

LFC Requester:

Sunny Liu

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/17/2026

Check all that apply:

Bill Number: HM 61

Original X Correction

Amendment Substitute

Sponsor: Raymundo Lara

**Agency Name
and Code
Number:**

New Mexico Public Schools Insurance
Authority-34200

**Person Writing
Analysis:**

Dominique Williams/Kaylynn Roybal

**Short
Title:** STUDY SCHOOL STAFF
COMPENSATION

Phone: 505-469-5541

Email: Dominique.williams@psia.nm.gov
Kaylynn.roybal@psia.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
none			none

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
none				none

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	none					none

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Memorial 61 requests the Legislative Education Study Committee to conduct a study on compensation for classified public school and school district employees in New Mexico. Employees include educational assistants, instructional support providers, bus drivers, food service workers, custodians, and security personnel.

This study should examine compensation for classified school employees, the statewide cost of living and housing availability, and options to improve compensation, including career advancement opportunities and salary differentials based on experience, credentials or staffing needs. The Legislative Education Study Committee must collaborate with stakeholders and report findings and recommendations to the Governor and Legislature by October 31, 2026.

FISCAL IMPLICATIONS

There is no additional funding for LESC to conduct this study.

SIGNIFICANT ISSUES

HM61 highlights significant staffing shortages, with particularly high shortages in special education. Concerns arise out of regional bus driver shortages and salary compaction. Despite recent legislative increases setting minimum salaries for some classified positions at \$25,000 annually, pay remains below national averages and below living wage estimates in many parts of New Mexico.

PERFORMANCE IMPLICATIONS

While NMPSIA is not the employer and therefore does not take a position on employee compensation levels, our role as a health plan administrator allows us to observe patterns in benefit utilization and enrollment that can potentially help illustrate the employee experience. Our data can potentially be used to assess data points such as whether, in higher-cost areas or during periods of economic strain, employees are more likely to drop dependent coverage, shift into lower-cost or higher-deductible plans, or delay or forgo care due to affordability concerns. Reviewing trends such as enrollment shifts toward or away from high-premium plans during nationwide economic downturns, changes in preventive care use, and growth in avoidable acute care can potentially help visualize the cumulative burden placed on employees and their families.

ADMINISTRATIVE IMPLICATIONS

The Report is due October 31, 2026. LESC is directed to report its research, findings and recommendations to the Governor and the Legislature, with copies to LFC and PED.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 2 – State Budget, compensation for state employees

HB 30 - Teacher Residency Act Changes

SB 4 – Medical Residents and Fellows Salaries

SJR 2 - Legislative Salaries

TECHNICAL ISSUES

NMSU prepares an annual Teacher Vacancy Report to provide an understanding of public schools' staffing needs. How will the LESC study rely on, enhance or duplicate the NMSU annual report?

The 2025 report link:

<https://alliance.nmsu.edu/soar-center/2025-New-Mexico-Educator-Vacancy-Report.pdf>

<https://alliance.nmsu.edu/soar-home.html>

OTHER SUBSTANTIVE ISSUES

LESC is directed to gather and include input from legislative finance committee, the public education department, local school districts, charter schools and public school employees' unions in producing the Report.

ALTERNATIVES

As the study considers whether compensation is appropriate and how it might be adjusted, NMPSIA believes it is valuable to highlight the connection between employee wellness and total compensation. The most renowned employee wellness programs recognize that the single most precious resource employees have is time. They need the time to care for themselves, to seek preventive care, and to manage their health without added stress or procedural rigor. Consistently, aside from cost, the most common barrier to preventive care is simply lack of time. Incorporating mandatory or highly encouraged opportunities for employees to take the time for their healthcare can have meaningful impacts on health, engagement, and long-term productivity.

In this context, NMPSIA advocates that compensation discussions not only consider wages but also how policies and practices can create space for employees to prioritize wellness, which in turn can enhance retention, reduce absenteeism, and strengthen workforce resilience. Additionally, it should be noted, NMPSIA continues to see preventive screening adherence drop while high-cost claimants rise, highlighting that without attention to time and wellness, employees may face greater health burdens. Until both time and cost are not barriers, school districts and employees will likely continue to see premium increases to account for the year-over-year growth in high-cost claims, while the Legislature continues to allocate additional resources to support sustainability.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Public schools will rely on current data to make compensation decisions.

AMENDMENTS

None noted at this time.