

Career and Technical Education in New Mexico: A Proposed Categorical Framework

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New Mexico has prioritized career-connected learning to engage students, support the workforce, and expand college and career readiness. Career-connected learning programs include programs such as career and technical education (CTE), summer internships, and innovation zones grants. State funding for these efforts grew substantially in fiscal year 2024 (FY24) when the Legislature appropriated \$40 million for CTE programs, and funding has remained relatively steady during each legislative cycle since.

Despite this growing investment, CTE funding remains structured as a non-recurring appropriation rather than a permanent and earmarked formula, and the state's primary CTE program, "NextGen," a pilot program, expired after FY26. This structure leaves CTE programs vulnerable to funding uncertainty, challenging school districts and charter schools' ability to develop and sustain high-quality CTE programs.

This brief examines New Mexico's approach to CTE and proposes a categorical funding formula to sustain and promote high-quality CTE statewide. It begins with a review of national CTE research and LESC analysis of New Mexico's most recent student outcome data, highlighting variation across school districts' and charter schools' outcomes and funding amounts. The brief provides a background of New Mexico's CTE policy and funding history and proposes moving CTE funding to a categorical formula, including a quality-tier structure and base-plus incentive funding design. It closes by summarizing feedback from LESC's 2026 CTE working group and the Public Education Department (PED), along with policy recommendations for the Legislature's consideration.

National Research

The CTE Research Network (CTERN) is a research consortium funded by the Office of Career, Technical, and Adult Education (OCTAE) and the Institute of Education Sciences (IES), the independent, nonpartisan research arm of the U.S. Department of Education, under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins V). In 2024, CTERN conducted a [meta-analysis](#) of CTE's causal impact on student outcomes, which to date offers the most rigorous national evidence available on CTE's causal effects. The review screened over 10 thousand studies conducted in the past 20 years and identified 28 studies that met What Works Clearinghouse standards for establishing causal impact—meaning the research is designed to isolate whether CTE participation itself produces better outcomes, rather than reflecting the fact already high-achieving or motivated students are more likely to enroll in CTE—at the secondary level.

Key findings. The meta-analysis found CTE participation has statistically significant positive effects on several student outcomes. Students who participate in CTE show improved high school academic achievement, higher rates of high school completion, stronger employability skills, and greater college readiness. The meta-analysis did not find any effect on student discipline or attendance.

Key Takeaways

- CTE funding currently exists in a non-recurring appropriation rather than a permanent formula, and the NextGen CTE pilot—the state's primary CTE program—expired after FY26 ([Page 6](#)).
- In New Mexico, 85 percent of secondary students participated in CTE in SY25, but only 30 percent reached concentrator status and 12 percent earned a credential, a gap that varies by school districts and charter schools ([Page 2](#)).
- LESC staff have proposed a categorical funding framework, similar to the earmarked transportation funds, that combines base funding by school size, a three-tier quality rating, and incentive funding tied to concentrator and certificate outcomes ([Page 7](#)).
- Stakeholders and PED broadly support categorical funding, but raised concerns regarding implementation, data infrastructure, funding predictability, and program eligibility deadlines ([Page 10](#)).

Postsecondary results were more mixed. CTE participants were more likely than non-participants to enroll in two-year colleges, but no significant differences emerged for four-year college enrollment, persistence, or degree completion. Additionally, CTE participants at the secondary level were more likely to be employed after high school than their peers, though the research found no significant effect on earnings.

Notably, when researchers tested whether effects varied by program type, gender, or disability status, none of the differences were statistically significant, suggesting there currently isn't any causal evidence that a single CTE program model outperforms others.

The meta-analysis also highlighted significant gaps in the CTE program research including:

- No causal studies have examined CTE's impact on postsecondary academic achievement (e.g., college grade point average).
- Fewer than five studies have examined effects on high-school discipline, high school attendance, postsecondary attainment, or post-high school earnings.
- The researchers caution that most of the underlying studies predate full implementation of Perkins V, so the research base may not reflect the most recent period of CTE policy and program design.

CTERN's 2024 meta-analysis indicates CTE can be a viable strategy to support secondary student outcomes, including high school completion and workforce readiness. Simultaneously, evidence gaps around program models, components, and postsecondary earnings suggest further causal research is warranted to ensure CTE programs are producing their intended outcomes.

New Mexico CTE Student Outcomes

New Mexico's latest CTE student outcomes from school year 2024-2025 (SY25) show considerable variation across school districts and charter schools' participation, completion, and funding amounts. These findings suggest a need for a funding mechanism that prioritizes quality and quantifiable student outcomes.

