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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/09
 LAST UPDATED 2/23/09 HB _____

SPONSOR Nava

SHORT TITLE Require Freshman Year Outcomes Reports SB 152/aSPAC/aSEC

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 Public Education Department (PED)
 Independent Community Colleges (ICC)
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment adds school district superintendents to high schools as a requestor of reports and adds the Higher Education Department as a receiver of reports furnished to requestors. The amendment also replaces additional instances of semester and student status designations for consistency with the SPAC amendment.

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment changes the reporting requirement for higher education institutions to public high schools from mandatory to “upon request from a public high school”. The amendment further limits the reporting requirement to require reporting only for students graduating or leaving the requesting high school without enrolling in another high school or earning a GED. The amendment also clarifies semester designations as “fall” and “spring” and student status as “first year of college” rather than “freshman year”.

Synopsis of Original Bill

Senate Bill 152 would require post-secondary educational institutions to report annually freshman year outcomes to the high school that the student graduated from or left within the preceding three years. Reports would be used by high schools and post-secondary educational institutions to improve instruction, student preparation and advisement.

The HED, in consultation with the PED and representatives of public high schools and public post-secondary educational institutions, is charged with prescribing the form of the reports, which cannot contain personally identifiable student information, but which require:

- advanced placement by subject;
- total credits earned;
- grade point averages;
- retention from first to second semester of the freshman year; and
- frequency and patterns of remedial or development courses being taken.

FISCAL IMPLICATIONS

Senate Bill 152 contains no appropriation, but there are significant potential costs associated for the HED, PED and post secondary institutions depending on which organizations are responsible for administrative implementation of the data collection and reporting processes.

The PED estimates that using the state’s data warehouse (STARS) for reporting would require the public postsecondary education institutions to implement the New Mexico Unique Student Identifier, identify data elements that must be collected and create the data collection and reporting processes. Such an expansion of the state’s P-12 data warehouse (STARS) would require four FTE to support a help desk, report development, and data validation/verification and require at least \$3,900.0 in funding for the first two years.

The HED states the administrative and financial requirements placed on the public postsecondary education institutions and HED to potentially prepare additional reports is considerable and would require additional administrative staff to collect and analyze the data for the annual reports. Additionally, SB152 would impact the design of database collection at both the public postsecondary institutional level and at the HED that would have fiscal implications. Several higher education institutions report that they would have difficulty complying with the bill as written.

The ICC states that community colleges would bear additional operating costs associated with the collection of data and reporting of student performance to public high schools. No appropriation is provided for this purpose and, in fact, institutional funding for such administrative purposes may be reduced for FY10 pursuant to the LFC funding recommendations.

SIGNIFICANT ISSUES

The ICC states that:

- Community colleges do not always have high school transcripts for students who are not enrolled on a full-time basis or declare themselves to be degree-seeking.

- Many “freshmen” students at community colleges are in this classification for more than one year. It would be easier to identify and report on students who enrolled the year following high school graduation.
- The small number of students who attend community colleges from some high schools will make reporting difficult or impossible under FERPA privacy regulations. A minimum number of students from a particular high school could be established and/or reports could only be provided to high schools that are within the geographic service area of a community college.

It is likely that these same issues would affect other post-secondary institutions. The PED and HED also raise concerns about the complications arising from FERPA issues associated with collection and reporting of this data. The HED also notes that many of the public postsecondary institutions that currently observe open enrollment and do not require a high school transcript as a condition of admission would have to change their admissions processes in order to capture the data required for the annual report.

The DFA states that SB 152 is aligned specifically with Governor Richardson’s performance and accountability contract Making Schools Work, Task 1.7, “Ensure students graduate from high school prepared to succeed in higher education and the workplace”, and Task 1.10, “Increase higher education program completion and graduation.”

The DFA notes that because of the data revealed in the “Ready for College?” reports, in 2007 and 2008 the New Mexico Legislature passed and Governor Richardson signed a number of pieces of legislation corresponding to high school redesign and alignment of expectations and curriculum between high school and college. In order for public high schools to adequately monitor how well they are implementing the reforms, it is critical that they receive accurate data on how well graduates are performing once they reach post-secondary institutions.

ALTERNATIVES

The ICC suggests that the data files submitted by all public institutions to HED be modified to include student grades and information about advanced placement courses. These records could then be matched with the PED STARS system to generate the reports proposed by this legislation. This would enable a single report to be provided to each high school documenting the performance of their graduates at all public post-secondary institutions. This would probably be far more manageable for both high school and college personnel.

GH/mt:mc