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FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/09

SPONSOR Begaye LAST UPDATED _____ HB 49

SHORT TITLE Tribal Colleges in Dual Credit Program SB _____

ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	Indeterminate, but Significant Preliminary \$110.0 in FY11	Recurring	General Fund (federal BIE High School and Tribal College Reimbursement Component)
	Indeterminate	Recurring	General Fund (Dual Tuition Revenue Credit under Higher Education Funding Formula)
	\$190.0 in FY11	Recurring, but grows over time	Dual Credit Textbook Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 50, American Indian Postsecondary Education Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Indian Affairs Department (IAD)

Public Education Department (no response)

SUMMARY

Synopsis of Bill

Endorsed by the Indian Affairs Committee.

The bill extends the state's dual credit program to federal bureau of Indian education high schools and tribal colleges.

First, it appears the intent of this bill is to expand dual credit programs to eligible high schools students attending Bureau of Indian Education (BIE) schools. These students could then enroll in dual credit courses at an existing New Mexico public, post-secondary institution or at an eligible tribal college in New Mexico. As well, other New Mexico high school students could enroll in dual credit courses at tribal colleges.

FISCAL IMPLICATIONS

The intent and implementation mechanisms for this bill are not completely clear; therefore, the fiscal impact of the bill is reflected above as indeterminate, but significant.

The HED analysis reflects that 10 percent of Bureau of Indian Education students would be eligible for the program, along with 10 percent of tribal college enrollments. The HED analysis indicates the general fund would reimburse tuition amounts to the tribal colleges. HED assumed tuition per year would be \$190, for a cost of \$52 thousand for high school participants and \$58 thousand for college level enrollees for a combined total of \$110 thousand. Reimbursement of tuition for tribal colleges appears to be a significant departure from the current fiscal treatment of public, post-secondary institutions participating in the program.

Further, HED notes it “may have to analyze whether the higher education funding formula requires revisions for tribal colleges...”. “Alternatively, NMHED may need to specify how it intends to administer the American Indian Postsecondary Education Fund if House Bill 50 is signed into law.” This aspect of the fiscal impact of this bill is not clear.

Department of Indian Affairs notes “since tribal colleges are not currently included in the state higher education funding formula, it is unclear how the tribal colleges would be compensated for waiving general fees for dual credit courses. HED would need to revise the state higher education funding formula to include tribal colleges... Moreover, it would be at the discretion of the tribal college, if owned by a sovereign Indian nation, tribe or pueblo, to allow students to take dual credit courses at their institutions and to waive fees for these courses.”

It appears HED assumes application of the dual tuition credit in the higher education formula for those eligible BIE students enrolling in a public, post-secondary institution; however, the fiscal impact of this component is not evident.

HED does not consider any potential impacts from the cost of textbooks or materials. According to an interim dual credit task force, the cost of textbooks and course supplies has averaged \$82 per class. If each high school student enrolled in two classes per semester, then the total cost could be nearly \$190,000 for the 270 high school students plus 304 students in the HED assumptions. The LFC recommendation for FY10 includes \$1.5 million for dual credit instructional materials. Expanding eligibility for dual credit text books either increases the demand on the fund or drives the cost of the fund higher or both.

SIGNIFICANT ISSUES

HED notes participating Bureau of Indian education (BIE) schools would be: Wingate, Santa Fe Indian School, Navajo Prep, Shiprock Alternative, Mescalero Apache, Alamo Day School and Tohajiilee and tribal colleges would be Dine College, Institute of American Indian Arts, Navajo Technical College and the Southwestern Indian Polytechnic Institute.

Indian Affairs Department (IAD) notes a 2004 study by the Office of Education Accountability which found “public high school graduate readiness for college level work by ethnicity shows that sixty-six percent of American Indian public high school graduates place in remedial classes in their first year of college.” The agency also notes American Indian students who enroll in tribal colleges are more likely to graduate than those who attend public colleges and universities.

HED notes American Indian enrollment is 9.5 percent of the total New Mexico college enrollment, compared to 10.5 percent of the state’s population is Native American. Native American student enrollments are stronger in the two-yea college sector, rather than the four-year university sector.

HED notes this bill is a priority of the department and is consistent with its strategic priorities and goals. In 2007, the department signed a Memorandum of Agreement with the four tribal colleges located in the state which has strengthened partnerships to improve access, retention and educational opportunities.

PERFORMANCE IMPLICATIONS

HED notes the dual credit program makes it more likely that students will finish high school and college better prepared for work and significantly shortens time to complete a degree.

ADMINISTRATIVE IMPLICATIONS CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HED notes both the Public Education Department and the Higher Education Department would be required to develop administrative rules, and Bureau of Indian Education staff may need training on required reporting.

House Bill 50, American Indian Post-secondary Act, contains similar provisions.

POSSIBLE QUESTIONS

1. What detail and key assumptions are available on the various components of potential fiscal impact discussed above?
2. How would the bill be implemented? What is the timing for BIE students and tribal colleges to participate in the program?
3. To what extent are tribal colleges willing to participate in dual credit programs?
4. How will outcomes be measured?

AW/svb