Below-the-Line Appropriations
Joint Accountability Report

Executive Summary

Most funding for public education in New Mexico is allocated directly to school districts and charter schools through the public school funding formula, and decisions about how to spend it are largely made by those local entities. An increasing share, however, is appropriated outside the formula to the Public Education Department (PED) for specific purposes. Both the number and dollar amount of these "below-the-line" appropriations have more than doubled since 2018, to $325 million in the 2026-2027 fiscal year (FY27). State-directed appropriations can support sustained investments in evidence-based programs that improve student outcomes, as was the case with Mississippi's early literacy program. However, state direction carries risks as well as benefits, and the same appropriations that can focus the education system on shared priorities can also pull it in many directions at once.

In the 2018 *Martinez-Yazzie* education sufficiency lawsuit ruling, the court cautioned that state-directed below-the-line appropriations not rooted in evidence and implemented without adequate guardrails could hurt student outcomes by diverting resources away from core educational needs and the public school funding formula. Whether below-the-line funding in New Mexico strengthens the education system or contributes to its fragmentation largely depends on decisions made by both the Legislature and executive branch.

For the Legislature, those decisions center on how each appropriation is structured: how long funding lasts, and what results are expected. Statutory commitments and ongoing priorities need stable funding that recipients can plan and hire around, while pilots need funding that lasts long enough to be evaluated, along with criteria for deciding whether to expand or end them. The public education reform fund (PERF) now funds programs over multiple years with built-in, high-quality evaluation, but not all below-the-line appropriations have a robust framework to match structure to purpose.

Many below-the-line appropriations describe a goal, like providing behavioral health support, rather than a specific program, leaving PED to decide what the funding pays for and who delivers it. PED can award grants to districts and charter schools, contract with regional education cooperatives or private vendors, or do the work itself. The department's choices about how to allocate funding affect cost and accountability. Administrative overhead can become a significant driver of costs, depending on whether PED oversees an initiative itself or contracts it out. Between FY23 and FY26, PED paid an estimated $19 million in administrative fees to regional education cooperatives. Regardless of how it is allocated, funding is most likely to improve student outcomes when it supports approaches with evidence of effectiveness, reaches the students who need it most early enough in the school year to matter, and has measurable outcomes set before funds go out.

Currently, how the Legislature structures an appropriation often limits what PED can design, and what PED measures largely determines what the Legislature can learn about results. A more strategic system would match each appropriation's structure to its purpose, direct funds to initiatives with evidence of effectiveness, and build in measures of success from the start. This joint report examines how below-the-line funding is currently appropriated and administered, explores certain below-the-line appropriations in depth, and identifies opportunities for the Legislature and PED to refine current systems.

FY27 Above-the-Line Funding

State equalization guarantee (SEG)
$4.6 billion

Categorical appropriations
(Transportation, supplemental)
$145 million

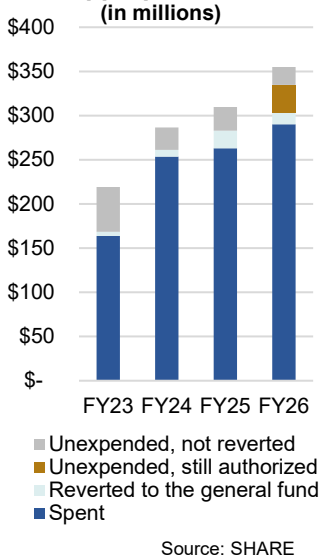
FY27 Below-the-Line Funding

PED Section 4 Special Appropriations
(Universal School Meals, Early Literacy)
$100 million

PED Section 5 Special Appropriations
(Out-of-school Time, NextGen CTE)
$167 million

PED Section 9 Special Appropriations
(Innovation Zones, Attendance)
$57 million

Below-the-line appropriations
(in millions)



Source: SHARE

Below-the-Line Appropriations
Joint Accountability Report

Background

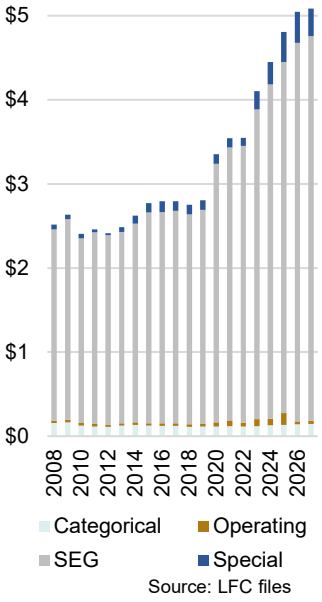
Public schools in New Mexico generally receive more than 90 percent of state funding through the public school funding formula, also known as the state equalization guarantee (SEG), designed to equalize the distribution of education resources for students. Local districts and charter schools have broad discretion over how that funding is spent. Below-the-line appropriations, by contrast, are generally made to the Public Education Department (PED) for specific purposes. They may or may not recur, and some, such as appropriations from the public education reform fund, are typically available for more than one fiscal year. Funds that do not remain within PED—the majority of funds—are typically distributed as grants to districts and charter schools, through intergovernmental agreements with regional education cooperatives (RECs) or higher education institutions, or through contracts with private vendors.

The Legislature addressed the findings of the court in the* Martinez-Yazzie *decision by almost doubling formula funding. In its 2018 ruling, the First Judicial District Court found that New Mexico had failed to provide at-risk students with the programs, services, and resources necessary for a constitutionally sufficient education. In response, the Legislature has increased the amount of funding flowing to districts and charter schools through the public school funding formula by 83 percent since 2018, allowing for increased teacher salaries, hiring counselors, and support for other actions recommended by the court. Below-the-line appropriations sit on top of those formula appropriations, adding hundreds of millions of dollars a year to overall public education funding.

Below-the-line appropriations have nearly tripled since the* Martinez-Yazzie *decision, to $325 million in FY27, with significant investments in supporting extended learning, educator development, and various reading and math intervention initiatives. Below-the-line appropriations have grown faster than either formula or categorical funding since FY18. In FY27, the Legislature appropriated $4.6 billion to public education through the funding formula, $145 million for student transportation and other categorical costs, and $325 million through below-the-line appropriations. Below-the-line funding has grown 188 percent since FY18, with the steepest growth since FY23. The largest shares of that funding supported extended learning, educator development, and reading and math interventions (Chart 3). Some programs once funded below the line, such as K-12 Plus extended learning time and instructional materials, have moved into the public school funding formula, while others funded year after year, such as early literacy and school leader professional development, remain below the line.

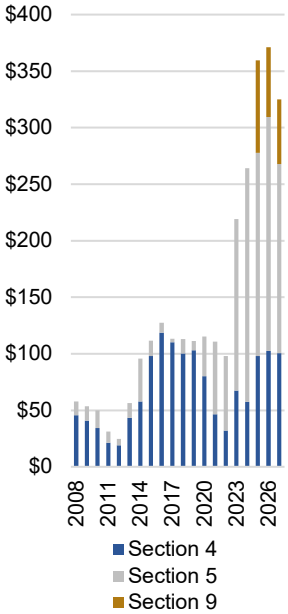
The* Martinez-Yazzie *court found that below-the-line funding could support effective programs like K-3 Plus, but was too often unstable, unevenly distributed, and of unknown effectiveness. In its findings of fact and conclusions of law, the court determined that below-the-line funding contributed to the inadequacy of state public education funding. The court emphasized that below-the-line appropriations are often distributed through competitive grants and may be terminated in any given year, which the court reasoned made the initiatives difficult to sustain and limited in their reach. In its findings, the court noted, "Below-the-line funding tends to disequalize school funding, divert resources away from core educational needs and dilute funding that could be channeled through the [public school funding formula]." The same findings included testimony that several programs funded below the line at the time of the ruling were not evidence-based and had "unknown"

Chart 1. State Appropriations to Public Education
(in billions)



Source: LFC files

Chart 2. State Public Education Below-the-Line Appropriations
(in millions)

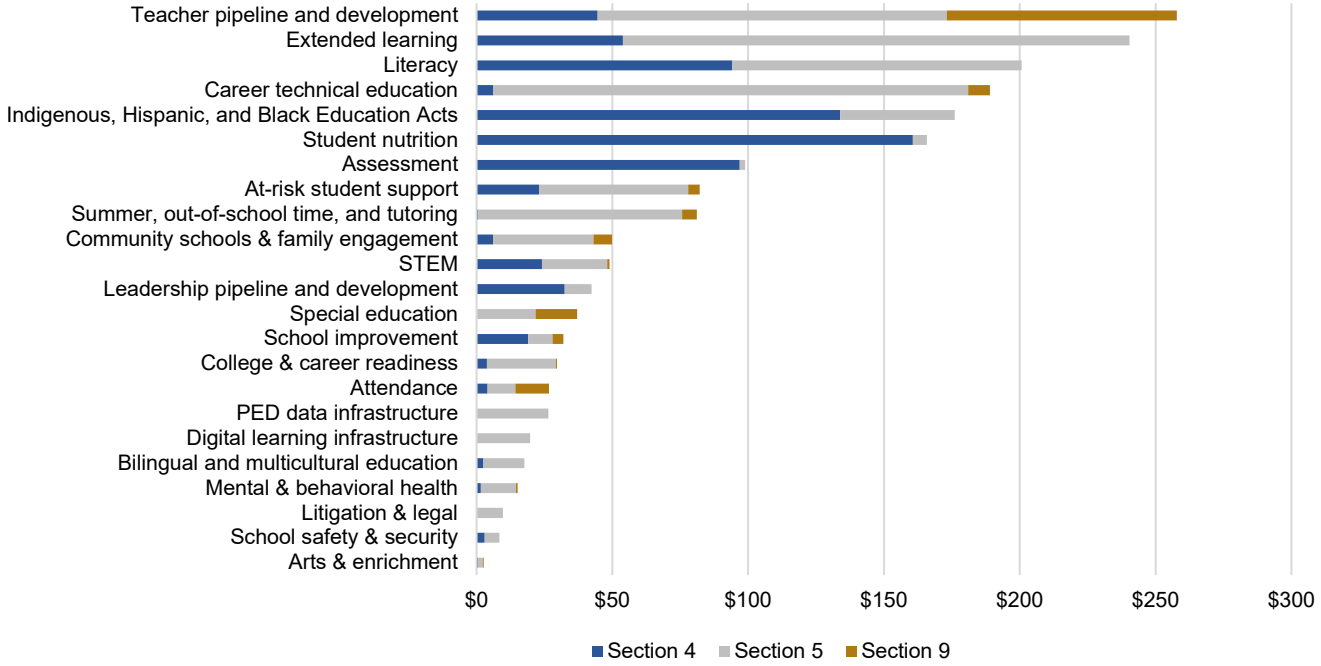


Source: LFC files

capacity to produce results. However, the court simultaneously found that several programs funded exclusively below the line, like K-3 Plus, were effective at improving student outcomes, and recommended funding to make them accessible to all students who could benefit from them.

An increasing number of below-the-line appropriations flow through the public education reform fund, addressing several of the court's concerns by providing an opportunity to pilot programs and measure impact. The 2026 General Appropriation Act (GAA) included $325 million in below-the-line appropriations for 52 public education initiatives, ranging from $200 thousand for regional and statewide school safety summits to $42 million for universal school meals. While 82 percent of that funding flowed through Sections 4 and 5 of the GAA, the remainder flowed through the public education reform fund (PERF) in Section 9. In 2025, the Legislature restructured the PERF as a targeted multiyear research and development fund and added evaluation and reporting requirements. Those changes address several of the *Martinez-Yazzie* court's concerns, including funding instability and unknown effectiveness. The eight current PERF projects are slated to receive $117 million over three years. The executive and legislative branches are statutorily directed to collaborate on establishing desired outcomes and evaluation plans for the projects, and to make a recommendation for continuation or sunset in the final year of funding. As a result of those requirements, this report generally does not examine PERF appropriations.

Chart 3. Below-the-Line Appropriations for Public Education by Purpose and General Appropriation Act Section, FY18-27
(in millions)



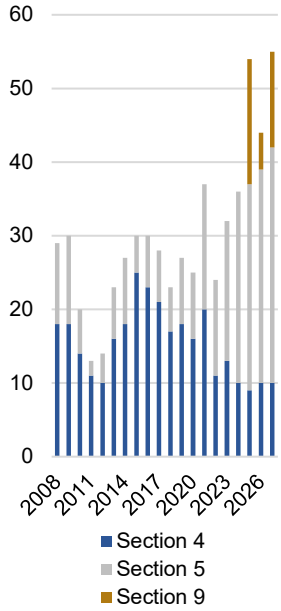
Multiyear appropriations from the public education reform fund and the government results and opportunity fund are shown as annual amounts through FY27; Chart 2 counts them in full in the year appropriated. Excludes prekindergarten, REC operations. Source: LFC files

Below-the-line appropriations could benefit from being better structured to fit their purpose.

A 2024 LFC-LESC brief concluded that a more strategic approach to below-the-line appropriations first requires distinguishing among the different purposes they serve. As a starting point, this brief sorts below-the-line appropriations into four categories based on how they are currently used: statutory, programmatic, time-limited, and agency functions.

Neither an appropriation's purpose nor its place in the budget reliably determines how it is structured. A below-the-line appropriation's structure, meaning how long funding lasts and what evaluation or reporting is required, is shaped partly by where it appears in the General Appropriation Act (GAA), although no rule ties a section to a particular structure. Below-the-line appropriations in Section 4 generally continue from year to year. Section 5 special appropriations are generally nonrecurring. Appropriations in Section 9, which also includes multiyear spending from the government results and opportunity fund, are from the public education reform fund (PERF) and typically made for multiple years with evaluation requirements. However, those patterns are not consistent. Section 4 appropriations are not always continued, many Section 5 appropriations are renewed year after year, and Section 9 includes initiatives that are not structured as pilots. Placement also does not follow purpose; appropriations serving the same purpose (as outlined in the callout box below) appear across all three sections. In FY27, for example, programmatic priorities were funded in each, with school leader professional development in Section 4, career technical education and out-of-school time in Section 5, and attendance initiatives in Section 9.

Chart 4. Count of Individual Below-the-Line Appropriations



Source: LFC files

Categories of Current Below-the-Line Spending

Note that these categories describe current practice and are not a recommendation that these purposes be funded below the line. In-depth case studies from each of these categories are included in the second part of this report, starting on page 21.

1. **Statutory:** Funds ongoing programs, services, or responsibilities specifically established in state law. Although the Legislature determines the amount appropriated each year, these items implement policy commitments that already exist in statute. Examples include universal school meals and state assessments.
2. **Programmatic:** Funds state priorities for improving student outcomes and school performance. These investments often receive funding year after year and may function more like recurring programs, but the Legislature retains greater discretion over their funding levels and design. Examples include career and technical education, out-of-school time, and school leader professional development.
3. **Time-limited:** Funds a new initiative or covers a one-time cost. May include pilots meant to be evaluated, equipment, infrastructure, or other projects that are not consistently funded year over year. Examples include one-time school improvement funding and one-time behavioral health funding.
4. **Agency functions:** Funds work within PED's core responsibility to administer and oversee the public education system. Examples include the statewide student information system and support for implementing bilingual multicultural education statewide.

Proliferating below-the-line appropriations can be duplicative of each other, or local efforts. In some cases, programs with the same or similar descriptions may be funded in multiple places within the GAA. For example, in FY27, the Legislature appropriated $2 million for "literacy coaches" in Section 4 of the GAA while simultaneously awarding $14.6 million for "literacy coaches for schools in the lowest quartile" in Section 5. The Section 5 funding is available for up to three years without any guardrails on when PED spends it, and

it has already spent $5.9 million of the appropriation on take-home reading packets. Separately, a three-year PERF award for "training secondary educators in evidence-based reading instruction" is ongoing through FY28. Districts and charter schools also frequently hire their own instructional coaches separately, with funding from the public school funding formula, and state efforts may or may not be aligned with those initiatives.

Many ongoing programs are funded through nonrecurring appropriations. Nonrecurring appropriations typically appear in Section 5 of the GAA and must be renewed in the subsequent legislative session if they are going to continue. Between FY18 and FY27, the Legislature made 185 appropriations to PED in Section 5 for a wide range of purposes. Some appropriations fund initiatives with an eventual end point, such as the FY26 appropriation 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." Others fund programs with no evident end point, such as out-of-school time programs, which have been funded in Section 5 every year since FY24. Funding an ongoing program through repeated nonrecurring appropriations gives up the advantages of both approaches. Nonrecurring funding is meant to preserve the Legislature's flexibility to reduce or end a commitment, but repeated renewal creates an expectation that the program will continue, which makes it harder to end without clear criteria for doing so. At the same time, because each renewal is a separate decision, recipients cannot count on the funding, and districts and charter schools may be reluctant to hire staff or make multiyear commitments. Additionally, Section 5 has no expectation to evaluate outcomes.

A clearer statutory framework for matching the structure of an appropriation to its purpose could make funding more predictable and results easier to evaluate. Figure 1 outlines a potential framework to align the placement of an appropriation in the GAA to how long funding is expected to last and what results the appropriation must demonstrate to continue. The framework could serve as a common basis for the Legislature to decide when an initiative should move from one section to another, or end.

