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FISCAL IMPACT REPORT

SPONSOR HEC DATE TYPED 03/14/05 HB 176/HECS

SHORT TITLE Vocational Education Under Public Education SB _____

ANALYST Weber/Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

The Public Education Department notes

This bill proposes to amend Section 22-14-2 NMSA 1978 to provide that the Public Education Commission (PEC) “is the governing authority and shall establish policies for the conduct of all programs of the state and state plans established relating to vocational education unless otherwise provided by law.” The bill further establishes the PEC as the sole agency of the state for the administration or supervision of the administration of any state plan relating to vocational education except as otherwise provided by law.

This substitute bill identifies the state governing authority for vocational education and vocational rehabilitation separately. New material elaborates on the identity and functions of the state agency for vocational education and vocational rehabilitation respectively under different sections.

Relative to vocational education:

- Vocational rehabilitation is removed from Section 1 of the act and adds: “the commission may delegate to the department its administrative functions relating to vocational education.”
- Section 3 is amended to remove vocational rehabilitation and identifies the commission as the sole agency of the state for the supervision of the administration of federal aid funds relating to vocational education. Further, new language under sub-sections H and I provide for: (H) “coordinate as required with the federal agency with the state workforce development board,” and (I) “as required by the federal agency, make available a list of all school dropout, post-secondary and adult programs assisted pursuant to the state plan.”
- Section 5 of the act is amended to expand the division responsible for vocational education from vocational education division to “Instructional Support And Vocational Education Division” and further identifies the division’s powers and duties to include:
 - Provide vocational education to qualified persons;
 - Act as the commission’s representative;
 - Make agreements with public and private agencies;
 - Enter into reciprocal agreements with other states;
 - Accept gifts or grants for vocational education
 - Enforce rules; and
 - Conduct research and compile statistics.
- Section 7 is amended to expand vocational education to “the instructional support and vocational education division or the director’s authorized representative” as one who issues vouchers to the department of finance and administration for disbursement of funds or grants.

Relative to vocational rehabilitation:

- Section 4 provides new material that identifies the state governing authority for vocational rehabilitation by identifying the department as the sole agency that supervises the administration of any state plan relating to vocational rehabilitation.
- New material (Section 4) identifies a state agency for vocational rehabilitation which directs the department to:
 - Enter into agreements;
 - Establish state plans;
 - Make reports;
 - Conduct surveys and studies;
 - Establish standards; and
 - Give technical advice and assistance.
- Section 6 of the act is amended to remove “the state board may delegate to the vocational rehabilitation division its administrative functions relating to vocational rehabilitation” whereby the delegation of powers and duties now is to the department since vocational rehabilitation has been placed under the Secretary.
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Section 8 is amended to remove all references to vocational education thereby leaving it strictly relating to vocational rehabilitation only.

Significant Issues

The Public Education Department continues.

The amendments and new material presented in this committee substitute bill serve to recognize the distinction and differences between vocational education and vocational rehabilitation by making provisions for each separate from the other.

The issues related to vocational education include:

The *Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III)*, 20 U.S.C. 2301, et seq., as amended by Public Law 105-332 identifies an eligible agency as a state board designated or created consistent with state law as the sole state agency responsible for the administration of vocational and technical education or for supervision of the administration of vocational and technical education in the state. Since the initial reauthorization of the federal resource, Perkins III, Congress has not reauthorized a new Act; in the absence of Congressional action, Section 422(a) of the General Education Provisions Act (GEPA) automatically extends the law for one additional year. In the fall of 2004, Congress introduced legislation to reauthorize the Perkins Act but never voted on or enacted the legislation. Neither the House nor Senate version of the bills changed the definition of an eligible agency.

The PED is identified in the application for federal vocational education assistance as the administering agency for the federal grant. The former State Board of Education was the eligible agency for the aforementioned federal resource when it came available July 1, 2000.

In the special election that was held in September 2003, voters amended Article XII, Section 6 of the New Mexico Constitution to create a cabinet-level Public Education Department and a ten-member elected Public Education Commission with powers and duties as provided by law. Laws 2004, Chapter 27 enacted the Public Education Department Act and amended the Public School Code. Laws 2004, Chapter 27, Section 27 provides that all statutory references to the State Board of Education shall be deemed to be references to the PED. The new law provided that the PEC was directed to work with the PED to develop the five-year strategic plan for public elementary and secondary education in the state, to solicit input on public policy and governance issues and report its findings and recommendations to the Secretary of Education (“Secretary”) and the Legislature; to recommend to the Secretary conduct and process guidelines and training curricula for local school boards; and to consult with the secretary in proceedings involving the suspension of local school boards. Laws 2004, Chapter 27, Section 27 also provides that all statutory references to the State Board of Education shall be deemed to be references to the PED. In light of the current statutory role of New Mexico’s PEC, there is now no eligible agency for the Carl D. Perkins Vocational and Technical Education Act.

As provided in Section 2 (*Purpose*) of the Perkins III Act, the purpose of the Act is to develop more fully the academic, vocational and technical skills of secondary students and postsecondary students who elect to enroll in vocational and technical education programs, by-

- (1) building on the efforts of states and localities to develop challenging academic standards;
- (2) promoting the development of services and activities that integrate academic, vocational and technical instruction, and that link secondary and postsecondary education for participating vocational and technical education students;
- (3) increasing state and local flexibility in providing services and activities designated to develop, implement and improve vocational and technical education, including tech-prep education; and

- (4) disseminating national research, and providing professional development and technical assistance, that will improve vocational and technical education programs, services and activities.

Each year, the federal government invests over \$1 billion in funding provided under the Carl D. Perkins Vocational and Technical Education Act Amendments of 1998 (P.L. 105-332). The New Mexico State Plan for the Carl D. Perkins Vocational and Technical Education Act calls for 50% of the instructional money to be allocated to secondary institutions and the other 50% to postsecondary institutions (except for school year 2000-2001 where the proportion was 35% and 65% respectively). These monies are distributed noncompetitively to school districts/consortia/postsecondary institutions through a formula that takes into consideration census data, Federal Pell Grant recipients and assistance from the BIA.

Current federal law (20 U.S.C. 2302 et seq.) defines an “eligible agency” as “a State board designated or created consistent with State law as the sole State agency responsible for the administration of vocational and technical education or for supervision of the administration of vocational and technical education in the State.” HB 176 (committee substitute), if enacted, will vest this authority in the PEC. Section 22-14-4 NMSA 1978 provides that the state board may delegate its administrative functions relating to vocational education to the vocational education division; this provision reflects federal law which permits the eligible agency to delegate certain responsibilities of the eligible agency that involve the administration, operation and supervision of activities to one or more appropriate state agencies.

FISCAL IMPLICATIONS

The Public Education Department indicates if the State of New Mexico does not establish an eligible agency for purposes of the Carl D. Perkins Vocational and Technical Education Act Amendments of 1998 (P.L. 105-332) or its successor legislation, the state will not be eligible for basic grant funds or tech-prep funds. Since July 1, 2000, under the Carl Perkins Act, New Mexico has received \$53.78 million in basic grant funds and an additional \$4.32 million for Tech Prep education. The supplemental funds are used to establish and/or improve Career-Technical Education programs, which would result in no supplemental funding to public high schools and two-year postsecondary institutions.

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