



Dual Credit Courses Produce Solid Returns in State Investment: Grow Tax Base, Increase Earnings, and Reduce Student Loan Debt

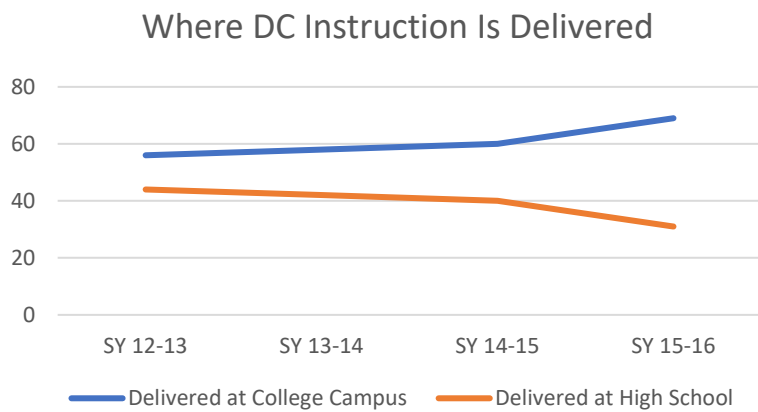
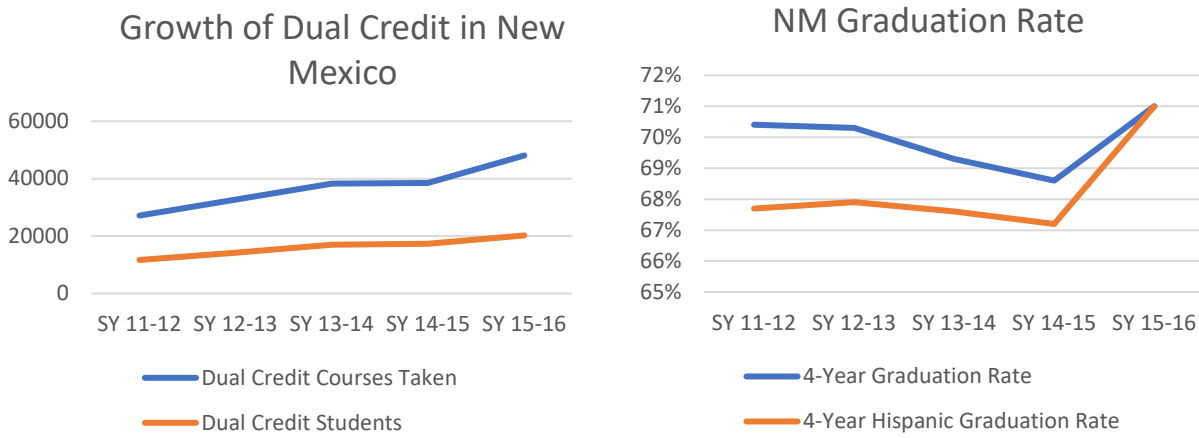
Economic Returns for Dual Credit Per 2,000 UNIVERSITY Graduates (<10% of total current enrollment)	Leaving HS with 30 cr. hours	Leaving HS with 60 cr. hours
Student Debt Savings for Families (@ 58% debt of \$5,048 per year) ¹	\$5,855,680	\$11,711,360
Savings from Remediation (Avg. 2 courses per student) ²	\$960,000	\$960,000
Increased Income Over HS Graduation with Faster Entry into the Workforce (1 year/2 year) ³	\$35,000,000	\$70,000,000
Increase in GRT from spending 77% of Increased Income ⁴	\$1,381,188	\$2,762,375
Increase in PIT from Increased Income ⁵	\$1,645,000	\$3,290,000
Total Return on Investment to State for Every \$1 Invested in Dual Credit College Courses (@ \$52 per credit hour)⁶	\$1.12	\$1.28
Total Return on Investment for Families for Every \$1 Invested in Dual Credit College Courses (@ \$52 per credit hour)⁷	\$13	\$13

Economic Returns for Dual Credit Per 2,000 COMMUNITY COLLEGE Graduates (<10% of total current enrollment)	Leaving HS with 30 cr. hours	Leaving HS with 60 cr. hours
Student Debt Savings for Families (@ 58% of debt of \$3,332 per year – 60% of \$5,048) ⁸	\$3,864,749	\$7,729,498
Savings from Remediation (Avg. 2 courses per student) ⁹	\$960,000	\$960,000
Increased Income Over HS Graduation with Faster Entry into the Workforce (1 year/2 year) ¹⁰	\$14,472,000	\$28,812,000
Increase in GRT from spending 77% of Increased Income ¹¹	\$571,101	\$1,164,725
Increase in PIT from Increased Income ¹²	\$680,184	\$1,354,164
Total Return on Investment to State for Every \$1 Invested in Dual Credit College Courses (@ \$52 per credit hour)¹³	\$.71	\$.56
Total Return on Investment to Families for Every \$1 Invested in Dual Credit College Courses (@ \$52 per credit hour)¹⁴	\$6	\$6

Overview

The stunning success of New Mexico’s Early College High Schools, the rise in New Mexico graduation rates, and even federal bi-partisan support for Career and Technical Education to increase employability skills for future young workers all hinge upon a robust and sustainable system of support for dual credit courses that propel high school students into college access and attainment.