Figure 1. A Conceptual Framework for Pairing Purpose with Appropriation Structure

Appropriation Purpose	Best-fit Vehicle	Accountability Expected
(a) Planning for implementation of a program that does not yet exist in the state; or (b) a one-time need, such as a purchase, study, event or project. Lasts one year or less.	Section 5, nonrecurring	(a) Planning report by July 1 of the following fiscal year covering the program model, cost per student, outcome measures, evidence tier, and a recommendation on whether to pilot. (b) Report on what was purchased or delivered and the amount spent.
A promising or research-based program for which no rigorous New Mexico evaluation exists.	Section 9, PERF pilot	As outlined in Section 22-8-23.13 of state law: performance measures and a monitoring plan; a causal evaluation where possible, or a rationale if not; and methods, evaluator, and release timeline. Due July 1 of the appropriation year, with a revision by September 1 if DFA, LFC, and LESC require one.
A program that is evidence-based or required by a statute that does not make it subject to the availability of appropriations.	Section 4, multiyear	Written program model. Annual report by September 1 on outcomes, each with a baseline and target.
Funds PED itself (administration, systems, legal); does not go to districts or schools.	PED operating budget	Agency performance measures with targets, reported quarterly
The target group already generates formula funding and no specific program model is required by the appropriation.	SEG formula	Each year, districts report what share of that group's funding they spent on that group.

PED decides how to allocate below-the-line funding.

Unlike formula funding, the state directs how below-the-line funding is used. Much of that direction depends on PED's decisions after an appropriation is made. Funds can go to districts and charter schools as grants, to regional education cooperatives (RECs) or vendors through agreements and contracts or remain within the department. How PED allocates the funds determines who is served, when funds arrive, what recipients are expected to deliver, and how spending is tracked. Those decisions also determine whether below-the-line funding is worth its costs. Operating outside the formula adds administrative overhead and makes funding less predictable for recipients. In exchange, it allows the state to target funds to the students who most need them and keep statewide initiatives aligned with their purpose. The costs come with operating outside the formula; the benefits depend on how the funding is allocated.

PED decides case by case whether funds go to districts, RECs, or vendors. Within the limits of the appropriation, PED program staff propose a plan for allocating the funds, which PED's leadership reviews and approves (Figure 2). PED does not have a written department policy that sets criteria for deciding whether to allocate funding to districts and charter schools, a vendor, or an REC. As a result, appropriations with similar purposes may be allocated through different routes, and the reasons for those choices are not always clear. For example, two recent appropriations for attendance initiatives were allocated in very different ways—to select districts and statewide vendors in one case and just to districts in the second.

PED's Responsibilities in Administering Below-the-Line Funding

Targeting: Who should the money reach?

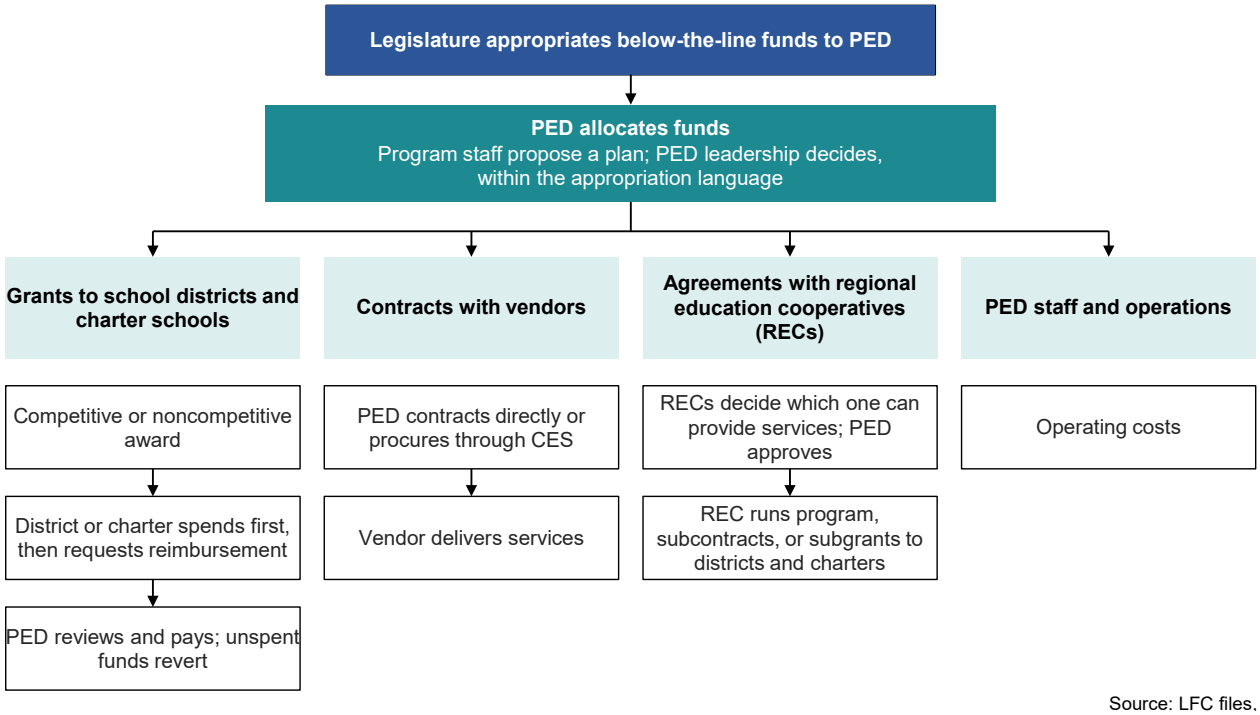
Timing: When will the money go out to be able to be used effectively?

Expectations: What are the deliverables and desired outcomes?

Coordination: Are related appropriations used in concert?

Oversight: How was the money spent and what did it produce?

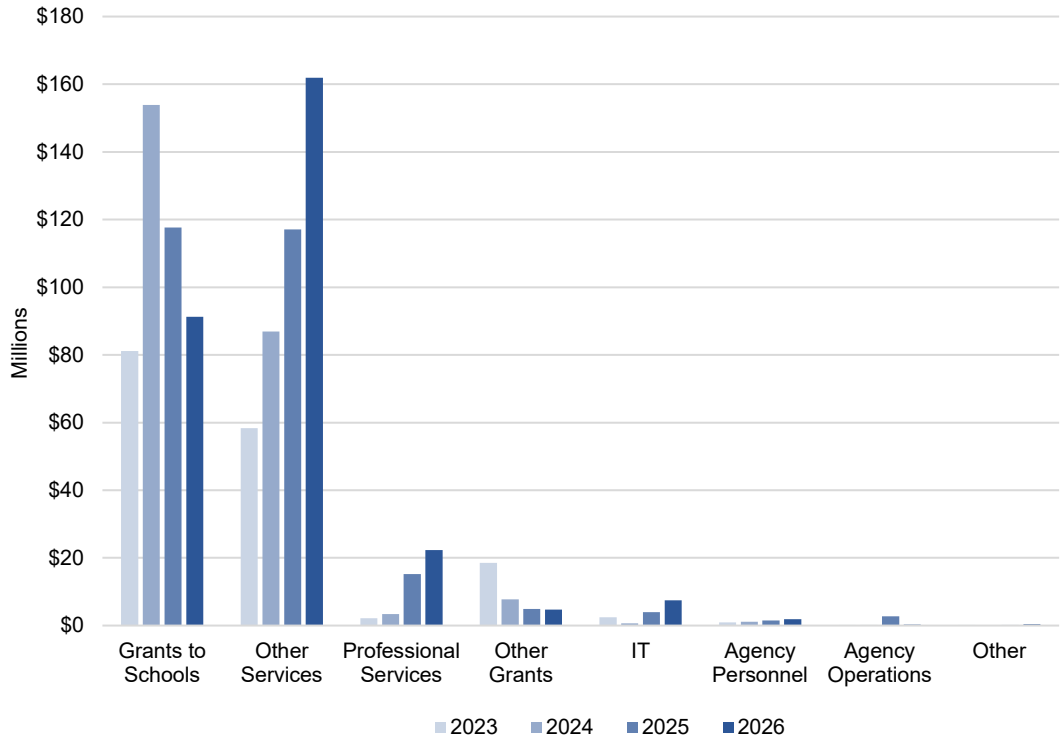
Figure 2. How Below-the-Line Appropriations Flow Through PED



Source: LFC files, PED

PED now spends as much or more below-the-line funding on contracts, particularly intergovernmental agreements with RECs, as direct grants to districts and charter schools. Of the $971 million in recorded spending associated with below-the-line appropriations between FY23 and FY26, $444 million went out as grants to public schools and universities, while another $424 million was spent on items classified as "other services" in SHARE, the state's accounting system—principally intergovernmental cooperative agreements with RECs but also third-party vendor contracts. Some funds allocated to RECs are ultimately granted to districts and charter schools, but because RECs are not required to report their spending in SHARE, the amounts can be identified only by manually reviewing individual invoices, and the statewide total is not readily available. The remaining $103 million covered PED operating expenses, IT contracts, and grants to various other entities. The roughly even split between grants and other services is a shift from the past, when below-the-line funding was principally distributed as direct grants to public schools. A 2017 LESC-LFC joint brief on below-the-line appropriations found that 62 percent of the $106 million in spending during FY16 was on direct grants to districts and charter schools. In FY26, direct grants to districts and charter schools accounted for only a third of all below-the-line spending.

Chart 5. PED Expenditures from Below-the-Line Appropriations



Note: Other Services principally encompasses intergovernmental agreements with RECs, who sometimes in turn grant funding to districts and charter schools, however it is not possible to quantify how frequently that happens because RECs do not report their spending to the state.

Source: LFC analysis of SHARE data

Case Study: PED has broad discretion in how it distributes below-the-line funding

In 2023, the Legislature appropriated $5 million to PED in Section 5 of the GAA "for attendance success initiatives."

As with most below-the-line appropriations, PED then had to decide how to allocate the funds to achieve the purpose outlined in the budget.

In this case, PED chose to deliver half of the appropriation ($2.5 million) directly to the state's seven largest school districts through noncompetitive grants.

PED chose to spend the rest ($2.4 million) on two contracts with third-party vendors. The first contract, for $2.1 million, was with a marketing and IT firm, RealTime Solutions, for a statewide attendance awareness campaign. The second contract, for $987 thousand, was with a vendor providing outreach to disengaged students.

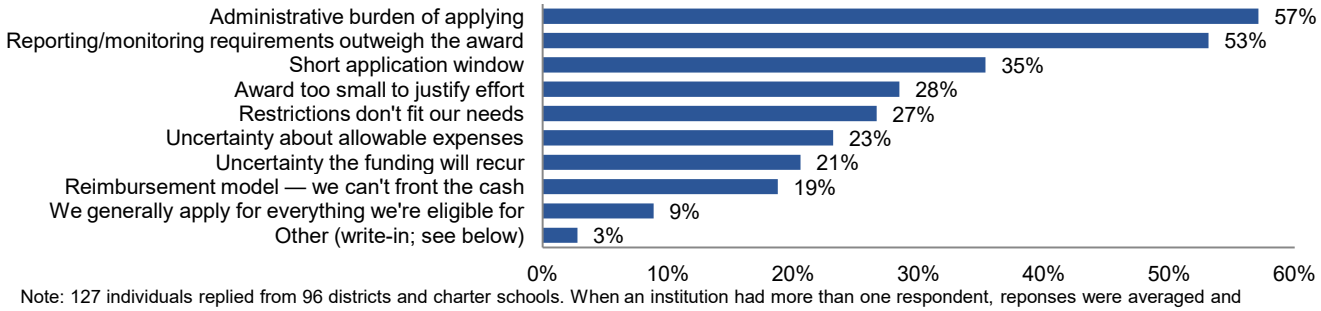
For a subsequent, $18.6 million, FY26, three-year appropriation for "attendance initiatives to reduce excessive student absenteeism" through the public education reform fund, PED has opted to distribute the full amount directly to districts.

"For attendance success initiatives" (FY24)
$5,000,000

Districts and charter schools	Third-party vendors
$2.5 million	$2.4 million
Direct awards to 7 districts and charter schools	**Service contracts**
$ 1,966,860 spent	$2,439,486 spent

Source: LFC files

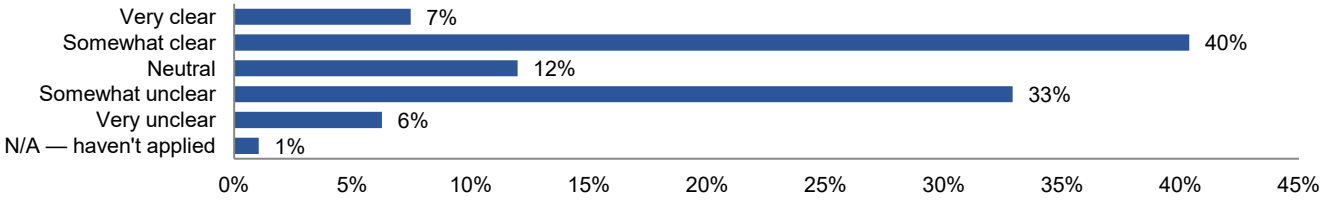
Chart 6. What most often makes you decide not to apply for a grant you're eligible for? (select up to 3)



Note: 127 individuals replied from 96 districts and charter schools. When an institution had more than one respondent, reponses were averaged and counted as one vote.
Source: LFC-LESC survey on below-the-line funding.

Varying application requirements may discourage some districts and charter schools from applying for grants, affecting who receives below-the-line funds. For appropriations distributed to districts and charter schools as grants, PED determines whether the money is awarded by formula or through a solicitation (Request for Proposal/Application/Information), and what that solicitation requires of applicants. As a 2023 LESC brief noted, PED has substantial latitude in how it structures solicitations, producing wide variation from program to program. Some programs require an "intent to apply" step before accepting a formal application; others use a single-stage process. While PED reports using a unified application for some state grants, not all programs use the application, and those that do not request them in different formats through different platforms, including SharePoint, Word documents, and Google Forms. In an October 2026 survey of 96 educational organizations in New Mexico, respondents cited administrative burden as the top factor dissuading them from applying for PED grants, followed closely by reporting requirements. The *Martinez-Yazzie* court found that administrative hurdles limited participation in below-the-line programs to districts with the capacity to apply. When competitive awards favor districts best equipped to navigate the process, below-the-line funding may not reach the students who most need it.

Chart 7. When you consider a typical PED competitive grant, how clear is the funding's intended purpose and allowable use at the application stage?



Note: 127 individuals replied from 96 districts and charter schools. When an institution had more than one respondent, reponses were averaged and counted as one vote.
Source: LFC-LESC survey on below-the-line funding.

PED's public award records make it difficult to track who received below-the-line funds. PED posts information about many awards on a central awards webpage, but some programs post awards only on separate program pages, in differing formats and under differing labels. For example, the central page lists only the FY25 planning award for Innovation Zones. The program's own page posts a final award for FY23, an allocation table

for FY24, a planning award for FY25, and "conditional" awards for FY26. Other states make this information easier to find and follow. The Texas Education Agency (TEA), for example, publishes state grant awards by grantee for each school year in one location, along with an interactive dashboard that shows each grant's total award amount, amount remaining, and percentage of funds remaining. For each competitive grant, TEA lists each eligible applicant, whether it was selected, and a link to its application, allowing the public to see both who was funded and who was not. PED provided similar information about pandemic-related federal elementary and secondary school emergency relief fund awards via a comprehensive dashboard during the Covid-19 pandemic.

Most contracted funding goes to RECs and Cooperative Educational Services through noncompetitive intergovernmental agreements. Between FY23 and FY26, RECs and CES billed PED for $252 million associated with 71 unique below-the-line appropriations—roughly half of all below-the-line appropriations made to PED during that time. Although the Procurement Code generally requires competitive bids or proposals, it exempts purchases from other public entities. PED uses that exception to contract with RECs and CES through intergovernmental agreements without a competitive process. For intergovernmental agreements with the RECs, PED sends a scope of work to the REC directors, who identify among themselves which REC has the expertise and capacity to carry it out. PED's leadership then decides whom to award the contract to based on that feedback. The agreements cover a wide range of services, from support for PED's core functions to stipends for educators participating in professional development programs. Some agreements specify deliverables, desired outcomes, and the metrics used to measure those outcomes, but many specify only deliverables or activities, not outcomes.

RECs and CES often subcontract the work they are assigned, with each layer adding administrative costs. Although RECs are administratively attached to PED, they do not report their spending through the statewide accounting system (SHARE) or PED's operating budget management system (OBMS), so it is not possible to readily determine how much of their funding is spent directly and how much is passed to subcontractors. However, in agreements reviewed by LFC and LESC staff for the 16 appropriations examined in depth for this report, RECs subsequently subcontracted the work in most instances, and many

RECs (Regional Education Cooperatives) are created by the Regional Cooperative Education Act, which authorizes school districts to form cooperatives to provide education-related services. There are currently 10 RECs, each of which is treated as a state agency administratively attached to PED but exempt from the Personnel Act. Statute directs RECs to provide services, professional development, and cooperative purchasing and fiscal management to their members.

CES (Cooperative Educational Services) is a quasi-governmental organization formed through a joint powers agreement among public education institutions. Like RECs, CES helps its members with procurement and places special education providers and contract staff in member schools. Unlike RECs, it is not administratively attached to PED.

