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**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:
Original **Amendment**
Correction **Substitute**

Date 2025-01-24
Bill No: SB64

Sponsor: Brandt, Craig W / Gurrola, Yanira
Short Title: SCHOOL CAREER DEVELOPMENT

Agency Name and Code NMHED
Number: _____
Person Writing Chisholm, Mark
Phone: 5052716754 **Email** mark.chisholm@hed.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	\$1,500.0	Nonrecurring after FY28	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 64 (SB64) creates a three-year Career Development Success Pilot Project in the Public School Code, whereby students who complete earn an occupational credential recognized by business and industry; offers financial incentives to school districts; creates a fund administered by the New Mexico Public Education Department (NMPED) and appropriates one million five hundred thousand dollars (\$1,500,000) from the General Fund to be spent in FY26 through FY28. Any funds remaining after FY28 revert to the General Fund.

The Career Development Success Pilot Project will study whether the number of students prepared to enter the workforce after graduation increases if the state provides financial incentives to districts that promote and encourage student enrollment in and successful completion of the programs.

Participating districts receive a financial incentive for each of a school's grade nine (9) through twelve (12) students who successfully completes the program. NMPED determines the size of the incentive, between \$250 and \$750 per student. Incentives are distributed at the end of the school year and may be expended at the district's discretion. A student may generate only one incentive regardless of the number of programs completed.

By July 31, 2025, NMPED must identify, in collaboration with the New Mexico Department of Workforce Solutions (NMDWS) and public higher education institutions (HEIs), the career development programs available within or accessible to each district. NMPED must:

- establish tiered financial incentives for programs on that list related to the relative cost of providing each program,
- establish guidelines for district participation, and
- solicit districts to participate.

The sum of incentives to a district each semester shall not exceed 10 percent of the sum of incentives distributed statewide for all districts. If incentives exceed available funding, NMPED must reduce them proportionately, but in no case below \$250 per capita.

By September 1 annually, NMPED shall give the Governor and the Legislative Education Study Committee (LESC) a written report with the number and names of participating districts; number of successful completers disaggregated by demographics; description of programs successfully completed; the amount expended for administration; an opinion whether NMPED anticipates the need for additional funding; and, if possible, a comparison of successful career development program completers in the reporting year with the number prior to implementation.

The New Mexico Higher Education Department's (NMHED's) analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

FISCAL IMPLICATIONS

SB64 creates a fund administered by NMPED and appropriates one million five hundred thousand dollars (\$1,500,000) from the General Fund to be spent in FY26 through FY28. Any funds remaining after FY28 revert to the General Fund.

SIGNIFICANT ISSUES

SB64 calls for NMPED to work with public HEIs, as well as with NMDWS, to identify potential programs. Often career and technical programs (CTE) are offered to high school students through dual credit. HEIs are not reimbursed for dual credit student enrollments so this program could potentially place additional unfunded mandates on HEIs. Additionally, NMHED is not listed as a partner in identifying public HEIs to participate, however, NMPED will likely reach out to the education agency to assist in this effort.

PERFORMANCE IMPLICATIONS

There is an annual report required by SB64 with specific report components spelled out in the bill.

ADMINISTRATIVE IMPLICATIONS

The impact on NMHED is minimal, but there could be an impact on HEIs who participate in the program by offering the CTE courses taken by the high school students.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

SB64 urges NMPED to report on the employment outcomes of students participating in the program, and if possible, to compare these outcomes to previous outcomes where the incentive was not in place. NMDWS does have data on the employment of individuals who are eligible for unemployment insurance, but their data is coded with social security numbers (SSNs). NMPED does not collect SSNs from their students, so matching to the workforce can't easily be done. Districts may have to survey students to track their employment outcomes after completion, and this would place an additional administrative and financial burden on schools and potentially on the NMPED. HEIs do collect SSNs on their enrolled students, so high school students who complete their work through dual credit could more easily be tracked to the NMDWS data.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB64 does not pass, existing career and technical programs would continue without change.

AMENDMENTS

N/A