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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 01/30/14  
**LAST UPDATED** 01/30/14    **HB** \_\_\_\_\_

**SPONSOR**    Sanchez

**SHORT TITLE**    Tribal College Dual Credit Fund    **SB** 3

**ANALYST**    Hartzler-Toon

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$500.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$500.0	\$500.0	\$1,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Higher Education Department, Policy Development and Institutional Oversight

Duplicates SB 139, Tribal College Dual Credit Program

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Indian Affairs Department (IAD)

### SUMMARY

#### Synopsis of Bill 3

Senate Bill 3 (SB 3) appropriates \$500 thousand from the general fund to the Higher Education Department (HED) to fund the tribal dual credit program. The funding would subsidize the costs experienced by tribal colleges for providing dual credit programs to students pursuant to Section 21-1-1.2 NMSA 1978. Funds not expended during FY15 for costs incurred by the colleges during the 2013-2014 academic year shall revert to the general fund.

### FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

For FY14, HED received \$100 thousand for the tribal dual credit program. The department has agreements with participating tribal colleges (Dine College, Navajo Technical College, and the Institute of American Indian Arts (IAIA)) to reimburse these colleges for tuition and fees associated with offering dual credit courses. The Executive recommended \$100 thousand in general fund support for this program in FY15, while the LFC recommended \$200 thousand in general fund support. Should the Legislature adopt the LFC's recommendation and SB 3 be enacted, the program would receive \$700 thousand – a sevenfold increase over FY14 general fund levels.

Tribal colleges are providing the department with fall 2014 tuition costs. Academic year 2013-2014 costs average \$140 per credit at IAIA and approximately \$100 per credit hour at Navajo Technical University, while the most recently reported costs at Dine College suggest \$30 per credit hour. While the department has made payments to the three participating colleges during FY14, the department response did not state whether there was sufficient demand requiring the additional funds included in SB 3.

### **SIGNIFICANT ISSUES**

According to the Indian Affairs Department

New Mexico's dual credit program allows high school students to take courses offered through a postsecondary educational institution and earn credit at the high school level and the college level simultaneously. Statute governing the program provides the:

- School district, charter school, state-supported school, or Bureau of Indian Education (BIE) high school pay the cost of the required textbooks and other course supplies for the postsecondary course for which the student is enrolled;
- Public postsecondary educational institution or tribal college participating in a dual credit program must waive all general fees for dual credit courses; and
- Higher Education Department shall revise procedures in the higher education funding formula to address enrollments in dual credit courses to encourage institutions to waive tuition for high school students taking those courses.

State higher education institutions receive partial funding (much less than full credit tuition levels) for offering dual credit courses through the state's instructional and general (I&G) funding formula. Tribal colleges do not receive such funding, and the tribal dual credit program is the mechanism to receive state support for these offerings.

### **PERFORMANCE IMPLICATIONS**

There are no performance measures associated with this program or are as part of HED's performance measures.

### **DUPLICATION**

SB 3 duplicates SB 139 and the appropriation included in HED's policy development and institutional oversight line-item in the General Appropriation Act.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Without additional funding, the program cannot subsidize tribal colleges for providing dual credit offerings.