

LFC Requester: Liu



**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/14 /25

Bill No: [HB422](#)

Sariñana/Garratt/Gurrola/Mirabal
Sponsor: Moya /Baca

Agency Name and Code: PED - 924

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STIPENDS

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	Recurring	GF

Duplicates/Relates to Appropriation in the General Appropriation Act: Relates to the GRO appropriation made during the regular 2024 legislative session to the Public Education Department (PED) of \$20 million for FY26 and \$20 for FY27.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 422 (HB422) proposes to amend the Teacher Residency Act to increase the minimum annual stipend for teaching residents from \$35,000 to 80 percent of the minimum salary for teachers with level one licensure (currently totaling \$40,000) and cover the employer contribution for health insurance. For department-approved teaching residency programs, the bill would add a \$4,000 stipend for college faculty serving as co-teaching trainers and \$500 per teaching resident to educator preparation programs to offset institutional costs associated with supervision.

FISCAL IMPLICATIONS

The bill does not contain an appropriation, but relates to the GRO appropriation made in the regular 2024 legislative session for \$20 million for clinical practice in fiscal years 25, 26, and 27.

Since FY23, the cost of teacher residency programs has been about \$45,000 per resident including the costs to providing institutions. Under HB422, the projected costs for FY26 and FY27 would be \$60,000 per resident, tabulated below with potential teacher resident counts. The number of teacher residents would decrease by 20 percent without additional money appropriated to administer clinical practice programs in FY26 and FY27. To achieve a goal of 350 participating residents, an additional \$9 million would need to be appropriated each year.

Participation and Cost of Teacher Residency Programs FY22-FY28

Fiscal Year	Teacher Residents	Allocation	Expenditures
22	~40	\$1,000,000	\$997,000
23	~245	\$15,500,000	\$12,681,176
24	~245	\$12,890,000	\$12,673,743
25	249	\$12,000,000	\$11,631,313
26	*200	\$12,000,000	*\$12,000,000
27	*200	\$12,000,000	*\$12,000,000
28	*350	*\$21,000,000	*\$21,000,000

*Indicates count or cost projection based on \$40,000 minimum teaching resident, \$10,000 institutional program costs, and \$10,000 per resident employer contribution for health insurance.

HB422 would also require teacher residency programs to pay for the employer contribution to each resident's health insurance premium through New Mexico Public School Insurance Authority, currently fixed at 80 percent of the premium for salaries below \$50,000. Employer contributions range from about \$500 to \$2,000 monthly, [depending on the plan chosen by the insured](#). Annual per-resident cost to cover employer contributions would range from \$6,000 to \$24,000. Assuming that more teaching residents would choose a plan for a single insured individual justifies an estimated average cost of \$10,000 per teaching resident for employer contributions.

SIGNIFICANT ISSUES

The bill would increase the overall program cost per teaching resident from \$45,000 to \$60,000. Without appropriating additional money for the program, HB422 would reduce the number of residencies offered by 20 percent.

Teaching residencies take the place of the traditional, one-semester student-teaching clinical experience required for educator preparation in New Mexico.

The rationale for development of teacher residency programs was summarized in a recent report by [Prepared to Teach](#).

- 39 percent of undergraduate debt for new educators has been shown to be accrued during an unpaid, full-time student teaching semester.
- Prior to widespread teacher residency programs, 60 percent of new teachers were hired through alternative teacher-of-record programs resulting in high rates of teacher turnover.

The [2024 New Mexico Prepared to Teach Report](#) indicated that 48 percent of the teaching residents in the state are Hispanic or Latino and seven percent are Native American, with 100 percent of residents from San Juan College being Native American. The geographic locale of residencies, further, was described as 44 percent city, 22 percent rural, 19 percent town, and 15 percent suburban, based on National Center for Education Statistics locale codes. Two-thirds of graduates are people of color. One-third of all newly licensed teachers are residency graduates.

Institution with Teaching Residency Program	Count of Teaching Residents in 2024-2025
Central NM Community College	30
Eastern NM University	21
NM Highlands University	27
NM State University	46
Northern NM College	16
San Juan College	7
University of NM	67
Western NM University	35
Grand Total	249

PERFORMANCE IMPLICATIONS

Teachers are the most important factor influencing student learning, and according to the [2024 New Mexico State University Southwest Outreach Academic Research Evaluation & Policy Center report](#), New Mexico has 737 teacher vacancies.

Financial and educational supports for future educators may increase the numbers and the diversity of aspiring teachers, while quality preparation focusing on high need licensure areas and hard-to-staff schools could reduce teacher turnover.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- House Bill 156 ([HB156](#)), which would increase minimum salaries for levels one, two, and three licensure teachers to \$55 thousand, \$65 thousand, and \$75 thousand respectively beginning in FY26. This would result in a minimum stipend of \$44,000. By tying the residency stipend proportionally to the teacher salary minimum, HB422 would allow the residency support to continue to be impactful even as statutory minimum salaries may change.
- House Bill 195, School Nurse Salary Tiers & Minimums, which proposes to establish a three-tiered licensure system for school nurses and ties their salaries to the minimum teacher salaries established per licensure level.
- House Bill 210, Raise School Employee Minimum Wage
- Senate Bill 343, Teacher Salary Rates Changes, which proposes to remove certain exceptions to teacher minimum salaries.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The [Teacher Residency Act](#) of 2020 established an annual stipend for all residents and codified rigorous requirements for residencies, including simultaneous enrollment in wraparound coursework at a partnering program, placement in a fully immersive year-long experience at a partner school district, co-teaching with an experienced mentor teacher, and employment for three years following the residency. House Bill 13 (2022) increased stipends for residents from \$20 thousand per year to \$35 thousand per year, created new stipends for mentor teachers and principals, and provided \$50 thousand for teacher residency program coordinators at each approved institution offering the program.

In pegging the salary for teacher residents to minimum level-one teacher salaries, HB422 would provide for teacher resident salary increases as level-one teacher salaries are increased without requiring additional changes to statute.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.