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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**57th Legislature, 1st Session, 2025**

|                        |  |                            |                                     |
|------------------------|--|----------------------------|-------------------------------------|
| <b>Bill Number</b>     | <u>HB433</u>                             | <b>Sponsor</b>             | <u>Gonzales/Garratt/Dixon/Brown</u> |
| <b>Tracking Number</b> | <u>.230486.1</u>                         | <b>Committee Referrals</b> | <u>HEC/H AFC</u>                    |
| <b>Short Title</b>     | <u>Study Career &amp; Tech Education</u> |                            |                                     |
| <b>Analyst</b>         | <u>Hicks</u>                             | <b>Original Date</b>       | <u>2/25/2025</u>                    |
|                        |  | <b>Last Updated</b>        | <u>3/6/2025</u>                     |

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**BILL SUMMARY**

Synopsis of Bill

House Bill 433 (HB433) would direct the Higher Education Department (HED), in consultation with the Public Education Department (PED), the Department of Workforce Solutions (DWS), and LESC, to conduct a study of the current and anticipated future availability of career and technical education (CTE) courses and instructors in New Mexico. This study would also include a review of the salaries and compensation packages for CTE instructors and an analysis of current and future workforce needs. A final report and accompanying recommendations would need to be submitted to the governor, the Legislative Finance Committee (LFC), and other legislative committees by October 1, 2025.

**FISCAL IMPACT**

HB433 appropriates \$100 thousand from the general fund to HED for expenditure in FY26. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

This funding to HED, as directed in HB433, would be to oversee the proposed CTE study. The House Appropriations and Finance Committee Substitute for House Bills 2 and 3 (HB2/HAFCS) does not include specific funding to HED to support the study proposed by HB433.

DWS has expressed a concern there is no funding allocated for their participation in the study. The agency's analysis suggests either an additional appropriation for DWS, or the creation of an agreement between HED and DWS to allow the latter agency to draw on the funding given to HED.

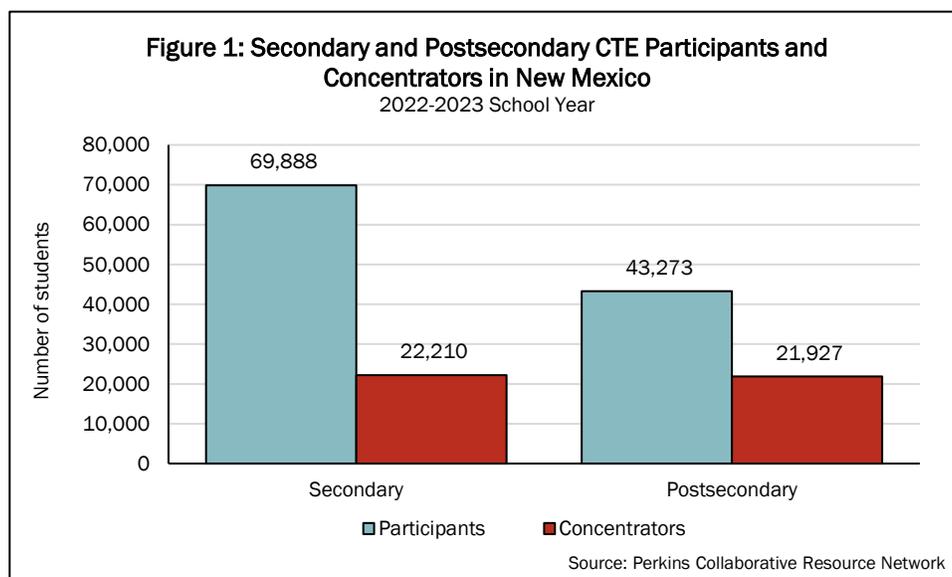
**SUBSTANTIVE ISSUES**

**CTE in New Mexico.** Modern CTE is an educational pathway designed to equip students with practical skills, technical knowledge, and applied learning experiences. CTE contextualizes academic content by employing hands-on learning, enabling students to gain both foundational

knowledge and specialized skills. CTE now spans a wide range of industries including healthcare, technology, engineering, education, and business, alongside more traditionally thought of industries such as construction or auto mechanics. While LESC analysis focuses particularly on kindergarten through 12th grade (K-12) education, as well as teacher preparation, CTE programs are offered in numerous parts of the state’s education and workforce systems: K-12 schools, two- and four-year colleges, and as workforce training programs offered in both public and private settings.

