



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT  
BILL ANALYSIS  
2026 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

Original ☒ Amendment ☐  
Correction ☐ Substitute ☐

Date Prepared: January 19 2026

Bill No: HB47

Committee Referrals: HPREF

**Agency Name and Code:** PED - 924

**Sponsor:** Lara / Figueroa / Stewart

**PED Lead Analyst:** David Craig

**Phone:** (505) 670-7550 **Email:** [david.craig@ped.nm.gov](mailto:david.craig@ped.nm.gov)

**Short Title:** SCHOOL EMPLOYEE  
INSURANCE CHANGES

**PED Policy Senior Manager:** denise terrazas

**Phone:** (505) 470-5303 **Email:** [denise.terrazas@ped.nm.gov](mailto:denise.terrazas@ped.nm.gov)

**SECTION II: FISCAL IMPACT**

(Parenthesis ( ) Indicate Expenditure Decreases)

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
\$73,153.9	None	Recurring	GF

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		
None	None	None	N/A	NFA

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$125.0	\$125.0	\$125.0	\$375.0	Recurring	GF

Duplicates/Relates to Appropriation in the General Appropriation Act: The Legislative Finance Committee budget recommendation includes an appropriation of \$73,153,900 to increase the employer share of insurance premium contributions for school staff to 80 percent.

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: House Bill 47 (HB47) would require school districts and charter schools to pay at least 80 percent of employee group insurance costs, replacing the existing salary-tiered employer contribution schedule. The bill would also require a comprehensive study to evaluate the sustainability of public school employee insurance and identify potential statutory changes.

The bill has an effective date of July 1, 2026.

#### **FISCAL IMPLICATIONS**

HB47 appropriates \$73,153,900 from the General Fund to the Public School Fund for expenditure in FY27 for the State Equalization Guarantee (SEG) distribution. Any unexpended balance remaining at the end of FY27 shall revert to the General Fund.

Based on estimates provided to the Public Education Department (PED) in June 2025, the New Mexico Public School Insurance Authority (NMPSIA) estimates the FY27 incremental cost of implementing a minimum 80/20 employer-employee split for NMPSIA-participating public school employers to be between \$37.191 million (using a current employer contribution baseline) and \$62.306 million (using the statutory baseline).

Based on estimates provided to PED in December 2025, Albuquerque Public Schools (APS) estimates the FY27 incremental cost of implementing a minimum 80/20 employer-employee split for APS employees to be \$25.4 million (assuming current membership).

Combined, NMPSIA and APS estimates indicate an incremental FY27 cost of approximately \$62.6 million to \$87.7 million, depending on baseline assumptions.

**Employee benefit programs improve employee recruitment, retention, and performance.** Implementing an 80/20 employer-employee split may increase employee participation in employer-sponsored coverage or shift enrollment toward higher-cost plan options. The Employee Benefit Research Institute, a nonpartisan, nonprofit research organization, [found](#) that most organizations improved employee satisfaction, recruiting, retention, performance and employee health as a result of employee benefit programs. With an approximate teacher vacancy rate of 680, the 80/20 employer-employee split proposed by the bill may help school districts and charter schools recruit and retain educators.

#### **SIGNIFICANT ISSUES**

The bill would require the Legislative Education Study Committee, in collaboration with the Legislative Finance Committee (LFC), NMPSIA, APS, PED, and the Health Care Authority (HCA) to conduct a comprehensive study of public school employee insurance programs and produce a final report regarding the sustainability of insurance programs for public school employees. The study must evaluate future needs and integration options, including actions needed to integrate group health insurance and alternative plans across NMPSIA, HCA, and APS.

HB47 would direct the participating agencies to identify any needed legislative action for the 2027 legislative session and would require a final report by October 1, 2026. A report deadline of

October 1 occurs after the PED budget submission deadline of September 1; the study's recommendations would be too late to inform the PED budget request for FY28.

## **PERFORMANCE IMPLICATIONS**

None.

## **ADMINISTRATIVE IMPLICATIONS**

While PED would not administer health insurance programs, PED might play a key role by (1) coordinating education-sector participation, (2) providing and validating statewide school employer data needed for credible cost modeling, and (3) translating study findings into SEG and public school fund budget planning implications.

PED would also support statewide implementation by helping communicate compliance expectations to districts and charter schools (in coordination with NMPSIA and APS) and by assessing the feasibility of any integration options or legislative recommendations. This work would require significant staff time and cross-agency coordination under compressed timelines. PED estimates 1.0 FTE would be required to implement the provisions of the bill.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

## **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

None.

## **ALTERNATIVES**

The sponsor may wish to consider including the Interagency Benefits Advisory Committee's (IBAC's) input in their required LESC study.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo for public school and charter school employee group insurance costs.

## **AMENDMENTS**

None.