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

Bill Number	<u>HB156</u>	Sponsor	<u>Garratt/Stewart</u>
Tracking Number	<u>.229401.1</u>	Committee Referrals	<u>HEC/HAFC</u>
Short Title	<u>Increase Educational Salaries</u>		
Analyst	<u>Armatage</u>	Original Date	<u>1/29/2025</u>
		Last Updated	<u>2/3/3035</u>

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of Bill

The proposed bill would amend the School Personnel Act to 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. Because minimum salaries for school counselors and school leaders are tied to minimum teacher salaries, raising minimum teacher salaries will also raise minimum salaries for these positions.

FISCAL IMPACT

The proposed bill does not include an appropriation.

LESC staff estimate raising minimum teacher salaries would cost the state \$7.432 million, including a benefits ratio of 0.275, after LESC's FY26 budget proposal of 3 percent across the board school personnel salary raises. The LESC recommendation for public school support in FY26 includes \$101.4 million for these 3 percent raises. The proposed FY26 executive budget also recommends a 3 percent school personnel salary raise. The Legislative Finance Committee (LFC) budget proposal for FY26 includes a 4 percent across the board salary raise for all public school personnel and \$4.38 million to raise minimum teacher salaries by \$5 thousand each.

SUBSTANTIVE ISSUES

Student Achievement. [Research](#) has shown teachers are the most important school-related factor influencing student outcomes, such as performance on reading and math assessments, likelihood of on-time high school graduation, and even college attendance, college completion, future earnings, and other distal outcomes. Significantly, the court in the *Martinez-Yazzie* consolidated education lawsuit found effective teachers were key to improving proficiency and concluded the quality of teaching for at-risk students was inadequate in New Mexico.

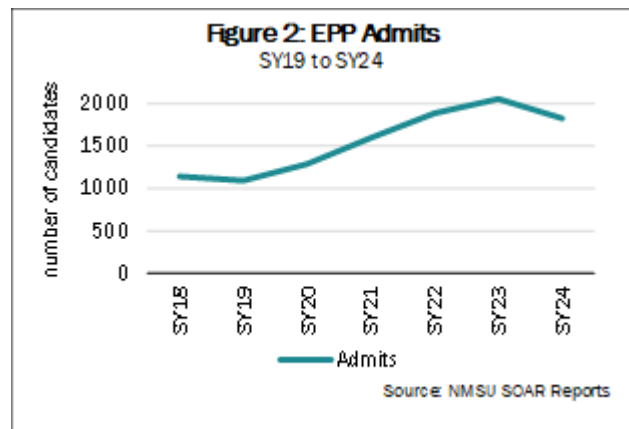
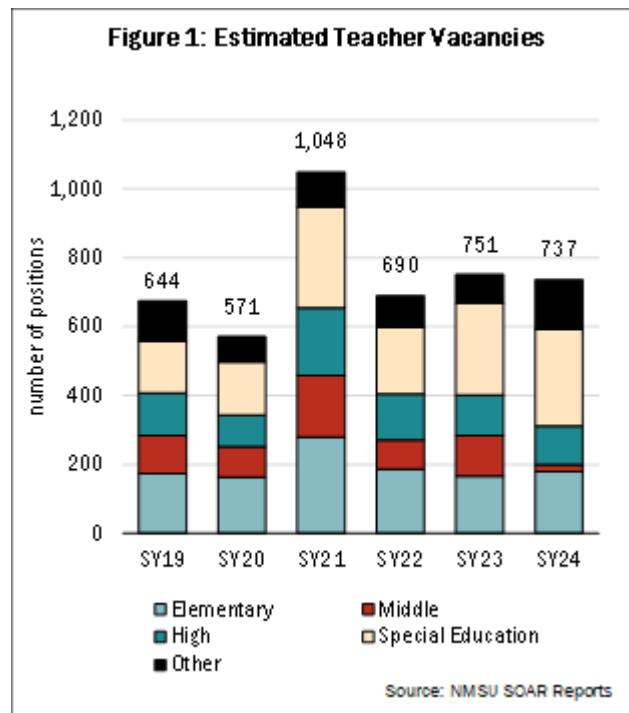
The need for highly effective teachers in New Mexico is particularly great, with only 38 percent of students proficient in reading and 24 percent of students proficient in math, according to data from the 2023-2024 school year (SY24). A high proportion of students are at risk, with one in four children living in poverty and higher than national averages of students identified as English language learners or students with disabilities. Statewide academic achievement for these students continues to lag those of their peers.

Educator Vacancies. The *New Mexico Educator Vacancy Report* produced by the Southwest Outreach Academic Research Evaluation and Policy Center 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). Educational assistants accounted for nearly 30 percent (356 vacancies) of all educator vacancies reported. Although this data represents the best information currently available, estimations are imprecise, based on a single snapshot of public job postings.

While the number of teacher candidates completing educator preparation programs 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.

Educator Recruitment and Retention. Raising teacher minimum salaries is an important mechanism to attract individuals to the profession and incentive teachers to move to the next licensure tier.

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.

In FY22, the Legislature increased teacher minimum salaries by \$10 thousand for each tier to be \$50 thousand for level one teachers, \$60 thousand for level two teachers, and \$70 thousand for level three teachers. In SY24, LESC staff estimate average teacher salaries were \$56 thousand amongst level one teachers, \$67 thousand amongst level two teachers, and \$76 thousand amongst level three teachers. This shows the teachers affected by again raising tier minimum salaries would primarily be brand new teachers and those moving from one tier to the next who work in school districts who have adopted teaching salary schedules aligned with state salary minimums. Some school district salary schedules already exceed state minimums.

New Mexico’s average teaching salary is now the highest in the region, but it remains below the national average. In addition, 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. 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.

Implications for Other State Agencies. The New Mexico Corrections Department (NMCD) notes the department contracts educators who are not subject to the School Personnel Act, though these educators do receive salary increases provided by the Legislature. Although NMCD is not required to match salaries for their contracted educators to state legislated minimums, NMCD notes raising teacher minimum salaries could put pressure on NMCD to increase pay for contracted educators.

The Early Childhood Education and Care Department (ECECD) notes raising teacher minimum salaries would impact prekindergarten teacher salaries. School-based prekindergarten teachers are included in LESC’s cost estimations for HB156. ECECD runs a pay parity program for community-based prekindergarten teachers. Through this program, teachers meeting certain requirements may apply to ECECD for funds to bring their salary into alignment with state teacher salary minimums. According to ECECD, there are currently 634 community-based prekindergarten teachers. While there is no statutory requirement for community-based prekindergarten teachers to be compensated at teacher minimum salaries, at \$5,000 per current community-based prekindergarten teacher, continuing ECECD’s pay parity program could cost as much as \$3.17 million. However, as the pay parity program only applies to certain prekindergarten teachers—and some prekindergarten teachers may already be compensated at or above the new proposed teacher minimum salaries, the total cost would likely be less.

SOURCES OF INFORMATION

- LESC Files
- Legislative Finance Committee (LFC) Files
- New Mexico Public Schools Insurance Authority (NMPSIA)
- New Mexico Educational Retirement Board (NMERB)
- Early Childhood Education and Care Department (ECECD)
- New Mexico Corrections Department (NMCD)
- Public Education Department (PED)
- New Mexico School for the Blind and Visually Impaired (NMSBVI)
- New Mexico School for the Deaf (NMSD)