Table 1. Below-the-Line Expenditures by RECs and CES, FY23-26

Vendor Name	Invoice Totals	Number of BTL Appropriations	Number of Intergovernmental Agreements
Region 9 Education Cooperative	$119,394,615.44	35	58
Southwest Regional Education Cooperative	$50,472,400.91	25	26
Northwest Regional Education Cooperative	$33,268,977.86	14	13
Central Region Educational Cooperative	$19,790,190.71	11	12
High Plains Regional Education Cooperative	$16,332,300.90	22	35
Cooperative Educational Services	$10,763,236.14	15	17
Regional Education Center #6	$1,418,888.63	2	1
Regional Education Cooperative VII	$917,590.77	1	3
Four Corners Regional Education Coop #1	$85,628.00	1	1
Total	***$252,443,829.36***	***71***	***160***

Note: Intergovernmental agreements (IGAs) typically must be renewed annually, meaning multiple IGAs may cover the same scope of work

Source: SHARE

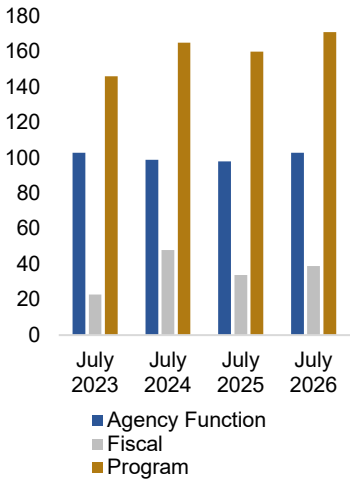
agreements were structured with that goal. For example, the agreement with Region 9 Education Cooperative for school leadership development programs specified the REC's role was to develop and execute contracts with qualified organizations to provide leadership development services. Regardless of whether the RECs and CES subcontract or do the work themselves, they typically charge PED an 8 percent administrative fee on any contracted work, often referred to as an indirect cost. While the rate varies by agreement, if 8 percent was applied to direct costs, about $19 million of the $252 million billed between FY23 and FY26 went to administrative fees. That estimate does not include indirect costs charged by subcontractors, which can add a second layer when work is passed on.

About $19 million of the $252 million billed by RECs between FY23 and FY26 went to administrative fees.

Subcontracting also limits PED's ability to oversee how funds are spent. PED's view of how contracted funds are spent depends largely on the terms of its agreements and the invoices it receives. PED's intergovernmental agreements typically require the contracted agency to seek advance department approval for all subcontracts, including qualifications and job descriptions for any professional services contract, which gives the department an opportunity to review who will do the work. However, invoices, the department's main record of what was delivered, vary in detail; in some cases, an entire scope of work is billed as a single line item, as with the $556 thousand REC 3 (High Plains) agreement to develop a work-based learning framework for PED's College and Career Readiness Bureau. PED's intergovernmental agreements should specify deliverables, the outcomes those deliverables are meant to produce, metrics for measuring those outcomes, and due dates. Deliverables describe what a contractor produces, such as a training session held or a framework drafted. Outcomes describe what that work is meant to achieve, such as changes in teacher practice or student participation, and agreements should not treat the completion of a deliverable as evidence that an outcome was met. Agreements could also require invoices itemized against deliverables with supporting documentation.

PED attributes the growing role of RECs and CES to limited staff capacity at the department. State Personnel Office data show PED's staff has grown by 24 percent since FY23, from 255 to 317 employees at the start of FY27. Much of this recent growth is not in additional positions but due to PED filling previously vacant positions. The current average salary at the department is $94 thousand. In its FY28 budget request, the department has asked for funding for an additional 10 positions ($1.3 million), spread across six bureaus or divisions, principally in support functions, including the Administrative Services Division, the Office of the General Counsel, and the School Budget Bureau.

Chart 8. Growth in PED Staffing



Source: LFC analysis of SPO data

The Relationship Between RECs and PED

Statute specifies that RECs are run by their members. The LEAs that form a REC govern it through a council of their members, and that council decides what services the REC provides.

PED is responsible for regulating RECs. Statute directs the department to authorize RECs, set minimum standards for their operation, and oversee compliance with those standards. RECs are supposed to submit their budgets to PED rather than the Department of Finance and Administration for department approval.

Figure 3. A Conceptual Framework for Allocation

Allocation decisions using this framework should be clearly and consistently documented and made available to oversight bodies.

Who	Role	Conditions
PED	Selecting program models that address core priorities and could scale statewide or setting a minimum evidence tier and common outcome measures for program models LEAs select; monitoring implementation and results. Ex: Early literacy	If PED lacks staff to select program models or oversee LEA work, it should document the shortage and request positions during its regular budget process.
Districts and Charter Schools	Delivering program models selected by PED or selecting their own program models that meet PED's minimum evidence tier. Ex: High-dosage tutoring	PED announces awards before districts and charter schools set budgets and hire for the year.
REC or CES	Services delivered across several LEAs in a region, or to LEAs too small to hire for the work alone; paying stipends or hiring personnel for initiatives with an end date. Ex: Summer literacy.	PED should contract directly when the REC anticipates subcontracting most of the work. Agreements should list the program model, responsible REC personnel, fees, deliverables, and measurable outcomes for students and schools.
Vendor	A specific product or service, like an assessment, software or an outside evaluation. Ex: A study	Before using one-time funds, PED should identify who will pay ongoing costs, such as license renewals, after the appropriation ends.

PED should set clear expectations around evidence-based programs and provide guidance for implementation.

Below-the-line appropriations are usually made because of the results they are expected to produce: stronger reading instruction, more students ready for college, fewer chronically absent students. Achieving those results depends on how programs are implemented and how their results are measured. PED is positioned to guide both, but frequently leaves implementation and measurement to the districts, charter schools, RECs, and vendors that receive the funds. Local judgment has value, but when each recipient works independently, the state funds a range of approaches under a single priority and has little basis for judging which ones worked. Requiring evidence-based program design and common outcomes measurement would give PED the ability to distinguish between spending that is allowable and plausibly related to an appropriation's purpose, and spending that achieves it.

Inconsistent accounting makes it difficult to trace how below-the-line funds are spent by districts and charter schools, and therefore whether appropriations are achieving their intended purpose. For each below-the-line appropriation, the Department of Finance and Administration (DFA) assigns an account code in SHARE, the state's accounting system. When PED spends the money itself or through contracts, that spending is logged under the DFA-assigned code. However, when PED awards the money to districts and charter schools, SHARE records it only as a grant. District and charter school spending is tracked in PED's budget management system (OBMS) instead, under account codes different from those in SHARE. PED's grant documents specify which OBMS code districts and charter schools should use for each appropriation, but those codes are frequently reused from year to year, and districts and charter schools often request and receive reimbursement from other accounts, making it difficult to trace how a single appropriation was spent. PED was not able to provide a crosswalk of SHARE codes and OBMS codes that would allow for quickly tracing an appropriation to its spending. Without a clear record of what each appropriation paid for, the state cannot readily determine whether funds were spent as the Legislature intended or connect appropriations to results.

When PED awards funding to districts and charter schools, the department typically defines acceptable activities or allowable expenses but stops short of defining what "success" looks like or how districts and charter schools should track pertinent outcomes. For instance, the Legislature has specifically cited work-based learning as part of its career and technical education appropriations every year since FY24. In FY26, PED contracted with High Plains REC to develop a work-based learning framework, toolkit, and standards for districts and charter schools. The framework specifies that PED is responsible for establishing statewide definitions and approving certain courses but does not specify an evidence-based program model that districts and charter schools should implement. The framework also sets no graduation target or other statewide success measure, instead leaving it up to individual districts and charter schools to define their own goals, metrics, and measurement plans for determining impact. Without a statewide target or common measures, PED and the Legislature have no consistent way to determine whether an investment is improving student outcomes or schools. By comparison, PED's early literacy program, primarily funded through a recurring appropriation in Section 4, is tied to the department's statewide literacy plan and agency strategic plan, both of which include concrete, numeric goals such as improved reading scores or a certain percentage of classrooms adopting high-quality instructional materials.

Figure 4. Selecting a Program to Accomplish a Specific Outcome

Condition	One approach has the strongest evidence, results depend on delivering it consistently, or the state needs to find out whether one program works	Several approaches meet the evidence bar, and local conditions affect which works best
Who chooses the program?	PED	LEAs, from options meeting PED's minimum evidence tier
PED's Role	Training, technical assistance, checking that the program is delivered as designed	Sets the minimum required evidence tier (evidence-based, research-based, or promising) and reviews LEA choices
Example	Training teachers statewide in the science of reading	Delivering out-of-school time programs

Out-of-School Time: Flexibility Without a Framework

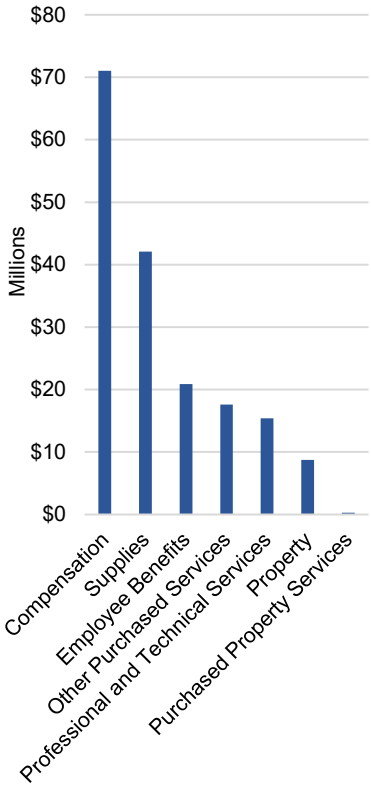
The Legislature has appropriated $70 million for out-of-school time since FY24. Statute does not define the program's purpose or expected outcomes. PED guidance describes broad goals, and grant materials list allowable activities from STEM to educational field trips.

LFC's 2026 progress report on instructional time found that PED could play a stronger coordinating role to ensure that programs can access high-quality materials and program designs. Within the framework of local flexibility, programs should still be benchmarked against a shared set of clearly defined outcomes, such as improved student attendance during the school day.

Source: 2026 LFC Progress Report on Instructional Time

Below-the-line funding is more likely to be spent on supplies and additional compensation for existing staff than formula funding, perhaps reflecting uncertainty about its continued availability. Available spending data for FY23-FY25 shows that districts and charter schools spent 23 percent of below-the-line grant funds on supplies, compared to 3 percent of operational funds, which are principally from the public school funding formula. Most of those supplies were classified as "general supplies and materials," a category that excludes instructional materials and software. While the purchase of supplies may be necessary for some programs, like career and technical education (28 percent of all spending), where consumable materials are often central to instruction, supplies also made up a similar or larger share of spending in programs like the family income index (29 percent), the at-risk intervention fund (59 percent), high-dosage tutoring (27 percent), and behavioral health supports (53 percent). Those patterns could reflect when awards arrived, what guidance PED provided about allowable expenses, or other features of the programs not readily discernible from available data. However, personnel spending data may point to uncertainty of funding as a reason for spending on supplies. Of below-the-line funding spent on compensation (40 percent of the total), more than a third went to additional compensation for existing personnel, compared with 3 percent of operational funds. That suggests districts and charter schools may be reluctant to invest in additional positions or people when the funding is not certain to continue.

Chart 9. LEA Spending from Below-the-Line Appropriations
FY23-25



Note: Excludes spending for universal school meals.

Source: LFC analysis of OBMS data

Understanding "General Supplies and Materials"

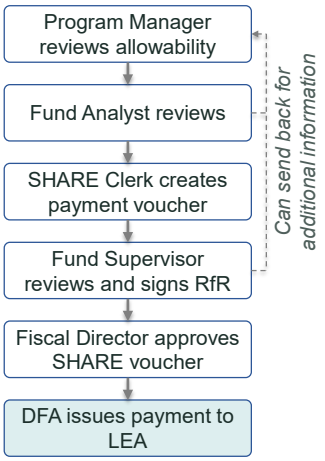
Between FY23 and FY25, school districts and charter schools spent at least $26 million from below-the-line appropriations on "general supplies and materials," a catchall accounting category for items that do not fall into other, more specific accounting codes like instructional materials, software, or vehicles. To better understand what kinds of items LEAs classify as "general supplies and materials," LFC staff selected a random sample of 146 requests for reimbursement from all below-the-line appropriations from FY23 to FY25. LFC staff transcribed individual line items off receipts. From the resulting list of items, an algorithm was used to randomly select 15 lines from the "general supplies and materials" category, listed below.

Item	Total cost
Classroom materials – Special Ed.	$144.93
Printer ink, markers, Sharpies, sticky notes, sight word games, journals, magnetic folding boards	$1,931.21
Hand-painted plywood artwork, split between two artists	$2,000.00
Scotch tape	$13.99
Open PO for afterschool music program	$1,062.32
Book baskets for student desks	$1,247.40
Home Depot – campus projects	$69.77
Freight shipping charges	$972.80
Copy paper, bottled water	$226.95
3" teepee, unfinished MDF art shape	$10.20
Christmas pastry & cookie cutter kit	$27.99
Hot Wheels toy cars & trucks, 20-pack	$29.97
Walmart craft supplies for attendance awareness (buttons, ribbons, craft sticks, cocoa, etc.)	$600.00
Letter crayons, word building	$19.99
Teacher self-inking stamps, 24-pack	$22.99

Source: LFC analysis of below-the-line request for reimbursement data

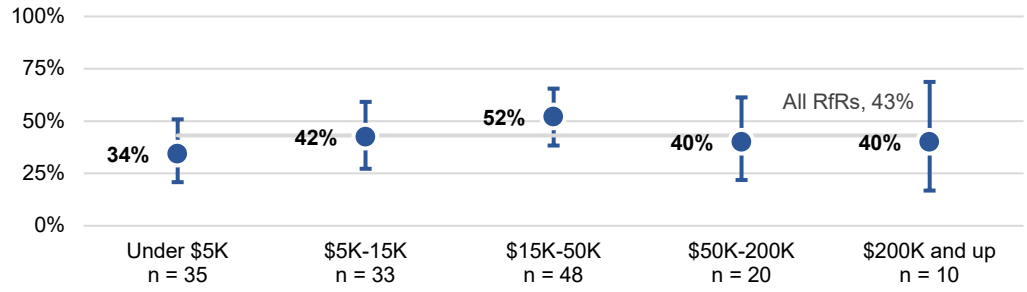
PED's request-for-reimbursement process relies heavily on granular decision-making by programs and fiscal staff. Districts and charter schools submitted 5,770 requests for reimbursement (RfRs) for below-the-line programs between FY23 and FY25. Each of these requests is reviewed by at least five PED staff. First, a program manager checks that purchases fit the appropriation's purpose and the program's spending guidelines. Then a fund analyst, a SHARE clerk, and a fund supervisor check procurement compliance, billing periods, and year-to-date totals. While 85 percent of requests were paid in full, the remaining 15 percent were reduced by PED staff or denied or voided either by PED or at the request of the submitter. Many reductions are small and happen to a fine degree of detail as PED staff look through line-item receipts. In LFC's random sample of 146 reduced or denied requests, PED's adjustments removed $230 thousand of $4.35 million requested, or 5 percent. Salaries, contracts, and multi-year software licenses accounted for the most dollars removed from reimbursements by PED staff. The median removal was $651, and 17 removals were under $100. Food was removed most often, followed by conference and professional development fees and apparel, gifts, and incentives. Denials were largely administrative: 65 percent were because of mismatched dates or missing documentation, and only 18 sampled denials were refusals based on the merits of the request. Examples of these denials include where the request did not align with program rules or with an individual program's application, budget, or pre-approval documentation—a school using a structured literacy appropriation to buy a classroom rug, for instance. Program staff raised the issue in 61 percent of sampled cases, and reduction and denial rates ran highest, at up to 24 percent, in programs where staff made item-by-item calls on discretionary purchases, such as out-of-school time programs and career and technical education innovation zones. PED staff were just about as likely to identify issues in requests between $5,000 and $15 thousand as they were in requests of over $200 thousand, suggesting scrutiny is not concentrated on the largest requests. In other words, the current system requires PED staff who know each program best to review small purchases one receipt at a time and few requests are changed materially.

Figure 5. How PED Processes an RfR



Source: PED

Chart 10. Share of RfRs Where PED Asked for More Information By Amount Requested, FY23-FY25



Note: Dot = share of RfRs in the band, whisker = 95% confidence interval (Wilson).
Source: LFC analysis of OBMS data

Up-front guidance on what works and setting a scope of allowable expenses could streamline reviewing requests for reimbursement. Below-the-line programs vary significantly in their guidance around acceptable expenses. Some programs, such as the FY24 appropriation for behavioral health supports, list many potential acceptable uses (in this case, 46). Others, including some career and technical education programs, start with established federal guidance and then add additional acceptable uses for state funds. Both

models can perpetuate the situation outlined above, in which PED staff must make frequent judgment calls about allowable spending. One alternative model for programs reliant on state funds is that of the Educator Fellows Program, which reimburses schools for hiring educational assistants with the goal of supplementing additional staff and creating a pathway to teacher licensure. The program uses a clear formula to determine award amounts depending on certain school characteristics. The only allowable expenses are personnel costs associated with the fellows or stipends paid to teachers who mentor the fellows. Having a formula-based allocation eliminates the local staff time required for narrative-based program applications as well as the PED or REC staff time required for reviewing the applications. Limiting allowable expenses to specific personnel-related costs similarly could shift REC or PED staff time from auditing expenses to monitoring outcomes.

Many districts and charter schools report setting outcomes targets for grant funding themselves, but when every school or district is measuring different outcomes, it is difficult to assess impact. Most districts and charter schools that responded to the October 2026 survey reported some kind of outcomes tracking for grant awards, although a plurality reported not having any specific process for establishing what outcomes matter. Further, to establish causality (i.e. that the intervention in question was responsible for a change in student outcomes), program managers need a control group that did not participate. The survey also asked respondents to name a successful recent grant and then reflect on what made that grant successful. A quarter of respondents noted that student outcomes were what determined the success of their recent grant. However, others pointed to outputs such as equipment or supplies purchased (15 percent of respondents) or staff hired (16 percent), rather than the impact those investments had on students.

