distribution \$60 million High-Level Line Number: 158 GAA Page Number: 230	<p>The GAA includes a \$60 million appropriation from the newly created community benefit fund to PSFA for electric vehicle charging infrastructure and to upgrade diesel buses to electric buses. These funds may be expended in FY26, FY27, and FY28.</p> <p>The appropriation will support school districts in transitioning from diesel-powered school buses to electric school buses. A cost-effective mechanism for distribution would be covering the cost difference between available replacement funds received by the school district and the price of an electric school bus, as well as the cost of charging infrastructure.</p> <p>PSFA staff will administer the allocation of these funds to school districts and establish distribution and program guidelines.</p>	<p><i>"For electric vehicle charging infrastructure for school districts, including the cost of upgrading from diesel-fueled school buses to electric school buses for expenditure in fiscal years 2026 through 2028, contingent on the passage of Senate Bill 48 or similar legislation of the first session of the fifty-seventh legislature creating the community benefit fund. The other state funds appropriation is from the community benefit fund."</i></p>



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