

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/19

SPONSOR Stapleton LAST UPDATED _____ HB 91

SHORT TITLE Career Technical Education Pilot Project SB _____

ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications			Recurring	

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 44, HB 183
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From

Public Education Department (PED)
 Higher Education Department (HED)
 Workforce Solutions Department (WSD)
 New Mexico Independent Community Colleges (NMICC)
 New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 91 creates a seven-year career technical education (CTE) pilot project administered by PED and requires the department to develop a CTE programmatic framework in consultation with HED and WSD. The bill outlines minimum requirements of CTE programs and requires PED to provide grants to schools for CTE programs and trainings for CTE teachers. The bill also requires PED to promulgate rules on the collection, analysis, and reporting of student, program, and instructor data by schools and report to LESC and the governor on the pilot’s efficacy each year. The bill also creates a “career technical education fund” that is administered by PED.

FISCAL IMPLICATIONS

The bill does not make an appropriation. As such, costs for developing a CTE program framework between PED, HED, and WSD will be borne by the departments. The executive and LFC FY20 budget recommendations for public school support include funding for CTE programs, with the executive recommendation providing \$5 million and LFC recommendation including \$1 million for this purpose.

WSD current receives approximately \$6.1 million in funds from the U.S. Department of Labor specifically earmarked for Workforce Innovation and Opportunity Act (WIOA) youth activities for in-school and out-of-school youth activities. These funds are distributed to the four local workforce development boards to develop and implement activities. Youth participants found eligible for these services are identified in coordination with state and local agencies and organizations. Local workforce development boards oversee the delivery of services, and youth service providers are required to expend 75 percent of federal funds on out-of-school youth and 20 percent on paid work experiences.

This bill creates a new CTE fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

The 2016 National Conference of State Legislatures report, *No Time to Lose*, found that nations faring well on international academic comparisons shared four common elements:

- strong programs for early childhood readiness, especially for disadvantaged children;
- highly selective teacher preparation programs;
- rigorous systems of career and technical education; and
- carefully aligned education reforms.

According to the Association for Career and Technical Education, in FY16, 64.3 thousand high school students participated in New Mexico CTE programs through public schools, early college high schools, and structured workforce readiness programs. About 88 percent of New Mexico CTE students graduated from high school, higher than the statewide average graduation rate of 71 percent. According to Advance CTE, 54 percent of high school CTE graduates enrolled in college, enlisted in the military, or worked within six months of graduation.

In 2015, the Southern Regional Education Board (SREB) found few New Mexico high schools were offering career pathways or programs of study at a level that led to industry-recognized certificates and degrees. Statewide, less than 20 percent of CTE programs offered three or more courses tied to a specific career pathway, with the most popular pathways being automotive, culinary arts, agriculture, carpentry, and welding programs. SREB recommended New Mexico create new state-approved, industry-validated career pathways aligned to a nationally-recognized curricula; provide training for CTE teachers; establish a career guidance and support system for students before and after high school; and refine accountability systems to equally value academic and technical readiness.

HED notes CTE programs are planned course sequences of academic core content and technical skills, which focus on a specific career cluster and prepare students to successfully transition

toward their career goal. CTE programs typically are one-year or two-year postsecondary programs culminating in a career readiness certificate, associate's degree, or other industry recognized credential.

NMICC notes many public school districts and charter schools currently provide career-technical education programs for students. These programs are supported through the state equalization guarantee formula as well as with federal Carl Perkins funds administered by PED. These programs would be able to provide baseline data, and if accepted into the pilot program, could then provide data that would measure the effectiveness of improvements to course content and better alignment with post-secondary programs.

ADMINISTRATIVE IMPLICATIONS

The bill requires administrative services related to the development and monitoring of the pilot program, and specifically requires PED to provide professional development training to CTE teachers and educational assistants, develop indicators of quality, evaluate program effectiveness, promulgate code in support of program administration, provide an annual report to the Legislature and governor, and administer a fund. The bill directs PED to consult with HED and WSD to develop a “high quality career technical education program.” PED notes the department has already adopted such standards, which reference national standards and best practices (NMAC 6.29.13).

RELATIONSHIP

The bill relates to House Bill 44, which requires PED to develop a framework for CTE professional development and instructional practices, and House Bill 183, which allows students participating in a registered apprenticeship program to receive credit towards high school attendance and graduation. The bill also relates to an appropriation in the General Appropriation Act for college preparation, career readiness, and dropout prevention.

ALTERNATIVES

PED notes the bill does not recognize the Carl D. Perkins Career Technical Education Act, a federal CTE initiative that currently provides funding for CTE in New Mexico and is administered by PED. Reference to the federal law could be used in collaboration with the bill's specificity regarding details on high-quality CTE. Reference to the Perkins Act would allow specific details of high quality CTE programs to evolve as the federal law changes.

PED suggests referencing existing definitions of high-quality CTE in federal laws (Perkins, Every Student Succeeds Act, and WIOA) to strengthen the bill. Providing an indication of specific outcomes that are different from federal performance indicators or referencing those indicators will help PED establish targets and objectives.

SL/sb/gb