Educator Fellows Award Process

The Educator Fellows program uses a simple request for information process that aligns program goals with award determination while eliminating labor-intensive narrative applications.

Five Indicators for Priority of Awards

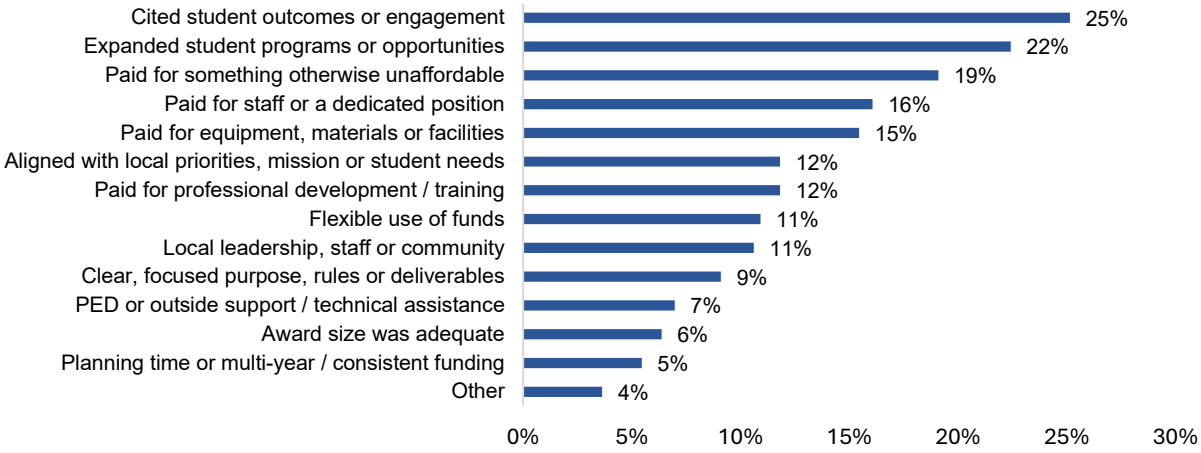
- Elementary schools
- Schools where more than 10% of the population are English Learners.
- Schools where more 15% of the population receive special education services.
- Schools where more than 10% of students are Native American.
- Schools where more than 50% of students are economically disadvantaged.

Fellow to Student Award Ratio

- 5 indicators met: 1:25
- 4 indicators met: 1.50
- 3 indicators met: 1:100
- 2, 1, or 0 indicators met: 1:LEA or 1:School

Source: PED

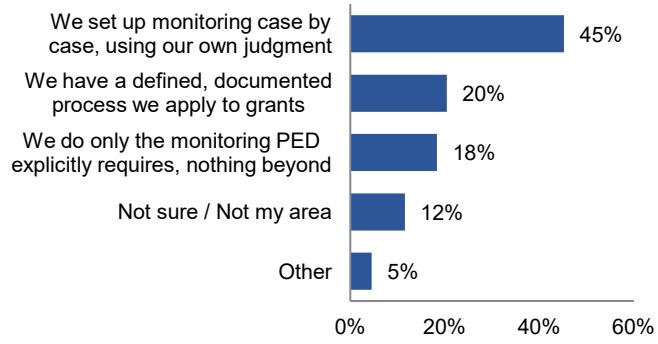
Chart 11. Organizations cited student outcomes and opportunities most frequently as the markers of a successful below-the-line grant



Note: This question was optional and open-ended; 69 individuals from 55 organizations responded. LFC staff used a large language model to help code qualitative answers.

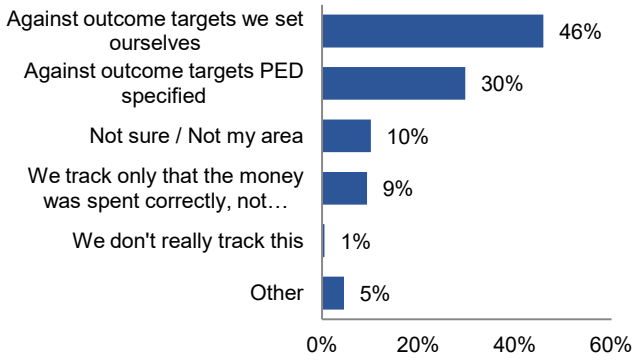
Source: LFC-LESC survey on below-the-line funding.

Chart 12. When you receive a grant, how do you establish outcomes monitoring?



Note: 127 individuals replied from 96 districts and charter schools. When an institution had more than one respondent, reponses were averaged and counted as one vote.
Source: LFC-LESC survey on below-the-line funding.

Chart 13. How do you track whether a grant achieved its intended purpose?



Note: 127 individuals replied from 96 districts and charter schools. When an institution had more than one respondent, reponses were averaged and counted as one vote.
Source: LFC-LESC survey on below-the-line funding.

PERF was amended to establish a mechanism for piloting and rigorous evaluation of initiatives, which otherwise tend to continue by default. Calling an initiative a pilot implies the state will learn whether it works and then decide whether to continue it, but past pilots have not always been set up to answer those questions. The seven-year career and technical education pilot is an example. Pilot funding was made available to all schools that applied, an approach that supported broad participation but left no comparison group against which to measure the pilot's effects. The enabling statute directed PED to monitor achievement, growth, remediation, and graduation outcomes but did not specify what level of change would indicate success, and PED did not independently establish any targets. Further, neither statute nor department rule established a process for deciding the pilot's future. As a result, the state has limited ability to determine whether the investment produced any outcomes and no clear framework for deciding whether to continue funding. Building three elements into future pilots would help the state get more actionable information. First, the pilot should test a narrowly defined intervention against a counterfactual: a specific program model, delivered to a defined population, alongside similar students or sites that do not receive it. Second, success criteria should be set at the outset, specifying the outcome that matters and roughly what result would justify continuing the pilot. Third, the pilot needs a specified end point and mechanism for making a decision at that point (a statutory repeal date; a recommendation for continuation or sunset from a specific independent evaluator etc.) The 2025 PERF amendments require several of these elements.

Figure 6. A Framework for Successful Piloting

Element	Question to Ask	Meets the Standard	Falls Short
Defined Intervention and Objective	What specific model is being tested and to achieve what?	Names one program model, a target population, and a primary outcome	A list of desirable features, or broad goals like "improve outcomes"
Comparison Design	Compared to what?	Comparison students or sites identified before funds flow (lottery, staggered rollout, matched sites)	Outcomes reported only for participants who opted in
Success Threshold	What result would justify continuing?	Outcome, comparison, and minimum meaningful effect	Metrics to monitor with no target
Evaluation	Who evaluates, with what data?	Independent evaluator named; data-sharing required before awards	Administering agency reports on itself; no evaluation
Decision Point	When will someone need to make a decision about continuing the program?	Sunset/repeal date; required evaluation with recommendation on sunset	A multi-year pilot label with no repeal date; reports with no required recommendation
Exit Plan	What happens to participants and staff if the pilot ends?	Limits on recurring costs, or a required sustainability plan and wind-down year	Pilot funds pay ongoing salaries with no plan

Recommendations

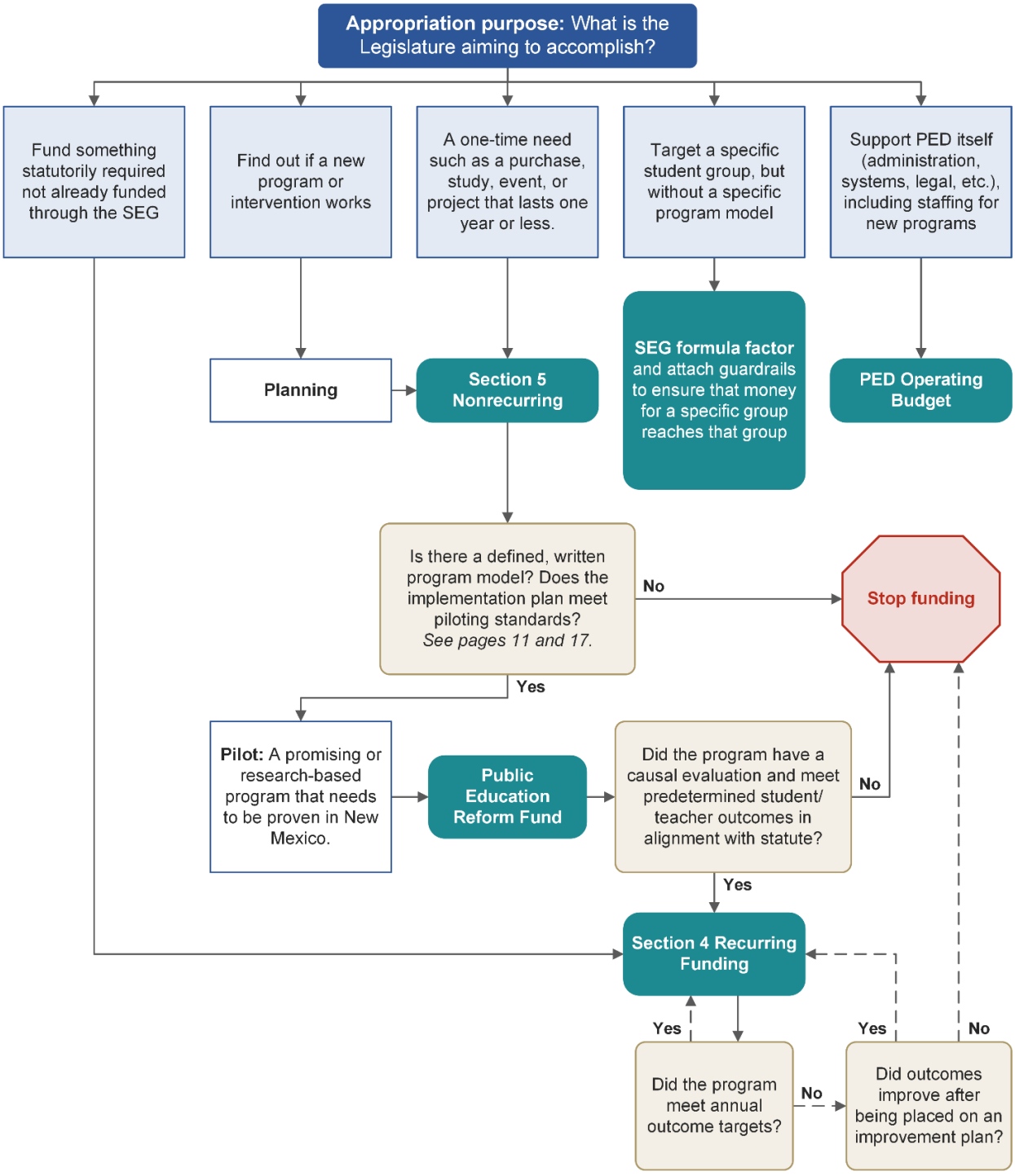
The Legislature should consider:

- Adopting criteria any new below-the-line appropriations must meet, following the framework (Figure 1) proposed in this report to make decisions about if and how below-the-line appropriations are funded;
- Continuing to fund multiyear pilots through the public education reform fund (PERF) with required evaluation and explicit criteria for continuing, scaling, or ending them;
- Consolidating and aligning existing below-the-line appropriations to their purpose, including moving duplicative programs into the formula and operating costs into PED's operating budget, and using the proposed framework to determine if and how existing below-the-line appropriations are funded.

The Public Education Department should:

- Require an evaluation plan and outcome measures before distributing any programmatic below-the-line funds—not just PERF funds; outcomes are desired impacts, not deliverables, and evaluations are rooted in objective measurement and analysis of those outcomes;
- Specify evidence-based program models, or an approved menu of models, for below-the-line-funded grants distributed to districts and charter schools;
- Work with the Department of Finance and Administration to require regional education cooperatives to report their spending in the state accounting system (SHARE);
- Report annually on below-the-line funds passed through regional education cooperatives, including subcontracts and indirect cost rates;
- Create and maintain a crosswalk that links SHARE and PED's budget management system (OBMS) for all below-the-line funds, to be able to readily ascertain the relationship between an appropriation and district and charter school spending.

Appendix A: Appropriation Decision Flow Chart



Source: LFC files

Appendix B: PERF- and GRO-Funded Initiatives

K-12 Education Programs Funded Through the Government Results and Opportunity Fund or the Public Education Reform Fund

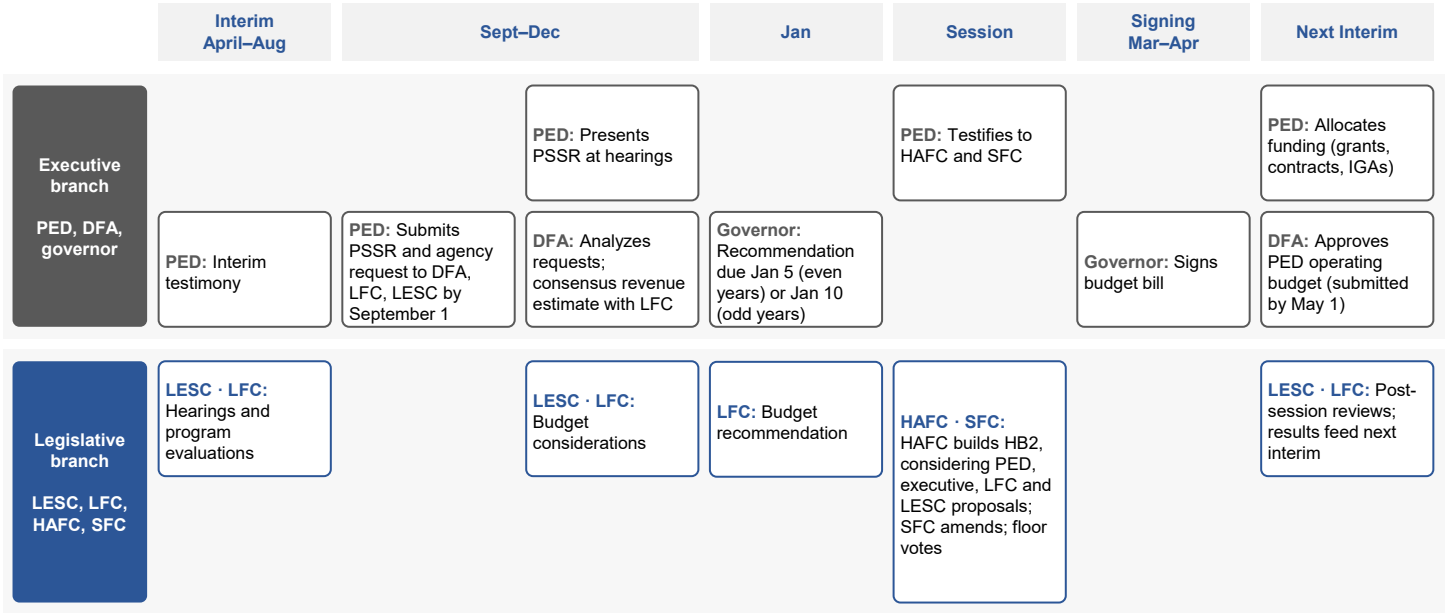
(in thousands)

Purpose	FY25	FY26	FY27	FY28	FY29
For educator clinical practice programs	$20,000				
For stipends and pay differentials to fill hard to staff special education positions	$5,000				
For attendance initiatives to reduce excessive student absenteeism.		$6,200	$6,200	$6,200	
For training educators in evidence-based math instruction.		$4,500	$4,500	$4,500	
For a pilot program to support students who are unhoused.		$2,100	$2,100	$2,100	
For innovative or strategic school staffing models.		$2,600	$2,600	$2,600	
For training secondary educators in evidence-based reading instruction.		$5,200	$5,200	$5,200	
To conduct a trial on high impact tutoring during the school day to improve student reading proficiency and math proficiency.			$5,100	$5,100	$5,100
To conduct a trial of innovation zones to improve student attendance, graduation and employability.			$7,200	$7,200	$7,200
To conduct a trial of community schools to improve student attendance.			$6,100	$6,100	$6,100

Note: The two FY25 appropriations are from the government results and opportunity fund. All other appropriations are from the public education reform fund.

Source: LFC files

Appendix C: Budget Process



Source: LFC

Page left intentionally blank

Below-the-Line Appropriations Review

The following pages include in-depth reviews by LFC and LESC staff of 16 individual below-the-line appropriations. As noted in the body of the report, below-the-line appropriations serve a range of different purposes, and these appropriations were selected to illustrate that range.

1. **Programmatic (pages 21-32)**
2. **Time-limited (pages 33-35)**
3. **Statutory (pages 36-37)**
4. **Agency functions (page 38)**

About the Data

Timeframe. The reviews cover appropriations made from FY23 through FY26 and spending from them in those years. Amounts appropriated and expended in FY27 are excluded because the fiscal year is still in progress, but FY27 renewals and FY28 Public Education Department requests are noted for context. Where appropriations made between FY23 and FY26 remain authorized, that is noted.

Funding sources. All reported appropriations and expenditures are from state funds, including the general fund and other state funds, like the public education reform fund. Federal funds are excluded, unless otherwise noted.

Expenditures. Spending in the reviews is reported from two different data systems:

- SHARE, the state's accounting system of record, shows how PED spent each appropriation, including contracts and payments to specific recipients. Major contracts are listed to show what PED purchased with each appropriation, in addition to funds distributed to districts and charter schools. Reversions to the general fund are logged in SHARE and noted, as are instances where the funds remained in PED-administered accounts.

