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FISCAL IMPACT REPORT

SPONSOR Pinto **ORIGINAL DATE** 01/30/14
LAST UPDATED 01/30/14 **HB** _____

SHORT TITLE Tribal College Dual Credit Program **SB** 139

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$1,500.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

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

Relates to SB 3, Tribal College Dual Credit Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill 139

Senate Bill 139 (SB 139) appropriates \$1.5 million from the general fund to the tribal college dual credit program fund. The fund, administered by the Higher Education Department, supports 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 not revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$1.5 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall not revert to the general fund.

The tribal dual credit program receives recurring general fund support through the General Appropriation Act. 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 139 be enacted, the program would receive \$200 thousand in recurring funds and be able to draw from the \$1.5 million in the tribal dual credit program fund.

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 more than the additional funds included in the LFC recommendation. In addition, should SB 3 be enacted, an additional \$500 thousand in recurring funds could be available in FY15.

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.

RELATIONSHIP

SB 139 relates to SB 3 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.

THT/jl