

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 1st Session, 2023

Bill Number	<u>SB211</u>	Sponsor	<u>Brandt/Kernan</u>
Tracking Number	<u>.224140.1</u>	Committee Referrals	<u>SEC/SFC</u>
Short Title	<u>Career Development Success Pilot Program</u>		
Analyst	<u>Hathaway</u>	Original Date	<u>2/4/23</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 211 (SB211) creates the Career Development Success pilot program and a corresponding fund for appropriations for the proposed pilot program. This pilot program would be a three-year pilot administered by the Public Education Department (PED) to provide financial incentives to school districts whose students earn industry-recognized credentials by completing qualified industry credential programs or qualified workplace training programs. SB211 defines relevant terms and provides minimum and maximum award amounts for schools, as well as requirements and guidance for PED to administer the program.

FISCAL IMPACT

SB211 appropriates \$1.2 million from the general fund to the career development success program fund for expenditure in FY24, and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of FY24 shall not revert to the general fund.

The \$1.2 million in funding would be used by PED to provide awards to school districts whose students earn industry-recognized credentials. Award amounts must range from \$250 per credential earned to \$750 per credential earned, and are limited to one award per student. SB211 also stipulates the following in regard to dispersing funds:

- PED must establish a tiered system of funding so programs that are more expensive to provide generate higher awards;
- A student at each participating school district may generate only one award;
- If the statewide sum of awards exceeds the amount of money appropriated, funds shall be reduced proportionally to cover all eligible awardees; and
- A single participating school district shall not receive a distribution for more than 10 percent of the total number of completed industry-recognized credentials.

LESC staff anticipate the \$1.2 million appropriation is sufficient to cover the cost of credentials currently being earned by New Mexico students. In the 2021-2022 school year, students in New

Mexico schools earned 2,540 credentials. SB211 requires a tiered system of funding, to be established by PED. Given the range of award amounts specified by SB211, \$250 to \$750 per credential, the total cost of the bill would be between \$635 thousand and \$1.9 million. SB211 contains sufficient funding to provide awards of approximately \$472 per credential earned based on 2021-2022 data. Should the number of credentials earned increase, SB211 also contains provisions for funds to be reduced proportionally to cover all eligible awardees.

SUBSTANTIVE ISSUES

Through a variety of career technical education (CTE) programs, high school students in New Mexico often have the opportunity to earn credentials or certificates they can use in the workplace while they are also earning course credit and are enrolled in high school. Data from PED indicates there were 2,540 such credentials earned by New Mexico students in the 2021-2022 school year. See **Attachment 1, Student Certifications and Credentials Earned Statewide**. Currently, school districts most often fund the cost to obtain these credentials through either state or federal CTE awards that the school district may receive, or through their operational budgets, which are allocated as part of the state equalization guarantee (SEG), the state’s public school funding formula.

Research shows industry credentials are most valuable to students when they align with workplace and private sector expectations—in other words, when the credential earned is one that is viable for a student to use in the workforce and not created by a school. SB211 aligns to this best practice by providing incentives only for industry-recognized credentials and requiring PED to develop and maintain a list of eligible credentials. PED would be required to develop and maintain this list in partnership with the Workforce Solutions Department (WSD), the Higher Education Department (HED), New Mexico’s community colleges, and employers from in-demand industries.

SB211 defines “industry-based credential” to mean “a credential that is recognized by business and industry at the local, state or national level, which includes a verification of an individual’s qualification or competence.” These credentials would be earned through “qualified industry credential programs,” which SB211 defines to mean “a career technical education program that, upon completion, results in an industry-recognized credential.”

Credentials in New Mexico. During the 2021–2022 school year, PED reports there were 2,540 credentials earned by New Mexico students from 20 school districts. The types of credentials earned by students varies widely. Some students earn basic certifications such as first aid/CPR training, while other students earn certifications in welding certifications or phlebotomy technician licenses. The cost to provide such certifications can differ greatly based on the time it takes a student to earn the credential, how technically challenging it may be to earn, and what equipment or resources are required of school districts to offer programs that result in various credentials. SB211 would allow PED to establish a tiered system of funding to provide higher awards for certain credentials, however, it does create a requirement that awards must be at least \$250 and no more than \$750.

