

LFC Requester: Liu



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

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/21 /25
Bill No: HB560

Agency Name and Code: PED - 924

Sponsor: Chatfield

PED Lead Analyst: -

Phone: - Email: -

Short Title: WORKFORCE READINESS PROGRAMS

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$20,000,000	None	Nonrecurring	GF

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	N/A	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: The [House Appropriations and Finance Committee Substitute for House Bill 2 as amended by the Senate Finance Committee](#) includes a \$59 million appropriation from the general fund to the state equalization guarantee for school districts and charter schools to provide, among other things, career technical education (CTE) programs pursuant to Section 22-1-12 NMSA 1978contains a \$38.5 million appropriation to the Public Education Department (PED) for the CTE pilot project,

including career technical student organizations, innovation zones and work-based learning initiatives, \$28.5 million of which is from the general fund, and \$10 million of which is from the career technical education fund. Finally, it includes a proposed appropriation of \$3 million to PED for Rio Rancho Public Schools, for class-size reductions and CTE start-up costs.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 560 (HB560) would create the Workforce Readiness and Student Engagement Act in the Public School Code to establish workforce readiness programs in public schools to offer students direct entry into the workforce. The bill would allow students to choose a workforce readiness pathway to fulfill part of a student's graduation requirements. Potential pathways would include certification programs, dual credit courses, apprenticeships, and on-the-job training. Schools serving grades 9-12 would be required to develop apprenticeship programs. Every school that offers a workforce readiness program shall develop it in partnership with the Department of Workforce Solutions (DWS) to align with high-demand industries. The bill would mandate schools develop career exposure initiatives, individualized learning plans, and participation incentives. In collaboration with the DWS, PED would also be required to evaluate program effectiveness annually and report outcomes to the legislature. The bill also requires that the PED develop a comprehensive plan to monitor and improve attendance rates which includes early intervention and flexibility for students involved in workforce readiness programs.

This bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the Legislature enacting them, unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

The bill would appropriate \$20 million from the general fund to the PED in from the general fund to the public education department for expenditure in FY26 and subsequent fiscal years to support workforce readiness programs created pursuant to the Workforce Readiness and Student Engagement Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

Nearly every state in the U.S., including New Mexico, enacted policy related to career pathways and CTE in 2023, the second highest year ever for such actions, according to [Advance CTE](#). However, while the terms are often used interchangeably, the [National Center for Education Statistics](#) (NCES), in accordance with federal law, defines "CTE" as courses and programs that focus on the skills and knowledge required for specific jobs or field of work. "Workforce readiness", as defined in HB 560 instead means that "a student possesses a set of skills, a certification or experiences or a combination of those that has prepared the student for direct entry into the workforce."

Despite these differences, funding and programs are often combined for these initiatives to achieve overall career readiness. [Idaho](#), for example, currently offers a Workforce Readiness and Career Technical Education Diploma which combines the two definitions in an effort to ensure students are prepared to join the workforce, both generally and in a specific CTE pathway. It is

important to ensure that this pathway is not perceived as an “easier” option for graduation, but rather as a meaningful alternative route to achieving college and career readiness.

Nationally, the [Strengthening Career and Technical Education for the 21st Century Act \(Perkins V\)](#), which became law in 2018, aimed to increase financial support and minimize the role of the federal government in favor of states’ development of CTE. Since then, many states have taken up this effort and have implemented CTE programs for students through a combination of state and federal spending. According to the [State of CTE](#), New Mexico allocated \$10 million for CTE in FY22 with a federal allocation of \$10.061 million. Total enrollment in CTE for this period was 67,763 students, which amounts to approximately 65.2 percent of the student population for that same academic year. The number of students participating in CTE programs has increased since then, with total enrollment up to 81,840 (74.87 percent of students) for the 2023-2024 academic year. Notably, in 2019 New Mexico established a seven-year pilot program to fund CTE programs and monitor their effects. The Next Generation (NextGen) CTE Pilot supports CTE directly through funding or by providing educational activities aimed at improving career preparation. New Mexico currently does not offer a CTE diploma or diploma designation but does have a dual enrollment program that offers CTE coursework.

New Mexico also has students participating in work-based learning (WBL), and the PED is working with the DWS to establish a WBL framework. These programs are designed to provide students with real life experiences to apply academic and technical skills and bridge the gap between learning and doing. The PED partners with organizations to bring workplace opportunities to students such as:

- [Near Peer Tutoring](#): paid work experience for students interested in becoming teachers, which provides tutoring services to younger students in their school or district.
- [Be Pro Be Proud](#): an initiative spearheaded by the DWS and the New Mexico Center for Economic Opportunity. It operates as a mobile workshop where students have the opportunity to try out different professions through custom-developed virtual and augmented reality simulators.
- [Summer Enrichment Internship Program](#): this program is designed to help equip New Mexico high school students with practical work experience and guarantees fully funded internship opportunities.

Student participation in WBL has increased over time, going from 2,610 students in SY22, to 3,856 students in SY24. New Mexico was [recently highlighted](#) for the success of WBL programs alongside ten other states.