Without question, the inclusion of dual credit courses as part of graduation requirements has directly impacted high school success – for all students and especially for Hispanic students (Source - 2016 New Mexico Higher Education Department Annual Report):



In Early College High Schools, the concentration and integration of dual credit courses begins in 9th grade and equips students with Associate Degrees and career certifications alongside their high school diplomas. With near 100% graduation rates, these schools are closing outcome gaps for first-generation college attenders and low-income and Hispanic students. Clearly, *more college-level coursework*, not less, is demonstrably improving outcomes for these students. Whether they go straight into the workforce with valuable qualifications for middle-skilled jobs, or shorten their time to four-year and post-secondary degrees, they graduate with an increase of earning potential of \$14,406¹⁵ in average annual income over their peers, which studies show will continue to pay off, growing by 60% between age 20 and 30 and 45% on average by age 40¹⁶ and beyond.

At present, there are 20 ECHSs in New Mexico, serving 2,000 of the state’s 100,000 high school students¹⁷. The state’s future rides on transformation of both educational and economic outcomes for its populace, including the need for qualified middle-skilled workers that comprise the majority of the state’s workforce. Applying what works (and can be proven) about early college access will equip far more high school students with the post-secondary credentials they need to not just engage, but build, our state economy. Increased earnings for these future middle- and higher-skilled workers is not just a workforce development issue, it’s an economic growth mechanism that will drive up our state’s incomes and reduce the heavy dependence upon public assistance for unemployed and low-skilled workers that keep far too many citizens in the “working poor” and perpetuate generational poverty.

The clear value and return on investment of this powerful educational tool deserves an intentional approach to support expansion and sustainability. We must adequately fund the higher education partners who provide and make these classes possible, whether on a college or high school campus or through on-line access. This is more than a clarion call...this is a rare opportunity to propel New Mexico and its families forward.

Truth vs. Fiction – Dual Credit Delivery and Funding

Dual credit courses are delivered in partnerships between high schools and community colleges and universities. In New Mexico, the vast majority of courses are delivered by community colleges. Delivery of dual credit courses occurs in four primary methods: on the college campus with a college instructor, on the high school campus with a college instructor, on the high school campus with a qualified high school “master” teacher – holding 18 credits in the subject area in which they teach (as mandated by the Higher Learning Commission), and on-line.

Facts about dual credit courses in SY 15-16¹⁸:

- 20,213 high school students (20% of the total high school population; 15% of total college enrollment)
- 48,068 college credit hours taken
- 69% of classes were delivered at a college
- **83% of those courses were passed by students with A-C grades (2/3s with A’s and B’s)**
- Dual credit students need less remediation than their non-DC peers (33% vs. 43%), saving more than \$970,000

Using the \$52 tuition rate of Central New Mexico Community College, the state’s largest dual credit provider, we can calculate the lost tuition from those courses delivered by college faculty and/or on a college campus was at least **\$5,174,000**, primarily impacting community colleges. The total statewide redistribution of base funding for dual credit courses in SY 15-16 from the performance metric in the higher education funding formula was **\$380,000, or \$7.91 per credit hour statewide**. New Mexico State University has calculated the reimbursement for dual credit courses delivered throughout their system was **\$2.76 per credit hour**. This calculation does not include any administrative or advising costs associated with facilitating student enrollment, participation, or reporting. Since 2013, the total tuition waived by the higher education institutions for all dual credit students is more than \$39 million.

Therefore, at present, New Mexico’s higher education system is facilitating the access to, and expansion of, this proven intervention for achieving high school graduation and college credit accrual for all New Mexico students at an annual loss of almost \$5 million. This is simply unsustainable.

Dual Credit Courses Are Key to Closing Workforce Gaps for the Long-Term

Moving New Mexico forward demands that we mobilize as many New Mexicans as possible into technical and middle-skill degrees to fill the growing gaps in our workforce. High poverty and unemployment rates (especially for those with less than a high school diploma) and a shortage of technically skilled workers are preventing success and perpetuating the sense of hopelessness about the prospect of change and the future of New Mexico for the next generation.

