



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 01/28 /25

Bill No: SB130

Agency Name and Code: PED - 924

Sponsor: Brandt

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Short Title: SCHOOL CAREER TECH ED.
PROGRAM UNITS

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$45,000.0 - \$147,000.0	\$45,000.0 - \$147,000.0	\$45,000.0 - \$147,000.0	\$135,000.0 - \$441,000.0	Recurring	GF

Duplicates/Relates to Appropriation in the General Appropriation Act: Senate Bill 130 (SB 130) relates to the appropriation to the State Equalization Guarantee (SEG) of Public School Support (PSS) in the General Appropriation Act (GAA).

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 130 (SB130) would create a new section of the [Public School Finance Act](#) to establish the career technical education (CTE) program unit as part of the Statewide Equalization Guarantee (SEG) formula for public school funding. Each school district or charter school's total CTE program units would be calculated by multiplying membership (MEM) in department-approved CTE programs by a cost differential factor of 0.25. The bill also would amend [Section 22-8-18 NMSA 1978](#) to add the new program unit to the calculation of total program cost. The program unit would fund department-approved career technical education (CTE) beginning in the 2025-2026 school year.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the Legislature enacting them unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

SB130 does not contain an appropriation.

Appropriations to the SEG in FY26 would be affected by the bill's provision for a substantial increase in program units statewide. As many as 20 thousand program units would be generated statewide for students enrolled in CTE programs. SB130 would generate new "career technical education program units ... by multiplying the MEM in department-approved career technical education programs by the cost differential factor of 0.25."

Five-Year Trend in CTE Participants and Concentrators in New Mexico from the Perkins Consolidated Annual Reports (CAR)

School Year of Perkins CAR	Total Student Count	CTE Participants Count	CTE Participants Percent of Total	Concentrator Count	Concentrator Percent of Total	Concentrator Percent of Participants
2019-20	102313	65102	63.6%	13123	12.8%	20.2%
2020-21	102649	65759	64.1%	12724	12.4%	19.3%
2021-22	104302	67932	65.1%	13962	13.4%	20.6%
2022-23	104595	69888	66.8%	15782	15.1%	22.6%
2023-24	109128	89332	81.9%	27539	25.2%	30.8%

The five-year trend in participants and concentrators noted in the table above shows an overall increase, with a substantial jump in the most recent reported school year. With 81.9 percent of all high school students enrolled in a CTE course in SY 2023-24, enrollment in CTE courses has become typical for high school students in New Mexico. If participation rates remained stable, 90 thousand participants in FY25 would generate an additional 22,500 program units that would be added to the program cost calculation. This would shift the distribution of SEG funding toward high schools in the same way, but to a greater extent than House Bill 63 (HB63), which simply increases the factor for basic units generated by secondary students. At the current unit value of \$6,553.75, SB130 would require \$147.5 million to be added to the SEG to maintain the current unit value.

SIGNIFICANT ISSUES

The state must meet federal Maintenance of Effort (MOE) for Career Technical Education (CTE), meaning it must sustain or exceed the previous year's funding levels to avoid repaying the federal government. The bill would increase CTE funding, and the state may be required to maintain that higher funding level annually, regardless of future revenue changes. This creates long-term financial commitments.

High school courses designed to prepare students for work are considered CTE courses. A CTE program is a system of CTE courses designed to help lead students toward related outcomes.

Although CTE courses generally have been associated with careers that do not require a bachelor's degree, today there are career clusters and pathways that are linked with higher education in fields such as fine arts, engineering, or business. "Because career-tech-ed classes of all kinds are increasingly seen as roads to additional study after high school," [EdWeek has noted](#), "they are meant to be more academically rigorous than those of a previous generation." Consistent, annual increases in CTE enrollment nationally have been attributed to policy trends away from college-for-all approaches, with CTE offering a pathway that diversifies options while including a form of postsecondary training, potentially leading to industry-recognized credentials and well-paying jobs.

High schools statewide saw a substantial increase in funding for CTE in the past three years, with a four-fold boost from \$10 million in FY23 to \$40 million in FY24 as below-the-line funding to be administered by the Public Education Department (PED). This level of support for CTE continued in FY25, signifying that it is a consistent policy priority for New Mexico.

PERFORMANCE IMPLICATIONS

The CTE Research Network published in March 2024 a [systematic review of research](#) on the impact of participation in CTE on student outcomes. Key findings included significant high school, post-secondary, and employment outcomes:

- CTE participation has statistically significant positive impacts on several high school outcomes, including academic achievement, high school completion rates, employability skills, and college readiness. There was no discernible impact on student discipline or attendance.
- Students who engaged in CTE courses were more likely to enroll in two-year colleges compared to their non-CTE peers. However, no significant differences were found in enrollment rates for four-year colleges or in college progression. Additionally, CTE participation did not significantly affect the likelihood of completing a college degree.
- High school CTE participants were more likely to be employed after graduation than those who did not take CTE courses. However, earnings between CTE and non-CTE students were similar.

ADMINISTRATIVE IMPLICATIONS

If enacted, this bill would be effective for FY26. PED would be required to incorporate the calculations provided for in SB130 in the school budgets and program cost projections several months before the effective date, leaving PED little time to fully integrate these changes into the funding formula for the 2025-2026 school year.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- HB 63, Public School Funding Formula Changes, which offers an alternative to HB63 for distributing a greater proportion of SEG funding to high schools to cover the high cost of CTE programs. Whereas HB63 would increase the factor for students in high school grades by 0.05, from 1.25 to 1.30, SB130 would boost high school revenue for each student in CTE programs by a factor of 0.25.
- Senate Bill 64, School Career Development Success Project, which proposes the project as a three-year pilot to be administered by the PED to encourage student completion of industry standard certifications.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

Because the effectiveness of CTE programs has been shown to vary depending on the quality of the program, teacher training, and alignment with labor market demands, additional technical assistance and support from the PED for program quality may be warranted.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

The sponsor may wish to consider amending the bill to specify CTE concentrators, those in their second or third course of a pathway, as the MEM for calculating the proposed program units. This could complement HB63 which proposes increases to the secondary base unit factor; it would incentivize schools to encourage greater engagement of students in CTE pathways, which has been shown to have statistically significant positive outcome for students.