- OBMS, PED's operating budget management system, shows how school districts and charter schools reported spending the money they were allocated. PED could not provide a crosswalk between SHARE and OBMS account codes, and totals often differ. OBMS figures reflect what districts and charter schools reported.

Information about all 158 below-the-line appropriations and expenditures from them for FY23 to FY26 is available in an interactive dashboard that can be accessed by scanning the QR code.

Administrator Induction

PROGRAMMATIC

Appropriations: $2.3 million

FY26 (state funding began in FY26)

Expenditures: $1.7 million

FY26

Background and Purpose

Research indicates effective school leaders can significantly improve student performance while strengthening overall school effectiveness. Laws 2025, Chapter 148 (House Bill 157) required all site administrator preparation programs to be approved under state criteria that meet national standards by July 1, 2027. The bill also established new preparation and professional advancement requirements for site administrators and superintendents, including, for superintendents, graduation from a department-approved aspiring superintendent academy.

Appropriation History

FY26 $2.28 million 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.

FY27 $5.6 million *For principal and superintendent preparation, coaching, and residencies pursuant to the School Personnel Act.*

FY28 PED Request $6.1 million *Educator and Administrator Preparation, Induction, and Evaluation (HB157)*

Major Contracts

University of New Mexico

$633 thousand authorized / $552 thousand spent

Support for five principal residents ($100 thousand per resident), including one-on-one coaching and communities of practice, as well as mentors and consultants.

Cooperative Educational Services (CES)

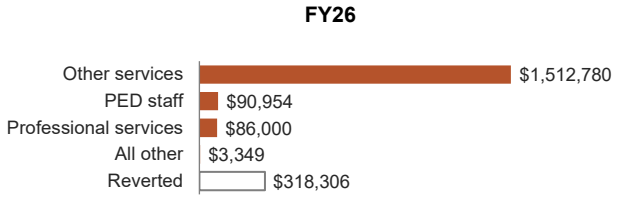
$361 thousand authorized / $360 thousand spent

Support for four principal residents ($90 thousand per resident), including one-on-one coaching and communities of practice.

New Mexico Highlands University

$336 thousand authorized / $303 thousand spent

Support for four principal residents ($84 thousand per resident), including one-on-one coaching and communities of practice.



Not shown: $268,611 of this appropriation spent in FY27.

Source: SHARE

Implementation

How was this meant to work?

The Legislature appropriated funding tied to House Bill 157, which created new standards for administrator preparation programs and new qualifications and requirements for site administrators, including principals and superintendents.

What happened?

The FY26 funding supported 19 principal residents through contracts with four universities and Cooperative Educational Services. Residents received varying stipends, as did resident mentors. The funding also supported a principal residency coordinator position within PED and the creation of a teacher mentorship training course. PED used about 2 percent of its FY26 appropriation to hire a consultant who led a statutorily required task force in developing a set of common performance tasks all aspiring superintendents must complete. In June 2026, PED published new approval and reporting processes for the state's administrator preparation programs, as well as common performance tasks to assess candidate readiness. For FY27, the Legislature appropriated $5.6 million for principal preparation and residency initiatives. PED has signed contracts with five higher education institutions and CES to pay up to 39 principal residents. It has also signed a contract with CES to provide tuition support to up to 90 additional administrator candidates, and with RECs for support in analyzing educator evaluation data and providing stipends to principal and superintendent task force members.

Key Takeaways

- The Legislature appropriated the funding tied to House Bill 157, and PED largely spent the appropriated funds on principal residencies.
- The funding supported 19 aspiring principals who received stipends of $75 thousand to $108 thousand.

Career and Technical Education

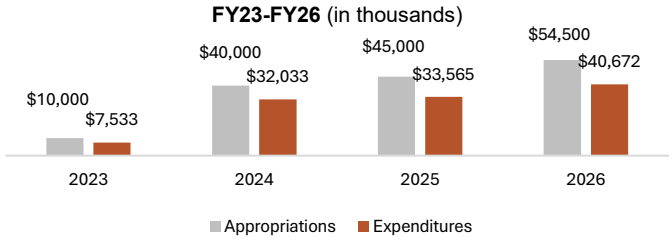
PROGRAMMATIC

Appropriations: $150 million
FY23-FY26

Expenditures: $114 million*
FY23-FY26

Background and Purpose

Career and technical education (CTE) programs combine academic and technical skills with the knowledge and training middle and high school students will need to succeed in the labor market. Research shows that well-implemented CTE programs can increase high school graduation rates. The Legislature began funding CTE with an initial $5 million appropriation in FY20 and has since increased annual appropriations more than ten-fold. Between FY23 and FY26, the Legislature appropriated $150 million in Section 5 of the General Appropriation Act (GAA) for CTE initiatives (and more in Section 9), making it one of the largest areas of below-the-line investment in recent years.



Sources: GAA; SHARE

Major Contracts

Region 9 Education Cooperative

$13 million authorized / $12.9 million spent
Various services, including support for PED in financial oversight and project coordination for implementation of Innovation Zones, and coordination of summer internship programs.

Doña Ana County

$8.9 million authorized / $8.9 million spent
Summer internship programs.

High Plains Regional Education Cooperative

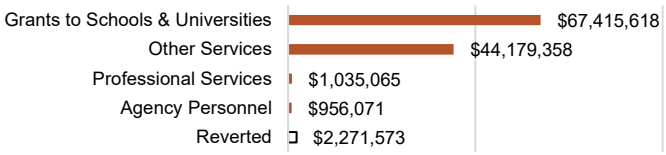
$5.7 million authorized / $5.6 million spent
Various services, including developing a career technical education framework and a financial literacy and career exploration course.

Spending by School Districts and Charter Schools
FY23-FY25

Spending category	Amount
Personnel Services - Compensation	$14,125,562.82
Supplies	$12,654,915.86
Property	$6,590,454.53
All Other	$11,999,165.27
Total	**$45,370,098.48**

Source: OBMS

FY23-FY26



Implementation

How was this meant to work?

The initial appropriation for CTE supported a single pilot program, NextGen. NextGen features sequenced programs of study leading to industry credentials or degrees. In FY23, the Public Education Department (PED) began a second CTE program, Innovation Zones, splitting the appropriation between the two programs. Innovation Zones are focused on whole-school redesign, including graduate profiles and capstone projects. CTE appropriations have also supported work-based learning, summer internships, and career and technical student organizations.

What happened?

PED has distributed awards for the various CTE programs according to different criteria, with more schools eligible for Innovation Zone funding than for the original NextGen pilot. Although PED reports that students who take two or more CTE courses graduate at higher rates, it did not design either the NextGen or Innovation Zones programs such that it is possible to determine whether the programs are responsible for those higher graduation rates, or if students who take more courses would have graduated at higher rates anyway. In FY27, Innovation Zones moved into the public education reform fund (PERF), with an outcome evaluation due in FY29.

70% **Districts and charter schools that received a state CTE award for NextGen or Innovation Zones between FY23 and FY26.**

$98 thousand **Median district and charter expenditure on CTE in FY25 from state funds.**

In this section

NextGen – the state's 7-year CTE pilot
Work-Based Learning – a component of many CTE programs
Summer Internships – paid summer internships for high school students

*Note: Of the $114 million in recorded expenditures, PED logged $94 million in spending to Department of Finance and Administration--assigned Z-codes for individual appropriations; the department spent a further $19.9 million over the four years from a CTE account not associated with any specific appropriation. The Legislature reauthorized $28.5 million from FY26 for FY27. The department transferred some portion of the unexpended balance to the CTE fund, a fund created in statute and designated as non-reverting for the duration of the seven-year CTE pilot, which ended in FY26. That fund ended FY26 with a balance of $32.6 million.

CTE: NextGen

PROGRAMMATIC

Appropriations: part of CTE line item

Expenditures: Unknown

NextGen spending is logged under multiple account codes by PED

Background and Purpose

Starting in FY20, the state enacted a seven-year career and technical education (CTE) pilot program, which the Public Education Department (PED) named NextGen. The purpose of the program was to "fund high-quality career technical education programs and monitor their effect on student outcomes, including achievement scores, academic growth, remediation rates and graduation rates." Of the CTE funding allocated by PED for grant awards to districts and charter schools, roughly half has gone to the NextGen program annually since FY23.

Funding Awarded to Schools via NextGen State Grants
FY23-FY26

Fiscal year	Award total	Sites (LEAs/all)
FY23	$4,000,000	67/70
FY24	$12,799,995	95/104
FY25	$14,399,993	120/126
FY26	$13,947,394	119/137
Total	**$45,147,382**	

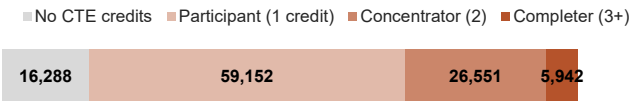
Note: Awards are what was granted, not what was expended by LEAs. NextGen is funded within the CTE appropriation; PED determines how much is allocated to the program annually. "All" sites include regional education cooperatives (RECs), Eastern New Mexico University, and Bureau of Indian Education schools.

Source: PED annual CTE report required by Section 22-1-12(E) NMSA 1978

1 in 3 **Students who took two or more courses within a single program of study during high school, per FY25 data.**

$331 **Median award per enrolled high school student in participating public districts and charter schools, FY25.**

FY25 High School Students by Highest CTE Level Reached



Note: PED counts credits a student has earned at any point in high school, so counts do not necessarily reflect the number of students taking a CTE course in FY25. Each student is counted once, at the highest level reached.

Source: PED

Key Takeaways

- PED did not collect the information required to determine the impact of NextGen during the seven-year pilot period.
- PED made multiple changes to the NextGen funding formula over the pilot period, meaning there has not been funding consistency from year to year.
- LEA spending was not consistently tracked to the program, making it difficult to assess how the appropriation was used.

Implementation

How was this meant to work?

PED describes NextGen programs of study on its website as "an articulated, sequential series of courses that leads to industry-recognized credentials, including certificates and degrees. Programs of study should be aligned with careers needed in the student's local economic region." Programs of study fall within 14 career clusters aligned to the national Career Clusters Framework. PED designates students who take two or more courses in a single program of study as "concentrators" and students who take three or more as "completers." National studies have found that concentrators and completers are more likely to finish high school and earn more after graduation than students who take a single CTE course.

What happened?

PED distributed nearly all NextGen funds directly to school districts and charter schools that applied. From FY23 through FY26, PED allocated $4 million annually loosely following the federal Perkins CTE formula, which weights school-age population and poverty. PED distributed the remaining state funds in varying ways but largely divided them equally among participating school districts, state-authorized charter schools, and tribally controlled schools, without regard for size or need. In FY25, the median award per high school student at public schools was $331, with awards ranging from $20 per student (Siembra Leadership High School) to $15.7 thousand per student (ACES Technical Charter High School).

State law required PED to provide annual reports on the efficacy of the NextGen CTE pilot project between FY20 and FY26, but PED has not provided any empirical evidence to date that NextGen improved student academic outcomes. In FY25, of the 91 thousand students who had taken any CTE course during high school, PED reports that roughly one-third took two or more courses in the same program of study ("concentrators") and 6 percent took three or more ("completers"). PED reports that students who took two or more courses in the same program of study graduated at higher rates than the statewide average, but that does not mean CTE caused the difference. It takes multiple courses to become a concentrator or completer, so students who drop out are less likely to reach concentrator status, and students who stay in a course sequence may already be more engaged or on track to graduate. Showing that CTE improves graduation would require comparing these students with similar students who did not take CTE. Notably, two-thirds of CTE students take only one course in a program of study.

CTE: Summer Internships

PROGRAMMATIC

Appropriations: $15 million

FY24-FY26

Expenditures: $12.9 million

FY25-FY26

Background and Purpose

The summer internship program offers New Mexico high school students paid internship opportunities across the state, including in county, municipal, pueblo, and tribal governments. The Public Education Department (PED) launched the program in 2021 using $9.8 million in federal pandemic relief funds. As federal funding neared expiration, the Legislature began appropriating state funds to continue the program in 2023.

Appropriation History

FY25 $5 million For summer internship opportunities for working-age high school students.

FY26 $10 million Same as FY25.

FY27 $10 million *Same as FY25.*

FY28 PED Request $10 million

Internships were also paid from the CTE line (see the CTE page): about $6 million of FY24 spending and a $5 million earmark in the FY25 pilot line.

Major Contracts

Doña Ana County $8.9 million authorized and spent
Coordinating FY24, FY25, and FY26 summer internship programs for up to 650 students.

Region 9 Education Cooperative $7.2 million authorized / $6.4 million spent
Awarding a single vendor for the coordination of the FY26 summer internship program for up to 3,000 high school aged youth.

SEIP Intern Participation by Summer, 2021-2023

Summer	Funded slots requested	Interns	What measured	PED
2021	2,125	1,304	Placement	
2022	2,421	2,100	Completion	
2023	2,917	2,741	Completion	

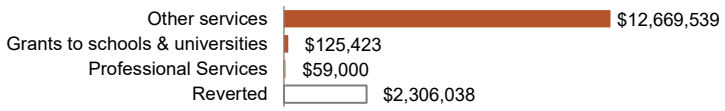
Operators reported "placed" interns in 2021 and "confirmed as completed" interns in 2022 and 2023, so the 2021 figure is not directly comparable to later years.

Source: PED

Key Takeaways

- PED has not articulated measurable desired outcomes for summer internships, so it is unclear how the department will determine whether it has been successful.
- This program runs through at least three layers of subcontracts, limiting insight into operations, and adding substantial administrative costs at each layer.

FY25-FY26



Source: SHARE

Implementation

How was this meant to work?

PED structures this program as an eight-week paid internship, with students working 20 hours per week. Enrolled New Mexico high school students may participate, with preference given to first-time participants and students completing their junior or senior years. The state funds 100 percent of student hourly wages, so host employers participate at no direct cost. The program's articulated goals are to develop career readiness, foster civic engagement, provide job experience to high school students and strengthen the applicant pool for local employers, however the program sets no measurable targets.

What happened?

PED has primarily operated the summer internship program through noncompetitive intergovernmental agreements with Doña Ana County and the Region 9 Education Cooperative, which in turn further subcontracted the work. In FY24 and FY26, PED also signed individual agreements with several dozen county, tribal, and pueblo governments, in addition to a few nonprofit organizations, each serving as a program operator.

For FY26, Region 9 Education Cooperative contracted with Education at Work, a national non-profit, to run the internship program, including further subcontracting with program operators who were responsible for recruiting employer partners, hiring internship coordinators, and recruiting and selecting students. PED reported sharing guidance with program operators through weekly meetings where operators had the opportunity to ask questions and discuss best practices, including how an internship program differs from a jobs program. Separate from PED, the Workforce Solutions Department offers a Pre-apprenticeship Opportunity Program (POP) for 16- to 24-year-olds, including high school students, to work for up to 400 hours with industry partners. PED documentation does not address potential overlap between the programs. PED collected aggregate participation data, by program operator and program-wide, for 2021 through 2023, when federal funds supported internships. The FY26 agreement with the Region 9 Education Cooperative specified that local coordinators should collect student demographic information, including student ID numbers, however it is not clear whether PED has collected or analyzed that information.

CTE: Work-Based Learning

Appropriations: part of CTE line item

PROGRAMMATIC

Expenditures: not tracked separately*

*See note under Implementation.

Background and Purpose

Work-based learning was first mentioned explicitly in the CTE appropriations language in FY24 and has been named annually since. The U.S. Department of Education defines work-based learning as applying skills in a real or simulated work setting, with mentoring and ties to classroom learning. Research finds that sustained, hands-on work-based learning, especially internships, produces modest gains in academic achievement, student confidence and engagement, and employment. Many broader CTE programs that have been shown to raise attendance, graduation, and earnings also incorporate work-based learning.

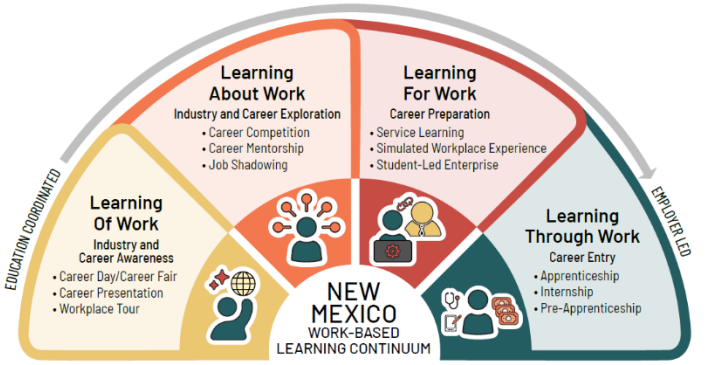
Major Contracts

High Plains Regional Education Cooperative

$572 thousand authorized/$556 thousand spent, FY26
Development of a work-based learning framework, toolkit, and standards.

Northern New Mexico Community Fund

No purchase order issued / $476 thousand spent, FY26
Work-based learning grants to six entities, including three school districts, plus administrative overhead.



Source: PED work-based learning framework

Key Takeaways

- Work-based learning is very broadly defined in the work-based learning framework, with activities not rooted in evidence included in the definition.
- PED has not articulated a specific program design, leaving decisions about implementation largely to districts and charter schools.
- PED has not articulated measurable desired outcomes for work-based learning, so it is unclear how the department will determine whether it has been successful.

Implementation

How was this meant to work?

