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FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/2007
LAST UPDATED 2/27/2007 HB _____

SPONSOR Nava

SHORT TITLE Dual High-School and Post-Secondary Credits SB 943/aSFC

ANALYST Schuss

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	\$0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Higher Education Department (HED)

Public Education Department (PED)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee Amendment allows home school or private school students to apply for dual credit courses; provided however, that the student pays the full cost.

Synopsis of Original Bill

Senate Bill 943 amends 21-13-19 NMSA 1978 by removing the responsibility of the public school district to transfer to an institute of higher education the tuition and fees for any student who, during the term, is counted in the membership of the public school district and will receive high school credit for coursework at a community college, branch community college, university off-campus site, or technical and vocational institute. SB 943 also includes clean-up language inserting Public Education Department and Secretary of Education where necessary. New material has also been added to clarify the definition and conditions for dual credit.

FISCAL IMPLICATIONS

SB 943 requires that the school district or charter school that the student attends to pay the cost of required textbooks and other course supplies for the post-secondary course that the student is

enrolled in. Upon course completion the student shall return these items to the school district. HED notes that the overall fiscal impact of SB 943 is unclear. There is an undetermined fiscal impact on schools for purchase of textbooks of dual credit students; also logistical issues in terms of collecting used textbooks from students and re-using or selling them.

DFA notes that SB 943 removes the financial responsibility that school districts currently have in statute to pay tuition and fees to post secondary institutions regarding high school students enrolled in post-secondary entities to obtain dual credit.

A public post-secondary educational institution that participates in a dual credit program shall waive all general fees for dual credit courses.

Section 1 (e) of Senate Bill 943 states that the Higher Education Department shall revise procedures in the Higher Education Funding Formula to address enrollments in dual credit courses and to encourage institutions to waive tuition for high school students taking those course. If Higher Institutions opt to waive tuition this legislation does not provide a clear methodology on how the funding formula is to be revised to provide for instructional costs incurred from dual credit courses.

Additionally, there is no provision in SB 943 addressing parity among institutions, given the implications of a necessary and subsequent reallocation of funds among institutions that would result from the proposed revision to these “incentive” adjustments proposed in Section 1 (e).

SIGNIFICANT ISSUES

SB 943 provides clarification for dual credit as follows:

- identifies a “dual credit program” to mean a program that allows high school students to enroll in college-level courses that may be academic or career-technical, but not remedial or developmental, in order to earn credit toward high school and a postsecondary degree or certificate;
- student eligibility for participation to include enrollment at a minimum of half time in a regular public or charter school and obtaining permission from a school counselor, principal or head administrator of a charter school prior to enrolling in a dual credit course;
- the cost of the required textbooks and other course supplies are to be paid by the school district or charter school;
- the public postsecondary institutions shall waive all general fees for dual credit courses;
- the Higher Education Department (HED) shall revise procedures in the Higher Education Funding Formula to address enrollments in dual credit courses and to encourage colleges and universities to waive tuition;
- the HED and PED shall adopt to implement a dual credit program that specifies the following:
 - postsecondary courses that are eligible for dual credit;
 - required academic standing and conduct of students;
 - semesters in which dual credit may be taken;
 - nature of high school credit earned;
 - any caps on the number and location of courses and provision of transcripts;

- appeal process for a student who is denied permission to enroll in a dual credit course;
 - accommodation for special education students;
 - develop a master agreement to be used for dual credit;
 - expanding dual credit opportunities through distance learning;
 - how students and parents are informed about dual credit opportunities; and
 - provisions for collecting and disseminating annual dual credit data.
- the HED and PED shall submit an annual report, including recommendations, to the governor and the Legislature.

PED notes that the joint HED/PED Alignment Task Force/Dual Credit Subcommittee made up of representatives from HED, PED, higher education institutions and school districts, has identified the dual credit issues proposed in this legislation.

HED and PED rules 5.55.4 and 6.30.7, respectively, would need to be changed if this legislative is enacted.

PERFORMANCE IMPLICATIONS

Measurements of success include increased student participation in dual credit courses for all qualified students in New Mexico high schools, accelerating postsecondary credits that accrue toward graduation requirements while in high school, and clearly defining the role and responsibilities for dual credit students between secondary and postsecondary institutions.

ADMINISTRATIVE IMPLICATIONS

HED states that they will revise procedures in the Higher Education Funding Formula to address enrollments in dual credit courses and to encourage institutions to waive tuition for dual credit students.

NMHED and PED shall make an annual report with recommendations to the legislature and to the Governor.

OTHER SUBSTANTIVE ISSUES

DFA reports that New Mexico has laws in place that highlights the importance of high school students having opportunities to enroll in dual credit courses. During the 2007 Legislative Session the cyber academy bill (SB-209 and HB-201) will build an infrastructure in New Mexico that will make dual credit coursework accessible to all high school students in the state.

New Mexico has struggled with small rural districts being able to offer dual credit coursework due to lack of technological infrastructure. Discussion continues about the ability of high schools to:

- prepare students for college, or
- provide them with the counseling necessary to select and apply to colleges, or
- give them the personal and academic skills needed to succeed in college.

Researchers argue that the separation between the K-12 and postsecondary systems is a fundamental cause of these problems (Venezia, Kirst, and Antonio 2003). Too often students graduate in good standing from high school only to find themselves in a remedial class when they enter college.

BS/mt