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

<b>Bill Number</b>	<u>SB64</u>	<b>Sponsor</b>	<u>Brandt/Gurrola</u>
<b>Tracking Number</b>	<u>.229542.2</u>	<b>Committee Referrals</b>	<u>SEC/SFC</u>
<b>Short Title</b>	<u>School Career Development Success Project</u>		
<b>Analyst</b>	<u>Hathaway</u>	<b>Original Date</b>	<u>1/24/2025</u>
		<b>Last Updated</b>	<u></u>

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**FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE**

**BILL SUMMARY**

Synopsis of Bill

Senate Bill 64 (SB64) would create the Career Development Success pilot project 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. SB64 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**

The bill appropriates \$1.5 million from the general fund to the career development success pilot project fund for expenditure in FY26 through FY28. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund.

The \$1.5 million in funding would be used by PED to provide awards to school districts and charter schools 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. SB64 would also stipulate the following regarding dispersing funds:

- PED must establish a tiered system of funding so programs that are more expensive to provide generate higher financial incentives;
- A student at each participating school district may generate only one financial incentive;
- If the statewide sum of financial incentives 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 \$1.5 million appropriation would be sufficient to cover the cost of credentials being earned by New Mexico students. In the 2021-2022 school year (SY22), students in New Mexico schools earned 2,540 credentials. SB64 requires a tiered system of funding, to be established by PED. Given the range of award amounts specified by SB64, \$250 to \$750 per credential, the total cost of the bill would be between \$635 thousand and \$1.9 million using SY22 credential counts. SB64 would contain sufficient funding to provide awards of approximately \$472 per credential earned based on the SY22 data. Should the number of credentials earned increase, SB64 also contains provisions for funds to be reduced proportionally to cover all eligible awardees.

## **SUBSTANTIVE ISSUES**

**High School Students Earning Credentials.** Through a variety of career and technical education (CTE) programs, work-based learning options, and internships, 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 high school course credit. Currently, school districts fund the cost to obtain these credentials through either state or federal CTE awards, 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 because it is recognized by businesses. SB64 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 Department of Workforce Solutions (DWS) and public post-secondary institutions.

SB64 would define the “career development program” to mean “a program that, upon completion, results in a credential recognized by business and industry locally, statewide or nationally that verifies a person's qualification and competence to work in an occupation, trade or profession and may include: 1) A career technical education program; or 2) an internship approved by the department [PED] or a pre-apprenticeship or apprenticeship program.”

**Credentials in New Mexico.** The types of credentials earned by students vary 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 and charter schools to offer programs. SB64 directs PED to establish a tiered system of funding to provide higher awards for credentials that are more costly to provide. However, it also creates a requirement that awards must be at least \$250 and no more than \$750.

**CTE Funding in New Mexico.** CTE is funded with a mix of state, federal, and private investments both in New Mexico and nationally. In addition to state and federal funds, schools may also use local resources to fund CTE programs such as operational funds through their SEG allocations, as well as private investments, grants, monetary contributions, gifts of equipment and supplies, and in-kind donations.

**State Level CTE Funding.** 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. For FY24, the Legislature appropriated \$40 million in CTE funding. For FY25, the Legislature once again appropriated \$45 million in funding to PED more generally with a \$40 million appropriation for “pilot programs including career technical education, career technical student organizations, innovation zones, work-based learning initiatives and equipment, including \$5 million for summer internships” as well as an additional \$5 million appropriation for “summer internship opportunities for working-age high school students.”

**NextGen CTE Awards.** In FY24, PED made NextGen CTE pilot project awards to 68 school districts, 30 charter schools, seven Bureau of Indian Education controlled schools, and one regional education cooperatives. The total amount of NextGen CTE awards was \$14.5 million and awards ranged from a low of \$2,472 (Springer Municipal Schools) to a high of \$1,043,270 (Albuquerque Public Schools). For FY25, planning awards from PED indicate the department plans to award \$13 million in NextGen CTE pilot project funding to 75 school districts and 59 charter schools.

**Federal CTE Funding.** In addition to state funding, New Mexico receives federal funding for CTE programs. The Strengthening Career and Technical Education 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. For FY24, the state received \$10.5 million for its [Perkins V award](#).

## **ADMINISTRATIVE IMPLICATIONS**

PED would be charged with the administration of this program, including staffing and operationalizing 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 maintain a list of eligible industry-recognized credentials in partnership with DWS and public post-secondary educational institutions. 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. PED currently has a College and Career Readiness Bureau that oversees similar programming. This bureau may be able to adopt this program into its current workflow.

## **SOURCES OF INFORMATION**

- LESC Files

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