Legislative EDucation Study Committee

Policy Brief

Career-Connected Learning: Costs and Framework

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Since the enactment of the Next Generation (NextGen) Career and Technical Education pilot program in 2019, New Mexico has placed a growing emphasis on career-connected learning as a critical strategy to engage students, strengthen the state's workforce pipeline, and expand college and career readiness for students. Career-connected learning encompasses a wide range of programs and initiatives that link classroom instruction with career exploration and workforce engagement. These programs include structured career and technical education (CTE) pathways, standalone work-based learning opportunities such as internships and apprenticeships, dual credit coursework, and school innovation initiatives designed to foster students' readiness for both college and careers.

The Legislature has made significant recent investments to support this work. Beginning in FY24, lawmakers appropriated $40 million for CTE programs, sustaining and expanding funding in subsequent years for initiatives such as the NextGen CTE Pilot Program, Innovation Zones, and summer internships. In each of the following years, FY25 and FY26, the Legislature grew the total appropriation for career connected learning. In addition, Laws 2025, Chapter 89 (House Bill 63) increased the secondary student weight in the state equalization guarantee (SEG), the state's public school funding formula, providing schools with new recurring funds to help redesign a meaningful high school experience for New Mexico's youth, which includes career-connected learning experiences.

CTE programs are inherently more expensive to operate than traditional academic courses, with startup costs for specialized equipment and facilities, recurring costs for consumable materials, and staffing challenges that require instructors with both teaching credentials and industry expertise. Without a funding structure that recognizes these unique costs, districts may struggle to maintain or expand high-quality programming. In addition, data quality issues have prevented an in-depth analysis of program effectiveness, raising questions about the alignment of disparate districts' programs to indicators of program quality.

At their best, career-connected learning opportunities provide students with rigorous academic learning paired with applied technical skills, exposure to real workplace settings, and clear pathways into postsecondary education and employment. However, the scope, rigor, and outcomes of career-connected learning programs can vary widely across schools and districts. Ensuring consistency and quality across the state has become a central priority for policymakers.

Key Takeaways

- Career-connected learning takes many forms, each with varying levels of rigor and alignment *(Page 2)*.
- Students have a variety of options for career learning in several careers clusters and subjects *(Pages 3-4)*.
- Since FY24, the legislature has maintained a high level of investment in career-connected learning, both in nonrecurring and recurring funding *(Page 5)*.
- The annual instructional cost of providing CTE is approximately $900 to $1,600 more per student, but costs vary based on the type of programs offered *(Pages 6-8)*.
- PED has begun to focus on the quality of CTE programs, helping ensure the state's priority investments can contribute to high-quality programs (*Page 8-10*).
- The NextGen CTE Pilot Program is ending in 2026; the Legislature has an opportunity to directly tie CTE funds to the true costs of CTE and the needs of high-quality programs (*Pages 11-12*).

Recently, the Public Education Department (PED) adopted the High-Quality CTE Program of Study Framework developed by the national Association for Career and Technical Education (ACTE), outlining 12 components of high-quality CTE. By aligning funding to these quality benchmarks, the Legislature has an opportunity to ensure resources are invested in programs that meet rigorous standards and produce measurable results for students and employers. This brief examines the current landscape of career-connected learning in New Mexico, analyzes the marginal per-student costs of CTE, and presents recommendations for designing a specific CTE funding mechanism that reflects the true costs of CTE programs.

Career-Connected Learning Programs

Career-connected learning encompasses a broad set of programs and initiatives designed to provide students with secondary school experiences that intentionally link academic learning with career exploration and workforce engagement. These opportunities may include work-based learning, internships, apprenticeships, industry-recognized credentials, dual credit coursework, and other structured pathways that expose students to potential career fields. While all programs share the goal of connecting education to career opportunities, the rigor, structure, and expectations of each initiative can vary considerably.

