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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/2020

SPONSOR Gonzales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE College and Career Readiness Systems Funding SB 156

ANALYST Liu/Gelay

### APPROPRIATION (dollars in thousands)

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

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicate of HB298

Relates to SB214

Relates to Appropriation in the HAFC Substitute for HB2 and 3

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the Attorney General (NMAG)

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 156 appropriates \$4.5 million from the general fund to PED for the purpose of contracting with an organization to provide kindergarten through twelfth grade research-based college and career readiness systems for Hispanic and Native American students and other generationally underserved populations statewide. 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. Any unexpended or unencumbered balance remaining at the end of FY23 shall revert 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 HAFB 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.

## **SIGNIFICANT ISSUES**

On February 14, 2019, the 1st Judicial District Court issued a final judgment and order on the consolidated *Martinez v. New Mexico* and *Yazzie v. New Mexico* education sufficiency lawsuits, and found that New Mexico's public education system failed to provide a constitutionally 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.

Additionally, the court noted the state would need a system of accountability to measure whether the programs and services actually provided the opportunity for a sound basic education and to assure that local school districts spent funds provided in a way that efficiently and effectively met the needs of at-risk students. However, the court stopped short of prescribing specific remedies and deferred decisions on how to achieve education sufficiency to the legislative and executive branch instead.

This bill would provide state funding to an organization for the purpose of providing college and career readiness programs for K-12 students. To receive funds the organization must provide college and career readiness programs that:

1. Contain comprehensive K-12 professional learning around leadership, instruction, culture and systems;
2. Align activities under the current New Mexico data, accountability, sustainability and high achievement system (NMDASH) put in place by PED; and
3. Provide teaching and learning strategies that support all content areas and can impact students on a schoolwide and statewide basis.

The bill requires partnership with representatives of school districts within the New Mexico Alliance for College and Career Readiness to develop the process for the application and distribution of funds. PED notes this may be feasible in developing the application but not in distribution of funds. Article IX, Section 14 of the New Mexico Constitution prohibits direct or indirect support from the state and its political subdivisions to any person, association, public or private corporation, except in the case of providing care to sick and indigent persons, offering scholarships for Vietnam conflict veterans, paying education expenses for students of the healing arts, creating new job opportunities by providing land or facilities, or providing support for affordable housing.

NMAG 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**

PED indicates additional staff may be necessary to monitor funds and coordinate the program. The department will need to establish the framework for the funding stream and evaluate program effectiveness.

## **DUPLICATION, RELATIONSHIP**

This bill is a duplicate of House Bill 298. 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.

## **OTHER SUBSTANTIVE ISSUES**

NMAG notes language in the bill limits PED's selection to one organization providing college and career readiness systems, which restricts the department's ability to use the appropriation for other programmatic purposes related to college and career readiness.

## **POSSIBLE QUESTIONS**

What is the New Mexico Alliance for College and Career Readiness?