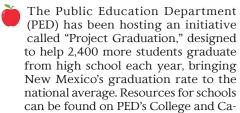
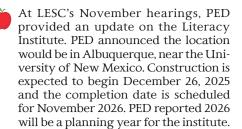


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a publication of the Legislative Education Study Committee

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

#### From the Chair

It has been a busy interim for LESC. We've traveled from Roswell to Gallup, Las Vegas to Las Cruces, and a few places in between. We learned about the efforts school districts and charter schools are making to improve literacy and math outcomes, how they're using career and technical education to engage students, how dual language education could be a key to improving outcomes for English learners, and how the state can strengthen educator preparation.

Those lessons are culminating in the committee's proposed endorsed legislation and budget proposal, which we will consider at our December hearing. From lightening the burden of paying insurance premiums for educators to creating stronger structures to improve math and reading instruction and interventions, LESC is committed to introducing legislation that improves and supports public education in New Mexico.

Even at a time when state revenue growth is slowing, LESC continues to advocate for more opportunities for students, families, and schools. The committee's proposed budget recommendation includes an expansion of out-of-school-time opportunities and increases to funding for highimpact tutoring and community schools. It also includes continued funding for career-connected learning, including career and technical education, work-based learning, and internships.

Current and future educators also need our support. LESC is considering a 3 percent salary increase for all school employees, as well as continued funding for Educator Fellows, a promising pathway into the teaching field, along with funding for continued professional learning.

Our travels help us hear from the people most impacted by the decisions we make. Their feedback was loud and clear. We listened.

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## Aligning School Resources for Student Success

The Legislature has significantly increased its investment in public education to build local capacity for sustained improvements in student outcomes, particularly following decades of revenue instability that adversely impacted New Mexico's public schools. In many school districts and charter schools, however, actions have not quite aligned, resulting in short-term, reactionary strategies. As a result, New Mexico's public education system remains fragmented, with the Legislature, Public Education Department (PED), and local schools sometimes working toward different strategic objectives, timelines, and measures of success.

This lack of strategic alignment presents a growing challenge as public schools experience doubledigit enrollment declines alongside shifts in the needs of low-income students, English learners, and students with disabilities. While some school districts and charter schools have begun adopting longterm strategic resource management—intentionally aligning time, staffing, and funding—others have not. Without a cohesive approach, these trends risk creating increasingly difficult conditions with cascading effects across the system.

In response, the Legislature and PED have developed planning tools intended to support locally responsive decision-making, including facility master plans and Educational Plans. However, as these requirements have expanded, they have become increasingly disconnected from one another. This fragmentation reflects a broader lack of coordination across local, state, and federal funding and planning processes, limiting the impact of legislative investments on student outcomes.

New Mexico is not alone in facing these challenges. States across the country are responding to declining enrollment, changing student needs, and tighter fiscal conditions. Common local and state responses include encouraging more strategic use of multiple funding sources and consolidating planning processes—approaches recently proposed by PED to improve coherence and reduce administrative burden. As school districts and charter schools navigate evolving demands, policymakers have an opportunity to ensure resources are better aligned with long-term goals that support student outcomes and educator well-being. This includes continued use of multi-year appropriations, a

(continued on back)

### Measuring School Climate in New Mexico

When asked how to tell whether a school has a healthy, positive climate, it is common to hear the refrain: you can feel it. While this sentiment can be true, it understates the intentional choices and systems that shape how schools function and how students experience them each day. Since 2023, the Public Education Department (PED) has partnered with Panorama Education, a national company, to measure student perceptions of school climate statewide through voluntary surveys administered in participating schools. During the fall 2024 survey window, more than 115,000 student responses were collected across the two student survey sections, providing one of the most comprehensive snapshots of school climate in New Mexico to date.

The Student Supports and Environment portion of the survey asks students to reflect on their perceptions

of school safety and climate, including interactions among students and staff, facility conditions, behavioral supports, and how students are treated by teachers. Statewide, 57 percent of students in grades three through five reported positive perceptions of school climate, and 58 percent reported positive perceptions of school safety. Among students in grades six through 12, 55 percent reported feeling safe at school, but only 38 percent had a positive perception of overall school climate—a result that places New Mexico in the lowest national percentile range for older students.

The Student Well-Being and Competency portion asks students to reflect on their own social-emotional skills and confidence in their abilities. Across grade levels, many students reported positive self-management skills. However, perceptions of belonging and self-

efficacy were notably lower, particularly among older students. In fall 2024, 63 percent of students in grades three through five reported a positive sense of belonging, compared with 45 percent of students in grades six through 12. Student confidence in their ability to succeed academically was low across both groups, with just 48 percent of younger students and 38 percent of older students reporting positive self-efficacy.

Overall, the Panorama survey results indicate many New Mexico students—especially those in middle and high school—experience school environments that feel less supportive and engaging than those of their peers nationwide. LESC staff and PED will present lawmakers with an overview of these findings alongside ongoing school climate initiatives at LESC's hearings on Wednesday, December 17.

## Aligning Resources

(continued from front)

\$2.5 million investment to support PED in incorporating state grants into the unified federal application and consolidating existing planning processes into a centralized framework.

Through these efforts, New Mexico could see a more aligned and intentional use of both state and local resources to improve student outcomes.

LESC will hear more about strategic resource management ideas during its hearing on Wednesday, December 17.

#### inform ED

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# State Revenue Forecasts Ahead of the 2026 Legislative Session

December 2025 Consensus General Fund Recurring Revenue Estimate			
(in millions)			
	FY25	FY26	<u>FY27</u>
August 2025 Consensus	\$13,654.8	\$13,706.0	\$14,109.9
December 2025 Adjustments	(\$59.1)	(\$322.9)	(\$196.7)
December 2025 Consensus	\$13,595.7	\$13,383.1	\$13,913.2
Annual amount change	\$545.5	(\$212.6)	\$530.2
Annual percent change	4.2%	(-1.6%)	4.0%

Note: Parentheses ( ) denotes a negative number; General fund amounts above do not include oil and gas revenues distributed to the tax stabilization reserve, early childhood trust fund, Medicaid trust fund, behavioral health trust fund or the severance tax permanent fund, or other funds.

At December 2025 Legislative Finance Commitee hearings, the state's Consensus Revenue Estimating Group (CREG)—comprised of economists from LFC, the Department of Finance and Administration, the Taxation and Revenue Department, and the Department of Transportation—released updated revenue projections for the next several fiscal years. For fiscal year 2027 (FY27), CREG estimates \$105.7 million in "new money," a \$196.7 million decrease from its August projection.

The downward revision was driven in part by lower than expected corporate income tax collections, partly due to changes enacted under the federal "One Big Beautiful Bill Act" in 2025, which eventually flow into New Mexico's tax code through conformity. Despite the reduced estimate, CREG projects recurring revenue in FY27 will still exceed recurring spending in FY26 by \$3.1 billion.

Distributions from the land grant permanent fund are expected to continue increasing, reaching \$1.7 billion in FY27—\$164.6 million more than FY26—and growing to an estimated \$2.2 billion by FY30.