Table 1: Common Terms in Career-Connected Learning

Program	Definition	Examples
Career and Technical Education (CTE)	CTE is an organized educational activity that includes all of the following attributes • A **sequence of courses** (minimum of two courses); • Integrates **academic content** and technical skills; • Results in **technical skill proficiency**, an **industry-recognized credential** or certificate, or an **associate's degree**; • Includes **competency-based applied learning** that results in **employability skills** and includes knowledge of all aspects of an industry, including entrepreneurship; • Coordination between **secondary and post-secondary institutions**; and • May include **career exploration** as early as middle school. *(Source: Carl D. Perkins Career and Technical Education Act of 2006, as amended February 15, 2019)*	A high school offers a two-course sequence beginning with *Introduction to Health Occupations* followed by *Medical Terminology and Clinical Skills*. Students complete clinical rotations in partnership with a local hospital and can earn a Certified Nursing Assistant (CNA) credential upon completion. A district partners with a community college to provide a sequence of computer science and networking courses. Students gain hands-on experience in cybersecurity labs, and successful completion leads to industry-recognized credentials such as CompTIA A+ or Network+.
Work-Based Learning	"**Sustained interactions** with industry or community professionals in **real workplace settings**, to the extent practicable, or **simulated environments** at an educational institution that foster in-depth, firsthand engagement with the **tasks required in a given career field**, that are **aligned to curriculum** and instruction." (*Source: Carl D. Perkins Career and Technical Education Act of 2006, as amended February 15, 2019)* Work-based learning includes internships and apprenticeships, which are sometimes paid, for-credit experiences. Work-based learning is an element of a high-quality CTE program but can also be offered as a standalone experience.	Students enrolled in a culinary arts program complete a paid apprenticeship at a local restaurant, practicing food preparation, kitchen management, and customer service skills while earning credit toward graduation..
Innovation Zones	Schools that **identify and reduce barriers** to college and career readiness **among historically underserved student populations**. Innovation Zone schools systematically implement coordinated strategies driven by a locally created **graduate profile** to **reduce gaps in attendance and graduation rates, increase participation in work-based learning, community capstone projects, or CTE programs of study.** *(Source: Public Education Department)* Innovation Zones can offer CTE programs of study but CTE is not a necessary element of the program.	A district designates one of its high schools as an Innovation Zone, allowing it to redesign its schedule so students can complete both a high school diploma and an associate's degree within four years. This model specifically targets first-generation college-goers.
Electives	Courses in a wide range of subjects that fall outside the core curriculum. Electives allow students to explore different interests and subjects, but are not always aligned in a multi-course sequence necessary to satisfy the definition of CTE.	A high school offers *Photography* and *Digital Media Design* as standalone electives, providing students with creative enrichment opportunities without requiring continuation into a career pathway.

Source: LESC Files

Career Clusters

To be considered a CTE program, schools must offer a minimum two-course sequence in an aligned industry pathway. To help school districts and charter schools design CTE pathways, PED has adopted the National Career Clusters Framework published by Advance CTE, a national association of state CTE directors and professionals. As shown in **Figure 1: Advance CTE Career Clusters and Sub-Clusters** below, the Advance CTE Career Clusters Framework organizes CTE subjects and courses into six groups of 14 clusters, each with subclusters for specific industries.

Figure 1: Advance CTE Career Clusters and Sub-Clusters

Source: Advance CTE

PED has organized the Nova course code manual for the 2025-2026 school year to demonstrate how school course offerings are aligned with the Advance CTE framework. Approximately one-half of all courses offered are considered "CTE" courses. However, as shown in **Figure 2: New Mexico CTE and Non-CTE Courses**, the proportion of courses assigned to each subject that are considered CTE courses varies by subject.

In general, the Nova course manual lists career pathways involving a large number of technology and computer information science courses. Construction and trades, business, agriculture, healthcare, and energy also account for a high proportion of CTE courses offered. A smaller number of specialized courses in a number of fields are also offered, including mass communication, precision metalwork, cosmetology, military science, and education.

Core academic courses such as social sciences and history, mathematics, English language and literature, and life and physical sciences, tend to have fewer CTE-related course offerings. In general, the Nova manual tends to regard these courses as "separate" from CTE courses.