In SY25, school districts and charter schools enrolled 106.7 thousand students in grades nine through 12. **Table 1: Career and Technical Education Statewide Student Outcomes** illustrates that of those students, approximately 85 percent of students were designated as "CTE participants" by taking at least one CTE course. These figures reflect broad statewide participation in career-connected learning. However, not all students who started in CTE continued through to completion. In SY25, about 30 percent of students reached concentrator status, by taking at least two CTE courses in a program of study, while nearly 12 percent of students earned a credential. The drop-off between participation and concentrator rates and credential attainment may suggest a structural gap between access and completion.

Table 1: Career and Technical Education Statewide Student Outcomes
School Year 2024-2025 (SY25)

	Number	Percent
Total Student Enrollment	298,209	N/A
Secondary Student Enrollment	106,705	N/A
CTE Participants	90,920	85.2%
CTE Concentrators	32,353	30.3%
Certificates Earned	12,864	12.1%

Source: LESC Analysis of PED Data

LEA Size. Outcomes varied by school district and charter schools based on size. As **Table 2: Career and Technical Education Outcomes by School District and Charter School Size** demonstrates, smaller school districts and charter schools had slightly higher concentrator and participation rates than larger ones. However, large school districts and charter schools demonstrated higher certificate completion rates than small- or medium-sized schools. Large school districts and charter schools also demonstrated slightly higher four-year graduation rates

among CTE concentrators. Smaller schools demonstrated higher participation rates, but larger LEAs produced higher certificate completion rates.

Table 2: Career and Technical Education Outcomes by School District and Charter School Size

	Small <i>Less than 1,000 students</i>	Medium <i>Less than 5,000 students</i>	Large <i>More than 5,000 students</i>
Average Concentrator Rate	34.9%	33.1%	32.1%
Average Participation Rate	39.4%	38.3%	36.3%
Average Certification Completion Rate	8.6%	10.9%	19.2%
Average Four-Year Graduation Rate	95.8%	95.3%	97.8%
Average Workforce or Higher Education Placement Rate	47.9%	53.8%	51.1%

Source: LESC Analysis of PED Data

NextGen Award Amount. Table 3: NextGen Award Size vs. Student Outcomes demonstrates school districts and charter schools with larger awards experienced higher participation and concentrator outcomes, but demonstrable variation across certificate completion rates. School districts and charter schools were categorized into low-, mid-, and high-award terciles based on NextGen award per CTE student. CTE participation rates and concentrator rates rose steadily with award size. Certificate completion rates, however, did not. Instead, school districts and charter schools categorized as mid-tier award recipients demonstrated the highest certificate completion rates. Lastly, four-year graduation rates and placement rates did not demonstrate a clear directional relation with award size. Although school districts and charter schools receiving larger NextGen awards demonstrated broader CTE engagement, strong participation and concentrator rates did not appear to produce higher certificate completion rates.

Table 3: NextGen Award Size vs. Student Outcomes

	Low Award	Mid Award	High Award
Average Concentrator Rate	28.6%	34.0%	40.2%
Average Participation Rate	32.9%	38.5%	45.1%
Average Certificate Completion Rate	9.0%	14.2%	7.4%
Average Four-Year Graduation Rate	94.5%	95.4%	97.0%
Average Workforce or Higher Education Placement Rate	47.8%	52.2%	48.3%
Average Award Amount per Student	\$17.10	\$353.82	\$2,143.77

Source: LESC Analysis of PED Data

The five school districts and charter schools with the largest Next Gen awards experienced varied student outcomes despite substantial funding. **Table 4: Top Five School Districts and Charter Schools by NextGen Funding Amount** shows Albuquerque Public Schools received the largest total award, nearly \$1 million, but the lowest per-student amount among this group and a certificate completion rate of just under three percent. Las Cruces Public Schools also experienced a similar trajectory. However, Gallup-McKinley County Schools and Gadsden Independent School District demonstrated the highest certificate completion rates, 31.5 percent and

19.5 percent, respectively. These trends suggest funding amounts alone may not predict program success, requiring a formula that accounts for program quality and outcomes. It also important to note these figures only reflect NextGen funding and do not capture other funding sources that may supplement CTE programming at these school districts and charter schools.

