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

Bill Number	<u>HB422</u>	Sponsor	<u>Sariñana/Garratt/Gurrola/Mirabal Moya/Baca</u>
Tracking Number	<u>.229868.1</u>	Committee Referrals	<u>HEC/HAFC</u>
Short Title	<u>Teaching Resident Stipends</u>		
Analyst	<u>Armatage</u>	Original Date	<u>3/3/2025</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

House Bill 422 (HB422) would require teacher residents to receive 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 (NMPSIA).

HB422 would require teacher residency programs approved by the Public Education Department (PED) to pay \$4,000 to each faculty member providing co-teaching training to residents and public school mentors.

HB422 would entitle each participating public postsecondary educational institution or tribal college to \$500 per teaching resident to offset institutional costs associated with supervision of teaching residents.

HB422 would go into effect on June 30, 2025.

FISCAL IMPACT

HB422 does not contain an appropriation.

In FY24, the Legislature appropriated \$60 million to the government results and opportunity (GRO) expendable trust and program fund for educator clinical practice from FY25 through FY27. Without an additional appropriation, New Mexico teacher residency programs would be required to use existing funding to cover the costs associated with HB422. This could mean programs would serve up to 100 fewer residents at higher costs per resident. The increased costs associated with HB422 would include the following:

1. **Increased teacher resident stipends.** At the current minimum level 1 teacher salary, teacher residency programs would be required to pay residents a stipend of at least \$40 thousand—an increase from the \$35 thousand per resident required in current law. During

the 2025 legislative session, the Legislature is considering increasing minimum salaries for teachers at all levels. If House Bill 156 (HB156) is enacted, HB422 would require teacher residency programs to pay residents a minimum stipend of \$44 thousand. LESC staff estimate HB422’s stipend proposal would cost teacher residency programs an additional \$5,000 to \$9,000 per resident in FY26 depending on whether the minimum level 1 teacher salary remains as \$50 thousand or increases to \$55 thousand. Should HB422 pass, teacher residency programs would be required to increase teacher resident stipends any time the state raises minimum teacher salaries in the future.

2. **Employer contribution for teacher resident health insurance.** HB422 would require teacher residency programs to pay the employer contribution for the teaching resident’s health insurance through NMPSIA. The [employer portion](#) of NMPSIA health insurance coverage for school employees making below \$50 thousand is 80 percent. If HB422 is interpreted to only require teacher residency programs to pay the employer portion of health insurance premiums for the teacher resident, and not a resident’s partner or family, the cost for the duration of a nine-month residency would range from \$3,586 to \$6,395 per resident, depending on the insurance plans residents select; see **Table 1: NMPSIA 2024-2025 School Year Monthly Health Insurance Premiums.**

Table 1: NMPSIA 2024-2025 School Year Monthly Health Insurance Premiums
Highest and Lowest Premium Plans

		Single	Two Party	Family
BlueCross BlueShield High Option	Employee	\$304.48	\$579.08	\$773.42
	Employer	\$710.50	\$1,351.18	\$1,804.68
	TOTAL	\$1,014.98	\$1,930.26	\$2,578.10
Presbyterian Low Option	Employee	\$170.74	\$358.50	\$478.02
	Employer	\$398.40	\$836.50	\$1,115.40
	TOTAL	\$569.14	\$1,195.00	\$1,593.42

Source: NMPSIA

3. **Stipends for each faculty member providing co-teaching training.** HB422 would require teacher residency programs to pay \$4,000 to each faculty member at a participating public postsecondary education institution or tribal college who provides co-teaching training to residents and public school mentors. The total cost for each of the state’s eight teacher residency programs to have a single training faculty member would be \$32 thousand. However, larger residency programs, such as the University of New Mexico (UNM) and New Mexico State University (NMSU) may opt for additional faculty trainers, while educator preparation programs (EPPs) with fewer residents may elect to share trainers.
4. **Funds to offset costs of residency supervision.** The Teacher Residency Act requires supervising faculty to visit teacher residency sites no less than once per month. HB422 would entitle teacher residency programs to \$500 per teaching resident to offset institutional costs associated with the supervision of teaching residents. As teacher residency programs already supervise teaching residents, this provision of HB422 would not necessarily represent actual new expenses to residency programs.