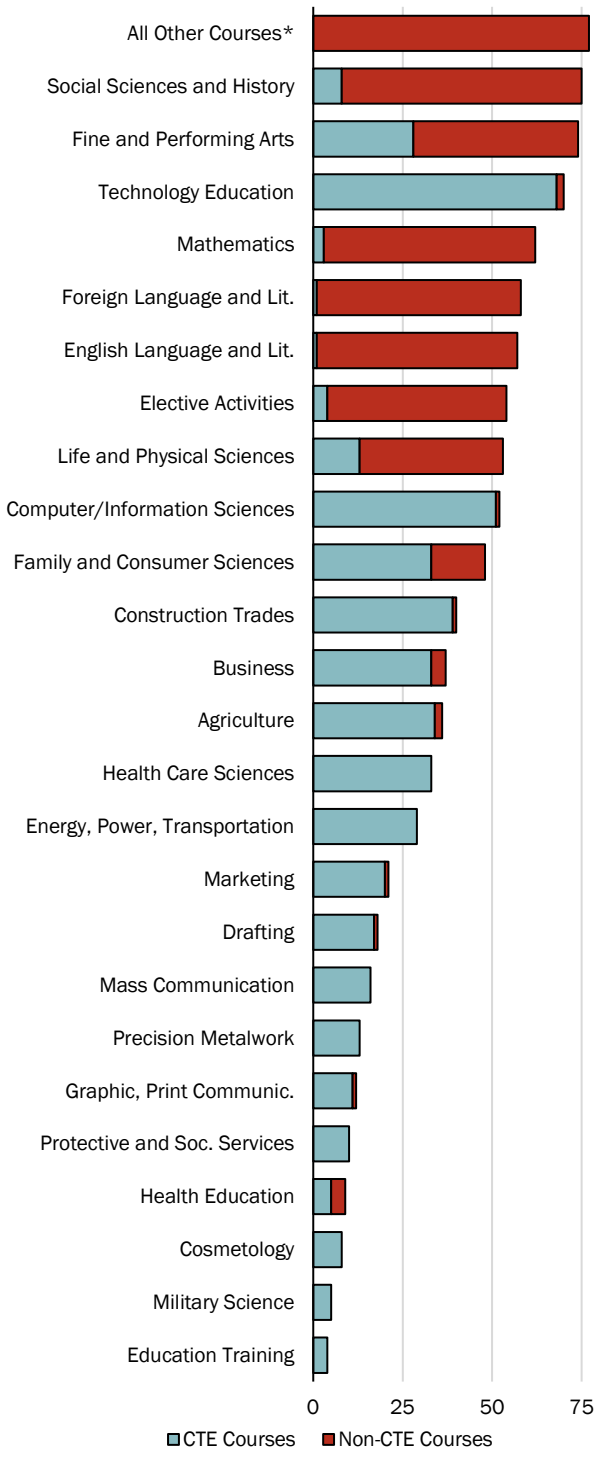
School districts and charter schools are largely responsible for setting their own course catalog and determining which courses will be offered. While courses must align with the Nova manual, the specific career clusters and courses offered in individual schools will vary based on the industry needs of local communities.

Funding for Career-Connected Learning

Recognizing the impact of career-connected learning on student engagement and achievement, the Legislature began prioritizing funding for CTE programs with an appropriation of $40 million in FY24. The following year, the Legislature maintained this funding and added an additional $5 million for summer internship programming. The Public Education Department (PED) has historically used the CTE appropriation to administer two major programs, the NextGen CTE Pilot Program and the Innovation Zones program, as well as a variety of other career-connected learning initiatives.

- **NextGen CTE Pilot.** In FY25, PED spent $13 million of available CTE funds on the Next Generation (NextGen) CTE Pilot Program, a seven-year initiative that began in 2019 designed to expand access to high-quality, industry-aligned CTE.

Figure 2: New Mexico CTE and Non-CTE Courses
2025-2026 Nova Course Manual

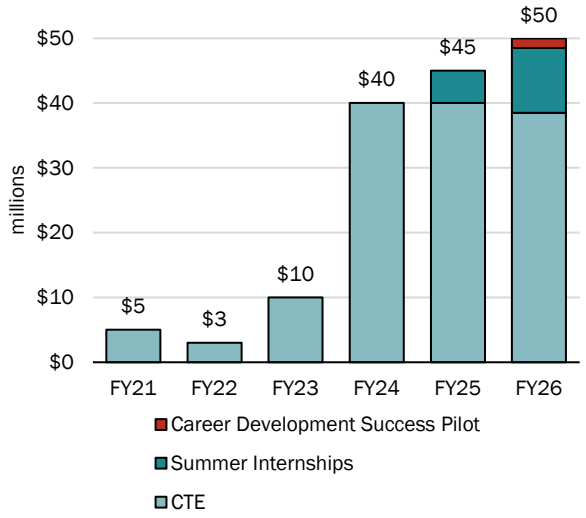


*All Other Courses include physical education, special education, general elementary education, religious studies, and interdisciplinary studies
Source: PED

- **Innovation Zones.** PED allocated $11.2 million to school districts and charter schools for Innovation Zones in FY25.
- **Other Career-Connected Learning Programs**. The remainder of the CTE appropriation has supported programs such as the Summer Enrichment Internship Program, the Be Pro Be Proud mobile workshop in partnership with the Department of Workforce Solutions, Near Peer Tutoring for students interested in becoming teachers, career technical student organizations (CTSOs), and staff positions at PED.

For the current fiscal year, the Legislature increased nonrecurring funding (also called "below-the-line" funding) for career-connected learning programs from $45 million to $50 million. Funding specifically designated for CTE programs was decreased slightly to $38.5 million in FY26, but additional funding for summer internships ($10 million) and a career development success pilot ($1.5 million) bring the state's total investment in career connected learning programs to a record high.

