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FISCAL IMPACT REPORT

SPONSOR Barrone/Sariñana/Martinez, R./Stapleton/Chandler ORIGINAL DATE 2/6/20 LAST UPDATED _____ HB 298

SHORT TITLE College & Career Readiness Systems SB _____

ANALYST Gaussoin

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|---------------------------|---------------|
| FY20 | FY21 | | |
| | \$4,500.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB156
 Relates to House Bills 63 and 139 and Senate Bill 214
 Relates to appropriations in the General Appropriation Act.

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From
 New Mexico State University (NMSU)
 Higher Education Department (HED)

No Response Received
 Public Education Department (PED)
 Albuquerque Public Schools (APS)
 Regional Education Cooperatives (REC)

SUMMARY

Synopsis of Bill

House Bill 298 appropriates \$4.5 million from the general fund to the Public Education Department to contract with an organization to implement a kindergarten-12th grade, research-based college and career readiness system with a successful record of serving low-income Hispanic and Native American students and other generationally underserved populations.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

HB298 specifies the organization must have programs that contain comprehensive K-12 professional development focused on leadership, instruction, culture, and systems; align its programs with New Mexico data and accountability, and provide approaches that support all content areas and impact not just the students, but also the school and the state.

The bill directs PED to work with representatives of school districts within the New Mexico Alliance for College and Career Readiness to develop a process for application and distribution of funds.

FISCAL IMPLICATIONS

The appropriation of \$4.5 million contained in this bill is a recurring expense to the general fund. Provisions of this bill revert any unexpended or unencumbered balance at the end of FY23 to the general fund rather than FY21, effectively extending the appropriation over three fiscal years. Extending appropriations beyond FY21 restricts the Legislature's ability to prioritize funding, forecast revenue availability, and meet obligations of establishing a balanced budget.

The HAFC substitute for House Bills 2 and 3 includes \$5 million to the career technical education (CTE) fund to pilot CTE programs pursuant to Section 22-1-13 NMSA 1978. Provisions of the aforementioned act require CTE programs to include rigorous content aligned with academic standards and relevant career technical content that provides a pathway to colleges and careers.

The program under HB298 would be administered by the Public Education Department, which would involve staff time and resources from the agency. PED did not provide analysis for this report; it is assumed the agency can absorb the responsibilities for the program without additional cost.

SIGNIFICANT ISSUES

The decision in the Martinez and Yazzie consolidated education lawsuit concluded New Mexico's public schools have failed to provide a constitutionally required sufficient education for at-risk students, particularly English language learners, Native American students, and special education students. The court's findings suggested overall public school funding levels, financing methods, and PED oversight were deficient. As such, the court enjoined the state to provide sufficient resources, including instructional materials, properly trained staff, and curricular offerings, necessary for providing the opportunity for a sufficient education for all at-risk students.

The Attorney General in analysis for the duplicate Senate Bill 156 notes the lack of a baseline definition for "college and career readiness" or "college and career readiness systems," or more detailed requirements for the intended programs, may create challenges in outlining the scope of work during the initial procurement process. This issue is particularly apparent as it relates to elementary and middle school programs as college and career readiness principles have not been applied to these grade levels.

PERFORMANCE IMPLICATIONS

According to the Legislative Education Study Committee, in FY17, 62.9 thousand high school students participated in New Mexico CTE programs through public schools and structured workforce readiness programs. About 89 percent of New Mexico CTE students graduate from high school, about 16 percentage points higher than the statewide average graduation rate. Research also shows CTE is valuable for re-engaging students who become disengaged and less interested in school. This can be particularly helpful for students who do not plan to attend college and need extensive job training to enter the labor force.

In 2015, the nonprofit Southern Regional Education Board 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; the most popular pathways being automotive, culinary arts, agriculture, carpentry, and welding programs. The board 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.

ADMINISTRATIVE IMPLICATIONS

The program created by HB298 will be administered by PED.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is a duplicate of Senate Bill 156. The bill also relates to House Bill 63, which appropriates \$4 million to the University of New Mexico to develop a statewide standards-based soft skill online learning program that will prepare middle and high school students to be career and college ready; House Bill 139, which appropriates \$150 thousand to the Indian Affairs Department to create programs on the Zuni Pueblo aimed at college and career readiness; Senate Bill 214, which appropriates \$500 thousand to the Higher Education Department for the purpose of supporting Diné College in establishing a college and career readiness and success program in Shiprock.

The HAFC substitute for House Bills 2 and 3 includes \$5 million to the career technical education (CTE) fund to pilot CTE.

TECHNICAL ISSUES

The Attorney General in analysis for the duplicate Senate Bill 156 notes the lack of a baseline definition for “college and career readiness” or “college and career readiness systems,” or more detailed requirements for the intended programs, may create challenges in outlining the scope of work during the initial procurement process. This issue is particularly apparent as it relates to elementary and middle school programs as college and career readiness principles have not been applied to these grade levels.

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