LESC staff estimate HB422 could result in additional costs to teacher residency programs between \$1.5 million and \$5.3 million, depending on the number of residents who complete the programs.

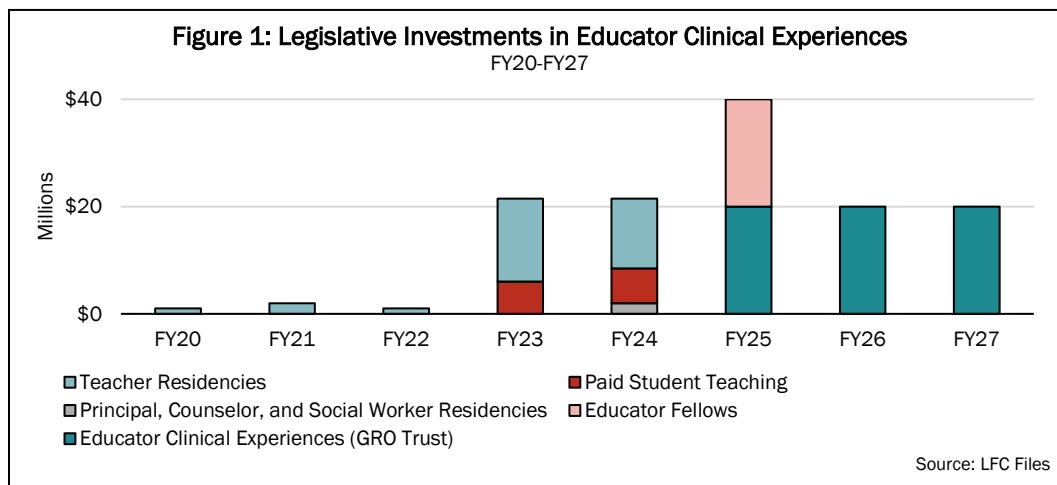
For SY25, teacher residency programs received funding for 332 residents. However, historically, fewer teacher residents have completed residencies than were funded. The high cost estimate of \$5.3 million in cost increases assumes 332 teacher residents will complete residencies in SY26 and will elect health insurance plans with the highest premiums. The low cost estimate of \$1.5 million in cost increases assumes residency uptake in the 2025-2026 school year (SY26) will be similar to the number of actual resident completers in FY24 (162 residents) and that these residents will opt for health insurance plans with the lowest premiums; see **Table 2: Summary of Estimated HB422 Annual Cost Increases**.

Table 2: Summary of Estimated HB422 Annual Cost Increases

	Low Estimate 162 Residents \$40 Thousand Stipend Lowest Insurance Premiums	High Estimate 332 Residents \$44 Thousand Stipend Highest Insurance Premiums
Resident Stipend Increases	\$810,000	\$2,988,000
Health Insurance Premiums	\$580,932	\$2,123,140
Faculty Stipends	\$32,000 at 8 faculty members	\$32,000 at 8 faculty members
Residency Supervision Funds	\$81,000	\$166,000
TOTAL	\$1,503,932	\$5,309,140

Note: Low estimates are based on the number of actual resident completers in SY24 and the lower cost options for resident stipends and health insurance premiums. High estimates are based on the number of funded resident placements in SY25 and the highest cost options for resident stipends and health insurance premiums.

The \$60 million appropriated to the GRO program fund for educator clinical practice was intended to fund paid student teaching and principal, counselor, and social worker residencies in addition to teacher residencies; see **Figure 1: Legislative Investments in Educator Clinical Experiences**. Implementing the provisions of HB422 could mean PED would need to shift funding from these other clinical experiences to pay for teacher residencies. Alternatively, LESC staff estimate funded placements for teacher residents could reduce by nearly 100 from 362 funded residents to 265 funded residents. Finally, residency programs could opt to establish partnerships with local school districts to share increased costs.



