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FISCAL IMPACT REPORT

SPONSOR Ivey-Soto & Roch **ORIGINAL DATE** 02/04/14
LAST UPDATED 02/07/14 **HB** _____

SHORT TITLE Dual Credit Program Parity **SB** 158/aSPAC

ANALYST Armstrong

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	Minimal	Recurring	Instructional and General Funding Formula

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Indian Affairs Department (IAD)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment adds language to require dual credit program participants to “be a school-age person as defined by the Public School Code.”

Synopsis of Original Bill

Senate Bill 158 amends Section 21-1-1.2 NMSA 1978, regarding dual credit for high school and post-secondary courses. The bill extends the tuition waiver provision of the dual credit program to home school students and private school students provided at least one-half of the student’s instruction is at the student’s high school. The bill defines “dual credit course” and “high school” and revises other definitions to clarify the statute.

The bill also amends the Public School Code to require any person operating or intending to operate a home school to submit a school registration form, made available by PED, on or before August 1, rather than April 1, of each year in which it operates.

FISCAL IMPLICATIONS

The bill does not include an appropriation. However, it should be noted that state higher education institutions receive partial funding – in an amount much less than full credit tuition levels which they waive for dual credit students – for offering dual credit courses through the state’s instructional and general (I&G) funding formula. This will have a minimal impact on both the amount institutions receive under the formula and the tuition costs that institutions waive for dual credit students.

SIGNIFICANT ISSUES

This bill removes the requirement that an eligible student in a home school or private school pay the full cost of the dual credit courses, clarifying that the student may enroll in a dual credit course at a public post-secondary institution and benefit from the course fee waiver just as other dual credit students would.

The Legislature appropriates general fund revenue to PED annually to cover the cost of dual credit instructional materials (textbooks and course supplies). The General Appropriation Act (GAA) includes the following language, “The general fund appropriation to the public education department for dual-credit instructional materials shall be used by the department to reimburse school districts, charter schools, state-supported schools and bureau of Indian education high schools in New Mexico for the cost of required textbooks and other course supplies for students enrolled in the dual-credit program to the extent of the available funds.” PED indicates the department currently does not have the structure to create awards and accept reimbursements from home school or private school students, as noted in Administrative Implications below, and delaying submission of the notice of intent to home school a student from April 1 to August 1 will delay the receipt of data needed for the formula allocation of dual credit instructional funds.

However, current language in the GAA precludes PED from making distributions to home school and private school students. If SB 158 passes and language in the GAA does change to allow home school and private school students to seek reimbursement, the Legislature may want to consider changing language in Paragraph D of Section 21-1-1.2 that allows a home school or private school student to retain their dual credit instructional materials at their respective high schools and require at least home school students to return their dual credit instructional materials to the school district in which they reside. Otherwise, in the case of a home school student, it is unlikely that the text book will be used again and the potential exists for the student to resell the book and benefit financially from this arrangement.

The Senate Public Affairs Committee amendment inserted the requirement that the dual credit program is only available to a “school-age person” as defined in the Public School Code. A “school-age person” is defined in Section 22-1-2 NNMSA 1978 as: (A) an individual who is at least five years old prior to 12:01 a.m. on September 1 of the school year and who has not received a high school diploma or its equivalent; (B) an individual classified as special education membership and less than 22 years old; or (C) a resident of a state institution. While there is an upper age limit for special education students, there is no upper age limit non-special education students. For example, there are charter schools around the state that primarily target adults who have not graduated. These charter schools serve students up to 80 years old. Non-special education students over the age of 22 who meet the criteria established in this bill – be receiving at least half of their instruction in the home – will be able to take advantage of the tuition waiver

for dual credit courses.

ADMINISTRATIVE IMPLICATIONS

PED analysis indicates: “Based on the legislative language used to define a high school (which includes private schools and home schools), PED does not have the structure built into its Operating Business Management System to create awards and accept requests for reimbursements for home or private schools. This is something that PED can work towards in the future and would cost about \$2,000 to build into its current system. The alternative would be to enter into a Memorandum of Understanding with a district that can service payment to a private school or home schooled individual through the district’s respective award for dual credit materials.” However, current language in the GAA precludes PED from making distributions to home school and private school students so PED’s concern is unfounded unless GAA language is amended.

OTHER SUBSTANTIVE ISSUES

Over the past several years increased access to school district courses and activities has been granted to home school students, including allowing school districts to generate program units for home school students that enroll in up to three courses (“home schooled program unit”) and students that participate in extracurricular activities (“home school student activities program unit”). School districts will begin generating program units for home school students that enroll in district offered courses during the 2014-2015 school year. The home school student activities program unit was enacted in 2007, and school districts were able to begin claiming program units during the 2007-2008 school year. On average there are 28 home school students participating in extracurricular activities at the school districts. It is likely that home school students would also take advantage of the free tuition for dual credit courses.

Information on PED’s website indicates that home school students are only allowed to participate in the state’s cyber academy (IDEAL- NM) if they are enrolled in one-half or more of the minimum course requirements approved by PED for public school students in the school district in which the student resides. If the student is enrolled in less than one-half of the minimum course requirements, the student may participate in IDEAL-NM courses and pay the public school district in which they reside no more than 35 percent of the current unit value per curricular unit (22-30-6 NMSA 1978 and 6.30.8.11 NMAC). The provisions of this bill create a different standard for home school, private school, and Indian education students to be able to participate in the dual credit program, by only requiring that they are receiving at least one-half of their instruction at their respective high schools.

ALTERNATIVES

Require home school, private school students, and Indian education students to be enrolled in at least one half or more of the minimum course requirements approved by the PED for public school students in order to be eligible to participate in the dual credit program.

JA/jl:ds