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

Bill Number HB94 **Sponsor** Lara

Tracking Number .229018.2 **Committee Referrals** HEC/HAFC

Short Title Maximum Class Loads

Analyst Armatage **Original Date** 1/28/2025
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BILL SUMMARY

Synopsis of Bill

House Bill 94 (HB94) would reduce maximum class loads, and repeal averaging allowances, for first through third grades. HB94 would also require school districts and charter schools to report information about class sizes and teaching loads to the Public Education Department (PED) for budget purposes. If HB94 were passed, school districts would be required to complete a class size waiver application for each school it wishes to be granted an exception for. Additionally, school districts would be required to hold a public hearing to provide affected families with information about the decision to exceed maximum class sizes. PED would be required to post approved waivers on the department’s website.

FISCAL IMPACT

The bill appropriates \$2 million from the general fund to the public school capital outlay fund for expenditure in FY25 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

Based on FY23 class roster data, LESL staff estimate HB94, if passed, would require an additional 189 first through third grade teachers and an additional 674 educational assistants across the state in the 2025-2026 school year (SY26). Beginning in SY27, HB94 would require an additional 277 teachers and an additional 674 educational assistants. With an estimated average teacher salary of \$67.2 thousand, and an estimated average educational assistant salary of \$27.1 thousand, in SY24, LESL staff estimate a total additional cost to the state, including new staff benefits, of \$39.6 million in SY26 and \$47.1 million in SY27 and thereafter.

Table 1: Estimated Staffing Costs of HB94

	Additional Grade 1 Teachers	Additional Grade 1 EAs	Additional Grade 2 Teachers	Additional Grade 3 Teachers	Estimated Cost of Teachers	Estimated Cost of EAs	TOTAL
SY26	70	674	55	64	\$16,220,028	\$ 23,332,845	\$39,552,873
Beginning SY27	70	674	96	111	\$23,772,211	\$ 23,332,845	\$47,105,056

Source: LESL and PED Files

Should each of the new teachers require construction of a new classroom, at an estimated cost of \$250 thousand per classroom, the additional infrastructure could cost as much as \$69 million. However, the New Mexico Public School Facilities Authority (PSFA) estimates the cost of constructing a single new classroom is closer to \$1 million, based on current market conditions for smaller construction projects. PSFA notes it is difficult to project how many schools would need to renovate spaces or build new classrooms as a result of enacting HB94, but notes larger districts, schools operating at capacity, and recently right-sized schools would require additional spaces.

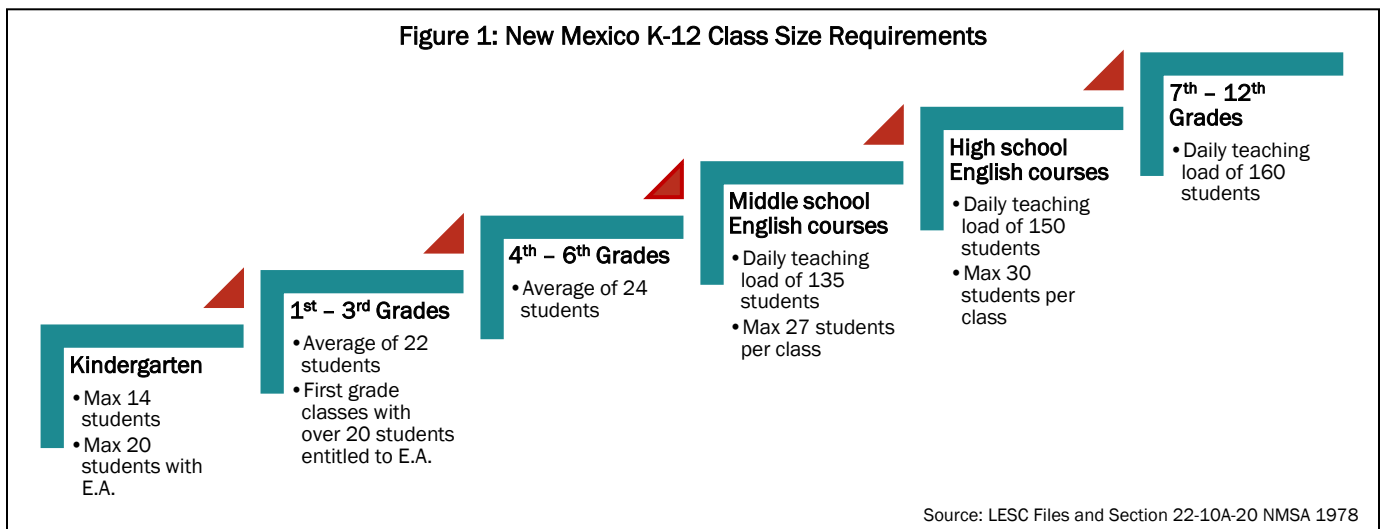
School districts receiving Public School Capital Outlay Council (PSCOC) funding for capital projects must fund a portion of the project cost. The amount the PSCOC funds varies by district and ranges from 37 percent to 100 percent of the project cost. PSFA notes some school districts may not be prepared to fund constructions of classrooms that could be necessary to comply with HB94.

