LFC Requester: Liu



## SECTION I: GENERAL INFORMATION

*Check all that apply:* Original X Amendment

**Sponsor:** Brandt/Gurrola

PROJECT

Short

Title:

Correction Substitute

# **PUBLIC EDUCATION DEPARTMENT BILL ANALYSIS 2025 REGULAR SESSION**

**Date Prepared**: 01/24 /25

Bill No: <u>SB64</u>

Agency Name and Code: PED - 924					
PED L	ead Analyst:	David Vincent			
Phone:	(505) 695-6574	Email:	David.vincent@ped.nm.gov		
PED Policy Director:		Denise Terrazas			
Phone:	(505) 470-5303	Email:	denise.terrazas@ped.nm.gov		

#### **SECTION II: FISCAL IMPACT**

SCHOOL CAREER

DEVELOPMENT SUCCESS

(Parenthesis () Indicate Expenditure Decreases)

#### **APPROPRIATION** (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY26	FY27	or Nonrecurring		
1,500	None	N/A	NFA	

### **REVENUE** (dollars in thousands)

	<b>Recurring</b> or	Fund		
FY26	FY27	FY28	Nonrecurring	Affected
N/A	N/A	N/A	N/A	NFA

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

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act:

### SECTION III: NARRATIVE

### **BILL SUMMARY**

<u>Synopsis</u>: Senate Bill 64 (SB64) would create a three-year "Career Development Success Pilot Project," to provide financial incentives to school districts that provide industry recognized credentials to students. The bill would appropriate \$1.5 million to the Public Education Department (PED) for the development and administration of the pilot.

This bill is endorsed by the Legislative Education Study Committee.

If enacted, this bill would become effective June 20, 2025.

## FISCAL IMPLICATIONS

The bill appropriates \$1.5 million from the General Fund to the new "Career Development Success Pilot Project Fund," created in the bill, for expenditure in fiscal years 2026 through 2028 to administer the career development success pilot project. Any unexpended or unencumbered balance remaining at the end of fiscal year 2028 shall revert to the general fund.

Participating school districts would receive financial incentives ranging from \$250 to \$750 for each ninth- through twelfth-grade student who successfully completes an approved career development program, such as career technical education courses, internships, or apprenticeship programs.

### **SIGNIFICANT ISSUES**

Effective career and technical education (CTE) programs in high schools play a crucial role in preparing students for the workforce by equipping them with practical skills and knowledge pertinent to various industries. Making more, and diverse, career and postsecondary education options available to students is a positive step in ensuring greater economic success for New Mexicans.

## PERFORMANCE IMPLICATIONS

A <u>2024 study</u> focusing on Massachusetts CTE high schools found positive impacts regarding ontime graduation rates.

A study by the <u>American Institutes for Research (AIR)</u> found that high school students who participated in CTE programs had a higher likelihood of employment after graduation compared to their peers who did not engage in CTE.

## **ADMINISTRATIVE IMPLICATIONS**

The PED would be responsible for implementing the provisions of SB64, with support from the Department of Workforce Solutions (DWS). It would be significant work for the department to:

- establish clear criteria for a tiered financial incentive system;
- ensure higher-cost programs receive appropriate financial support;
- create, distribute, collect, and review applications for participating school districts;

- adjust award amounts based on the number of certificates issued; and
- collect and report pilot program and participant data.

By July 31, 2025, PED, in collaboration with DWS and public postsecondary institutions, would be required to identify career development programs within, or otherwise accessible, to each school district. This timeline would be difficult.

PED would be required to track progress and report on programs by September 1, 2026. Implementing an effective and efficient data tracking and reporting system would also require additional agency resources.

Given the scope of administration and reporting requirements, at least one additional full-time employee would be necessary to successfully meet the provisions of the bill.

# CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 130, School Career Tech Ed. Program Units.

## **TECHNICAL ISSUES**

None.

# **OTHER SUBSTANTIVE ISSUES**

None

## ALTERNATIVES

None.

# WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

## AMENDMENTS

None.