Table 4: Top Five School Districts and Charter Schools by NextGen Funding Amount

	Name	Total Award	Award by Student	Concentrator Rate	Participation Rate	Certification Completion Rate	Four-Year Graduation Rate	Workforce or Higher Education Placement Rate
1	Albuquerque Public Schools	\$1,016,862.00	\$36.51	20.7%	26.3%	2.6%	97.0%	59.0%
2	Las Cruces Public Schools	\$466,513.00	\$61.21	33.8%	36.5%	0.0%	95.2%	67.0%
3	Gallup-McKinley County Schools	\$333,607.00	\$60.61	42.2%	46.0%	31.5%	90.8%	41.2%
4	Gadsden Independent Schools	\$331,135.00	\$82.09	47.6%	50.1%	19.5%	99.0%	46.9%
5	Roswell Independent Schools	\$272,773.00	\$91.57	39.9%	41.8%	4.5%	96.7%	51.3%

Source: LESC Analysis of PED Data

New Mexico's CTE Policy Framework

Background

Before 2019, New Mexico did not have a dedicated state funding stream for CTE. That year, the Legislature enacted [Laws 2019, Chapter 61](#) (House Bill 91), an LESC-endorsed bill that established the NextGen, the seven-year pilot program expired after FY26, and directed PED to award competitive grants to programs meeting criteria linked to CTE program success. [Laws 2019, Chapter 61](#) also created the CTE fund and included initial funding of \$5 million dollars, along with provisions for CTE teacher professional development. Its companion bill, [Laws 2019, Chapter 2](#) (House Bill 44), reinforced this by requiring PED to develop a professional development framework for integrating CTE into academic instruction. Lawmakers also enacted several other measures to bolster New Mexico's early CTE policy framework, though most were narrow in scope.

At the time, LESC staff noted the National Conference of State Legislatures' [No Time to Lose](#) report, which identified rigorous CTE programs as a hallmark of high-performing state education systems, and the *Martinez-Yazzie* court ruling, which found New Mexico had fallen short of its constitutional obligation to prepare all students for college and career.

Recent CTE Legislative Actions

Legislative Session 2023. During the 2023 legislative session, the Legislature appropriated \$40 million to PED to support CTE initiatives, expanding the state's investments. This appropriation supported the NextGen CTE pilot, Innovation Zones (a PED initiative to innovate secondary schools), work-based learning, and related college and career readiness initiatives. Additionally, [Laws 2023, Chapter 65](#) (House Bill 198), amended existing law to allow schools funded by the federal Bureau of Indian Education to access funds appropriated to the NextGen CTE pilot project. PED also used \$6.2 million for a wide range of additional CTE and college and career readiness initiatives including contracting with Regional Education Cooperative (REC) 9, career and technical student organization (CTSO) supports, staff and bureau support at PED, training, dashboards, and technical assistance.

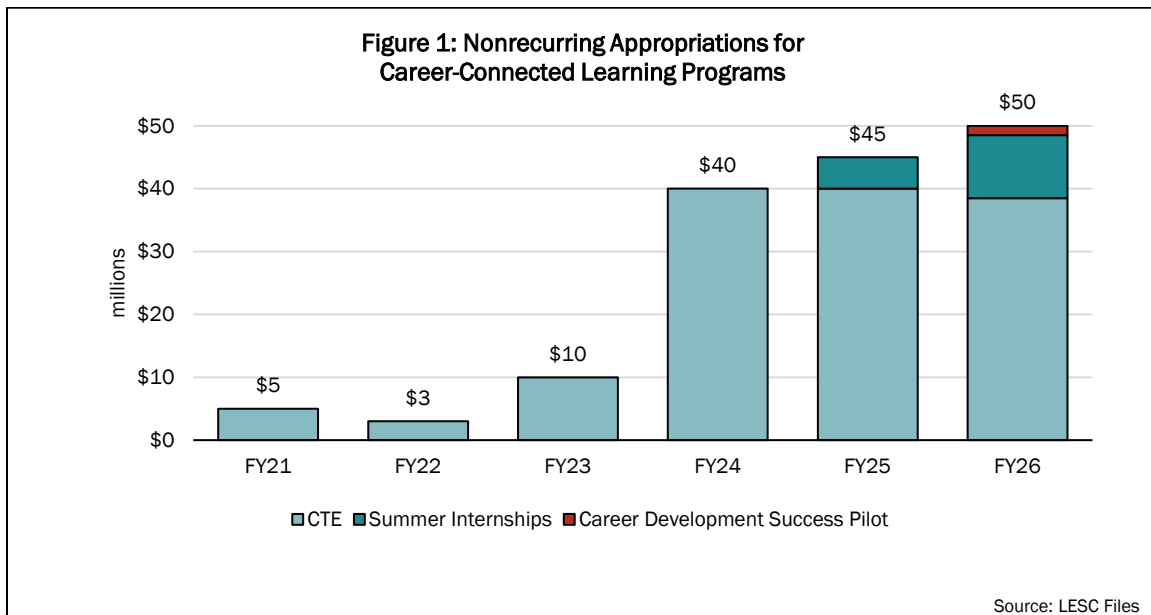
Legislative Session 2024. During the 2024 legislative session, the Legislature maintained its investments in CTE when it appropriated \$40 million to PED for CTE, career technical student organizations, Innovation Zones, summer internships, and work-based learning. The General Appropriations Act (GAA) also included an additional \$5 million from the general fund earmarked for summer internships.

