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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
57th Legislature, 1st Session, 2025

Bill Number	<u>HM47</u>	Sponsor	<u>Mirabal Moya/Baca</u>
Tracking Number	<u>.230910.1</u>	Committee Referrals	<u>HEC</u>
Short Title	<u>Study Public School Employee Compensation</u>		
Analyst	<u>Armatage</u>	Original Date	<u>3/6/2025</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Memorial

House Memorial 47 would require LESC to collaborate with the Public Education Department (PED), educator preparation programs, the Legislative Finance Committee (LFC), school districts and charter schools, teachers' unions, and teachers to study compensation for public school employees, including how salary competitiveness, compaction, and sustainability affect recruitment and retention of public school employees.

LESC would be required to report findings to the Legislature and the governor by December 31, 2025.

FISCAL IMPACT

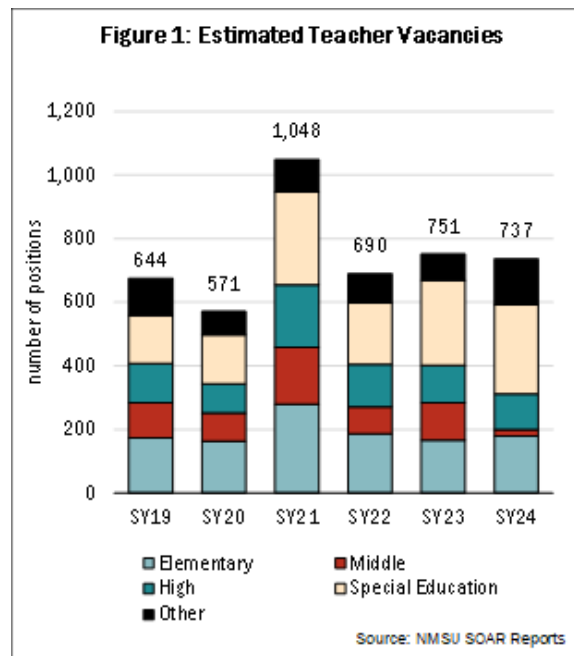
Legislative memorials do not carry appropriations.

SUBSTANTIVE ISSUES

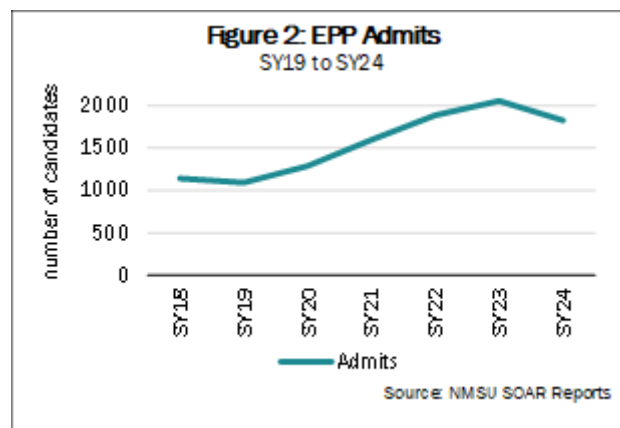
Teacher Compensation. National [research](#) shows teacher salaries can affect the quality and quantity of individuals preparing to become teachers, with individuals more likely to choose the teaching profession when salaries are competitive with other occupations. In 2019, the Economic Policy Institute, a national think tank, [estimated](#) the national average wage penalty (meaning the gap between the wages of a specific group of workers compared with other works that have similar education levels) for teachers was 19 percent. New Mexico ranked the third highest nationally in its teacher wage penalty at an estimated 29.5 percent. New Mexico's national average teacher salary ranking improved after raising teacher minimum salaries and instituting substantial school personnel salary raises in FY22. However, New Mexico's average teaching salary remains below the national average, and thus, teachers in the state likely continue to face a substantial wage penalty. And according to the U.S. Bureau of Labor Statistics, the \$50 thousand minimum level one teacher salary established in 2022 would need to increase to \$54.8 thousand in 2024 to account for rising inflation.

[Research](#) also indicates substantial and sustained differential pay can help schools recruit and retain teachers in high-need areas. A 2023 LESC [report](#) recommended the Legislature consider implementing differential pay for special education teachers serving the highest need students and bilingual teachers teaching in PED-approved bilingual and multicultural education programs (BMEPs).

Teacher Supply and Demand. The New Mexico Educator Vacancy Report produced by the Southwest Outreach Academic Research Evaluation and Policy Center (SOAR) at New Mexico State University [estimates](#) New Mexico had 737 teacher vacancies at the beginning of the 2024-2025 school year (SY25), a 2 percent decrease from the prior year. The teaching areas with the highest need were special education (280 vacancies) and elementary teachers (179 vacancies); see **Figure 1: Estimated Teacher Vacancies** below.



While the number of teacher candidates completing educator preparation programs (EPPs) in New Mexico continues to recover after nearly a decade of plummeting, the number of teacher candidates admitted to educator preparation programs decreased in SY24 for the first time since 2019—from 2,055 in SY23 to 1,826 in SY24; see **Figure 2: EPP Admits**.



School Administrator Turnover. SOAR’s 2024 New Mexico Educator Vacancy [Report](#) estimated the state had 25 principal and assistant principal vacancies in SY25. [According](#) to the Learning Policy Institute, a nonprofit research organization, principal turnover can be disruptive to schools, increase teacher turnover, and ultimately negatively impact student achievement.