Below, **Table 3: Estimated Number of Residents Funded by \$10 Million With Current and Proposed Teacher Residency Program Costs**, demonstrates the potential reduction in program capacity by estimating per resident costs to teacher residency programs resulting from state-required (or proposed) provisions. Actual program costs likely vary.

Table 3: Estimated Number of Residents Funded by \$10 Million With Current and Proposed Teacher Residency Program Costs

	Current Per Resident Cost	Low Estimate Proposed Per Resident Cost	High Estimate Proposed Per Resident Cost
Resident Stipend	\$35,000	\$40,000	\$45,000
Resident Health Insurance	\$0	\$3,586	\$6,395
Mentor Teacher Stipend	\$2,000	\$2,000	\$2,000
Principal Stipend	\$2,000	\$2,000	\$2,000
Residency Program Coordinator Salary	\$2,469	\$2,469	\$1,205
Co-Teaching Trainer Stipend	\$0	\$198	\$96
TOTAL	\$41,469	\$50,253	\$56,696
Number of residents funded by \$15 million	362	298	265

Note: Low estimates are based on the existing minimum level 1 teacher salary (\$50 thousand) and the lowest cost options for health insurance. High estimates are based on the level 1 teacher salary proposed in HB156 (\$55 thousand) and the highest cost option for health insurance.

Source: LESC Files

SUBSTANTIVE ISSUES

Teacher Resident Health Insurance. During SY20, Prepared to Teach, a national organization that helps states build residency programs, conducted a financial burden [survey](#) of teacher residents across seven states, including New Mexico. Among survey respondents, 85 percent reported having health insurance, of which 50 percent reported obtaining health insurance through a parent or guardian’s insurance plan. Others reported obtaining health insurance through a job, spouse, or school. Neither PED nor EPPs report how many teacher residents in New Mexico have health insurance or the source of their insurance. For nontraditional students over the age of 26, or younger students whose parents or guardians do not have a health insurance plan, obtaining health insurance coverage during a teacher residency could be cost prohibitive. A \$35 thousand stipend would render most single adults [ineligible](#) for Medicaid coverage in New Mexico.

HB422 would require teacher residency programs to pay the employer contribution for a teacher resident’s health insurance through NMPSIA. The bill language is unclear as to whether residency programs would pay this amount to residents as part of their stipend or directly to NMPSIA.

If the latter is the case, a problem may exist in that [state law](#) limits NMPSIA insurance coverage to public school employees, school board members, and retirees. Teacher residents are not generally employed by public schools and thus are not eligible for insurance coverage through NMPSIA. Additionally, as the UNM analysis notes, Albuquerque Public Schools (APS) does not participate in NMPSIA but has its own [health insurance program](#) for employees.

If HB422 would require teacher residency programs to pay the employee portion of health insurance coverage to the resident as part of their stipend, there is no language in the bill requiring residents to use the funds for insurance coverage.