Legislative Session 2025. During the 2025 legislative session, the Legislature appropriated \$1.5 million to PED to develop the [Career Development Success](#) pilot program and increased discretionary funding for secondary students after the enactment of [Laws 2025, Chapter 89](#) (House Bill 63). Language in the GAA required PED to use the funds to create a program resulting in credentials recognized by business and industry as verifying occupation competence. While certifications are often a primary outcome of CTE programs, not all certifications carry equal rigor or labor-market value. At the time, PED partnered with the Career Technical Education Consortium of States (CTECS) to compile a tiered list of high-demand industry credentials, including credentials highly demanded by New Mexico industries.

During that same session, schools also experienced an influx of discretionary funding for secondary students after the enactment of [Laws 2025, Chapter 89](#) (House Bill 63). Among its changes to the state equalization guarantee (SEG), [Laws 2025, Chapter 89](#) increased the funding generated by sixth grade through 12th grade students by increasing the basic program weight from 1.25 to 1.30. The increased multiplier for secondary students was designed to support changes in how middle and high schools serve students. At the time, the state was experiencing rising levels of disengagement and declining proficiency rates, particularly in math, suggesting many secondary students were 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.

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, during the 2025 legislative session, several other formula changes contained in Chapter 89, such as changes to the at-risk index, meant some schools received less overall funding even with the increase to the secondary factor. Even though not all new dollars were guaranteed to be used toward secondary programs, the increase provided schools with greater capacity to sustain the annual expenses that high-quality CTE requires, such as maintaining equipment, purchasing consumables, and retaining instructors.

Legislative Session 2026. During the 2026 legislative session, the Legislature appropriated \$35 million to PED for a CTE pilot program in FY27. The appropriation continues CTE programming, grants, and work-based learning programs as NextGen expired. The Legislature appropriated \$10 million to PED for summer internships and \$21.6 million for innovation zones in FY27, FY28, and FY29, approximately \$7.2 million per year.



LESC Research

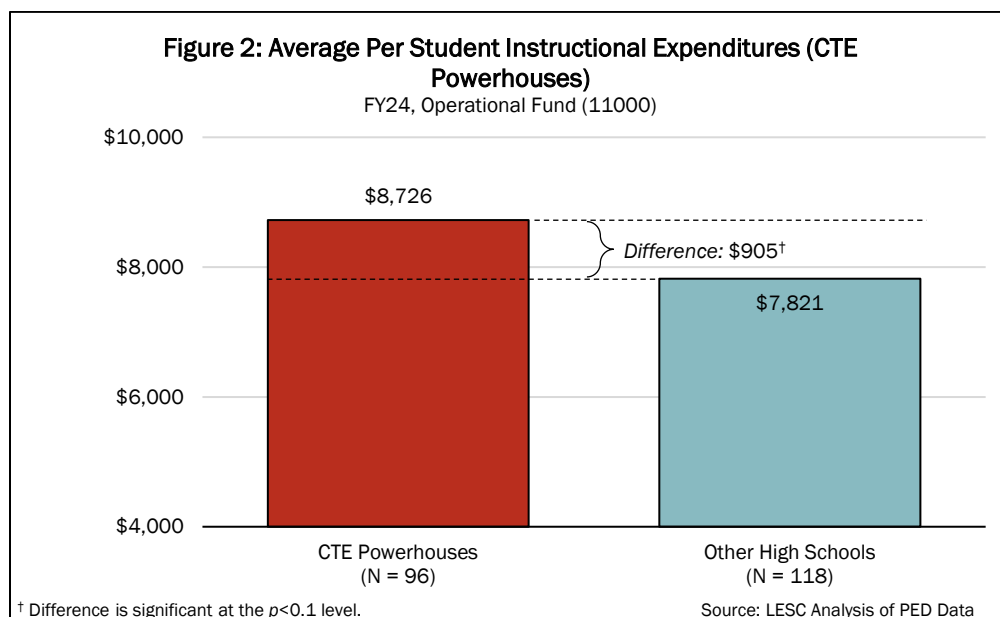
Background. During the 2024 interim, LESC staff examined CTE costs and effectiveness in New Mexico. A [July 2024 LESC brief](#) reviewed national research, the Legislature's growing CTE investments, and how funding reached individual school sites. It also recommended additional work to identify funding mechanisms to support

CTE initiatives. Following the brief, LESC staff convened a working group, a small group of people brought together for a limited time to focus on a specific issue or problem, of 15 superintendents and school leaders from across the state. Between August 2024 and May 2025, the stakeholder group identified key concerns including unanticipated and recurring costs of sustaining CTE programs, barriers to equitable access across districts and charter schools, and the need for more consistent quality standards.

Stakeholder group discussions consistently underscored the unaccounted costs of CTE, which were not fully captured in traditional funding analysis but essential to sustaining CTE instruction. CTE programs have unique and complex cost structures that differ from traditional academic courses. Startup costs, including specialized equipment, lab facilities, and safety modifications, vary considerably across career pathways such as health sciences, information technology, and advanced manufacturing. Recurring expenses such as consumable materials, competitive instructor salaries, ongoing professional development, and employer partnerships add further financial complexity. These discussions set the stage for continued LESC analysis in 2025.

Findings. In 2025, LESC staff continued [this work](#) by analyzing school-level financial and CTE enrollment data from FY24 to examine if schools with stronger CTE participation spent more per student on instruction than other high schools. LESC staff identified “CTE powerhouses” and “High-Cost Industry Specialists” to refine the analysis. Schools were classified as “CTE powerhouses” if more than 25 percent of enrolled students were CTE concentrators, or if at least 500 students were concentrators. Schools were categorized as “High-Cost Industry Specialists” if they had more than 11 percent of students, or at least 200 students, concentrated in a career pathway. The analysis confirmed schools with strong CTE participation spent more per student on instruction than other high schools in FY24 and resulted in the following key findings:

- CTE Powerhouses spent approximately \$905 more per student on average than non-CTE-focused schools as shown in **Figure 2: Average Per Student Instructional Expenditures (CTE Powerhouses)**.
 - Although the cost difference approached, but did not meet statistical significance, the pattern suggests CTE programs carry higher instructional costs than traditional academic settings.
- High-Cost Industry Specialists spent an average of \$1,592 more per student than other high schools.



The findings reinforced national research and stakeholder concerns suggesting CTE programs carry higher instructional costs, especially in specialized, equipment-intensive pathways. The analysis also had important limitations worth noting. Instructional expenditures did not capture the comprehensive costs essential to sustaining CTE, nor did it distinguish costs between effective and ineffective CTE programs. Additionally, the

analysis did not establish a causal relationship between CTE participation and higher spending. Nonetheless, LESC findings indicated a dedicated funding mechanism for CTE may be helpful to sustain CTE programs statewide and provided a foundation for the proposed categorical funding framework described in this brief.

Categorical Framework

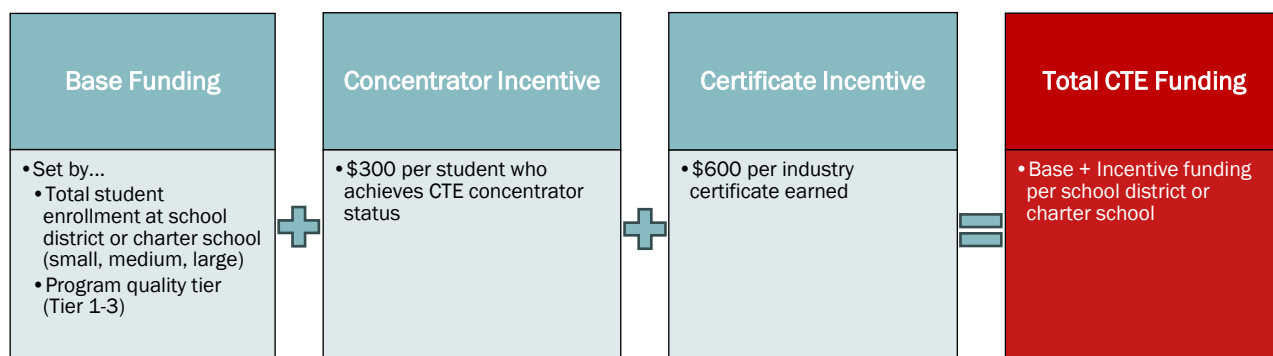
Background

New Mexico's public education budget is organized into four broad categories: the state equalization guarantee (SEG), categorical appropriations, non-recurring appropriations, and the public education reform fund (PERF). CTE funding currently exists almost entirely in non-recurring funding and PERF tiers rather than a categorical line item, which would earmark future appropriations to ensure they are used exclusively for CTE. In the FY27 budget, the Legislature appropriated \$35 million for CTE, split between \$17 million in general fund and \$18 million in PERF dollars. CTE funding requires continuous justification during each legislative cycle as it does not exist in a statutory formula. As a result, the uncertainty of future CTE funding impacts school districts and charters schools long-term planning and broader program development, according to school leaders statewide. LESC staff currently estimate a potential categorical funding formula could range in cost from \$27 million to \$38 million, depending on several design decisions discussed in the framework below.