Figure 3: Nonrecurring Appropriations for Career-Connected Learning Programs

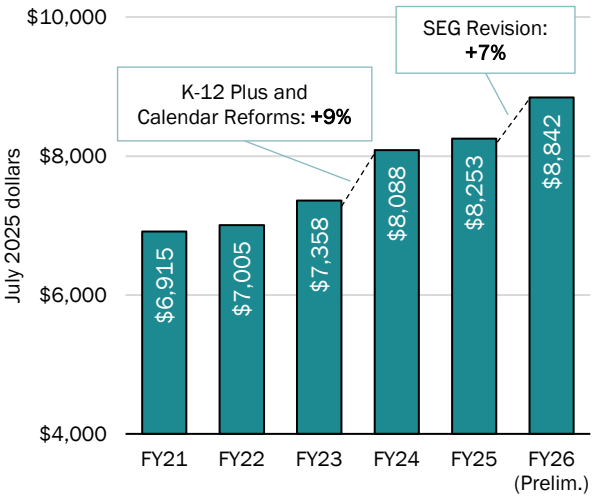


Source: LESC Files

Schools will also see an influx of discretionary funding for secondary students after the enactment of Laws 2025, Chapter 89 (House Bill 63). Among its changes to the SEG, Chapter 89 increased the funding generated by sixth grade through 12th grade students by establishing a basic program weight of 1.30. As shown in **Figure 4: Inflation-Adjusted SEG Funding Per Secondary Student**, LESC analysis suggests that the per-student funding generated by each sixth through 12th grade student will increase from approximately $8,253 to $8,842, an increase of just under $600 dollars (7 percent), adjusted for inflation to July 2025 dollars. The per-student funding represents the second largest increase in recent history, second to the increase to minimum instructional hours and the enactment of the K-12 Plus program in FY24.

Figure 4: Inflation-Adjusted SEG Funding Per Secondary Student

Sixth Grade through 12th Grade MEM



Source: LESC Analysis of PED Data

The increased multiplier for secondary students was designed to support changes in how middle and high schools serve students. Rising levels of disengagement and declining proficiency rates, particularly in math, suggest many secondary students are struggling to find relevance in traditional academics. Career-connected learning is one strategy to reengage students by linking academic content with real-world applications and tangible career pathways. Previous analysis from LESC and PED has pointed out that CTE concentrators graduate at higher rates than students who do not participate in CTE programs, though there remains some question about selection bias in these results.

However, as with any funding appropriated to the SEG, school districts and charter schools have broad discretion to set their own operating budgets reflecting local priorities. In addition, a number of other formula changes contained in Chapter 89, such as changes to the at-risk index, may mean some schools will see less overall funding even with the increase to the secondary factor. Even though not all new dollars will be directed toward secondary programs, the increase provides schools with greater capacity to sustain the annual expenses that high-quality CTE requires, such as maintaining equipment, purchasing consumables, and retaining instructors.

Career Development Success Pilot Program

The Legislature appropriated $1.5 million to PED in FY26 through FY28 to develop a "career development success" pilot program. Language in the GAA requires the department to use the funds to create a program that results in a credential recognized by business and industry locally, statewide or nationally that verifies a person's qualification and competence to work in an occupation, trade or profession.

While certifications are often a primary outcome of CTE programs, there are important qualitative differences in the types of credentials students earn. Not all certifications carry the same level of rigor, industry recognition, or value in the labor market. For example, earning a CPR certification demonstrates an important life skill but does not, on its own, translate into a career pathway. In contrast, a Certified Nursing Assistant (CNA) certification requires more intensive preparation, is directly tied to employment opportunities in health care, and serves as a stackable credential that can lead to higher-level certifications and degrees.

In partnership with the Career Technical Education Consortium of States (CTECS), PED has begun compiling a list of highly-demanded industry credentials, including creating "tiers" of credentials to determine which credentials will be more valuable. The list of credentials also considers those credentials highly demanded by New Mexico industries based on research from Advanced CTE and displayed graphically in Table 2 on page 10 of this brief.

While the department is working on the requirements of the pilot program, funds for the pilot program have not yet begun flowing to schools.

The Marginal Cost of CTE Programs

During the 2024 interim, LESC staff laid important groundwork for New Mexico CTE costs and effectiveness. A July 2024 LESC brief highlighted national research on CTE programs, the Legislature's growing investments in CTE, and how funding from the program flowed to individual school sites. The brief recommended additional work to identify funding mechanisms to support CTE initiatives. Following the brief, LESC staff convened a working group of 17 superintendents and school leaders from across the state to discuss CTE programs, including considerations of funding, effectiveness, and sustainability. During meetings in August 2024 through May 2025, the working group highlighted issues such as the hidden and recurring costs of sustaining CTE, barriers to equitable access across districts, and the need for more consistent quality standards. The 2024 work set the stage for continued analysis in 2025, providing both a foundation of evidence and a network of practitioner input to inform policy discussions moving forward.