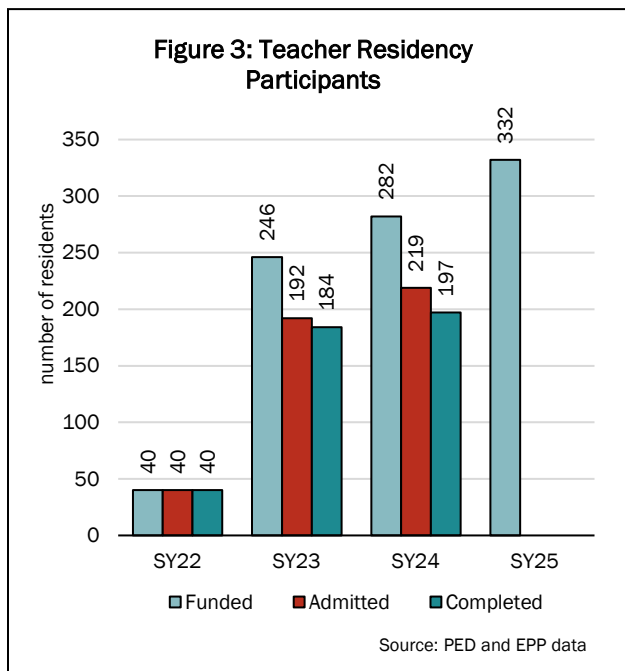
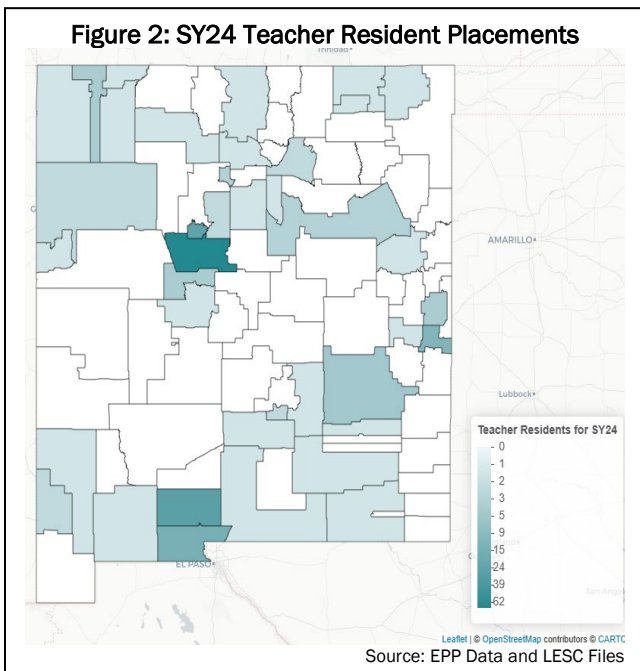
In either scenario, it’s unclear whether teacher residents who wish to decline health insurance coverage through NMPSIA, for example if they have other health insurance coverage elsewhere, or if they do not wish to pay their portion of the health insurance premiums, would exempt teacher residency programs from paying the employer’s portion.

New Mexico Teacher Residency Programs. In November 2024, LESC staff presented the brief [Teacher Clinical Practice Update](#), which examined early outcomes of New Mexico’s teacher residency model from SY23, the first year of full implementation.

Preliminary program outcomes from SY23 and SY24 indicate teacher residency programs have been successful in recruiting and retaining diverse teacher residency candidates from around the state. Residency completion rates are high and a majority of residents complete programs leading to special education and elementary education licensure—the state’s top two teacher vacancy areas. Based on completer data shared with LESC by EPPs, completion rates for every year were 98 percent or higher. The completion rate reported by PED for SY23, however, was a bit lower at 92 percent.

Residents in Albuquerque accounted for the largest percentage of residents in SY23 (41 percent), followed by Las Cruces (15 percent), Rio Rancho (10 percent), and Gadsden (7 percent). In SY24, UNM’s number of resident completers plateaued while other programs grew. APS’ proportion of residents declined to 35 percent, followed by Las Cruces (27 percent), Rio Rancho (12 percent), and Gadsden (7 percent). The remaining residents were spread widely throughout the state.

New Mexico teacher residencies have high completion rates, however demand for residencies has not kept pace with funding. EPPs have cited several reasons candidates choose not to complete a residency, including higher pay and health benefits for alternative licensure candidates who opt to begin teaching rather than completing a residency, traditional students graduating in a fall semester that does not align with a residency program, and unwillingness to commit to teaching in New Mexico for three years following graduation.



