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FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/12

SPONSOR Roch LAST UPDATED 01/31/12 HB 81/aHEC

SHORT TITLE ENMU Statewide Career Technical Programs SB _____

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
\$800.0	Appropriation end date: 6/30/13	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB186

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of House Education Committee Amendment

The House Education Committee amendment specifies that the recipients of the funding are organizations rather than programs.

Synopsis of Original Bill

House Bill 81 (HB81) would appropriate \$800 thousand dollars from the general fund to the Board of Regents of Eastern New Mexico University (ENMU) for expenditure in fiscal years 2012 and 2013 to support Career and Technical Student Programs that provide technical skills, leadership skills and targeted information to allow students to succeed in higher education or the work force after graduation from high school.

FISCAL IMPLICATIONS

The appropriation of \$800 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the General Fund.

SIGNIFICANT ISSUES

The HED provided the following information.

Career and Technical Education (CTE) programs are planned course sequences of academic core content and technical skills, which focus on a specific career cluster and prepare students to successfully transition toward their career goal. CTE programs typically are one - or two-year postsecondary programs culminating in a career readiness certificate, associate's degree, or other industry recognized credential.

Career and Technical Student Organizations (CTSOs) are vocational organizations primarily based in high schools and career technology centers at higher education institutions. Many institutions sponsor CTSO activities in order to support college transitions and enhance the college experience.

The following CTSO's are recognized by the U.S. Department of Education and are active in New Mexico:

- Business Professionals of America (BPA)
- DECA (formerly Distributive Education Clubs of America)
- Family, Career, and Community Leaders of America (FCCLA)
- National FFA Organization (formerly Future Farmers of America)
- SkillsUSA (formerly Vocational Industrial Clubs of America)
- Technology Student Association (TSA)
- Health Occupations Students of America (HOSA)

The language in HB81 refers to "Career Technical Student Programs", but the term "Career Technical Student Organization" is more commonly used and serves to differentiate between the student organizations and career technical programs of study.

According to ENMU staff, the appropriation in HB81 may be intended as flow-through funds intended to support career technical student organizations such as SkillsUSA, with ENMU serving as the fiscal agent. However, HB81 does not specify the specific CTSOs or the types of activities to be supported by the legislation.

The Career Technical Leadership Program manages the six State Associations of Career Technical Student Organizations in New Mexico under the direction and administration of the Region IX Education Cooperative. Region IX Education Cooperative is a state agency administratively attached to the Public Education Department. CTSOs are presently supported by Federal Perkins funds. According to the New Mexico Director of Skills USA, these funds have been reduced from about \$600,000 in 2005 to a present level of about \$300,000 per year. New Mexico's Region IX Education Cooperative serves as the fiscal agent for the Perkins funds, though ENMU has served in this capacity in the past.

HB81 indicates that Career Technical Student Programs are intended to “allow students to succeed in higher education or the work force after graduation from high school”, suggesting that these programs should be targeted towards high school students or recent high school graduates. However, according to 2010 US Census/American Community Survey data, New Mexico has

approximately 270,000 adult citizens (18 and over) that do not have a high school diploma. Many of these adults would be equally well-served by opportunities to enroll in CTE programs, and to make use of support services provided by the CTSOs sponsored by this legislation.

PERFORMANCE IMPLICATIONS

The HED notes that HB81 does not provide performance measures; however, if funded, ENMU should develop performance measures in coordination with HED.

Overall success can be measured in the number of students that successfully complete career technical programs and transition to the workforce.

ADMINISTRATIVE IMPLICATIONS

The appropriation contained in HB81 would be managed by Eastern New Mexico University. Any additional administrative implications for NMHED or other state agencies are unknown, but would likely be connected with the development and monitoring of performance measures.

Since HB81 does not specify which CTSOs or the types of activities that will be supported by the legislation, it would presumably fall upon ENMU administration to make these decisions.

DUPLICATION

Senate Bill 186 is a duplicate of this bill.

OTHER SUBSTANTIVE ISSUES

Many students require developmental and/or remedial education classes in order to matriculate into a career technical program. This presents additional delays and costs in bringing these students through remedial education, into career technical programs, and finally into the workforce. Alternative educational pathways exist that are distinct from traditional CT programs; these pathways specifically address the need for remedial coursework while still preparing students for a quick transition into the workforce. For example, Integrated Basic Education and Skills Training (I-BEST) programs address this issue by delivering basic skills instruction (i.e. remedial/developmental content) simultaneously with career technical instruction. The NMHED Adult Basic Education Division is coordinating pilot programs at six higher education institutions throughout New Mexico. An expansion of I-BEST programs throughout New Mexico could produce a similar number of career-ready graduates in less time and at a reduced cost.

The HED states this request was not submitted by Eastern New Mexico University to the New Mexico Higher Education Department for review. HED has established a formal process for reviewing earmarked budget requests for higher education institutions. This process requires prior approval by the governing body of the university or college. It also provides for analysis of each request by HED, DFA and LFC. HED recommends that requests that circumvent the formal review process not receive funding in the annual budget but be directed to be resubmitted for funding in FY14.