

LFC Requester:

Sunny Liu

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Date Prepared: 1/29/2025 *Check all that apply:*
Bill Number: HB156 Original X Correction
 Amendment Substitute

Sponsor: Representative Joy Garratt and Senator Mimi Stewart **Agency Name and Code Number:** ECECD
Person Writing Analysis: Elizabeth Groginsky
Short Title: Increase Educational Salaries **Phone:** 505.231.29 97 **Email:** Elizabeth.Groginsky@cecd.nm.gov

SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	5,533.0	Recurring	GF
NFI	NFI		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	5,533.0	5,533.0	Recurring	GF

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		5,533.0	5,533.0	11,066.0	Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB156 increases the minimum salaries for school personnel, including teachers, school counselors, and school administrators. Specifically, the minimum salary changes for standard nine and one-half month contracts include:

- The minimum salary for a level one teacher is increased from fifty thousand dollars to fifty-five thousand dollars.
- The minimum salary for a level two teacher is increased from sixty thousand dollars to sixty-five thousand dollars.
- The minimum salary for a level three-A teacher is increased from seventy thousand dollars to seventy-five thousand dollars.

The effective date for these changes is July 1st, 2025.

FISCAL IMPLICATIONS

There are fiscal implications on sustainability of PreK funding and PreK parity to maintain alignment with this salary increase. An increased budget to support PreK educators for school based teachers and increases to support pay parity for NM PreK community-based educators to align salaries with PED educators will be required.

- As of December 2024, a total of 186 educators and directors qualified and were receiving PreK pay parity. The cost to support PreK pay parity in FY25 is projected at \$3,8 million with an estimated increase to \$4,1 million in FY26 at the current rates. Alignment with the proposed PED salary increase would require a minimum \$5,000 increase per educator for a projected total of \$930,000 at current levels.
- NM PreK is expected to add an estimated 140 new classrooms, 80 of which are expected to be in community-based settings. This would result in more community-based educators qualifying for PreK pay parity for a total budget increase in PreK pay parity for FY26 of \$1,3M for PreK pay parity.

In addition to PreK pay parity, per child reimbursement rates will need to be increased to support programs in providing the minimum \$50,000 salary for qualified PreK lead teachers.

- In addition, NM PreK per child rates account for a minimum \$50,000 salary for all lead teachers holding a BA degree or higher in early childhood education. There are currently over 700 educators in NM PreK programs that meet this qualification. Alignment with the proposed PED salary increase would require an increase to the per child rates to account for a minimum \$5,000 increase per educator for a projected total of \$3,5 million.
- In FY26, ECECD is projecting to add an additional 140 new classrooms, all of which would require a per child rate increase to align with the proposed PED salary increase for a projected FY26 cost of \$4,2 million . Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Since New Mexico's school based PreK programs aligns salaries for teachers to the PED pay scales, this bill would have significant fiscal impact on ECECD. Additionally, community-based PreK programs are required to pay the lead classroom teacher a baseline salary of \$50,000 annually, equivalent to a level 1 PED teacher. Educators with degree and experience equivalent to a level 2 or level 3 can apply for PreK pay parity to earn the equivalent to their PED counterparts. If public school salaries increase, changes will need to be made to the PreK Parity Program. To qualify for the Parity Program, educators must work in an NM PreK classroom in a community-based program as either a Lead Teacher or Assistant Teacher; or work full-time as an Administrator (Director or Assistant Director) in a community-based program and have direct supervision and support of the NM PreK program; and meet specific education and work requirements. The PreK Pay Parity Program pays the difference between the eligible category amount and the yearly salary the educator is paid by their employer. This amount is divided into equal payments paid each month from the time of application through the end of the fiscal year.

PERFORMANCE IMPLICATIONS

If HB156 is enacted, ECECD may experience challenges in sustaining and expanding NM PreK in community-based settings without additional revenues.

ADMINISTRATIVE IMPLICATIONS –

If HB156 is enacted, it may have implications for the effective administration of NM PreK.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP –

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS