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FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/19

SPONSOR Chatfield/Brown LAST UPDATED _____ HB 299

SHORT TITLE Career & Technical Student Organizations SB _____

ANALYST Liu/Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
\$650.0	\$0.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 44, HB 91, HB 183, HB 318
 Duplicates SB 353

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regional Education Cooperatives (REC)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 299 makes an appropriation of \$650 thousand to REC 6 to support state-chartered middle and high school and post-secondary intra- and co-curricular career and technical student organizations (CTSO) statewide.

FISCAL IMPLICATIONS

The bill contains a \$650 thousand general fund appropriation to REC 6 in FY20 for CTSOs but does not provide a continuing appropriation for future years. Any unexpended or unencumbered balance remaining at the end of FY20 will revert to the general fund.

Currently, New Mexico's eight CTSOs are supported through three different funding streams:

- New Mexico Future Farmers of America (FFA) is funded through an appropriation of \$344 thousand to New Mexico State University's (NMSU) Agriculture Experimentation

Station.

- Educators Rising is also managed by NMSU and receives \$35 thousand in funding: \$30 thousand through the *Graduates Now* PED special program appropriation, plus \$5,000 in federal funding through the Carl D. Perkins Act.
- Six other CTSOs are managed by the Career and Technical Leadership Project (CTLP), which is housed at Eastern New Mexico University (ENMU). CTLP receives \$500 thousand in funding: \$133 thousand in state funds (through *Graduates Now*) plus \$367 thousand in federal Carl D. Perkins funds.

The executive and LFC FY20 budget recommendations for public schools include \$150 thousand and \$235 thousand, respectively, for Educators Rising. Additionally, both recommendations include funding to PED (executive: \$5 million, LFC: \$1 million) for career technical education (CTE) initiatives.

PED notes if a direct appropriation of general funds is only used for a short duration, an increased use of Carl D. Perkins federal grant dollars in the future would not be permissible due to federal supplement not supplant provisions. These provisions prohibit states from supplanting state support with federal dollars.

SIGNIFICANT ISSUES

The bill appropriates funding for CTSOs that enhance and accelerate CTE, leadership training programs, experiential classroom learning, and economic prosperity statewide. PED reports CTSOs enhance student learning through contextual instruction, leadership and personal development, applied learning, and real world application. CTSOs work as an integrated component of the classroom curriculum and instruction, building upon employability and career skills and concepts through the application and engagement of students in hands-on demonstrations and real life or work experiences through a CTE program. CTSOs guide students in developing a career path through a program of study and provide opportunities in gaining the skills and abilities needed to be successful in those careers through activities, programs, and competitive events. In addition, students have opportunities to hold leadership positions at the local, state, and national level and attend leadership development conferences to network with other students and industry partners.

New Mexico has eight CTSOs, and all currently receive state funds as detailed above. Two are managed through NMSU (Educators Rising and FFA), while six are managed through CTLP. The Six CTSOs managed by CTLP are:

- Business Professionals of America (BPA),
- DECA,
- Family, Career and Community Leaders of America (FCCLA),
- Future Health Professionals (HOSA),
- SkillsUSA, and
- Technology Student Association (TSA).

According to the Association for Career and Technical Education, in FY16, 64.3 thousand high school students participated in New Mexico CTE programs through public schools, early college high schools, and structured workforce readiness programs. About 88 percent of New Mexico CTE students graduated from high school, higher than the statewide average graduation rate of

71 percent. According to Advance CTE, 54 percent of high school CTE graduates enrolled in college, enlisted in the military, or worked within six months of graduation.

In 2015, the Southern Regional Education Board (SREB) found few New Mexico high schools were offering career pathways or programs of study at a level that led to industry-recognized certificates and degrees. Statewide, less than 20 percent of CTE programs offered three or more courses tied to a specific career pathway, with the most popular pathways being automotive, culinary arts, agriculture, carpentry, and welding programs. SREB recommended New Mexico create new state-approved, industry-validated career pathways aligned to a nationally-recognized curricula; provide training for CTE teachers; establish a career guidance and support system for students before and after high school; and refine accountability systems to equally value academic and technical readiness.

PERFORMANCE IMPLICATIONS

According to PED, students who participate for at least one year in a CTSO graduate at significantly higher rates than the general population of New Mexico students: In FY17, the graduation rate for CTSO students was 86.9 percent. PED notes increasing access to CTSOs through increased funding could potentially affect the state's overall graduation rate.

ADMINISTRATIVE IMPLICATIONS

PED funds and provides oversight for seven of the eight CTSOs in New Mexico. FFA is directly funded and oversight of FFA is carried out by NMSU. Providing direct legislative funding to six CTSOs through REC 6 might remove administration and oversight responsibilities from PED; however, it is unclear if REC 6 would provide these services or subcontract services to ENMU.

DUPLICATION, RELATIONSHIP

This bill relates to House Bill 44, which requires CTE professional development for teachers; House Bill 91, which establishes a CTE pilot; House Bill 183, which allows apprenticeship programs to count toward high school graduation; and House Bill 318, which appropriates funding for a workforce soft skills program.

This bill duplicates Senate Bill 353.

OTHER SUBSTANTIVE ISSUES

The 2016 National Conference of State Legislatures report, *No Time to Lose*, found that nations faring well on international academic comparisons shared four common elements:

- strong programs for early childhood readiness, especially for disadvantaged children;
- highly selective teacher preparation programs;
- rigorous systems of CTE; and
- carefully aligned education reforms.

According to the National Coordinating Council for Career and Technical Student Organization, CTSOs are one element of high-quality CTE systems. The Association for Career and Technical Education notes high quality CTSOs:

- provide an integral, intra-curricular part of the program of study, available to every student at some point during the program of study;
- align programming with relevant national, state and local standards;
- develop activities that reinforce relevant technical, academic, and workplace knowledge and skills;
- provide opportunities for students to interact with business professionals;
- provide opportunities for students to participate in relevant competitive events;
- provide opportunities for students to participate in relevant community and school service activities;
- provide opportunities for students to participate in leadership development activities; and
- operate under supervision of CTE staff with clearly defined roles.

ALTERNATIVES

PED notes the funding could be appropriated to the department for administrative oversight. Direct funding could cover all seven CTSOs currently managed by PED, not just the six managed by CTLP and ENMU. Another alternative would be to redirect the \$400 thousand typically direct awarded to NMSU for FFA, so that all CTSOs are funded through one appropriation.

CW/SL/sb