PED's articulated vision for work-based learning is much broader than the federal definition. The department says its goal for work-based learning is "a robust, career-connected education foundation that guides and supports students from primary through secondary and postsecondary education." National research supports a narrower model: sustained (six-plus hours), hands-on work with industry professionals, including internships.

What happened?

PED did not issue contracts or awards specifically focused on work-based learning until FY26. In FY26, the department signed noncompetitive intergovernmental agreements related to work-based learning totaling roughly $1 million with two regional education cooperatives (RECs). In the first agreement, PED stated that its goal was to increase the high school graduation rate through work-based learning. The agreement specified deliverables including a state framework for work-based learning, a how-to toolkit for districts and charter schools, and work-based learning standards. PED published the framework in June 2026. It counts a broad range of activities as work-based learning, including career fairs and workplace tours, which research has not shown to be effective, and it sets no minimum hours or industry-contact requirement. The framework also sets no graduation target or other statewide success measure, and outcome measurement is left to districts, so there is no way to know whether the investment is meeting PED's stated goal.

The second REC agreement specifies a goal of the "efficient, effective, and compliant implementation of federally and state-funded community programs through Northern New Mexico's Youth Fund." However, the department does not appear to have gone through the REC for the work, instead paying the fund directly, including an administrative fee. The REC agreement specifies it must collect information about program participation, including student identification numbers, but does not indicate how the information will be used or how PED will measure the effectiveness of the offered programming.

Through the Pre-apprenticeship Opportunity Program (POP), the Workforce Solutions Department (WSD) employs 16- to 24-year-olds, including high school students, to work for up to 400 hours with industry partners. PED's work-based learning framework encourages school districts and charter schools to work with WSD "as needed" but does not address how POP placements relate to school-directed work-based learning.

*Work-based learning is funded within the CTE appropriation, and PED does not track its spending separately. The cooperative agreements under Major Contracts are the only spending identified as work-based learning.

Early Literacy

PROGRAMMATIC

Appropriations: $53 million

FY23-FY26

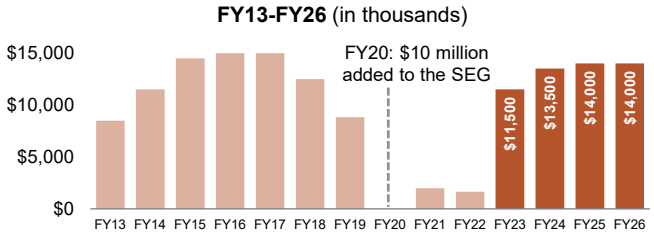
Expenditures: $51.6 million

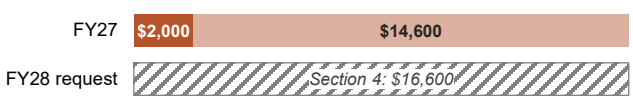
FY23-FY26

Background and Purpose

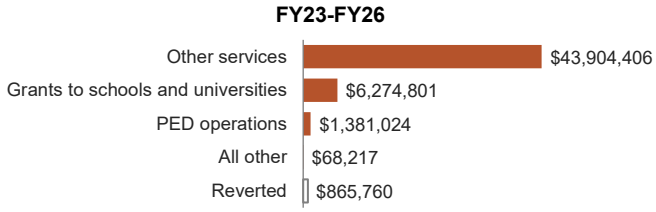
New Mexico started making recurring appropriations for early literacy in FY13. In FY20, this money moved to the state equalization guarantee (SEG), the public school funding formula. Since that time, special appropriations to early literacy have grown from $2 million in FY21 to $14 million in FY26. Historically, this appropriation has supported professional development for administrators, teachers, and reading coaches, formative assessment, home reading support, and reading coaches and intervention materials at districts, charter schools, and regional education cooperatives (RECs). While continuing to fund these diverse supports, since FY19, more money has been allocated to training and coaching teachers in the science of reading. Since FY23, at least $21 million from these appropriations has supported structured literacy coaching.

Appropriation History





Sources: GAA; PED FY28 request



Additionally, in FY26 PED received a $652 thousand FY26 credit for professional services.

Source: SHARE

6,000 **K-5 teachers trained to teach structured literacy as of December 2025, out of roughly 9,000 PED planned to train by FY26.**

87.6% **Districts reporting some high-quality language arts material in elementary school, compared with 13 percent of charter schools and PED's goal of 90 percent of districts and charter schools by 2027.**

Key Takeaways

- The Legislature should consider moving literacy coaches to the public education reform fund (PERF) to ensure evaluation of the model rather than making new funding permanent as a recurring Section 4 appropriation.
- Sampling across the entire bottom quartile of schools lends itself to a PERF evaluation that ties coaching to actual student outcomes, not just adoption of high-quality instructional materials.

Implementation

How was this meant to work?

According to the statewide literacy framework of the Public Education Department (PED), "in elementary schools, a coach's key role is typically to improve reading instruction by facilitating the implementation of multiple layers of reading intervention and support tailored to student needs." To gauge improvements in reading instruction, PED tracks the percentage of districts and charter schools using high-quality instructional materials and providing professional learning for teachers. New Mexico statute defines high-quality instructional materials as those that are research-based, culturally and linguistically relevant, designed to support equitable learning for all students and aligned with the state standards and benchmarks.

What happened?

Between FY23 and FY26, most early literacy funding went to noncompetitive intergovernmental agreements with the Central Region Educational Cooperative (REC 5), the Southwest Regional Education Cooperative (REC 10), and the Region 9 Education Cooperative ($36 million) to fund the recruitment, training, and employment of coaches specializing in structured literacy. An additional $2.5 million went to Lexia Learning Systems, which manages teacher training in structured literacy. About $6.3 million went out as grants to public schools, roughly split between supplies and personnel hired by districts and charter schools. In FY26, $2.2 million went to Just Right Reader, which supplies "take-everywhere literacy" packs to students. Already in FY27, PED has paid an additional $5.9 million for these packs out of a $14.6 million appropriation earmarked for literacy coaches. Starting in FY28, the High-Quality Literacy Instruction Act (2026) requires the placement of literacy coaches in all elementary schools in the bottom quartile of reading proficiency. As appropriations grow to support an estimated 120 new coaches, establishing metrics connecting coaching to student reading outcomes and ensuring that appropriations are expended as intended will become even more important.

Educator Fellows

Programmatic

Appropriations: $40.3 million

FY25-FY26 (state funding began in FY25)

Expenditures: $32.1 million

FY25-FY26

Background and Purpose

PED launched the Educator Fellows Program in 2021 to build a pathway into teaching for educational assistants and other school staff pursuing a degree. Participating districts and charter schools hire fellows with full salary and benefits, and PED provides a $4,000 per-fellow stipend for postsecondary costs plus licensure and background fees. The program ran on approximately $40 million in federal American Rescue Plan Act funds until FY25, when it moved to state funding. It complements, but is separate from, the Grow Your Own Teachers Act (2019), under which the Higher Education Department awards scholarships of up to $6,000 a year to educational assistants working toward teacher licensure.

Appropriation History

FY25 $20 million For the recruitment and retention of Educator Fellow positions.

FY26 $20.3 million For the recruitment and retention of Educator Fellows and Grow Your Own teacher scholarships pursuant to the Grow Your Own Teachers Act, including $1 million 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.

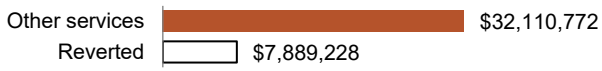
FY27 $20 million *Same as FY26, though "teacher programs" replaces "teacher scholarships."*

FY28 $25.04 million request *Grow Your Own educator pathways that recruit, train, and fund community members to become licensed teachers. Request includes plan to track the success of Educator Fellows once they are licensed teachers, teacher candidates applying to educator preparation programs, and the success of the bridge from high school to college.*

Key Takeaways

- The PED budget request for FY28 includes clear evaluation goals that would be well suited to funding from the public education reform fund (PERF). Educator Fellows could be funded with other teacher pipeline initiatives in the PERF to assess which strategy yields the best results.
- Inconsistencies in appropriation wording and earmarks make it difficult to track spending from year to year.
- Lack of outcomes tracking and reporting makes it difficult to tell how Educator Fellows contributes to the teacher pipeline in New Mexico.

FY25-FY26



Note: PED also used federal funds to cover FY25 costs. All but $9,000 of the appropriation went to the Region 9 Education Cooperative, which managed memorandums of understanding, reimbursed schools, and provided professional services. The TIDE Center received $9,000 in FY26 for a STEM teacher pipeline initiative.

Source: SHARE vouchers

Implementation

How was this meant to work?

The Educator Fellows Program is meant to "create a temporary workforce, or job corps, of Educator Fellows that support teachers in their classrooms by providing engaging high-dosage tutoring and small group instruction" and to create a pathway for professional advancement.

What happened?

The Region 9 Education Cooperative manages the financial aspects and implementation of the program, including the request for information process that determines how many fellows each school is awarded. Schools are prioritized to receive educator fellows based on several factors: elementary schools and schools that serve high populations of English learners, students receiving special education services, Native American students, and economically disadvantaged students. Schools can then apply for reimbursement for fellows' salaries and teacher mentor stipends through the cooperative's financial portal. PED's FY28 public school support request justifies an additional $5 million as allowing the program to "expand and scale Educator Fellows from 375 to 425." However, the program reverted $5.4 million in FY25 (after pulling in $3.9 million in federal pandemic-related elementary and secondary school emergency relief funds) and $2.5 million in FY26.

Because the fellows program can last up to six years, many participants are just starting to graduate. Outcomes tracking was not designed at the outset of the program, and outcomes data LFC requested for recent years was not provided. The Educator Fellows Program could be evaluated alongside other teacher pipeline initiatives, including teacher residencies and student teacher stipends, to better understand what strategies best prepare, recruit, and retain educators. Educator Fellows is designed to plug a hole in the teacher pipeline and, if successful, may no longer be necessary in the future. PED should articulate a clear timeline and benchmarks for sunsetting the program if it outlives its usefulness.

Out-of-School Time

PROGRAMMATIC

Appropriations: $50 million

FY24-FY26

Expenditures: $44.6 million

FY24-FY26

Background and Purpose

From 2009 to 2019, the Legislature funded after school and summer enrichment through appropriations ranging from $150 thousand to $3.3 million in Section 4 of the General Appropriation Act. The Public Education Department (PED) spent $18.3 million in pandemic relief funds on summer learning and afterschool programs. Since FY24, as these federal funds began winding down, the Legislature has made larger appropriations that have also included earmarks for tutoring and evaluation. Out-of-school time (OST) programs can produce moderate academic gains and social-emotional benefits when well implemented, but those benefits depend on trained staff, coordination with school-day instruction, consistent participation, and shared quality standards.

Appropriation History

FY24 $20 million For out-of-school learning, summer enrichment, tutoring, and programs to address learning gaps.

FY25 $15 million For out-of-school time learning opportunities, summer enrichment, and high-dosage tutoring. Includes $8.5 million for high-dosage tutoring.

FY26 $15 million For affordable, effective out-of-school time programs for school-aged youth statewide, including nutritional education programs. Includes $1 million for tutoring programs for at-risk students in literacy, science, technology, engineering, and math.

FY27 $20 million *To conduct out-of-school time programs to sustain and expand comprehensive and affordable out-of-school time programming for school-age youth statewide. Up to $200 thousand may be used by the Public Education Department to evaluate and monitor outcomes from either allocation.*

FY28 PED Request $60 million For out-of-school learning; $20 million per year FY28-30 from the PERF

Major Contracts

Southwest Regional Education Cooperative

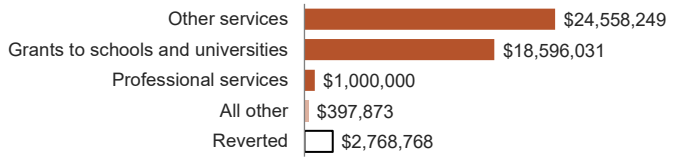
$16.4 million spent, FY24-FY26

Contract and billing management, technical assistance, and a quality management team.

LFC LESC

Scan to read LFC's *Instructional Time and Extended Learning Opportunities in Public Schools* (2026) and LESC's *Out-of-School Time: Supporting Well-Rounded Students* (2025).

FY24-FY26



Note: In FY24, $2.7 million remained unspent in the PERF; in FY25 and FY26, $2.8 million reverted to the general fund.

Source: SHARE

Implementation

How was this meant to work?

PED intends OST "to address gaps in whole-child growth and development opportunities through programs" outside the school day. School leaders surveyed by LFC cited a range of purposes, most often academic support or a safe place after school.

What happened?

From FY24 to FY26, almost $19 million went directly to schools and districts. Another $25 million went to a combination of regional education cooperatives (RECs), Cooperative Educational Services (CES), and the Southeastern New Mexico Economic Development District. Programming varies widely. According to LESC, every FY25 grantee with available data offered enrichment and 16 of 27 also offered academic support, with activities ranging from tutoring and homework help to gardening, coding, chess, music, traditional arts, and student filmmaking. LESC's 2025 site visits found that visited programs largely follow national best practices such as offering a variety of activities and setting realistic goals. However, a 2026 LFC report found that PED has not yet defined key performance indicators for the program or implemented a standardized framework for determining program quality.

In FY25, PED contracted New Mexico State University ($13 thousand) to evaluate state-funded OST, but because programs were not required to track individual outcomes or report in detail on program structure, the evaluation could only describe participation (roughly 7,000 students) and programming. The FY26 end-of-year report similarly contains information on who participates in OST programs and how students and families view them. However, the report does not evaluate the program's effects.

Key Takeaways

- OST programs serve varied goals, from academics to engagement and attendance. Program-level goals, a standardized quality framework, and a more active PED coordinating role would show which approaches work and help spread them across schools.
- Inconsistencies in appropriation wording and earmarks make it difficult to track spending from year to year.

School Leader Development

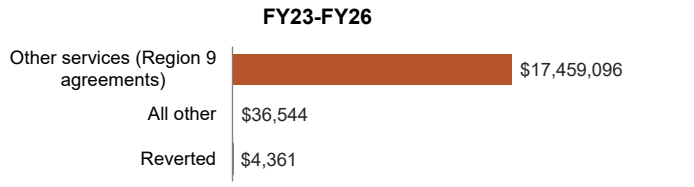
PROGRAMMATIC

Appropriations: $17.5 million

FY23-FY26

Expenditures: $17.5 million

FY23-FY26



Source: SHARE

Background and Purpose

Strong school leadership has been a cornerstone of school improvement for decades, and a growing body of research finds that effective principals rival individual teachers in their positive influence on student outcomes. Conversely, ineffective leadership or frequent turnover can depress student achievement while eroding teacher retention and school climate. In New Mexico, 1 in 3 principals leaves their school every year. Research points to professional development, coaching, and stronger preparation as promising ways to retain principals and lift outcomes, but the implementation model matters.

Appropriation History

FY23 $2.5 million Principals professional development.

FY24 $5 million School leader professional development.

FY25 $5 million School leader professional development.

FY26 $5 million School leader professional development.

FY27 $5 million *School leader professional development.*

FY28 PED Request $5 million

Major Contracts

Region 9 Education Cooperative

$17.46 million authorized and spent

Leadership coaches, stipends for leadership coaching participants, and an annual conference.

1 in 3 **School leaders in New Mexico who left their school in a given year between FY18 and FY22.**

14% **New Mexico school leaders participating in leadership development programs paid for from this appropriation in FY25.**

10 **Leadership programs funded through the appropriation for current and aspiring school leaders, instructional coaches, and superintendents.**

Key Takeaways

- PED's leadership development programs are rooted in promising practices, but the department does not collect the data necessary to determine whether they are effective.
- PED started using a new administrator evaluation system in FY25, but the results of the evaluations are not collected or systematically analyzed at the state level.

Implementation

How was this meant to work?

The stated aim of the Public Education Department (PED) with this appropriation is to improve leadership effectiveness, instructional quality, and student achievement by pairing school and district leaders with performance coaches. The intervention is well supported in principle: national research finds job-embedded principal coaching can directly improve student achievement, but the effect depends heavily on implementation quality.

What happened?

In each of the four years examined, virtually the entire appropriation flowed from PED to the Region 9 Education Cooperative through noncompetitive intergovernmental agreements. The cooperative in turn paid stipends to participating school and district leaders and contracted for leadership coaches and other services, like event planning. As is typical for funding flowed through a regional education cooperative (REC), detailed expenditure reporting is not readily available, limiting insight into how the funding was used. However, invoices show the largest subcontractors include an education consulting firm in Virginia, a marketing and events firm in Ruidoso, and various Albuquerque hotels. The cooperative charged PED between 6.75 and 8 percent annually for "indirect costs" or administrative overhead, totaling around $1.5 million over the four years.

In its FY26 contract with the cooperative, PED specified a range of required deliverables and desired outcomes, including a report summarizing the overall impact of the program on leadership effectiveness, instructional quality, and student achievement. However, the resulting program evaluation reports rely exclusively on participant surveys and do not include any objective analysis of program impact on student outcomes or leadership skills. Also, as noted in previous LFC reports, PED's leadership programs are opt-in, meaning the department cannot distinguish between selection bias and program efficacy. LFC has previously recommended a randomized study that would allow PED to measure the effectiveness of its coaching programs on principal retention, teacher turnover, and student outcomes.