CTE is Funding in New Mexico. Career Technical Education (CTE) is funded with a mix of state and federal investments. In addition to state and federal funds, schools may also use local resources to fund CTE programs using operational funds through their state equalization guarantee (SEG) allocations as well as private investments, grants, monetary contributions, gifts of equipment and supplies, and in-kind donations.

State Level CTE Funding: NextGen CTE pilot project. In 2019, the Legislature created the “Career Technical Education pilot project,” which is known in PED and by schools in New Mexico as the NextGen CTE pilot project. The Legislature also created a corresponding CTE fund. The NextGen CTE pilot project is a seven-year pilot project to fund CTE programs at the state level. The pilot project includes key criteria for effective programs such as rigorous academics, relevant technical instruction, and pathways to postsecondary education, but it does not include opportunities for work-based learning or student supports.

Prior to the creation of the pilot project, there was no dedicated state-level funding stream for CTE initiatives. The Legislature appropriated, from the CTE fund, \$4.5 million in FY20, \$5 million in FY21, and \$3 million in FY22. For FY23, the Legislature did not appropriate funding to the specified CTE fund and instead made a \$10 million appropriation to PED for “career technical education initiatives and equipment.” The department used about \$4 million of this funding for NextGen CTE pilot project awards.

NextGen CTE Awards. In FY23, PED made NextGen CTE pilot project awards to 40 school districts, 17 charter schools, and five regional education cooperatives or other coordinating agencies. The award amounts ranged from \$2,948 (Quemado Independent Schools) to \$1,039,218 (Albuquerque Public Schools).

Federal CTE Funding. In addition to state funding, New Mexico receives federal funding for CTE programs. The Strengthening CTE for the 21st Century Act, commonly known as Perkins V, is the federal law that establishes funding for CTE from the federal government to states. In FY23, the state received \$10.1 million for its Perkins award.

ADMINISTRATIVE IMPLICATIONS

PED would be charged with the administration of this program. The department would be required to establish and administer the program. It would also be required to establish criteria to create a tiered system of funding incentives with greater amounts for programs that are more costly to provide. PED would also be required to promulgate rules for the administration of the program and maintain a list of eligible industry-recognized credentials in partnership with DWS, HED, in-demand employers, and community colleges in New Mexico. Further, the department would be charged with providing information about the program to school districts and with providing an annual and final report to the Legislature and the governor.

DWS indicates it would be beneficial to the program if reports to the Legislature also included whether a student entered a registered apprentice program in addition to the requirements as currently outlined. DWS notes it supports programs that encourage students to complete qualified industry credential programs and qualified workplace training programs as it contributes to a skilled and specialized labor force with potential for higher wages and benefits. DWS also notes it has oversight over apprenticeship programs in New Mexico and additional funds may be required depending on the impact of participation in the proposed program.

HED notes additional staffing may be needed to support this program because of the increased costs and workload of new duties.

The New Mexico Independent Community Colleges note SB211 provides an opportunity community colleges to assist in developing the annual list of industry-recognized credentials and to work closely with school districts and charter schools. NMICC also notes that while SB211

specifies how the participating school districts and charter schools will receive the incentive funding, it does not provide direction on how higher education institutions who train the high school students in qualified industry credential programs will be compensated for the expenses incurred in the training programs. It should be noted, as written, SB211 only provides financial support to school districts that offer such credentials. It is unknown how many school districts partner with higher education to offer credentials.

RELATED BILLS

Relates to House Bill 198, Career Tech Funds for Indian Ed Schools, which amends state statute to include secondary schools funded by the Bureau of Indian Education in the NextGen CTE pilot project.

Relates to Senate Bill 108, which creates a career technical education program unit of 0.25 as part of the state equalization guarantee, the state's public education funding formula.