In SY24, just under two-thirds of New Mexico’s superintendents had held their position for four years or less or were serving on an interim basis. Nearly half had been a superintendent for two years or less. [According](#) to the New Mexico Coalition of Educational Leaders, a professional [association](#) of school administrators, the average superintendent tenure in New Mexico is about two years. The Broad Center, a research [organization](#) within Yale University’s School of Management, [found](#) the national average tenure for a superintendent is six years. [Research](#) has found positive associations between superintendent longevity and experience with measures of student achievement.

Other School Personnel Shortages. SOAR’s 2024 New Mexico Educator Vacancy report estimated 356 vacancies for educational assistants in SY25, 62 percent of which are for special education assistants. Educational assistants are critical to enable differentiated instruction that meets the needs of all students, provide support for students with special needs, and ensure schools can meet state class size requirements. An [analysis](#) of U.S. Census Bureau data found the national average earnings of full-time educational support providers (defined as paraeducators, clerical, and custodial staff) in SY23 was \$33.8 thousand. New Mexico’s current minimum salary of \$25 thousand for educational assistants is below this average.

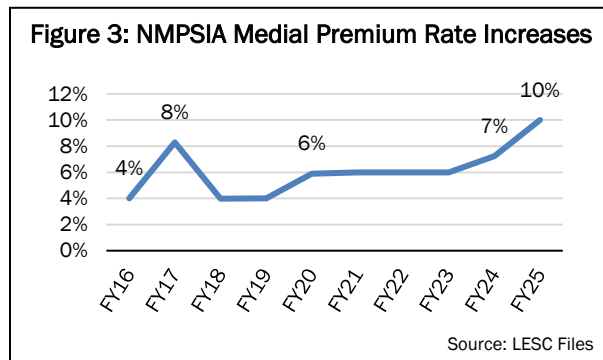
Many New Mexico schools also report difficulties staffing secretarial, transportation, and food service positions. A 2023 [study](#) by LESC staff found nearly every school district in the state is experiencing bus driver shortages. Student transportation barriers contribute to chronic absenteeism, which has been found to negatively impact student outcomes.

Salary Compaction. While the state sets minimum teacher salaries for each license level, school districts set their own pay schedules for all school personnel. The 2025 Teacher Cost Index report produced by LESC, LFC, and PED found some districts are compensating teachers with fewer years of experience at commensurate, if not higher, rates than their more experienced peers at the same level of licensure. This could indicate the market rate for these individuals is higher than the state’s minimum salary requirement. The substantial jump in starting pay levels may be contributing to slower salary growth for more experienced teachers, which flattens out at all levels, particularly after five years of service. Many school district salary schedules flatten after a teacher reaches level 3 licensure, typically after six years of experience.

Cost of Living. According to the [Massachusetts Institute of Technology](#), a minimum living wage rate for one adult in New Mexico is, on average, \$20.10 per hour. For a family of four with two working adults, the minimum living wage is an estimated \$24.51 per hour. The current minimum wage rate for school employees in New Mexico is \$15 per hour. In counties with a higher cost of living, minimum living wages are higher. A 2023 LFC analysis found average teacher salaries in some of the state’s highest living wage counties were well below the living wage for one adult and one child.

Health Insurance. An October 2024 LESC [report](#) highlighted the growing cost of health insurance through the New Mexico Public Schools Insurance Authority (NMPSIA); see **Figure 3: NMPSIA Medical Premium Rate Increases**. Public school employees have seen an 81 percent increase in

health premiums since FY15, with an increase of 10 percent in FY25 alone. These increasing costs eat into the school personnel salary raises appropriated by the legislature.



ADMINISTRATIVE IMPLICATIONS

LESC staff would collaborate with PED, educator preparation programs, LFC, school districts and charter schools, teachers' unions, and teachers to study compensation for public school employees and report findings to the legislature and the governor.

RELATED BILLS

Relates to House Bill 156, Increase Educational Salaries, which would raise minimum salaries for teachers by \$5 thousand at each tier to be \$55 thousand for level 1 teachers, \$65 thousand for level 2 teachers, and \$75 thousand for level 3 teachers.

Relates to House Bill 157, New School Licenses, which would require school administrator preparation programs to meet national and state standards; require PED to create a process for approving new and revised school administrator preparation programs; and establish new licenses for assistant principals, principals, charter school head administrators and superintendents.

Relates to House Bill 195, School Nurse Salary Tiers & Minimums, which would create program units for level 2 and level 3 school nurses certified by the National Board for Certification of School Nurses, codify a three-tier licensure system for nurses in state law, establish new criteria for licensure advancement, and tie minimum nurse salaries at each licensure tier to minimum teacher salaries.

Relates to House Bill 200, Additional Program Units, which would create program units in the state equalization guarantee, the public school funding formula, for licensed school employees with bilingual endorsements employed in BMEPs approved by PED, and for teachers with TESOL endorsements.

Relates to House Bill 201, Raise School Employee Minimum Wage, which would increase the minimum annual salary for all full-time public school employees to \$30 thousand.

Relates to House Bill 422, Teaching Resident Stipends, would require teacher residency programs to pay teacher residents stipends of no less than 80 percent of the minimum salary for level 1 teachers. Teacher residents would also be entitled to the employer contribution for the teaching resident's health insurance through the New Mexico Public School Insurance Authority.

Relates to House Memorial 32, Study Means of Teacher Advancement, which would require the Public Education Department (PED) to collaborate with teacher preparation programs at state universities to study the possibility of giving master's degree credit to level one teachers for the professional work required to move to a level two license, and to level two teachers for the professional work required to move to a level three license.

Relates to House Memorial 44, School Employee Insurance Premium Work Group, which requests LESC to convene a working group to study the rising costs of insurance premiums for school employees.

SOURCES OF INFORMATION

- LESC Files

AA/clh/mca/jkh