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FISCAL IMPACT REPORT

SPONSOR HEC ORIGINAL DATE 2/27/19
LAST UPDATED 3/04/19 HB 664/HECS
SHORT TITLE School Credit For Certain Courses 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				

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB44, HB91, HB183, HB299, HB318, SB353
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

No Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 664 amends the Public School Code to allow career and technical education (CTE) courses or PED-approved work-based training to count for an English, math, or science unit for the purposes of high school graduation. The bill limits the number of units for this purpose to one unit in each of the three subject areas.

FISCAL IMPLICATIONS

The bill does not make an appropriation and has no direct fiscal impacts; however, provisions of this bill may indirectly impact school operating budgets if demand for CTE courses or work-based training programs increase beyond existing operational capacity.

The HAFc substitute for House Bills 2 and 3 includes \$3 billion for the state equalization guarantee distribution, a \$488.7 million, or 18.9 percent, increase from FY19 funding levels. The substitute also includes a \$3 million recurring appropriation and \$2 million nonrecurring appropriation to PED for CTE pilots. Schools may also apply to PED for an allocation from the

CTE pilot appropriation to develop a new industry-validated career pathway aligned to department-approved academic content and performance standards.

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 CTE; and
- carefully aligned education reforms.

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.

In a similar bill, 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.

PERFORMANCE IMPLICATIONS

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. Provisions of this bill may impact graduation rates, given students that participate in CTE programs already have higher graduation rates than their non-CTE peers.

Schools and teachers would need to ensure that CTE courses replacing the English, math, or science unit are providing the same level of academic rigor as the core academic courses being substituted.

ADMINISTRATIVE IMPLICATIONS

Schools would need to determine and PED would need to verify if CTE courses taken by students meet the definition of a course with content that provides technical knowledge, and skills, and competency-based applied learning, and that aligns with the regulations for educational standards under 6.29.1 NMAC. PED would need to develop regulations and

guidelines for work-based training programs that would qualify for course credit.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 44, which requires CTE professional development for teachers; House Bill 91, which establishes a CTE pilot; House Bill 183, which allows apprenticeship programs to count toward high school graduation; House Bill 318, which appropriates funding for a workforce soft skills program; and House Bill 299 and Senate Bill 353, which make appropriations to CTE student organizations.

This bill also relates to CTE pilot funding in the HAFC substitute for House Bills 2 and 3.

SL/sb