A consistent theme emerging from discussions with CTE leaders was the presence of hidden costs in delivering CTE programs. According to the working group, some expenses may not fully captured in traditional funding analysis but remain essential to sustaining high-quality CTE instruction. In response, staff began a focused analysis to better understand and quantify these hidden costs of high-quality CTE.

CTE programs often have unique and complex cost structures. Unlike traditional academic courses, CTE requires significant upfront and ongoing investments that vary by industry pathway. Startup costs, including specialized equipment, lab facilities, and safety modifications, can differ dramatically between career clusters like health sciences, information technology, and advanced manufacturing. In addition, consumable materials such as automotive parts, culinary ingredients, or welding supplies are recurring expenses that accumulate over time. A 2014 U.S. Department of Education study notes CTE costs may be 20 to 40 percent higher than those for traditional academic offerings, driven by the costs of smaller classes sizes, specialized equipment and classroom materials, CTE instructors, and the need for tailored classroom spaces.

Beyond equipment and materials, schools must also manage administrative and instructional costs on a recurring basis. Challenges include recruiting and retaining CTE instructors who often need both teaching credentials and industry experience, providing continuous professional development to keep pace with evolving industry standards, and coordinating partnerships with local employers to ensure students have access to high-quality work-based learning experiences. Aligning curriculum with both academic and technical standards further increases administrative complexity and resource needs.

Data and Methodology

In an attempt to empirically examine the recurring costs of CTE programs, LESC staff analyzed school-level financial and CTE enrollment data from FY24 with the goal of determining whether schools with a greater emphasis on CTE have higher-than-average instructional spending per student compared with other high schools. According to PED's Uniform Chart of Accounts, instructional expenditures include those costs directly tied to interactions between teachers and students, such as salaries for teachers and classroom aides, textbooks and instructional materials, student-use technology, instructional coaches, and even a portion of administrator time dedicated to teaching duties. For CTE programs, instructional expenditures capture many (but not all) of the recurring costs that make these programs more expensive than traditional coursework, such as competitive salaries for CTE educators, specialized training and industry experience for educators, classroom technology and consumable materials.

In FY24, nearly all New Mexico high schools offered some amount of CTE or career connected learning. To identify schools with a substantial CTE presence, staff used FY24 CTE concentrator data to classify schools as "CTE Powerhouses" if they met at least one of the following criteria:

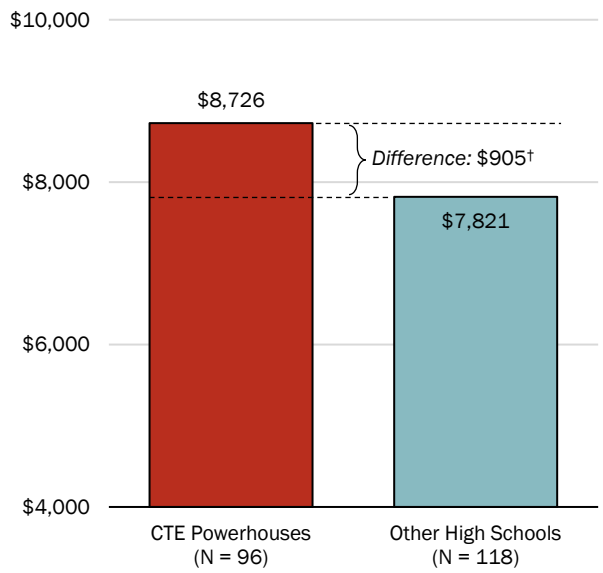
- More than 25 percent of enrolled students were CTE concentrators (the mean across the dataset); or
- At least 500 students were CTE concentrators.

In addition, recognizing that certain career clusters require specialized facilities, equipment, and consumable materials, staff also created a second classification for "High-Cost Industry Specialists." These were schools where more than 11 percent of students (the dataset mean), or at least 200 students, were concentrators in one of the following CTE fields that require specialized training, equipment, and consumable supplies:

- Agriculture, Food, and Natural Resources;
- Architecture and Construction;
- Health Sciences; and
- Manufacturing.

LESC staff matched concentrator and enrollment counts with FY24 actual instructional expenditures reported at the school-site level. For consistency in comparisons, only instructional expenditures (Function 1100) from the operational fund (Fund 11000) were included, excluding state or federal grant funding that vary significantly between schools.

Figure 5: Average Per Student Instructional Expenditures (CTE Powerhouses)
FY24, Operational Fund (11000)



† Difference is significant at the p<0.1 level.