STEM Network

PROGRAMMATIC

Appropriations: $3 million

FY26 (state funding began in FY26)

Expenditures: $2.9 million

FY26

Background and Purpose

Assessment data shows New Mexico students are not adequately prepared for the current and future science, technology, engineering, and math (STEM) job market. In the 2025-2026 school year, only 33 percent of students were proficient in science, down from 35 percent in 2024-2025. In 2024, LESC recommended the establishment of a network to serve as the "connective tissue" between various STEM learning opportunities and resources in New Mexico, modeled after other similar STEM networks in other states. In FY26 and in FY27, the Legislature appropriated $3 million to support the creation and operation of a STEM innovation network.

Appropriation History

FY26 **$3 million** For the science, technology, engineering, and math network.

FY27 ***$3 million*** *For a science, technology, engineering, and mathematics network.*

FY28 PED Request $3 million

Major Contracts

New Mexico State University (NMSU)

$3 million contracted / $2.9 million spent

For statewide STEM programming, regional hub awards, graduate tuition costs, and indirect costs (up to 8 percent of total).

2,200+ **Students reached through STEM network mini-grants in year one (FY26).**

375+ **Educators supported through mini-grants in year one.**

700+ **Educators in STEM network professional learning overall in year one.**

Source: STEM Network annual report

Key Takeaways

- The STEM network is still in the early stages of development. Reporting to date has focused on outputs such as partnerships and participation. There is now an opportunity to look more rigorously at how the program impacts student outcomes.
- Coordination with other state- and federally-funded out-of-school time programs will be critical as the program continues to grow to avoid duplication of service.



NMSU Expenditures, FY26

Expense	Amount
Subcontracts	$1,158,470
Services	$787,249
Salaries, wages, and fringe benefits	$548,015
Supplies	$208,767
Travel, tuition, and stipends	$57,161
Indirect Costs	$149,845
Total	**$2,929,507**

Sources: NMSU FY26 annual report; SHARE

Implementation

How was this meant to work?

In summer 2025, the Public Education Department (PED) signed a memorandum of understanding with NMSU to serve as the principal hub of the STEM innovation network. In coordination with five regional hubs, higher education, industry, career and technical education programs, and the Workforce Solutions Department, NMSU's first year focused on inquiry-based STEM learning, expanding out-of-school STEM programs, and strengthening connections between education and industry.

What happened?

In FY26, the network issued nearly $274 thousand in mini-grant funding to 23 awardees representing six geographic regions of the state. Examples of mini-grant funding include Diné Mathematical Reasoning Through Land and Culture at DEAP Charter School; STEAM Connection Day at Raton Intermediate School; AgriMath NM programming connecting robotics, drones, and artificial intelligence to agricultural challenges; and MathAmigos professional development opportunities. The STEMinNM 2025-2026 End of Year Report includes the outputs of the program's first year, such as the number of participating students and teachers trained. However, STEMinNM has not yet reported on the impact of the program on student outcomes. In FY26, the program budgeted $50 thousand for research and evaluation but only spent $16 thousand. Network coordinators report that STEMinNM is in the early stages of building a system to track student outcomes data, potentially modeled after those of the 21st Century Community Learning Centers (which are supported by federal funds) or the Mathematics Out of School Time Tutoring program funded in FY25 by the PED Community Schools Bureau.

STEAM Initiatives

PROGRAMMATIC

Appropriations: $9.1 million

FY23-FY26

Expenditures: $7.7 million

FY23-FY26

Background and Purpose

Science, technology, engineering, arts, and mathematics (STEAM) funding has typically been used by the Public Education Department (PED) to support a variety of grant and professional programs managed across the Math and Science Bureau and the Instructional Materials Bureau.

Appropriation History

FY23 **$3 million** Science, technology, engineering, arts, and math initiative.

FY24 **$3.1 million** Same as FY23.

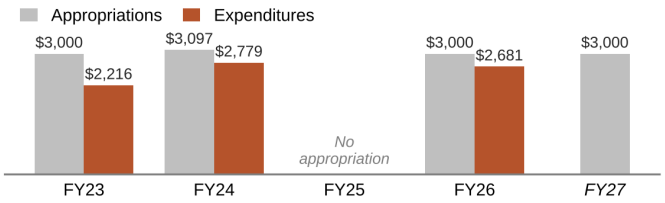
FY25 **No appropriation.**

FY26 **$3 million** For science, technology, engineering, arts, and mathematics initiatives.

FY27 ***$3 million*** *Same as FY26.*

FY28 PED Request ***$6.2 million for STEAM initiatives, outdoor learning, and high-quality instructional materials implementation.***

FY23-FY27 (in thousands)



Sources: GAA; SHARE

Major Contracts

High Plains Regional Education Cooperative

$3.6 million authorized / $3.2 million spent

Procurement of science learning supports, event facilitation, substitute teachers, school year stipends

Region 9 Education Cooperative

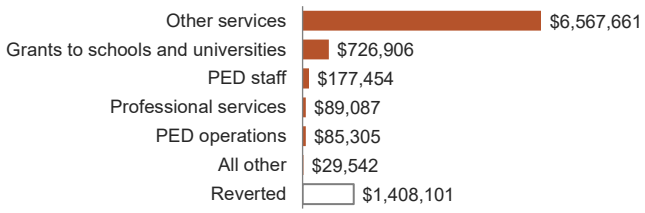
$1.6 million authorized / $1.6 million spent

Support for high-quality instructional materials including development of a strategic planning tool, facilitation of community practices, teacher stipends.

Key Takeaways

- STEAM initiative funding has been used by PED to provide technical support, professional development, and grants for schools; largely in coordination with the regional education cooperatives.
- PED has identified chronically low math and science proficiency rates and adoption of high-quality materials as important indicators of success but has not yet reported on how STEAM funding impacts these metrics.

FY23-FY26



Source: SHARE

Implementation

How was this meant to work?

STEAM funding is intended to support professional development offerings in both math and science, high-quality instructional materials implementation grants, outdoor learning grants, and artificial intelligence guidance development and professional learning. Ahead of FY27, PED reiterated its theory of change: if teachers and schools can access continued professional learning, they can provide high-quality classroom instruction and better support student learning needs. As a result, student outcomes including math and science proficiency rates could benefit.

What happened?

Most funding went to noncompetitive intergovernmental agreements with regional education cooperatives (RECs) to provide professional development and the development and distribution of communications materials. PED offered professional development opportunities to educators around the state. PED also used STEAM funding to support the math and science high-quality instructional materials implementation grant and the Outdoor Learning Initiative Start-Up and Continuation Grants. The department issued requests for applications for both grants.

PED's FY28 budget request proposes to package STEAM initiatives, funding for outdoor classrooms, and high-quality instructional materials implementation grants into a single below-the-line request. The request states the department will use funding in part to develop a process for evaluating math and science professional learning and instructional programs but does not specify the outcomes or metrics that will be used. However, the request identifies persistently low student rates of science and math proficiency and low rates of math teachers consistently using high-quality instructional materials as areas of concern.

Summer Literacy

PROGRAMMATIC

Appropriations: $59 million

FY25-FY26 (state funding began in FY25)

Expenditures: $49.6 million

FY25-FY26

Background and Purpose

Since 2024, the Public Education Department (PED) has offered a statewide summer reading program for students from incoming kindergarteners through outgoing eighth graders. When properly implemented as part of a comprehensive suite of other reforms, summer literacy interventions are an evidence-based method for improving student achievement.

Appropriation History

FY25 $30 million For a summer reading intervention program for students based in the science of reading.

FY26 $29 million For a reading intervention program based on the science of reading.

FY27 $29 million *For student reading and math intervention programs.*

FY28 PED Request $29 million request

Scan to read LFC's *Instructional Time and Extended Learning Opportunities in Public Schools* (2026).

22% **Percentage of students who started well below proficiency and moved up at least one reading level during the program. This number is compared with 36% of students who started below or at proficiency and moved up a level, indicating that students who started the program farther below grade level did not see as much benefit, despite having more room to grow.**

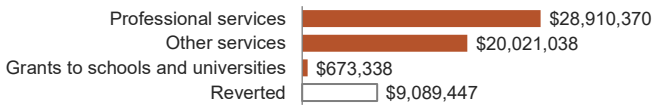
23% **Percentage of students enrolled in the 2025 summer reading program for whom PED tracked achievement.**

1 in 4 **Curricula used during the 2025 summer reading program that were also on PED's list of high-quality instructional materials for use during the school year.**

Key Takeaways

- Following recommendations of LFC's recent instructional time report, PED should use data to target students who could benefit most from additional reading support.
- Structure of the summer program should align more closely with school-year standards, including the adoption of high-quality instructional materials.
- PED should report regularly and publicly on the outcomes of the summer literacy program using a control group of students who did not participate in the summer program.

FY25-FY26



Note: Professional services are mostly the ATA Services contract; other services are mostly the Southwest REC agreement.

Source: SHARE

Implementation

How was this meant to work?

This program aims to improve literacy outcomes for all participating students, measure the progress of students using a pre- and post-assessment, and build competence in literacy skills to support overall academic achievement. For the first summer, PED intended to enroll 10 thousand K-8 students and administer pre- and post-program assessments to measure student growth.

What happened?

For the first two summers of the program, most of the appropriation was split between ATA Services, which hired 1,500 literacy tutors and managed their payroll, and the Southwest Regional Education Cooperative, which provided curricular materials, instructor training, and oversight over instructor time cards. PED's intergovernmental agreement with Southwest REC for FY25 included not only the summer reading programs but the operations of the New Mexico Literacy Institute and high-impact tutoring. The program lasts four hours per day for about six weeks, with a 4-to-1 student-to-instructor ratio.

PED has not publicly released outcomes data from the first two years. Southwest REC contracted with New Mexico Highlands University to conduct evaluation and analysis of program outcomes. The Highlands reports were never finalized; however, report drafts show student data was tracked incompletely and outcomes data linked to student IDs only sporadically. In 2024, PED recruited close to its goal of 10 thousand, though only about two-thirds of students had data at the end of the summer. The following summer, the program recruited over 17 thousand students. However, PED only received outcomes data for 4,010 students and attendance data for 723 of those students. While outcomes have not been publicly reported, descriptive reports from PED show small but statistically significant gains for program participants, which cannot be attributed to the program without a comparison group. For more information, see page 44 of the LFC instructional time progress report linked in the QR code.

Behavioral Health Supports

TIME-LIMITED

Appropriations: $5 million
FY24

Expenditures: $3.1 million
FY24

Background and Purpose

Demand for student mental and behavioral health services in New Mexico rose sharply during and after the Covid-19 pandemic according to statewide surveys. In FY24, the Public Education Department (PED) requested funding for behavioral health supports with the goal of addressing a myriad of behavioral health issues, including attendance, school climate, and substance use.

Appropriation History

FY24 $5 million For behavioral health supports.

FY28 PED Request $4.5 million

Major Contracts

Central Region Educational Cooperative

$687 thousand authorized and spent
Support for PED's Safe and Healthy Schools Bureau; a web app with information about social and emotional health for students, parents, and teachers (www.7mindsetsconnect.com); stipends for school leaders to participate in professional development related to social-emotional learning.

Region 9 Education Cooperative

$500 thousand authorized and spent
Design, administration, and reporting services for PED's Social Emotional Learning (SEL) survey.

Spending by School Districts and Charter Schools
FY23-FY25

Spending category	Amount
Supplies	$881,816
Staff compensation	$367,185
Professional and technical services	$150,493
Other purchased services	$125,521
Staff benefits	$117,006
Equipment and property	$14,781
Total	**$1,656,802**

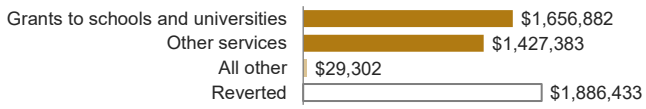
Source: OBMS

141 thousand **Students who took the school climate survey in fall 2025, roughly half of students in the state.**

Key Takeaways

- This one-time appropriation was divided between many purposes, without a clear logic model or theory of change.
- More than a third of the money reverted, and districts and charter schools principally spent the money on supplies.

FY24



Other services include the agreements under Major Contracts.

Source: SHARE

Implementation

How was this meant to work?

In its funding request, PED said it would principally use the funds to provide professional development to school staff related to social-emotional learning and to increase the number of mental health service providers in high-need schools.

What happened?

Roughly half of the expended funds went to districts and charter schools through competitive grants and most of the remainder to two regional education cooperatives through noncompetitive intergovernmental agreements. For grants to districts and charter schools, the funding was awarded for two separate purposes: wellness rooms and social-emotional learning mini-grants. Grants went to 49 districts and charter schools, and the median one spent $25 thousand.

Almost half (41 percent) of district and charter school spending was on general supplies and materials, a catchall accounting category for non-instructional goods. In this case, that included items like furniture and decor for wellness rooms.

Most of the deliverables contracted through the intergovernmental agreements were activity-based ("collaborate with the department," "develop a protocol," "host virtual sessions") rather than tied to student or educator outcomes, and most of the concrete deliverables were not evidence-based programs (such as those in the What Works Clearinghouse) for addressing social and emotional learning or behavioral health needs.

The clearest exception is the statewide school-climate survey, procured through the Region 9 Education Cooperative. Research evidence supports the connection between school climate and student outcomes, and when school climate surveys are used for school improvement, they can positively impact student outcomes. Although this funding did not recur, PED has continued to administer the school climate survey in subsequent years, drawing on other funding streams. The department now requires districts and charter schools who receive certain other grant funding (attendance, wellness rooms) to administer the survey, to be able to collect data about the impact of those grants.

Residency Pilot for Principals, Counselors, and Social Workers

TIME-LIMITED

Appropriations: $2 million
FY24

Expenditures: $773 thousand**
FY24

Background and Purpose

Residencies typically pair a full year of supervised practice with a stipend, an approach intended to improve both the preparation and the supply of new hires. Research suggests school leader preparation programs are most effective when they include clinical experiences in school settings. School counselors and social workers must complete supervised field placements to earn licensure, but these placements are often unpaid, which may discourage candidates in fields where New Mexico schools continue to report hiring difficulty.

Appropriation History

FY24 $2 million For pilot residency programs for principals, school counselors, and school social workers.

Major Contracts

New Mexico State University
$336 thousand authorized / $336 thousand spent
Faculty planning time; honoraria for district leaders; technical assistance, including travel and consulting fees; and pre-resident stipends.

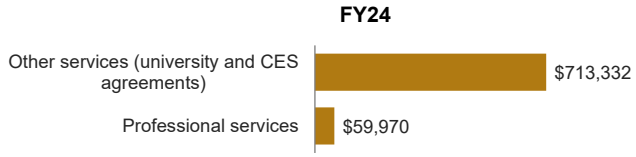
University of New Mexico
$285 thousand authorized / $228 thousand spent
Same as above.

Cooperative Educational Services (CES)
$126 thousand authorized / $124 thousand spent
Three separate contracts: (1) developing a statewide training program for principal residency site mentors and coaches; (2) participation in principal residency planning meetings; and (3) data collection and evaluation services.

Scan to read LFC's *Policy Spotlight: Successful School Practices* (2025).

Key Takeaways

- Although labeled a residency pilot, this appropriation did not substantively fund residencies. Rather, funds were spent on planning and design.
- The plan developed in FY24 was used to create HB157 (2025), which is now a $5.6 million below-the-line initiative.



** This appropriation was made from the public education reform fund, and the unexpended balance remained in the fund.

Source: SHARE

Implementation

How was this meant to work?

The Legislature appropriated $2 million to fund a pilot of high-quality, full-year residencies for principal, counselor, and social worker candidates enrolled in New Mexico preparation programs.

What happened?

The Public Education Department (PED) used FY24 to plan residencies rather than fund them, spending $773 thousand or 39 percent of the appropriation. Most of the funds ($590 thousand) went to five educator preparation programs. Three of the programs signed on as full participants (Eastern New Mexico University, New Mexico State University, and the University of New Mexico) while several others (Western New Mexico University, University of the Southwest) agreed only to participate in meetings about residency design. Several other programs were contracted to participate, but did not bill the department, including New Mexico Highlands University.

PED's contracts with the full participation preparation programs specified activities and inputs rather than outcomes. Programs agreed to attend community of practice meetings, dedicate at least 20 percent of a faculty position and 20 percent of a coordinator position to planning, involve district leaders and at least five "pre-residents" in the design, and give participants a common preparedness survey. However, the contracts did not define "pre-resident," set standards for the design work, or address residencies for school counselors or social workers.

PED also contracted with Education Research & Development, LLC ($60 thousand), an education consulting firm, to facilitate 10 virtual meetings for the preparation programs to collaborate on residency design. It further contracted with Cooperative Educational Services or CES ($124 thousand) to design an optional mentor and coach training program and to evaluate the pilot year. The contract did not specify what metrics the pilot year would be evaluated against.

School Improvement

TIME-LIMITED

Appropriations: $6 million
FY26

Expenditures: $6 million
FY26

Background and Purpose

New Mexico's federally required school accountability system, NM Vistas, ranks schools based on performance and provides additional oversight and support to schools designated as having the lowest performance. The federal government provides New Mexico with annual funding (1 percent of Title I funds; about $500 thousand in FY26) for administrative activities of the Public Education Department (PED) associated with supporting low-performing schools. The Legislature has periodically supplemented those federal funds with below-the-line appropriations, but PED has funded the activities out of other funding streams when below-the-line appropriations are not available.

Appropriation History

FY26 $6 million For school improvement activities.

FY27 $4 million *Same as FY26.*

FY28 PED Request $30 million *For school improvement through the public education reform fund, $10 million a year for FY28-FY30.*

Major Contracts

Northwest Regional Education Cooperative

$6.6 million authorized and spent ($6 million in state funds and $600 thousand in federal funds)
Three site visits each to 68 schools; 12 leadership development seminars; monthly one-on-one coaching for school leaders (virtual or in person); a consolidated application portal for school improvement and transformation; and six in-person professional learning events.