Proposed Categorical Framework

As **Figure 3: LESC Proposed Categorical Funding Formula** illustrates, LESC staff developed a pilot categorical funding formula built on program quality tiers based on the [ACTE High-Quality Framework](#) and a base-plus incentive funding formula differentiated by school size and quality tier. LESC staff also projected budget scenarios combining SY25 CTE student outcomes and FY26 NextGen Award amounts. The projections, referenced on page nine and listed in **Appendix B: Local Education Agency Level Cost Projections Under the Proposed CTE Categorical Framework**, assume other state CTE funding sources go away.

Figure 3: LESC Proposed Categorical Funding Formula



Source: LESC Files

Potential Benefits of Categorical Framework

In addition to improving statewide CTE funding, an aligned categorical funding mechanism also has several systemic benefits including:

- **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.
- **Data and Accountability.** Previous LESC analysis has noted 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 being 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.

ACTE High-Quality Framework

In 2025, PED [adopted](#) the ACTE High-Quality CTE Program of Study Framework, a research-based tool that defines high-quality CTE, 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 to 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.*** 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.

At the time of adoption, PED aimed to promote quality alignment across the state's CTE initiatives to 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.

Tiered Funding Eligibility

The proposed model sorts CTE programs into three quality tiers, using the ACTE high-quality framework, to determine funding eligibility and award amounts.

- **Tier 1 (Aligned)** programs fully meet the framework’s key components exemplifying documented alignment with industry and academic standards, clear course sequencing articulation agreements, structured business and community partnerships, a comprehensive work-based learning continuum, and disaggregated performance data meeting or exceeding Perkins indicators.
- **Tier 2 (Approaching)** programs have made substantial progress toward full alignment, meeting most framework components and submitting a plan to close remaining gaps.
- **Tier 3 (Startup)** programs are beginning: they submit a CTE plan aligned with the high-quality framework, a three-year roadmap to progress to Tier 1 or Tier 2, and establish an industry advisory committee.

As shown in **Figure 4: Tiered Eligibility Rubric**, each tier corresponds to a different base funding, providing school districts and charter schools with a clear pathway to increased funding as program quality evolves, rather than an all-or-nothing eligibility standard.

Figure 4: Tiered Eligibility Rubric

Tier I - Aligned	Tier II - Approaching	Tier III – Startup
• Satisfies a percentage of elements in ACTE High-Quality Framework across the key components. • Documented alignment to industry standards and core academic standards. • Clear course sequencing with articulation agreements leading to recognized credentials. • Demonstrable student attainment in academic, technical, and employability skills. • Documentation of active, structured business and community partnerships. • Comprehensive work-based learning continuum. • Disaggregated performance data meeting or exceeding Perkins indicators.	• Substantial progress toward Tier III standards; meets most elements but with gaps in certain components. • Meets a minimum percentage of quality criteria across framework components. • Submits a CTE plan with clear timelines to address deficiencies. • Shows year-over-year gains in student outcomes or industry engagement.	• Submits a coherent CTE plan aligned to the PED High-Quality CTE framework. • Submits a three-year plan to achieve Tier I or Tier II status. • Creates an advisory committee with demonstrated industry partnerships.

Source: LESC Files

Base-Plus Incentive Funding

The proposed categorical model funds CTE programs through two factors, a base allocation and an incentive-based component, rewarding outcomes rather than enrollment rates exclusively. Each component is described below. It’s also important to note the model’s concentrator and certificate award amounts are structured as incentive-based funding, rather than performance-based funding. As a result, LESC staff have designed this proposal with consideration to Perkins V maintenance of effort (MOE) requirements, which [allows](#) state agencies to request “to exclude additional CTE-related expenditures including competitive or incentive-based programs (in addition to currently allowed capital expenditures, special one-time project costs, and the cost of pilot programs).”

Base funding. Each school district and charter school’s base award is set by two factors, total student enrollment size and program quality tier. Smaller schools received a higher base rate to offset fixed costs, while higher-quality programs are funded at higher rate within each size range. For example, a small program generates \$150 thousand compared with \$75 thousand for a small tier 3 program.

Incentive funding. On top of the base award, schools receive \$300 per CTE concentrator and \$600 per industry certificate earned. This layer rewards outcome rather than enrollment exclusively to incentivize districts to advance students toward completion rather than participation.