**K-12 CTE Funding.** In K-12 education, New Mexico has invested steadily in CTE efforts in recent years with the Legislature appropriating \$45 million in funding for CTE programs for FY25 and \$40 million for FY24. Current CTE appropriations primarily support three initiatives: a CTE pilot project created by the Legislature in 2019 (approximately \$13 million for FY25), an Innovation Zones initiative created by PED to redesign the high school experience (approximately \$11.2 million for FY25), and work-based learning primarily offered through the state’s Summer Enrichment Internship Program (\$10 million for FY25). Additional uses of the funding include supporting PED staff, career technical student organizations, and various college and career readiness initiatives. In addition to state funding, CTE programs in New Mexico are supported by federal funds, known as “[Perkins V.](#)” In FY24, for example, New Mexico received \$10.5 million in federal Perkins funding. Under Perkins’ local formula distribution (accounting for 85 percent of the total allocation to the state), half of the funding (\$4.05 million) is given to secondary recipients while another \$4.05 million is given to postsecondary recipients.

**CTE Participation and Concentration.** There are a total of 157.3 thousand New Mexico secondary and postsecondary students participating in CTE courses as of the 2022-2023 school year (SY23). Of this population, 44.1 thousand are CTE concentrators, meaning they have completed at least two CTE courses. See **Figure 1: Secondary and Postsecondary CTE Participants and Concentrators in New Mexico** for a more detailed breakdown of the state’s CTE student population.



**CTE Teacher Shortages.** According to [national studies](#), administrators around the United States report having difficulty filling positions in CTE subjects 57 percent of the time, compared with 39 percent of academic subject positions. Shortages [appear](#) to be particularly concentrated in high-demand, high-wage subjects where teachers may face a higher wage penalty, including

manufacturing; information technology; health sciences; science, technology, engineering, and math (STEM); and CTE.

A recent [study](#) of CTE teacher turnover in Tennessee found CTE teachers in high-growth, hard-to-staff CTE areas are:

- More likely to leave teaching;
- Difficult to replace, creating net reductions in the number of students served; and
- Earn the most money in their post-teaching employment compared to other high school teachers who leave the teaching profession.

The study found CTE teachers in high-growth areas earned nearly 20 percent more in private industry than they did teaching.

**Comprehensive Local Needs Assessment.** To receive federal Perkins V funding, recipients are required to conduct a [comprehensive local needs assessment \(CLNA\)](#). This assessment uses labor market information and the state’s economic development plan to identify the necessary educational supports to address the needs of employers, growth industries, and communities across the state. New Mexico’s Perkins V [state plan](#) was most recently revised in 2024 and uses a regionalized approach for funding decisions in the form of 10 [regional associations](#) consisting of secondary, postsecondary, and industry partners. According to PED, funded programs of study must meet Perkins V criteria related to size, scope, and quality and be aligned to in-demand industry sectors to be considered for federal Perkins funding or be designed to meet local education or economic needs.

Given Perkins’ requirement of a CLNA, many of the study components required under HB433 may be duplicative of existing efforts by PED and partners to continually assess and address educational and workforce needs in the state.

**Previous LESC Research on CTE.** CTE has been a significant focus for LESC members and staff in recent years with CTE topics being discussed in numerous hearings and written [reports](#). Most recently, LESC staff produced a [policy brief](#) in 2024 reviewing CTE programs, pathways, and funding in the state. This brief examined the increased geographic spread of CTE grant funding in New Mexico, student outcomes associated with CTE participation, and other indicators of CTE uptake and impact.

## ADMINISTRATIVE IMPLICATIONS

HB433 would likely have administrative implications for all three executive agencies directed to carry out the study. According to DWS, the department would need to dedicate a learning program coordinator to provide data and analysis for the study. HED notes the appropriation provided by HB433 could be used to hire a third-party contractor to perform data collection and compile findings into a report.

PED reports it would also likely need to dedicate staff to support the required study under HB433.

## OTHER SIGNIFICANT ISSUES

**Fiscal Agent for CTE Funding.** In New Mexico, federal Perkins V CTE funding for both secondary and postsecondary education is administered by PED. As written, HB433 would direct

HED to oversee the required CTE study and appropriate funding to support this work. HED oversees CTE programming in postsecondary settings. PED, however, also plays a role in overseeing CTE programming and federal funds in the state, and DWS also oversees many CTE efforts in the workforce. Further, LESC also conducts research on funding and policy related to CTE. Genuine collaboration of all entities would be beneficial to ensure comprehensive findings.

### **RELATED BILLS**

Related to Senate Bill 130, School Career Tech Ed. Program Units, which would add CTE program units to the state equalization guarantee's program cost calculation.

Related to Senate Bill 64, School Career Development Success Project, which would establish a career development pilot project within PED and provide financial incentives to school districts that encourage and promote student engagement in career development programs.

### **SOURCES OF INFORMATION**

- LESC Files
- LFC Files
- Department of Workforce Solutions (DWS)
- Higher Education Department (HED)
- Public Education Department (PED)

**CLH/mam/mca/jkh**