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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/19

SPONSOR Roybal Caballero LAST UPDATED \_\_\_\_\_ HB 435

SHORT TITLE School Development Pathways Plans SB \_\_\_\_\_

ANALYST Hawker

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Indeterminate but minimal					

Parenthesis ( ) indicate expenditure decreases

Relates to HB 91,

### SOURCES OF INFORMATION

LFC Files  
National Conference of State Legislatures

#### Responses Received From

Public Education Department (PED)  
Administrative Office of the Courts (AOC)  
New Mexico Attorney General (NMAG)  
New Mexico State University-Carlsbad (NMSU-C)  
Regional Education Cooperatives (RECs)  
State Land Office (SLO)

#### Other Responses Received

New Mexico Independent Community Colleges (NMICC)

### SUMMARY

#### Synopsis

House Bill 435 creates new sections of the Public School Code dedicated to the development and career and technical pathway plans and the creation of pathway programs in middle and high schools.

Section 1: mandates school districts, the public education commission and community partners will collaborate to develop pathway plans. School districts and community partners shall report on their plans no later than January 1, 2020.

As used in this section, “community partners” means an institution of higher learning, local businesses, a union or trade association. “Pathway” means an educational instructional program that incorporates technical knowledge, skills and competency-based applied learning about an occupation or career specialty.

Section 2: mandates school districts assess student interest, labor market trends and available community resources in creating pathway programs. The programs shall be created within a public school’s career and technical education curricula. Middle and high school students may enroll in career and technical education and select a pathway.

## **FISCAL IMPLICATIONS**

HB 435 does not contain an appropriation. The College and Career Readiness Bureau (CCRB) at PED has resources and materials to support pathway creation in public schools. Annual review of pathway justifications is currently performed by CCRB staff as part of the administration of Carl D. Perkins Career Technical Education (CTE) funds. PED states Perkins funding is provided to approximately 25 districts in New Mexico.

PED notes additional professional staff or contractors would be required in order for it to support pathway development for all districts and charter schools that serve middle and/or high school level students. Each additional FTE would cost approximately \$85 thousand. However, both the Executive and the LFC have recommended additional funding for PED. Any increased cost due to the implementation of HB 435 could possibly be absorbed by the additional funding.

## **SIGNIFICANT ISSUES**

The federal Strengthening Career and Technical Education for the 21st Century Act, referred to as “Perkins V,” requires states to hold stakeholder engagement meetings and develop a state plan for CTE. New Mexico’s transition year plan is due to the Department of Education on 5/24/2019. The final plan is due 4/30/2020, with plan implementation scheduled for 7/1/2020 through 6/30/2024.

Mandatory components of the state plan include stakeholder engagement and labor-market supported pathways that provide clear transitions into postsecondary education and culminate in earning credentials that are valued in the local workforce. The development and implementation of New Mexico’s state plan, as specified in Perkins V, will likely address much of HB435.

According to NCSL, states are increasingly looking to expand education programs that focus on workforce development in both secondary and postsecondary education. States have expanded CTE programs, which often begin during K-12 and continue into postsecondary institutions.

## **ADMINISTRATIVE IMPLICATIONS**

Administrative support from PED will likely be required for districts to develop their pathway plans and to create pathway programs.

## **RELATIONSHIP**

HB 91 establishes a CTE pilot project.

**TECHNICAL ISSUES**

On page 1, line 19, strike “commission” and insert “department”.

**OTHER SUBSTANTIVE ISSUES**

Perkins V defines “career and technical education” as educational activities that:

- at the secondary level; coursework that provides rigorous academic content and relevant technical knowledge and skills to prepare for further education and careers in current or emerging professions, which may include high-skill, high-wage, or in-demand industry sectors or occupations;
- at the postsecondary level; activities which provides technical skill proficiency or a recognized postsecondary credential, which may include an industry-recognized credential, a certificate, or an associate degree.

Additionally, CTE may include competency-based, work-based, or other applied learning that supports the development of academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, employability skills, technical skills, and occupation-specific skills, and knowledge of all aspects of an industry, including entrepreneurship;

CTE shall, to the extent practicable, include coordination between secondary and postsecondary education programs through programs of study, which may include coordination through articulation agreements, early college high school programs, dual or concurrent enrollment program opportunities, or other credit transfer agreements that provide postsecondary credit or advanced standing.

CTE may include career exploration at the high school level or as early as the middle grades.

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