The New Mexico Department of Workforce Solutions has identified a set of “Star Occupations” that meet multiple positive criteria related to employment growth. **Many of these top private-sector Star Occupations require career certifications and associate degrees that more New Mexicans could earn faster and younger using dual credit courses while in high school**, including:

- Medical and Health Services Manager
- Registered Nurses (ADNs)
- General and Operations Managers
- Management Analysts
- Industrial Machinery Mechanics
- Computer Systems Analysts
- Medical and Clinical Lab Technicians
- Computer User Support Specialists
- Supervisors of Office & Administrative Workers
- Licensed Practical and Vocational Nurses
- Emergency Medical Techs and Paramedics

Dual credit courses also have a role to play in the mismatch between workforce development efforts and the current and future needs of employers. According to the most recent New Mexico Job Vacancy Survey by the Department of Workforce Solutions, **four of every five jobs characterized as “difficult to fill” required a license or certification**¹⁹ and occurred in industries like agriculture, construction, manufacturing, healthcare, transportation and logistics, engineering, IT, and technical trades – all of which can be met through existing Career and Technical Education pathways.

Dual Credit Contributes to the Long-Term Well Being of New Mexico

Building bridges that create a vibrant new future for New Mexico has been the subject of numerous recent reports. Increased access to, and support for, dual credit lie at the nexus of many of the proposed interventions.

Mark Tucker, of the National Center on Education and the Economy recently shared the nine building blocks for a world-class state education system with the Legislative Education Study Committee in his report, *What It Will Take for New Mexico to Compete With The Best Education Systems in the World*. Dual credit courses contribute to three of those nine building blocks:

- Building Block #3: Develop world-class, highly coherent instructional systems

- **Building Block #4:** Create clear gateways for students through the system, set to global standards, with no dead ends
- **Building Block #7:** Create an effective system of career and technical education and training

The 2016 *New Mexico First Statewide Town Hall Report: Economic Security and Vitality for New Mexico* highlighted that by 2020, most NM students will not have the education, credentials, or degrees required to fill 63% of the state’s jobs. Recommendations included strengthening the workforce through education, specifically by investing in youth programs that teach social, agricultural, financial, technical, vocational, organizational and employment preparation skills by **creating pathways, reform funding mechanisms to support and encourage diverse career and college pathways that reflect anticipated workforce needs and include all CTE and certificate programs, and align high school and 2/4-year education curriculum and articulation, transferring credit between institutions.**

In addition, the Southern Regional Education Board prepared a report for the New Mexico Public Education Department called, *Building Career Pathways to Credential Attainment and Workforce Opportunities in New Mexico— 2015*. Dual credit courses are integral to Core Recommendation 5: To support its efforts to build high-quality career pathways, New Mexico needs to refine its accountability system to ensure that it equally values academic and technical readiness for college *and* careers. They are vital contributors to blurring the lines between secondary and postsecondary education and the workplace by providing career-oriented high school students with accelerated, intellectually demanding learning experiences, not only at the high school, but also in work settings and on postsecondary campuses. Such experiences demand that schools fundamentally change their instructional practices.

Finally, the 2016 *Labor Market Analysis of New Mexico’s Workforce Regions* also prepared by the Southern Regional Education Board, recommended rigorous, relevant career pathways that build bridges from high school to postsecondary education and the workplace and help more young adults earn industry and postsecondary credentials.

Dual credit courses are clearly worth the investment. Increased access for students and expansion of courses is urgently needed. It’s time to close the funding gap for higher education.

¹ New Mexico State Data, Institute for College Access and Success, ticas.org
² New Mexico Higher Education Department, 2016 Annual Report
³ payscale.com, Median Salary 1-4 Years Experience, average of New Mexico universities
⁴ Percentage derived through correlation of 2015 U.S. Bureau of Census, American Community Survey and Disposable Personal Income reported by US Department of Labor
⁵ Based on NM personal tax rate of 4.7%
⁶ Based on \$52 tuition offered by CNM as largest dual credit provider
⁷ Based on \$52 tuition offered by CNM as largest dual credit provider
⁸ New Mexico State Data, Institute for College Access and Success, ticas.org
⁹ New Mexico Higher Education Department, 2016 Annual Report
¹⁰ U.S. Department of Education, College Scorecard, Average of New Mexico Community Colleges, Salary After Attending
¹¹ Percentage derived through correlation of 2015 U.S. Bureau of Census, American Community Survey and Disposable Personal Income reported by US Department of Labor
¹² Based on NM personal tax rate of 4.7%
¹³ Based on \$52 tuition offered by CNM as largest dual credit provider
¹⁴ Based on \$52 tuition offered by CNM as largest dual credit provider
¹⁵ U.S. Bureau of the Census, 2014 American Community Survey PUMS data
¹⁶ Forbes, *Your 'High-Earning Years': Salary Secrets For Your 20s, 30s And 40s*, Kate Ashford, January 13, 2014
¹⁷ New Mexico Public Education Department
¹⁸ New Mexico Public Education Department and Higher Education Department, Dual Credit Report for the School Year 2015-2016
¹⁹ New Mexico Department of Workforce Solutions, *The New Mexico Job Vacancy Survey: Hiring Difficulties*, May 2016