There has also been a growing interest in youth apprenticeship programs around the country, according to a [2023 report by the Urban Institute](#). These are work-based learning opportunities that can provide high school students with academic and workplace skills that lead to post-secondary education opportunities and careers. School districts and their local labor market can adapt apprenticeships to meet their needs by combining academic and technical classroom instruction with career exploration. In New Mexico, an apprentice is a person at least 16 years old who is covered by a written agreement with an employer ([Section 50-7-2 NMSA 1978](#)). Additionally, [Rule 6.33.3 NMAC, Pre-apprenticeship Program](#), provides guidance for school districts and pre-apprenticeship programs to develop memoranda of agreement ensuring the

participating students receives exploratory training and skill development linked to career pathways at no cost to the student.

The central elements of HB560, including certification programs, dual credit courses, apprenticeships, and on-the-job training, are all current aspects of CTE programs. However, this bill will provide the necessary funding to set up the standards for WBL to allow for core academic requirements to count for graduation. This funding would be necessary as the bill would require all schools to offer CTE or a program that would train a student in a specific career.

PERFORMANCE IMPLICATIONS

HB560 would focus on workforce readiness pathways, which could positively impact student performance by providing practical, career-focused education that enhances engagement and motivation. Hands-on learning experiences, such as apprenticeships and on-the-job training, may improve skill retention and real-world application. However, there would be a risk that shifting emphasis toward workforce preparation could divert attention from traditional academic achievement, potentially affecting college readiness for students who later decide to pursue higher education. While a recent study from the [American Institutes for Research](#) found that CTE had positive impacts on high school students, the impact on postsecondary outcomes was less clear. Balancing career training with core academic rigor would be essential to ensure well-rounded student development.

ADMINISTRATIVE IMPLICATIONS

In order to implement the provisions of HB560, the PED would continue to establish a comprehensive workforce readiness plan, identify high-demand and high-wage industries and career pathways, and set the skills, standards, and certifications for multiple pathways. Because the National Career Clusters Framework was completely overhauled and updated in Fall 2024, full incorporation of the provisions of the bill would warrant a complete examination of the new framework, alongside a full review of the industry credential list for graduation requirements and work-based learning opportunities.

The [DWS currently runs a pre-apprenticeship program](#) aimed at high school students. HB560 would require the DWS to further collaborate with industry partners and the PED to establish workforce readiness programs in schools that choose to offer them. In order to adhere to the provisions of the bill, PED would require at least one additional FTE for oversight and coordination beyond what is currently in place, estimated at \$110,000 annually.

Schools would need additional resources, staff training, and oversight to manage these apprenticeship programs, dual credit courses, and mentorship opportunities if they are not already implementing these types of programs.

The bill also requires that the PED develop a comprehensive plan to monitor and improve attendance rates. Most recently, the PED has been working to address student absenteeism through the enactment of the 2019 [Attendance for Success Act \(AfSA\)](#). Through the provisions of the AfSA, all schools must report attendance data and develop an attendance improvement

plan, which must be submitted to the PED. Schools are also required to establish early warning systems based on evidence-based metrics that provide for early identification of chronically and excessively absent students. The PED provides support for these initiatives.

Because of the work taking place under the AfSA, some of HB560's requirements to develop a comprehensive plan to monitor and improve attendance rates are already in place. Current data on absenteeism is publicly available through the [PED's dashboard on annual attendance reports](#). In recent years, chronic absenteeism rates in New Mexico have fallen dramatically from the peak of 40.73 percent during the Covid-19 pandemic to 29.77 percent for the school year 2023-24 academic year. These efforts have put New Mexico's absenteeism rates much closer to the national average, which is approximately 28 percent according to the [U.S. Department of Education's most recent data](#).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- [House Bill 246](#), Increase Minimum Wage, which would increase the minimum wage for certain employees to \$17 per hour and provide for certain students enrolled in CTE programming to earn minimum wage funds.
- [House Bill 432](#), Excessively Absent Students and Penalties, which proposes adding legal penalties to parents of chronically absent students.
- [House Bill 433](#), Study Career and Tech Education, which proposes to require the Higher Education Department to collaborate with the PED, DWS, and the Legislative Education Study Committee to study CTE course and instructor availability and compensation packages of CTE instructors.
- [House Bill 528](#), High School Internship Grant Program, which would create the program and related fund.
- [Senate Bill 64](#), School Career Development Success Project, which proposes providing a financial incentive for school districts and charter schools for each student that completes a career development program.
- [Senate Bill 130](#), School Career Tech Ed. Program Units, which proposes to create a CTE program unit to be added to the total program cost calculation.
- [Senate Bill 317](#), Youth Apprenticeship Internship Opportunity PGM, that would put forward the creation of a youth internship and apprenticeship program.

TECHNICAL ISSUES

The bill makes multiple mentions of the “workforce solutions department” which is erroneous. The sponsor may wish to change this language instead to the “department of workforce solutions” to remove potential confusion regarding the interagency collaboration.

Section 1 of the bill defines terms, including for “apprenticeship,” which is defined as, “a structured, work-based learning program...” This currently defined term does not quite work with the other verbiage of the bill. A better term for this would be, “apprenticeship *program*.”

As noted above, Section 4, Subsection B establishes requirements for the department to develop a comprehensive attendance monitoring and improvement plan, that contains required elements not currently found in the AfSA, such as tutoring or flexible scheduling. The placement of these

measures and requirements in the proposed Workforce Readiness and Student Engagement Act is inappropriate. The sponsor may wish to consider amending the bill to include these amendments directly and more appropriately in the Attendance for Success Act, itself. Placement here may hamper comprehensive understanding of and recourse to student attendance requirements in the Public School Code.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.