Neither LESC, the Legislative Finance Committee (LFC), nor the executive included funding for class size reductions in recommendations for public school support in FY26.

SUBSTANTIVE ISSUES

Class Size Maximums. New Mexico set class size requirements for kindergarten through 12th grade (K-12) students in the early 1990s and few changes have been made since that time. While kindergarten classes have an absolute maximum number of students (14 students, or 20 students with an educational assistant), class size requirements for subsequent grades are primarily based on the average size of all classes within a particular range of grades.

For example, **Figure 1: New Mexico K-12 Class Size Requirements** shows the average class load for fourth through sixth grade teachers may not exceed 24 students when averaged among grades four, five, and six. Under this requirement, the size of classes within a school could vary substantially.

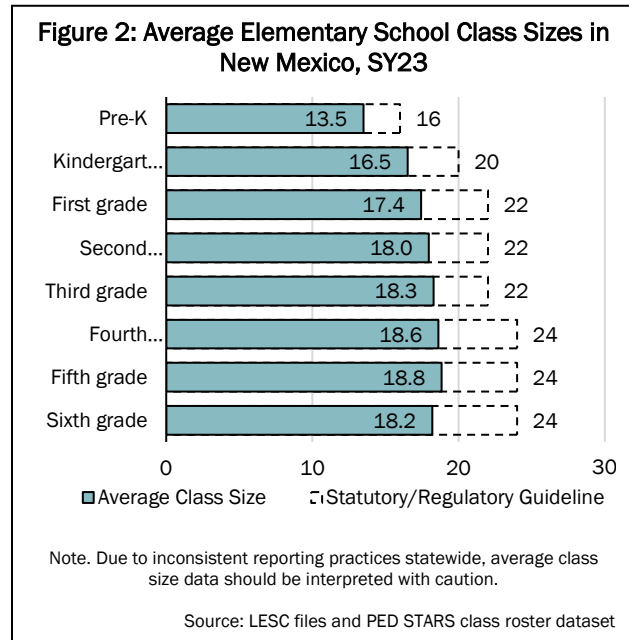


In response to House Memorial 20, passed in the 2024 legislative session, LESC and LFC staff published a joint [report](#) examining class sizes in New Mexico, including the potential effects of class size reductions on student outcomes, staffing, and funding.

Staff analyzed statewide PED course roster data for prekindergarten through 12th grade during SY23 and found that, on average, class sizes were below both statutory requirements and [national](#) averages. The joint LESC and LFC report cautioned, however, that state averages could mask instances of larger classes, and that due to inconsistencies in data reporting, analyses should be interpreted with caution.

Figure 2: Average Elementary School Class Sizes in New Mexico, SY23, shows in prekindergarten, the average class size was 13.5 students, below the 16-student maximum for three-year-old students. In kindergarten, the average class size was 16.5 students, below the statutory maximum of 20 students. It is likely that many prekindergarten and kindergarten classrooms also had educational assistants, further reducing the student-to-adult ratio in early grades.

In first through sixth grades, statewide class averages were already at or near a size that [research](#) suggests is small enough to produce student learning effects (13 to 17 students). However, as statute allows schools to remain below class size maximums by averaging class sizes among several grades, some classes could still be notably above the average.



HB94 would remove averaging allowances. Removing this flexibility could prevent strategic local decisions, such as providing a more experienced teacher with a stipend for teaching a larger class, while giving a new teacher a smaller class load.

Class Size Waivers. When school districts are unable to meet statutory class size requirements, officials must apply for class size waivers on an annual basis, which cannot not be granted for more than two consecutive years. Currently, waivers may be granted when districts demonstrate:

1. No portable classrooms are available;
2. No other available sources of funding exist to meet the need for additional classrooms;
3. The district has plans to build capacity within one year; and
4. Parents of children affected by the waiver are notified in writing of the district’s decision.