Source: LESC Analysis of PED Data

Findings

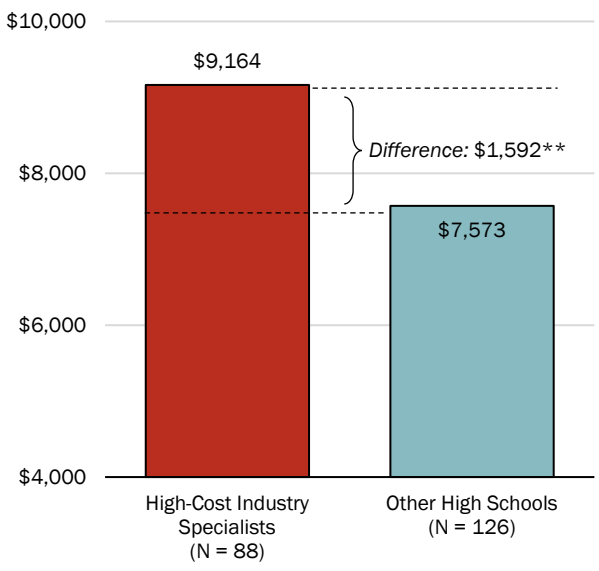
Analysis of FY24 school-site expenditures indicates that instructional spending is typically higher in schools with strong CTE participation compared with traditional academic settings.

CTE Powerhouses spent more per student on instruction in FY24. On average, schools classified as "CTE Powerhouses" (those with a large proportion or number of CTE concentrators) spent approximately $905 more per student than other high schools. **Figure 5: Average Per Student Instructional Expenditures (CTE Powerhouses)** demonstrates this relationship graphically. A one-tailed *t*-test indicates the difference in per-student funding approaches statistical significance (p = 0.08). While not meeting the conventional threshold for statistical significance (p < 0.05), the result suggests a pattern that merits closer study of how CTE participation influences instructional costs.

High-Cost Industry Specialists spent significantly more per student on instruction in FY24. The difference is even more pronounced among schools specializing in high-cost career clusters such as agriculture, construction, health sciences, and manufacturing. As shown in **Figure 6: Average Per Student Instructional Expenditures (High-Cost Industries)**, these schools spent an average of $1,592 more per student than other high schools. A one-tailed *t*-test confirms the difference is statistically significant ($p < 0.01$), providing strong evidence that CTE programs in high-cost fields require substantially greater recurring investments even after the initial startup costs of CTE are satisfied.

The recent increase in the secondary student program weight may help offset to the higher instructional costs associated with CTE. As demonstrated in this analysis, schools with large concentrations of CTE students spend, on average, between $900 and $1,600 more per student than other high schools. The roughly $600 per-student increase in SEG funding for sixth grade through 12th grade helps narrow the gap between traditional instructional costs and the higher recurring expenses of CTE, especially given that the increase is provided for all secondary students, not just CTE concentrators.

Figure 6: Average Per Student Instructional Expenditures (High Cost Industries)
FY24, Operational Fund (11000)



** Difference is significant at the $p<0.01$ level.

Source: LESC Analysis of PED Data

This analysis offers promising first steps, but is far from perfect in solidifying a model to predict CTE cost drivers. Instructional expenditures provide valuable insight into recurring costs, but they do not fully capture other cost drivers such as facilities, large-scale equipment purchases, or the administrative and partnership investments required to sustain CTE. In addition, the analysis does not establish a causal relationship between CTE adoption and instructional spending. For instance, schools included in this analysis may choose to spend more on instruction as a matter of principle, and may independently offer CTE as a benefit to its students. Future analysis will be required to incorporate additional expenses and control for other potential moderating variables to better reflect the true costs of building and maintaining impactful CTE programs.

This analysis does not determine the costs of high-quality CTE relative to ineffective programs. The current analysis measures spending at schools with high proportions of CTE concentrators, but it does not distinguish between programs that merely meet the minimum definition of CTE and those aligned to a high-quality CTE framework. Future research should examine whether schools delivering high-quality, industry-aligned programs incur systematically different costs than schools offering less rigorous or less comprehensive pathways.

Taken together, LESC analysis reinforces national research and anecdotal evidence from New Mexico's education leaders, suggesting CTE programs carry higher per-student instructional costs. The costs are particularly pronounced in specialized, equipment-intensive fields. As the Legislature begins to consider a potential future funding framework for CTE, more research will be necessary to build a framework closely aligned to industry-specific costs and the needs of a high-quality CTE program.

An Aligned Cost Framework for Career and Technical Education

PED has begun to focus on the quality of CTE programs across New Mexico, presenting an opportunity for the Legislature to align its funding mechanisms with the quality metrics defined in the recently adopted framework. By linking state investments directly to the components of high-quality CTE, the Legislature can create strong incentives for school districts to design, implement, and sustain programs that prepare successful students.