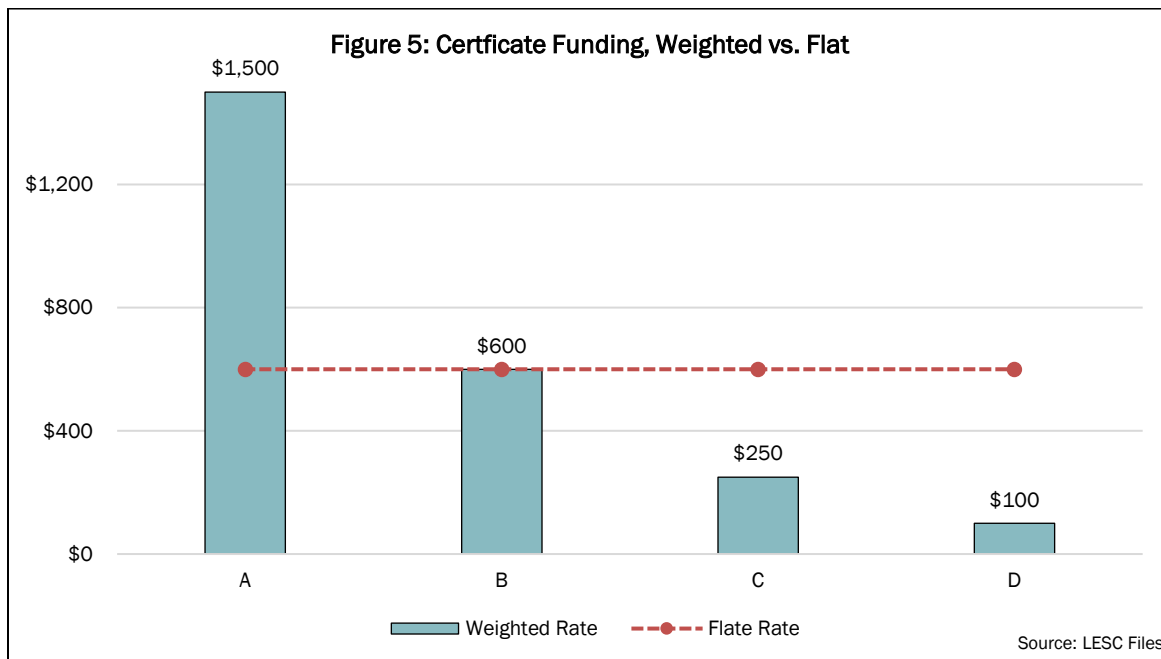
Certificate weighting. The model allows for two optional methods to calculate certificate incentive funding. The dollar amounts are hypothetical rather than prescriptive. If the Legislature were to adopt a weighted certificate calculation, the specific value amounts could be determined by PED's future rulemaking. This approach could also continue PED's implementation of the Career Development Success Pilot.

Table 5: Optional Weighted Certificate Categories

Category	Potential Description	Sample Weighted Rate
A	State license or degree	\$1,500
B	Standalone industry certification	\$600
C	Modular or stackable certification (e.g., NC3, NCCER, Precision)	\$250
D	Foundational, safety, or short-course	\$100

Source: LESC Files

Under the flat method, currently selected in this iteration, every industry certificate earned is worth \$600. Under a weighted method, certificates are valued according to a four-category rubric based on credential rigor, as illustrated in **Table 5: Optional Weighted Certificate Categories**. A tiered structure could direct greater incentive funding toward higher-value credentials that carry more weight in the labor market, while still recognizing foundational credentials as an important step in a student's pathway.



Budget scenarios. Modeling school districts and charter schools at a single tier shows the range of possible statewide costs: projected at roughly \$27.7 million if every LEA were tier 3, but up to \$38.5 million if every LEA were tier 1. The current NextGen planning total is about \$16.5 million, highlighting the gap between existing investments and a fully phased-in categorical model.

Stakeholder Sessions

CTE Working Group

During the 2026 interim, LESC staff convened a group of nine superintendents and school leaders from across the state as shown in **Table 6: CTE 2026 Working Group**. Between May 2026 and July 2026, LESC staff presented elements of the proposed categorical funding framework to the working group. School leaders examined the ACTE high-quality CTE framework, a tiered funding eligibility framework, and cost projections across school profiles.

Table 6: CTE 2026 Working Group

Name	NextGen FY26 Award	Total Secondary Student Enrollment	Concentrator Rate	CTE participation rate	Certification Completion Rate	Four-Year Graduation Rate	Workforce or Higher Education Placement Rate
Carlsbad Municipal Schools	\$204,151	2,168	30.4%	36.0%	5.5%	95.5%	37.1%
Cloudcroft Municipal Schools	\$129,942	150	41.3%	47.7%	10.0%	100.0%	65.0%
Cuba Independent Schools	\$134,123	293	42.7%	47.3%	0.7%	100.0%	49.0%
Hobbs Municipal Schools	\$255,131	3,201	20.8%	26.4%	125.6%	96.5%	32.7%
Raton Public Schools	\$138,920	256	31.3%	34.9%	3.5%	97.0%	14.3%
Rio Rancho Public Schools	\$262,031	5,530	32.8%	38.7%	22.6%	98.4%	64.8%
Santa Fe Public Schools	\$238,747	3,806	25.4%	32.2%	0.3%	94.9%	36.6%
Zuni Public School District	\$148,908	374	35.0%	51.4%	6.4%	98.3%	22.7%
Las Montanas Charter	\$135,268	236	29.2%	30.4%	8.5%	90.0%	66.7%