SOURCES OF INFORMATION

- LESC Files
- Public Education Department (PED)
- Higher Education Department (HED)
- New Mexico School for the Blind and Visually Impaired
- Department of Workforce Solutions (DWS)
- New Mexico Independent Community Colleges (NMICC)

JKH/tb/cf/mb

Student Certifications and Credentials Earned: Statewide
2021-2022 School Year

School District	School	Credential or Certification	Count
Alamogordo Public Schools	Alamogordo High School	First Aid/CPR	196
Albuquerque Public Schools	West Mesa High School	S/P2 Certification	30
Belen Consolidated Schools	Belen High School	Precision Certification	65
Bernalillo Public Schools	Bernalillo High School	Precision Certification	214
Clayton Municipal Schools	Clayton High School	First Aid/CPR	3
Clovis Municipal Schools	Clovis High School	Child Development Associate Certification	12
		First Aid/CPR	29
		Food Handler Certification	116
		Precision Certification	32
		Welding Certification	17
	Clovis High School Freshman Academy	Precision Certification	25
	CMS iAcademy at Lincoln Jackson	Food Handler Certification	2
Deming Public Schools	Deming High School	First Aid/CPR	42
		OSHA Certification	46
		Precision Certification	18
Des Moines Municipal Schools	Des Moines High School	First Aid/CPR	4
		OSHA Certification	4
Farmington Municipal Schools	Farmington High School	First Aid/CPR	51
		S/P2 Certification	74
Gadsden Independent Schools	Chaparral High School	Adobe Certified Professional	1
		Early Care Education and Family Support	10
		OSHA Certification	33
		Precision Certification	65
		Prostart	14
		ServSafe Certification	55
	Desert Pride Academy	First Aid/CPR	66
	Gadsden High School	Automotive Technician	4
		Early Care Education and Family Support	16
		Floriculture	30
		Precision Certification	70
		Prostart	11
		ServSafe Certification	71
		Unity Certification	34
	Santa Teresa High School	Early Care Education and Family Support	8
		Precision Certification	3
		Welding Certification	5
Gallup-McKinley County Schools	Crownpoint High School	Precision Certification	3
	Gallup Central Alternative	Precision Certification	4
	Gallup High School	Precision Certification	26
	Miyamura High School	Precision Certification	58
	Navajo Pine High School	Precision Certification	6

Student Certifications and Credentials Earned: Statewide
2021-2022 School Year

School District	School	Credential or Certification	Count
	Ramah High School	Precision Certification	2
	Thoreau High School	Precision Certification	41
	Tohatchi High School	Precision Certification	23
	Tse'Yi'Gai High School	Precision Certification	1
Grants-Cibola County Schools			
	Grants High School	First Aid/CPR	5
		ServSafe Certification	69
Hobbs Municipal Schools			
	Hobbs Freshman High School	ServSafe Certification	133
	Hobbs High School	OSHA Certification	19
		ServSafe Certification	264
Las Cruces Public Schools			
	Centennial High School	First Aid/CPR	1
		Food Handler Certification	32
		Precision Certification	46
	Hermosa Heights Elementary	Food Handler Certification	1
	Las Cruces High School	First Aid/CPR	35
		OSHA Certification	4
		ServSafe Certification	2
	Mayfield High School	Food Handler Certification	15
		ServSafe Certification	6
	Organ Mountain High School	OSHA Certification	22
		ServSafe Certification	2
Los Alamos Public Schools			
	Los Alamos High School	Emergency Medical Technician (EMT)	1
Los Lunas Public Schools			
	Los Lunas High School	Certified Nurse Aid (CNA)	4
		First Aid/CPR	99
Roswell Independent Schools			
	Early College High School	Automotive Technician	1
		EPA Certification	1
		Pro-Cut Certification	1
	Roswell High School	Pro-Cut Certification	5
Santa Fe Public Schools			
	Capital High School	Certified Nurse Aid (CNA)	5
		First Aid/CPR	35
		Phlebotomy Technician (CPT) License	4
	Early College Opportunities	Welding Certification	6
Taos Municipal Schools			
	Taos High School	Career Readiness Certification	1
		OSHA Certification	31
		Precision Certification	39
West Las Vegas Public Schools			
	West Las Vegas High School	First Aid/CPR	11
Statewide Total			2,540

Source: LESC Analysis of PED Data