High Quality CTE Framework

PED has adopted the ACTE High-Quality CTE Program of Study Framework to strengthen and align CTE opportunities across New Mexico. The framework establishes a comprehensive definition of high-quality CTE and provides clear guidance for program design, implementation, and evaluation.

The framework is built around 12 interrelated components that together define high-quality CTE:

1. **Standards-Aligned and Integrated Curriculum**. The school has adopted a competency-based curriculum aligned with academic and industry standards, integrating employability skills and reviewed regularly for relevance.
2. **Sequencing and Articulation**. A coherent course sequence is used to help students progress from broad skills to advanced skills, helping streamline transitions across secondary and postsecondary levels and providing opportunities for dual credit and recognized credentials.
3. **Student Assessment**. Multiple, valid, and reliable assessments are used measure academic, technical, and employability skills, including opportunities to earn industry-recognized certifications.
4. **Prepared and Effective Program Staff**. Well-credentialed CTE instructors with access to sustained professional development, supported by collaboration among teachers, counselors, and administrators.
5. **Engaging Instructional Strategies**. Evidence-based, student-centered instruction that integrates project-based and inquiry-based learning, technology, and differentiated supports.
6. **Access and Equity**. Recruitment and support for historically underrepresented students, equitable admissions processes, accommodations, and inclusive curriculum and instruction.
7. **Facilities and Equipment**. Safe, accessible, and up-to-date learning environments aligned with current industry standards.
8. **Business and Community Partnerships**. Structured collaboration with industry, community, and education partners to inform curriculum, provide work-based learning, and support program improvement.
9. **Career Development**. Systematic career exploration and planning, including individualized multi-year plans, guidance, and information on education and workforce pathways.
10. **Career and Technical Student Organizations (CTSOs)**. Intra-curricular student leadership opportunities that develop technical, leadership, and employability skills through school and community activities.
11. **Work-Based Learning**. A sequenced continuum of workplace experiences, from career awareness to intensive preparation such as internships or apprenticeships.
12. **Data and Outcomes**. Continuous collection and analysis of performance data to drive improvement, ensure accountability, and demonstrate student success in education and the workforce.

The department hopes that a level of quality alignment among the state's CTE initiatives helps ensure students are consistently prepared for both postsecondary education and careers, strengthen connections with industry, and ensure equitable access to opportunities.

The National Conference of State Legislatures' *No Time To Lose* report highlights the importance of aligned, highly effective, intellectually rigorous CTE. In top-performing countries across the world, CTE is not perceived as a route for students who lack strong academic skills, but rather as a core approach to teaching that integrates strong academic skills with technical skills.

Aligning Funding to High-Quality CTE

Given the nuanced cost drivers associated with CTE, a simple "per-student factor," whether inside the SEG or through some other funding mechanism, may not be sufficient to capture the true cost of delivering high-quality CTE. A more sophisticated funding model may need to consider variance across career clusters, as well as account for startup costs, fixed costs, and ongoing operational costs. Without such adjustments, districts may struggle to sustain programs at the quality level outlined in PED's high-quality CTE framework, particularly in high-cost or emerging industries that are critical to New Mexico's economic future.

The Legislature has an opportunity to modernize the way CTE is funded by creating a mechanism that reflects the true costs of program delivery. Just as the state uses a specialized formula to fund student transportation recognizing that costs vary by geography, fleet size, and other unique factors, a similar approach can be applied to CTE. A dedicated categorical funding formula would account for the diverse and complex cost drivers associated with program development, operation, and sustainability, while ensuring that funds are distributed in a transparent and equitable manner.

A funding mechanism for CTE should consider a number of elements to remain responsive to ever-changing industry needs and incentivizing movement toward high-quality programming:

- **Base Funding for All Programs.** Base funding ensures every school pursuing CTE can offer a minimum level of quality, regardless of size or location.
- **Funding for Marginal Per-Student Costs.** An amount of funding based on the number of CTE concentrators at each school can account for enrollment growth and the ongoing need to purchase consumables and instructional materials. The Legislature will be tasked with solidifying its study of per-student costs to determine a reasonable per-concentrator multiplier.
- **Incentives for Credentialing.** Programs that successfully support students in earning industry-recognized certifications, licenses, or dual credit will lead to stronger postsecondary and workforce outcomes. The Legislature can reward these programs with additional funding, but should determine which certifications are best aligned with workforce expectations. For example, Advance CTE has compiled a list of "highly requested credentials" sought by employers in New Mexico, shown in **Table 2: Top Industry-Requested Credentials in New Mexico** to the right.