Source: LESC Files

ACTE Framework. School leaders broadly affirmed the ACTE framework as an accurate, nationally recognized tool appropriate for evaluating CTE programs and informing funding levels. However, several participants noted small and rural schools experience structural barriers for which the framework may not account. Work-based learning expectations are difficult to meet given limited industry partners, industry-current equipment, and transportation barriers. Participants also flagged facility access as a persistent challenge for small schools, though some are finding alternative solutions, such as building on-site facilities or partnering with community colleges. Participants also noted the framework emphasizes program quality but does not account for student participation or recruitment into non-traditional pathways. Finally, participating school leaders identified the following elements as “most important” when asked which should be prioritized in a funding formula:

- **Element 11 - Work-Based Learning.** A sequenced continuum of workplace experiences, from career awareness to intensive preparation such as internships or apprenticeships.
- **Element 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.

- **Element 4 - Prepared and Effective Program Staff.** Well-credentialed CTE instructors with access to sustained professional development, supported by collaboration among teachers, counselors, and administrators.
- **Element 6 - Access and Equity.** Recruitment and support for historically underrepresented students, equitable admissions processes, accommodations, and inclusive curriculum and instruction.

Tiered Eligibility Framework. School leaders raised several design questions about three-tier structure, primarily regarding eligibility evaluation. Stakeholders largely questioned if certification would be certified per program pathway. Stakeholders also expressed the following concerns:

- **Pathway flexibility:** School leaders want students to be able to explore multiple pathways, especially early on, without being penalized for a lost “completer” if a student switches pathways. The group expressed this flexibility should not affect a school’s funding.
- **Minimum requirements vs. percentages:** Some participants proposed replacing percentage-based thresholds with a minimum set of required elements, arguing this would be more transparent and predictable.
- **Funding predictability:** Multiple stakeholders emphasized consistent, predictable funding is essential for long-term program planning, and that frequent adjustments (e.g., 40-day count adjustments) would undermine the framework’s usefulness as a planning tool. Cost Projection Feedback

Cost Projections. LESC staff produced cost projections using the ACTE framework, the tiered eligibility framework, and SY25 student data in combination with FY26 Next Gen planning awards. Stakeholders highlighted the model’s potential to support long-term sustainability planning and better fund CTE programs. Stakeholders expressed the following concerns:

- **LEA size:** Participants raised questions about the model’s projected funding decreases for medium-sized districts. LESC staff identified base funding amounts as the primary drivers, along with “untapped potential” in CTE student, certificate, and concentrator counts. As a result, districts and charter schools with many CTE students but limited concentrators or certificates experienced a funding decrease under the model.
- **Scalability and caps:** Participants raised questions about concentrator and completer numbers statewide under the current model. They were especially concerned about the model’s lack of limits on how many certificates a school district or charter school could be awarded for. LESC staff acknowledged the potential need to limit credit to one certificate per student or weighting certificates differently based on value.

Public Education Department

LESC staff met with PED staff in spring and summer 2026 to solicit their feedback on LESC’s proposed categorical framework. PED staff expressed general support for moving CTE funding from non-recurring funding to categorical funding. However, they also expressed concerns regarding implementation and data infrastructure. PED does not currently have a centralized system for tracking CTE outcomes, relying on school districts and charter schools to self-report these metrics. Additionally, PED staff estimate it would need multiple years, rather than a single transition year, to develop adequate data reporting capacity and would require additional staff for program implementation.

PED staff also expressed general support for incentive funding, agreeing incentive funding should be connected to concentrator and completion rates rather than course enrollment. PED also cautioned that any new categorical framework must preserve the existing federal Perkins V application, since federal funding requires it independent of any changes to the state’s own funding structure. LESC staff intend to continue meeting with PED staff and CTE working group members during the remainder of the 2026 interim to better understand stakeholder feedback and concerns.

Policy Considerations and Recommendations

National research and recent student outcomes in New Mexico demonstrate students participating in CTE programs experience strong academic outcomes. Lawmakers have the opportunity to refine CTE programs statewide as the NextGen Pilot concludes and as they continue to prioritize academic redesign.

The Legislature should...

- 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 repurpose 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.

The Public Education Department should...

- 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...

- Adopt or continue focusing on program quality, aligning programs to the 12 elements of PED's high-quality CTE framework.