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FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/21

SPONSOR Gonzales LAST UPDATED _____ HB _____

SHORT TITLE Career Readiness Systems Statewide SB 107

ANALYST M. Becerra

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$3,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB100
 Relates to HB87, HB131
 Relates to appropriations in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
 Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 107 (SB107) appropriates \$3 million from the general fund to the Public Education Department (PED) to contract with an organization to implement a kindergarten – 12th grade, research-based college and career readiness system that has a long history of a successful track record in New Mexico of serving low-income, minority and primarily underserved students.

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

SB107 specifies that the contracted organization must provide a program that: contains comprehensive K-12 professional learning focused on leadership, instruction, cultural relevance, equity and proven systems; aligns the activities under the current New Mexico data, accountability, sustainability and high achievement system; provides teaching and learning strategies that support all content areas and can impact students on a schoolwide and statewide

basis, and directly remedies the opportunity gaps based on the *Yazzie/Martinez v. State of New Mexico* lawsuit.

SB107 directs PED to work in collaboration with representatives of the school districts within the New Mexico alliance for college and career readiness in developing a process for the application and distribution of funds.

FISCAL IMPLICATIONS

The \$3 million appropriation contained in SB107 is a recurring expense to the general fund. Provisions of this bill revert any unexpended or unencumbered balance at the end of FY24 to the general fund rather than FY22, extending the appropriation over three fiscal years.

The HAFC substitute for House Bills 2 and 3 includes \$2 million from the Public Education Reform Fund earmarked for 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 SB107 would be administered by PED, which would involve staff time and resources from the agency – a concern noted in the agency’s analysis of the bill.

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.

SB107 specifies that the contracted agency must provide a program that directly remedies the opportunity gaps based on the *Yazzie/Martinez v. State of New Mexico* lawsuit. This requirement limits the number of potentially viable programmatic solutions as the scope of the requirement is so great that it could be deemed too great a feat to be accomplished by a single program or organization.

PED reports having a comprehensive strategic plan for College and Career Readiness. The provisions of SB107 could potentially cause a duplication of efforts already implemented by the department.

PERFORMANCE IMPLICATIONS

SB107 does not specify performance metrics or outcomes.

ADMINISTRATIVE IMPLICATIONS

The program created by SB107 will be administered and overseen by PED. The agency noted

concerns regarding the department's need to establish the funding stream framework and to evaluate the program effectiveness. Additionally, the department noted that the required partnership with the New Mexico alliance for college and career readiness would be feasible for developing the application and fund distribution process, but not for the actual distribution of funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is a duplication of House Bill 100.

SB107 relates to HB87 that appropriates \$4.5 million to the Higher Education Department (HED) for Navajo Technical University to support the expansion of readiness programs at the A:wishi college and career readiness center, \$200 thousand to HED for Southwest Polytechnic Institute for college readiness programs, and \$850 thousand to New Mexico Highlands University for statewide college readiness programs for American Indian students.

SB107 relates to HB131 that appropriates \$110 thousand to the Higher Education Department for an assistant secretary of Hispanic Education whose duties are to improve career readiness opportunities for Hispanic students.

The HAFC substitute for House Bills 2 and 3 includes \$2 million from the Public Education Reform Fund earmarked for the career technical education (CTE) fund to pilot CTE programs.

TECHNICAL ISSUES

The Attorney General's Office, in a 2020 analysis of Senate Bill 156 noted 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.

In their analysis of the bill, PED notes that the bill does not address how the department would oversee the program.

OTHER SUBSTANTIVE ISSUES

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.

MB/al/rl