Table 2: Top Industry-Requested Credentials in New Mexico

Career Cluster	Requested Credential
Agriculture	Pesticide Applicator License
Arts, Entertainment, and Design	Microsoft Professional and Technical Credentials
Construction	Automotive Service Excellence (ASE) Certification
Digital Technology	Microsoft Professional and Technical Credentials
Education	Licensed Practical Nurse (LPN)
Education	ServSafe Certification
Energy and Natural Resources	Automotive Service Excellence (ASE) Certification
Energy and Natural Resources	Emergency Medical Technician (EMT)
Energy and Natural Resources	ServSafe Certification
Financial Services	Real Estate Salesperson License
Healthcare and Human Services	Certified Pharmacy Technician
Healthcare and Human Services	Licensed Practical Nurse (LPN)
Healthcare and Human Services	Licensed Vocational Nurse (LVN)
Hospitality, Events, and Tourism	ServSafe Certification
Marketing and Sales	Automotive Service Excellence (ASE) Certification
Marketing and Sales	Certified Pharmacy Technician
Marketing and Sales	Cosmetology License
Marketing and Sales	Real Estate Salesperson License
Public Service and Safety	Emergency Medical Technician (EMT)
Supply Chain and Transportation	Automotive Service Excellence (ASE) Certification

Source: Advance CTE

- **Tiered Funding for Specialized Costs.** As demonstrated in this analysis, some pathways, such as health sciences or manufacturing, require more expensive equipment, facilities, and consumables than others. Funding for CTE programs should be aligned to offset these costs.
- **Incentives for Program Quality**. Finally, funding can be aligned with the high-quality CTE framework adopted by PED to encourage continuous improvement and expansion of best practices. Funding for program quality offers not only an incentive for improvement, but also a mechanism to sustain the highest quality programs in New Mexico.

Additional Benefits to Categorical CTE Funding

In addition to improving statewide CTE funding, an aligned funding mechanism also has several systemic benefits for data governance, program longevity, and access to CTE. Some potential benefits of standalone categorical funding include the following:

- **Predictability and Stability**. Schools would have more consistent and predictable funding streams, allowing them to plan multi-year investments in equipment, facilities, and staffing instead of relying on short-term or ad hoc grants. Stability also helps the Legislature plan for upcoming needs, especially as programs evolve and grow over time.
- **Data and Accountability.** Previous LESC analysis has pointed out data quality barriers have inhibited the state's ability to measure program effectiveness. A formula tied to clear cost drivers and quality metrics will necessitate certain data points be collected and shared annually, making it easier for policymakers, schools, and the public to understand how CTE funds are allocated and whether they are producing results.
- **Equity Across Districts.** Small, rural school districts often face higher per-student costs for specialized programs. A formula that accounts for base costs alongside program costs helps ensure equitable access for students, regardless of geography or local wealth. Previous LESC analysis has pointed out that per-student awards from the NextGen CTE Pilot have varied significantly, including a range of $27 per student to $7,888 per student in FY25.
- **Improved Industry Partnerships and Alignment.** A stable, transparent, quality-aligned formula makes it easier to demonstrate to business partners how programs are supported and how they are producing effective employees, attracting greater investments from industry partners.

Policy Considerations and Recommendations

With the imminent expiration of the NextGen pilot in 2026, policymakers have an opportunity to ensure that lessons learned from the pilot inform a permanent, stable funding mechanism for CTE.

The Legislature should…

- Reconvene a CTE working group of New Mexico CTE leaders to study program-level cost drivers across pathways.
- Work in partnership with PED and New Mexico school districts and charter schools to jointly develop a CTE funding formula that incorporates relevant funding metrics, including base funding, per-student multipliers, specialized costs, and incentives for credentialing and quality.
- Consider statutory amendments that will be necessary to conclude the NextGen CTE pilot, chaptered at Section 22-1-12 NMSA 1978, and potentially repurposing the existing CTE fund to establish a categorical funding mechanism for career-connected learning.
- Continue analyzing available data on CTE program costs and effectiveness, particularly to drive annual appropriations toward high-quality, effective CTE programs.
- Continue broader efforts to redesign secondary school experiences for students, including a study of graduate profiles and local graduation requirements. Career-connected learning

opportunities are important for many students, but additional work may be necessary to tailor engaging, relevant, and rigorous experiences for all students.

The Public Education Department should…

- Continue adoption of high-quality CTE benchmarks, including developing a process to assess the quality of school CTE programs on a regular basis.
- Systematically collect and share CTE data on funding, student outcomes, credential attainment, and workforce alignment.
- Author a report on findings from the NextGen pilot program (as required by Subsection E of Section 22-1-12 NMSA 1978) relevant to the development of a sustainable future funding mechanism for CTE.

School Districts and Charter Schools should…

- Document and help policymakers understand the full cost of CTE programs, including startup, operational, and staffing costs, to maximize the responsiveness of new state funding streams.
- Begin focusing on program quality, aligning programs to the 12 elements of PED's high-quality CTE framework.