Scan to read LFC's *Policy Spotlight: Successful School Practices* (2025).

Key Takeaways

- In FY28, PED is requesting $30 million in funding for school improvement through the public education reform fund.
- While practices like coaching and school monitoring are rooted in evidence, implementation matters.
- None of the specified performance targets for this appropriation included metrics related to student achievement or school improvement.



Note: The entirety of the FY26 appropriation went through the Northwest REC.
Source: SHARE

Implementation

How was this meant to work?

PED's stated objective for this appropriation was to "support the implementation of targeted, outcomes-driven professional learning, technical assistance, monitoring, and leadership development for educators and school leaders in schools designated for More Rigorous Intervention (MRI) and Comprehensive Support and Improvement (CSI)."

What happened?

PED directed the entire appropriation to the Northwest Regional Education Cooperative through a noncompetitive intergovernmental agreement, bundling the state funds with two separate federal funding streams for a total of $6.6 million. In turn, the cooperative hired subcontractors to conduct site visits to schools, provide coaching to school leaders, and host in-person events. The largest subcontractors were a Virginia-based education consulting firm ($3.5 million), a Ruidoso marketing and events company ($519 thousand), and an Albuquerque hotel ($417 thousand). The cooperative also directly paid stipends to 58 school leaders participating in the coaching program. In its contract with the cooperative, PED specified all contracted services must be "evidence-based," but did not specify a model for the intervention or link the specific design of the program (monthly coaching, six in-person events, three site visits) to any research. The contract included roughly 30 performance targets for the coaching and events work, principally focused on process (Was a service delivered? Was it on time?). However, none of the targets measured were related to student achievement or school improvement.

PED has revised the criteria for entering and exiting a designation of needing improvement multiple times in recent years; currently schools are designated every three years but can exit designation every year. Many schools exited improvement designations in 2024, but that was largely due to changes in the underlying calculations rather than measurable improvement in student outcomes or school practices. Sixty schools received an improvement designation in 2026, 72 percent of which were also designated in 2023. Some of those schools exited and then reentered designation, interrupting both the technical assistance and school improvement funding they receive while in designation. In FY26, schools designated as needing improvement each received $100 thousand in state funding.

Indian Education Act

Appropriations: $85 million*
FY23-FY26

STATUTORY

Expenditures: $78 million**
FY23-FY26

Background and Purpose

The Indian Education Act, enacted in 2003, sets goals and requirements for providing Native American students an equitable, culturally relevant education in collaboration with pueblos, tribes, and nations. The program primarily provides grants to pueblos, tribes, and nations as well as school districts, charter schools, tribally controlled schools, Bureau of Indian Education (BIE) schools, and higher education institutions to support language and culture activities, Native American teacher recruitment, curriculum development, and consultation efforts.

Appropriation History

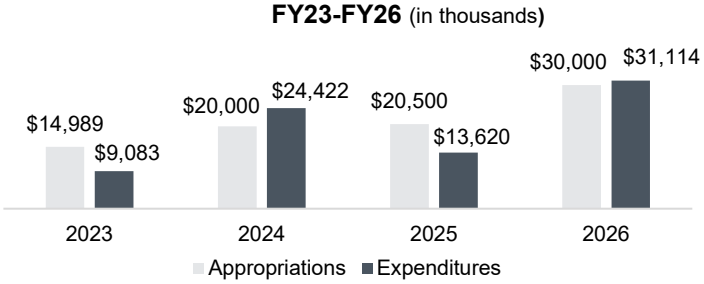
FY23 $15 million Indian education fund.

FY24-FY26 $20 million a year Indian education fund.

FY25 $500 thousand To implement provisions of the Indian Education Act.

FY26 $30 million 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 $10 million expended in each fiscal year to support activities pursuant to the Indian Education Act.

***FY27 $20 million** Indian education fund.*

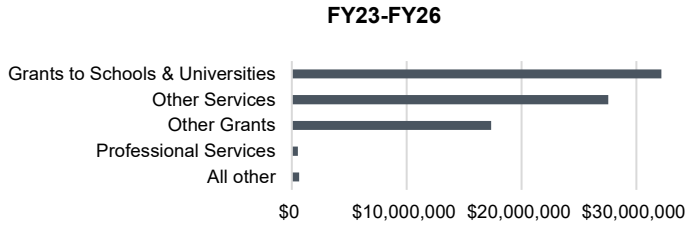


Note: Expenditures exceed appropriations in some years because PED spent out of fund balances. Source: GAA; SHARE.

Key Takeaways

- Despite historic and continued large reversions from the Indian education fund, the Legislature has substantially increased appropriations for the Indian Education Act in response to the *Martinez-Yazzie* lawsuit. High turnover of leaders at tribal education departments remains a barrier to spending and implementation.
- In FY26, PED switched from reimbursements to an advance payment process for tribes to streamline spending for its $30 million, three-year special appropriation.
- Native American students are narrowing the achievement gaps with their peers; however, PED has not collected data on whether recent investments were responsible.

*Appropriations not authorized for expenditure in listed years excluded.



** While the listed appropriations were made from the general fund, the Indian education fund is designated in statute as non-reverting; unexpended balances remain in the fund, which ended FY26 with a balance of $22.6 million. Of the $50 million appropriated in FY26, $20 million can only be spent in FY27 and FY28.

Source: SHARE

Implementation

What does the law require?

The Indian Education Act requires PED to report on the education of Native American students, administer a fund, and support the Indian education advisory council. The law also requires school districts and charter schools to assess student needs and prioritize budgets to address these needs in consultation with tribal stakeholders.

What happened?

Despite historic difficulties with spending funds, recent appropriations to the Indian education fund have grown substantially—from $2.5 million in FY19 to $20 million in FY26—largely in response to the *Martinez-Yazzie* lawsuit. The Legislature also supplemented the recurring appropriation with nonrecurring special appropriations to support pueblos, tribes, and nations and teachers with Native American language and culture certifications. Since FY19, Native American students have reported higher gains in literacy, math, and graduation than the state average, narrowing historic gaps with their peers.

High turnover of leaders at tribal education departments continues to be a barrier for spending and implementation. PED requested authority to use $10 million in FY24 and $18.3 million in FY26 from reversions to help grantees spend down funds. While some tribes have established priorities and spending practices, PED's Indian education division is still assisting many grantees with budget development, consultation, and reporting. In FY26, PED switched from reimbursements to an advance payment process for the three-year Section 5 appropriation, providing tribes upfront funds to streamline spending.

Student Nutrition

Appropriations: $113.2 million
FY23-FY26

STATUTORY

Expenditures: $112.1 million
FY23-FY26

Background and Purpose

Since FY24, the student nutrition program, also known as the Healthy Universal School Meals program, has required all public schools in New Mexico to provide breakfast and lunch to every student, regardless of ability to pay. The program supplements federal funding that pays for free and reduced-price meals for eligible students.

Appropriation History

FY23 $2.4 million Student nutrition and wellness.

FY24 $22.6 million Student nutrition and wellness.

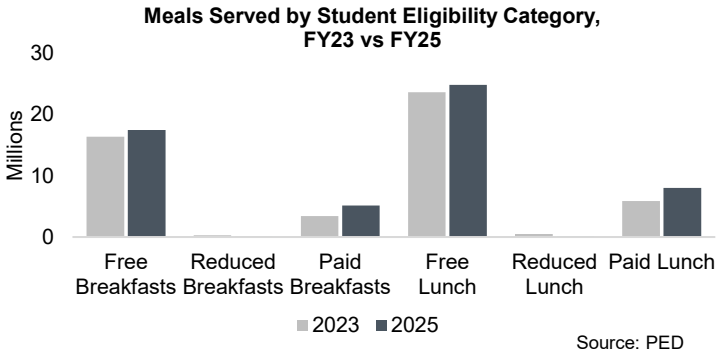
FY25 $41 million Student nutrition and wellness .

FY26 $42.2 million Student nutrition and wellness .

FY26 $5 million For universal free school meals […] contingent on a budgetary shortfall in fiscal year 2026 due to growth in participation or meal rates.

FY27 $42.2 million *Student nutrition and wellness.*

FY28 PED Request $48.1 million



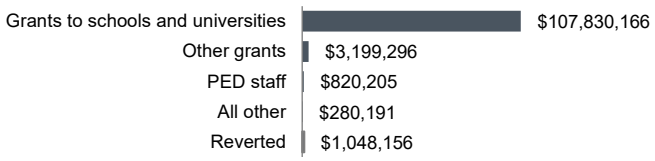
Source: PED

Scan to read LFC's program evaluation *Healthy Universal School Meals* (2025).

Key Takeaways

- The Healthy Universal School Meals program has increased student participation in school lunch and breakfast, with the largest growth among students above the income threshold set by the federal program.
- Almost all New Mexico districts and charter schools participate in the Community Eligibility Provision (CEP), which lets schools in higher-poverty areas serve free meals to all students without collecting household applications, a way of maximizing federal revenues

FY23-FY26



$1,048,156 reverted to the general fund. Not shown: shortfall supplementals of $30.8 million (FY24-FY25).

Source: SHARE

Implementation

What does the law require?

Schools were directed to maximize federal funding for their nutrition programs, including by participating in the Community Eligibility Provision. The Public Education Department (PED) was also required to promulgate a rule tying reimbursement to meal quality improvement to ensure students receive healthier, higher-quality school meals. Meal quality improvements include the incorporation of New Mexico-grown ingredients and the reduction of food waste.

What happened?

PED data shows New Mexico received $183 million in federal cash payments for school meals in FY26, excluding additional payments for commodities and summer programs, while the state provided an additional $47.2 million to schools. In FY24 and FY25, program costs exceeded the budgeted amount, and the Legislature provided supplemental funding to make up the difference. In FY26, the Legislature included a $5 million special appropriation in anticipation of a funding shortfall.

Program costs have grown, outpacing general inflation. A 2025 LFC report attributed the growth to rising food and labor costs and found that federal reimbursement rates have not kept pace, leaving the state to cover a growing share of program costs. Nearly all districts and charter schools participate in CEP, which allows schools in higher-poverty areas to serve free meals to all students without collecting applications from families. However, due to federal legislation passed in 2025, the number of students automatically classified as eligible for free meals may decrease in coming years, which would also affect CEP eligibility.

In spring 2026, PED completed its initial certification process to assess school compliance with meal quality, seat time, food waste, and student and family engagement rules. Schools that did not achieve certification will receive a lower state reimbursement rate starting in FY27.

Statewide Student Information System

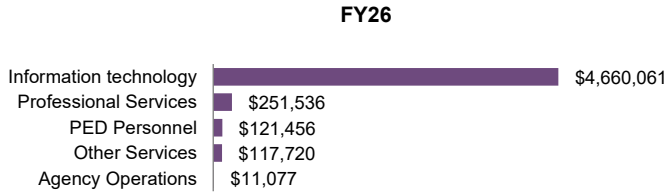
AGENCY FUNCTIONS

Appropriations: $12 million

FY26 (state funding began in FY26)

Expenditures: $5.2 million**

FY26



**This appropriation from the general fund was reauthorized for expenditure in FY27, so the unexpended balance has not reverted.

Source: SHARE

Background and Purpose

Historically, districts and charter schools in New Mexico have independently contracted for student information systems (SIS)—systems that store and manage key student records, including enrollment, attendance, grades, scheduling, and demographic data. The state then gathers data from those systems through various submission mechanisms to compile statewide reports. The statewide SIS project allows LEAs to opt in to a state-procured system that provides similar functionality on a local level while also automatically feeding data into statewide reporting systems. However, participation is optional, meaning the state is paying for both the statewide SIS and legacy data collection systems.

Appropriation History

FY26 $12 million For a statewide student information system and connected educational data systems in fiscal year 2026.

FY27 $6 million *For a statewide student information system and connected educational data systems.*

FY28 PED Request $8.25 million *For the statewide SIS and related systems.*

SIS Cost Comparison

Entity	Cost per student
Statewide SIS (estimated)	$14
FY25 New Mexico LEA average	$29
FY26 Delaware statewide SIS (includes IEP module)*	$16
FY26 Colorado statewide SIS estimate	$10.18-$11.79
FY25 Utah LEAs	$3.35-$11.46

*Delaware cost is estimated from invoices and student totals.

Source: LFC files

77 LEAs using the new statewide SIS in FY27, representing 65 percent of all students in the state.

28 LEAs signed up to start using the new statewide SIS in FY28, representing 5 percent of all students in the state.

$4 million Average estimated cost to the state per year for the statewide SIS, compared with PED's $8.25 million FY28 request.

Implementation

What function does this support?

Compiling and analyzing data about the performance of public schools in New Mexico is a core function of the Public Education Department (PED). The agency has evolved its data collection systems over time with the goal of improving accuracy and reducing administrative burden for LEAs. In FY24 PED rolled out an automated validation system called NOVA to streamline collection and increase accuracy of data. The statewide SIS will not immediately replace NOVA's function, but could in the future, if all LEAs participated.

What happened?

In December 2025, PED signed a three-year, $8.5 million contract with Cooperative Educational Services and Edupoint to procure Synergy, a commercial SIS, on behalf of the state and interested LEAs. According to agency documents, the system will cost the state roughly $4.5 million per year to license, or $14 per student per year, if all LEAs participate. While funded out of a nonrecurring appropriation, continued operation of the system will require an ongoing contract with Edupoint. The department has articulated a wide range of potential benefits from the statewide SIS, including cost savings, reduced administrative burden, faster record-sharing, and improved data analytics capacity. The agency should establish key performance measures and regularly report on whether the investment is producing the expected returns.

Key Takeaways

- The statewide SIS is funded out of nonrecurring appropriations, and it is not clear how PED would fund the system if the appropriations were not renewed.
- PED's FY28 request covers the statewide SIS and "related systems," and is roughly double the estimated annual cost for the statewide SIS.

Bilingual Multicultural Education

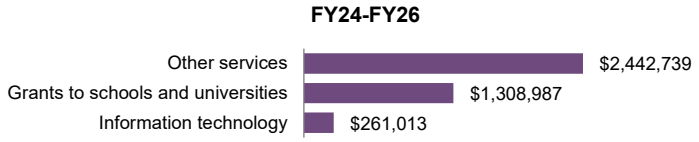
AGENCY FUNCTIONS

Appropriations: $5.5 million

FY24-FY26 (state funding began in FY24)

Expenditures: $4 million**

FY24-FY26



**These appropriations were made from the public education reform fund, and unexpended balances remained in the fund. Other services includes the intergovernmental agreements listed under Major Contracts.

Source: SHARE

Background and Purpose

The Bilingual Multicultural Education Act aims to help all participating students become bilingual and biliterate in English and a second language. Most funding for bilingual multicultural education flows directly to districts and charter schools through the public school funding formula ($54 million in FY26); this funding was appropriated on top of that to the Public Education Department (PED), which administers and enforces the act and helps districts and charter schools develop and evaluate their programs.

Appropriation History

FY24 $5 million To support teachers in bilingual multicultural education programs and implement provisions of the Bilingual Multicultural Education Act, including $750 thousand to update the Prueba de Español para la Certificación Bilingüe Spanish language proficiency exams and other language proficiency exams for licensure endorsement.

FY26 $500 thousand For purposes pursuant to the Bilingual Multicultural Education Act.

FY27 $500 thousand *Same as FY26.*

FY28 PED Request $1.5 million For the Bilingual Multicultural Education Act and Migratory Student Supports

Major Contracts

High Plains Regional Education Cooperative

$1.2 million authorized and spent
Support for PED's Language and Culture Division, including subcontract management and program monitoring.

Region 9 Education Cooperative

$745 thousand authorized and spent
Spanish and tribal language proficiency assessments.

Key Takeaways

- Allocating below-the-line funding to districts already receiving formula funding for bilingual multicultural education is duplicative.
- Contracts with RECs to support agency operations should include specific deliverables, desired outcomes, and metrics for measuring whether those outcomes have been realized.

Implementation

What function does this support?

A 2022 LFC report found that PED was not meeting its statutory obligations under the Bilingual Multicultural Education Act, despite recent increases in staffing. PED requested this funding to support implementation of the law and to provide subgrants to districts and charter schools "with the increased accountability of funds that flow through the department."

What happened?

LFC's 2022 evaluation found that students in bilingual multicultural education programs were not becoming bilingual or biliterate. The evaluation also found that bilingual teachers did not teach in bilingual multicultural education programs due to a lack of appropriate curriculum, materials, and time. PED split the funding it received between two primary purposes, allocating $1.3 million for supplemental grants to districts and charter schools that already receive bilingual formula funding, and $1.2 million for regional education cooperative (REC) support to the Language and Culture Division.

Districts spent the grant funding mostly on supplies, including instructional materials and software. PED noted in a response to the LFC report that grant spending is easier to monitor than formula spending, but grants are a small fraction of total bilingual funding. PED's annual contracts with High Plains REC since FY24 for support to the Language and Culture Division describe activities ("offer support," "build capacity") and the FY26 contract conflates outcomes with deliverables ("four professional learning opportunities").

The remaining funds paid for Eastern New Mexico University to update the Prueba de Español ($267 thousand), bilingual endorsements for 27 teachers through CES or Cooperative Educational Services ($262 thousand), student language proficiency assessments ($745 thousand), and Indian Education Division information technology systems ($261 thousand). PED reports that most students participating in bilingual multicultural education programs are still not achieving bilingualism or biliteracy.