

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2019 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 2/1/19
Original **Amendment** **Bill No:** SB353
Correction **Substitute**

Sponsor: Pete Campos and Pat Woods **Agency Code:** 924
Short Title: CAREER & TECHNICAL STUDENT ORGANIZATIONS **Person Writing:** Daniel Manzano
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
NFI	\$650.0	Recurring (not specified)	General fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
NFI	NFI	NFI	N/A	

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	N/A	N/A	

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB299
Duplicates/Relates to Appropriation in the General Appropriation Act: None noted

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB353 makes an appropriation in FY20 of \$650.0 to support six state-chartered Career and Technical Student Organizations (CTSOs) for middle, high, and postsecondary students through Region Education Cooperative #6 (REC #6) in Portales.

FISCAL IMPLICATIONS

SB 353 contains a \$650.0 appropriation from the general fund. Unused funds revert at the end of the fiscal year. The bill does not indicate that the appropriation is recurring; however, given the nature of the expenditure, recurrence is assumed.

New Mexico's eight state-chartered CTSOs are supported through three different funding streams.

- NM Future Farmers of America (FFA) is funded through a direct appropriation of \$400.0 to New Mexico State University (NMSU).
- Educators Rising is also managed by NMSU, and it receives \$35.0 in funding: \$30.0 through the Graduates Now line of PED's appropriation, plus \$5.0 in federal funding through the Carl D. Perkins Act.
- Six additional CTSOs are managed by Career and Technical Leadership Project (CTLP), which is housed at Eastern New Mexico University (ENMU). CTLP receives \$500.0 in funding: \$133.0 in state funds (through Graduates Now line) plus \$367.0 federal Carl D. Perkins funds.

The \$650.0 appropriation in SB353 is not part of the PED request and is not included in the Executive recommendation.

SIGNIFICANT ISSUES

Career and Technical Student Organizations (CTSOs) enhance student learning through contextual instruction, leadership and personal development, applied learning and real world application. CTSOs work as an integrated component of the classroom curriculum and instruction, building upon employability and career skills and concepts through the application and engagement of students in hands-on demonstrations and real life and/or work experiences through a Career and Technical Education (CTE) program. CTSO's help guide students in

developing a career path, a program of study and provide opportunities in gaining the skills and abilities needed to be successful in those careers through activities, programs and competitive events. In addition, students have opportunities to hold leadership positions at the local, state, and national level and attend leadership development conferences to network with other students as well as business and industry partners.¹

New Mexico has eight state-chartered CTSOs, and all currently receive state funds as detailed above. Two are managed through New Mexico State University (Educators Rising and FFA), while six are managed through the Career and Technical Leadership Project (CTLP) at Eastern New Mexico University. The Six CTSOs managed by CTLP are 1) BPA - Business Professionals of America, 2) DECA, 3) FCCLA - Family, Career and Community Leaders of America, 4) HOSA - Future Health Professionals, 5) SkillsUSA, and 6) TSA - Technology Student Association.

SB353 provides direct funding to REC 3 to manage six CTSOs. It does not identify which six would be funded. Furthermore, it does not address the existing organizational structure of ENMU and CTLP.

PERFORMANCE IMPLICATIONS

CTSOs have been identified as one element of high-quality Career Technical Education (CTE)². The following are indicators of high-quality CTSOs:

- The organization is an integral, intra-curricular part of the program of study, available to every student at some point during the program of study.
- The organization is aligned with relevant national, state and/or local standards.
- Organization activities develop and reinforce relevant technical, academic and employability knowledge and skills.
- The organization provides opportunities for students to interact with business professionals.
- The organization provides opportunities for students to participate in relevant competitive events.
- The organization provides opportunities for students to participate in relevant community and school service activities.
- The organization provides opportunities for students to participate in leadership development activities.
- The organization is supervised by CTE staff with clearly defined roles.

Students who participate for at least one year in a CTSO graduate at significantly higher rates than the general population of New Mexico students: For 2016-17, the graduation rate for CTSO students was 86.9%. CTSO membership is recorded in the PED Student Teacher Accountability Reporting System (STARS).

Increasing access to CTSOs through increased funding could potentially affect the state's overall graduation rate.

¹ National Coordinating Council for Career and Technical Student Organization

² <https://www.acteonline.org/professional-development/high-quality-cte-tools/>

ADMINISTRATIVE IMPLICATIONS

The College and Career Readiness Bureau of the PED funds and provides oversight for seven of the eight chartered CTSOs in New Mexico. FFA is directly funded and oversight of FFA is carried out by NMSU and the LESC. Providing direct legislative funding to six CTSOs through REC 6 might remove administration and oversight responsibilities from PED; however, it is unclear if REC 6 has the expertise or staff to provide these services.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None noted.

TECHNICAL ISSUES

SB353 does not identify the six state-chartered CTSOs.

OTHER SUBSTANTIVE ISSUES

If a direct appropriation of general funds is only used for a short duration, an increased use of Carl D. Perkins federal grant dollars in the future would not be permissible due to federal supplement not supplant provisions.

ALTERNATIVES

Direct funding could be included in PED's allocations, and PED could retain oversight and administrative responsibilities.

Direct funding could cover all seven CTSOs currently managed by PED, not just the six managed by CTLP/ENMU. Another alternative would be to redirect the \$400.0 typically direct awarded to NMSU for FFA, so that all CTSOs are funded through one appropriation. In that case, a higher funding amount might be appropriate.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

State-chartered CTSOs would continue to be supported through the PED as priorities and budget permits.

AMENDMENTS

None identified.