For districts that receive a waiver for an elementary school, the average class load for teachers cannot exceed 20 students in the first grade and shall not exceed 25 students when averaged among grades two, three, four, five, and six. According to PED, four districts and charter schools were granted class size waivers in SY24, including Artesia, Taos, Gallup, and La Academia de Dolores Huerta Charter School. In SY23, class size waivers were granted to four school districts, including Artesia, Clovis, Las Cruces, and Gallup.

HB94 would require school districts to apply for a separate waiver for each school they wish to exceed statutory maximums, rather than a single district waiver. Rather than demonstrate plans to increase building capacity to receive a waiver, school districts would be required to demonstrate the district will increase building capacity and budget for additional teachers to meet class load

requirements after the waiver's expiration. In addition to notifying parents of children affected by the waiver in writing, the school district would be required to hold a public hearing to provide families information about the decision.

HB94 would require PED to post approved class size waivers on the department's website.

Student Outcomes. [Meta-analyses](#) of class size reduction [studies](#) generally report mixed results, showing statistically significant small effects, no effects, or even in some cases, negative effects. The most influential and credible study of class size reductions is the 1989 Tennessee Student Teacher Achievement Ratio (STAR) project. The STAR [project](#) is generally considered to have found the largest effect amongst studies. On average, the students who had been assigned to small classes were found to have grown by an additional three months of schooling (0.22 standard deviations) compared to their peers in larger classes. This effect was driven by growth among kindergarteners. Additionally, effects were largest for Black students, economically disadvantaged students, and male students. Overall, literature suggests class size reductions have the strongest impact on student academic growth in early childhood, with the effect size decreasing each subsequent year. In addition, smaller class sizes appear to be most beneficial for at-risk students and for students in classes with less experienced or effective teachers. Some [research](#) indicates well-trained educational assistants used effectively by teachers can improve student outcomes.

Teacher Shortages. According to the 2024 New Mexico Educator Vacancy [Report](#) by New Mexico State University's Southwest Outreach Academic Research Evaluation and Policy Center, New Mexico had 737 teacher vacancies at the beginning of SY25, a 9 percent increase from the prior year. The state also fell short of 356 educational assistants.

Little research exists on the effects of class size reductions on teacher retention. However, a few small [studies](#) suggest a correlation between smaller class sizes and improved teacher retention. Teachers themselves clearly express dissatisfaction with larger class sizes. In the 2023 Merrimack College Teacher [Survey](#), the top three steps teachers said districts could take to support their well-being were increasing compensation, reducing class sizes, and providing more support for student discipline-related issues. Some [research](#) suggests smaller class sizes may improve student engagement and behavior, allowing teachers to focus more on providing instruction. Following the Covid-19 pandemic, teachers in New Mexico and across the nation [reported](#) a marked impact on students' social, emotional and behavioral development, resulting in increased disruptions of instructional time and demands on teachers.

One complicating factor of reducing class sizes is an increased need for teachers to staff the resulting additional classrooms. HB94 would require an estimated additional 277 teachers and 674 educational assistants in the state. When a district already faces teacher shortages, this could result in more classes being taught by long-term substitutes.

ADMINISTRATIVE IMPLICATIONS

HB94 would require school districts, locally chartered or state-chartered charter schools to report the current and previous school years' class load and teaching load of each elementary and secondary class provided for in the school district's operating budget.

HB94 would require school districts to apply for a separate waiver for each school they wish to exceed statutory maximums. School districts would be required to hold a public hearing to provide families information about the decision to apply for a waiver.

HB94 would require PED to review additional class size waivers and to post approved class size waivers on the department's website.

PSFA notes HB94 would require PSCOC's maximum allowable square foot guidelines for facilities, which accounts for class loads, would need to be modified to account for mandated decreased class loading.

ALTERNATIVES

[Research](#) has found young children experience the greatest benefit from small class sizes. The estimated effect of class size reductions on student test scores is twice as high for kindergarten students as it is for first grade students. As state law allows kindergarten classes to reach a maximum of 20 students with the presence of an educational assistant in classes with greater than 14 students, capping kindergarten classes at 14 students could be more impactful than reducing class sizes of older students.

POSSIBLE QUESTIONS

Would school districts and charter schools be able to construct the additional infrastructure necessary to meet HB94's proposed class size reductions by SY26?

Given persistent teacher and educational assistant vacancies in the state, would school districts and charter schools be able to identify the necessary additional teachers and educational assistants they would be required to hire?

SOURCES OF INFORMATION

- LESC Files
- New Mexico Public School Facilities Authority (PSFA)

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