Teacher Residency and School District Partnerships. Some teacher residency programs have partnered with school districts and charter schools to provide a level 1 teacher salary and health insurance to residents. For example, UNM’s District Partner Teacher Residency program offers an [opportunity](#) for graduate licensure students in special education to earn a full teacher’s salary and benefits during their residency at APS or Rio Rancho Public Schools. Similarly, the Special Education Teacher Training (SETT) [program](#), a collaboration between APS, Central New Mexico Community College (CNM), and the Albuquerque Teachers Federation, allows alternative special

education teacher licensure candidates to earn a full level 1 teacher salary plus benefits while completing a residency in APS. These school districts understand higher salaries and benefits for teaching residents are investments in future teachers for the district. The presence of residents also increases the staff to student ratio in classrooms.

ADMINISTRATIVE IMPLICATIONS

Teacher residency programs would be required to make budgeting decisions based on existing funding and the new expenditures proposed in HB422.

Teacher residency programs would need to determine how to work with NMPSIA, and potentially APS, to meet health insurance employer contribution requirements for residents.

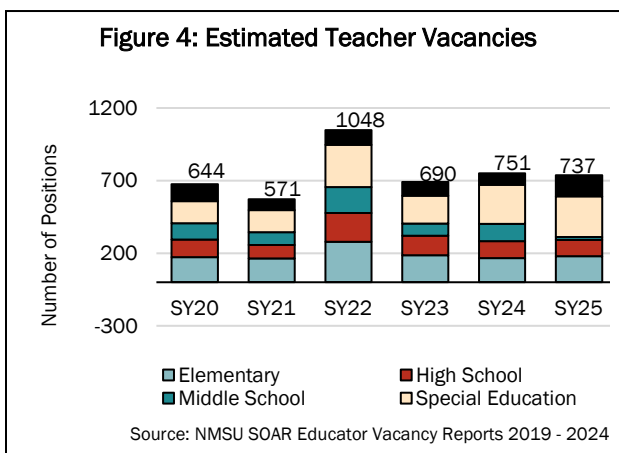
PED would need to update administrative code to reflect the new requirements of HB422.

OTHER SIGNIFICANT ISSUES

National Research on Teacher Residencies. Teacher residencies are partnerships between EPPs, school districts, and charter schools that provide teacher candidates with a year of clinical experience under the guidance of an expert teacher. Residencies are widely recognized as the strongest method of teacher preparation, and initial promising research suggests they produce diverse, high-ly-effective teachers who remain in classrooms longer.

[Research](#) has also found residency graduate teachers have greater self-efficacy than other novice teachers and principals find them more prepared and effective. A 2022 [evaluation](#) of the Albuquerque Teacher Residency Partnership (ATRP) by the National Center for Teacher Residencies (NCTR) supported these findings.

Teacher Supply and Demand. Although the state has seen declines in teacher vacancies over the past few years, New Mexico continues to face substantial teacher shortages. According to New Mexico State University’s Southwest Outreach Academic Research Evaluation & Policy Center, there were an estimated 737 teacher vacancies at the beginning of SY25. The teaching areas with the highest need were special education (280 vacancies) and elementary teachers (179).



LESC’s November 2024 brief, [Teacher Clinical Practice Update](#), found an increasing majority of teacher residents are in traditional licensure pathways each year, as opposed to alternative pathways. Residencies are an especially helpful for alternative licensure teachers who receive far less preparation in pedagogy and classroom management than traditional candidates. Because alternatively licensed teachers in New Mexico are able to become teachers of record immediately upon passing examination requirements, these candidates are in many cases faced with the choice between completing a year-long residency with the support of a \$35 thousand stipend or beginning their teaching career with a starting salary of at least \$50 thousand plus benefits. For many of these, often, mid-career professionals, the increased pay and benefits may deter them from completing a residency.

RELATED BILLS

Relates to HB156, Increase Educational Salaries, which would increase minimum teacher salaries by \$5 thousand at each licensure level, to \$55 thousand for a level 1 teacher, \$65 thousand for a level 2 teacher, and \$75 thousand for a level 3 teacher.

SOURCES OF INFORMATION

- LESC Files
- University of New Mexico (UNM)
- New Mexico Higher Education Department (NMHED)
- New Mexico Regional Cooperatives (NMRECA)
- New Mexico Independent Community Colleges (NMICC)

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