FISCAL IMPACT REPORT

BILL NUMBER: House Bill 30

SHORT TITLE: Teacher Residency Act Changes

SPONSOR: Reps. Sarinana, Garratt, Baca/Sen. Figueroa

LAST UPDATE: **ORIGINAL DATE:** 1/29/26   **ANALYST:** Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
PED		$251.3 to $3,015.0	$0.0	$251.3 to $3,015.0	Nonrecurring	Other state funds
Total		$251.3 to $3,015.0	$0.0	$251.3 to $3,015.0	Nonrecurring	Other state funds

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files
Legislative Education Study Committee (LESC) Files

Agency or Agencies Providing Analysis
Public Education Department
Regional Education Cooperatives
Higher Education Department
New Mexico Independent Community Colleges
University of New Mexico

SUMMARY

Synopsis of House Bill 30

House Bill 30 (HB30) sets the minimum stipend for an undergraduate teacher resident at 65 percent of a level 1 teacher minimum salary and at 80 percent of a level 1 salary for a teacher resident who has a bachelor's degree. The bill requires teacher residents to serve a minimum of three years at any public school instead of schools within the district that sponsored the resident and makes an offer of employment to the teacher resident dependent on the staffing needs of the partner school district or charter school. The bill is endorsed by the Legislative Education Study Committee (LESC).

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The bill does not include an appropriation but may increase the costs of the state's teacher residency program. Currently, the minimum salary for level 1 teachers is $55 thousand. Provisions of this bill would effectively increase the current minimum statutory stipend of $35 thousand for teacher residents to $35.8 thousand for undergraduate residents and $44 thousand for residents with a bachelor's degree. Indexing the resident stipend in this manner would, therefore, increase the costs of stipends proportionately to any future legislated increases to the level 1 teacher minimum salary.

According to the Public Education Department (PED), the state supported 335 teacher residents in FY26 at a cost of $11.8 million. Provisions of this bill could increase the costs of stipends between $251.3 thousand and $3 million, depending on the education attainment levels of the residents and assuming the same number of residents in FY27. LESC estimates the cost of this proposal would be $1.3 million based on current education attainment levels.

Currently, the teacher residency program is funded through a $60 million government results and opportunity (GRO) fund appropriation for educator clinical practice for expenditure from FY25 to FY27. The annual $20 million GRO appropriation could potentially absorb the costs of higher stipend levels at the expense of other educator clinical practice programming needs in FY27, or alternatively, PED could award fewer resident stipends to stay within budgeted appropriation levels. LESC projects a potential decrease of 31 residents in the event other educator clinical practice program funds are not reduced. Because the GRO pilot is only funded through FY27, this analysis does not assume a fiscal impact in FY28 and scores the pilot's cost as nonrecurring.

SIGNIFICANT ISSUES

New Mexico's Teacher Residency Act was enacted in 2020, largely in response to findings in the *Martinez-Yazzie* education sufficiency lawsuit related to teacher quality, an initial $1 million appropriation for teacher residencies in General Appropriation Act of 2019, and concerns about declining enrollments at teacher preparation programs and high teacher turnover rates. Teacher residencies are intended to enhance the preparation of prospective educators through extended clinical practice time under a master teacher, which could lead to better retention rates and effective instructional practices. Well-paid residencies also reduce barriers to entry for economically disadvantaged candidates and could improve the diversity of the teaching workforce.

Per statute, New Mexico's teacher residency programs must have competitive admission requirements, a $35 thousand stipend for the resident, additional stipends for mentors and administrators, guided apprenticeship in the classroom of a level 2 or level 3A teacher who has demonstrated effectiveness in teaching with appropriate subject area knowledge, ongoing coaching, and post-completion commitments to the partnering school district or charter school. The residency programs are designed to diversify the teaching profession, fill high-need teaching positions, and provide a full year of coursework and co-teaching experience—longer than the typical 16-week student teaching experience.

Currently, teachers completing their residency must commit to serving a minimum of three years at schools in the sponsoring school district, and statutory provisions set an expectation that

sponsoring districts (and charter schools) will employ the teacher resident on completion of the residency program. Provisions of this bill would change these requirements by allowing residents to commit to serving a minimum of three years at any public school and allowing districts or charters to make an offer of employment to residents depending on their staffing needs and resident performance.

PERFORMANCE IMPLICATIONS

National research indicates teacher residents remain in teaching at higher rates than their peers, are typically more diverse than the general teacher workforce, and have student outcomes comparable to their peers. A 2024 LESC report on teacher residency programs in New Mexico corroborated these findings. According to the report, teacher residents were more diverse than the state's teaching workforce, had completion rates exceeding 90 percent, and completed residencies in high-need areas like special education and elementary education.

Despite initial promising results, the lack of coordination between PED and educator preparation programs resulted in poor data collection, limiting LESC's ability to evaluate the impact of teacher residencies on student outcomes. Of the 1,987 educators reported as completing a preparation program over the study period, LESC was only able to match 199 teachers to student test scores to evaluate the program's effect on academic outcomes. The analysis of this limited set of data indicated New Mexico's teacher residency programs had no statistically significant impact on student reading and math performance when compared to teacher candidates prepared through traditional pathways. The only exception was teacher residents in an alternative licensure pathway, who performed better than other alternatively licensed teachers; however, the sample size of this comparison was extremely small.

SL/hg/sgs