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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/02/09

SPONSOR Griego, P. LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Luna College Remedial College Prep Program SB 373

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$85.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
Public Education Department (PED)  
Luna Community College (LCC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 373 appropriates \$85.0 from the general fund to the Higher Education Department for Luna Community College to fund a Crossroads Academy Program that offers a summer developmental and remedial college preparatory program to high school students.

### FISCAL IMPLICATIONS

The appropriation of \$85.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall revert to the general fund.

### SIGNIFICANT ISSUES

The HED states that this request was not submitted by LCC to the HED for review and is not included in the Department's funding recommendation for FY10.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

LCC notes that a high percentage of high school juniors and seniors in LCC's service area are restricted from participating in the Dual-Credit program due to inability to meet minimum institutional proficiency requirements. Therefore, Luna Community College is dedicating a significant amount of time and effort preparing students for success in college level courses. LCC piloted Crossroads Academy during the Summer 2007 session with 41 students. After an eight-week session in remedial/developmental courses, 62% scored 10 or more points higher on their posttest (based on COMPASS diagnostics). Approximately 27 of these students tested out of their initial placement and into higher-level college courses.

The PED states that SB 373 focuses on remediation for high school students at a college level. This bill could target students who are considered average or C students and yet have the desire to attend college but not necessarily have the academic support. The need to take remedial courses in college is not unusual. Some national studies state that as many as 40 percent of students will take at least one remedial class during their college years. *The College Board*. Through a remedial college preparatory program such as "crossroads academy", this bill could support the PED goal to *Ensure students graduate from high school better prepared to succeed in postsecondary education and the world of work* and the state goal to *Increase academic excellence and student achievement*.