

PED asks for record \$5.9B to fund New Mexico's schools amid shrinking enrollment

Officials say they hope an increase in spending will help boost student outcomes

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The New Mexico Public Education Department is asking the

state for a record \$5.9 billion for fiscal year 2028, a 2.9% increase from the year prior, which, if approved, would comprise more than 40% of the state budget.

Though enrollment in the state's public schools is falling, PED officials said they hope the jump in spending will improve New Mexico's historically poor student outcomes.

"This budget represents the biggest investment in education that the state has ever seen," Greg Frostad, PED's executive manager of policy, finance and operations said in an interview.

The vast majority of the department's funds — about \$4.8 billion — will flow directly to the state's public schools through a formula called the state equalization guarantee, which distributes money on a per-student basis.

"We have a real sense of urgency," PED Secretary Mariana Padilla told the Legislative Finance Committee at a meeting in Las Cruces on Thursday. "Every year that we're not making greater investments, I think, is just setting our students back that much further."

PED is asking for 3.1% more in recurring funding from the state's general fund for a total increase of \$152 million, almost a third of which will fund employee health insurance and risk insurance costs, Frostad said.

The department's request for one-time, nonrecurring funding is 10.4% higher than the previous year for a total increase of \$14 million, which will go toward teacher training, academic programs and computers for students identified in the Yazzie-Martinez lawsuit — a landmark ruling that found the state was not providing a sufficient education to Native American, low-income and disabled students as well as English language learners — PED officials said.

"The budget that the agency has put together has really been tailored for the Martinez-Yazzie action plan," Frostad said.

The agency's operational budget is projected to grow by 16.9% in FY28 for a total of \$31.82 million. PED has requested an additional \$4.6 million in funding for things like rent, health benefits, a new data management system and 10 new full-time equivalent jobs working with licensure, investigations, finance, auditing, data and accreditation.

Enrollment in New Mexico's public and charter schools has dropped by about 1% each year for the last decade, according to Sunny Liu, a principal analyst with the Legislative Finance Committee. In 2015, PED served around 330,000 students; now that number is around 290,000.

During that same period, Liu told the committee, the pool of money used to fund public schools has nearly doubled,

ballooning from \$2.5 billion to around \$4.8 billion.

Such a major budget increase, LFC officials said, is in part because of the Yazzie-Martinez case and because of New Mexico's substantial educator pay increases.

Fixed school operating costs also increase each year with inflation, as do costs for things like health insurance and free school lunches. The state has boosted funding for other student and teacher support programs, which accounts for a significant increase in costs-per-student, even with enrollment dropping, state officials said.

"Our students are not meeting their potential," Frostad said. "That is why we are investing more in them and in teachers across the state to make sure that they have appropriate resources to get better educational outcomes."

New Mexicans may have to wait to see if the state's investments in education will pay off. According to the latest state [assessment](#) results released by the PED last week, reading scores are up 0.2 percentage points from the year prior, and math scores are up 0.9 percentage points. In reading, 43.3% of students were proficient; in math, just 25.5%. Science scores are down 1.5 percentage points for a total proficiency rate of 33.4%.

Over four years, reading scores for all students are up 5.3

percentage points and math scores are up 1.5.

The latest nationwide performance results, on which New Mexico has consistently scored last, are expected to be released early next year.

Some highlights from PED's proposed budget for FY28:

- \$126.7 million on academics, including literacy coaches, reading interventions, tutoring and STEM investments.
- \$48 million for the state's universal free breakfast and lunch program.
- \$123.6 million for career and technical education, internships, school-based initiatives to improve student attendance and after-school programs.
- \$6.3 million in supports for students who are homeless.
- \$23.7 million in specialized programs for Native American, Black, Hispanic and bilingual students.
- \$40.5 million for school improvements, accreditation, audits on PED's distance learning programs and data management and dashboards.
- \$51 million for teacher training, professional development and alternative licensure.

- \$31.8 million for the agency's operating budget.

The PED's budget will be finalized in the coming months.

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