

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/15

SPONSOR Kernan **LAST UPDATED** _____ **HB** _____

SHORT TITLE Remove Requirement for Certain School Classes **SB** 229

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Higher Education Department (HED)

Western New Mexico State University (WNMSU)

SUMMARY

Synopsis of Bill

Senate Bill 229 amends the Public School Code to eliminate the requirement that, for students entering the ninth grade beginning with the 2009-2010 school year, at least one of the units required for graduation has to be earned as an advanced placement or honors course, a dual credit course, or a distance learning course.

FISCAL IMPLICATIONS

PED's analysis notes that removing the requirements from statute might have the effect of reducing annual state expenditures for dual credit, advanced placement, and online enrollment costs. However, at this time, it is unclear that this would be the intended effect of this bill, especially given that the new school grading system gives credit for both participation in dual credit and advanced placement and additional credit when students successfully complete these courses. Incorporation continues to make these courses of importance to school districts and charter schools.

SIGNIFICANT ISSUES

The requirements to take at least one unit as an advanced placement or honors course, a dual credit course, or a distance learning course was enacted in Laws 2007, Chapter 307 (HB584 - high school redesign efforts). At that time, the FIR noted “HB 584 increases rigor for students by...provid[ing] that students entering ninth grade in the 2009-2010 school year, in order to graduate, must earn at least one unit as advanced placement, dual credit, or one distance learning course.” There was an expectation that requiring these types of courses would improve the college- and/or career-readiness of graduates.

During FY09, the year before implementing this policy, PED reported 47.1 percent of New Mexico graduates required one or more remedial course when they entered a New Mexico institution of higher education. The most current data indicates this increased to 48.5 percent in FY14, raising questions about high school graduation requirements and their effectiveness related to college readiness.

By statute, the dual credit program allows high school students to enroll in college courses and earn college credit free of tuition and course materials fees. Institutions of higher education are prohibited from charging tuition (though they count dual credit students in their total enrollment for the purpose of calculating formula funding) and public schools are required to provide instructional materials for dual credit courses. PED’s quarterly report indicates the number of students enrolled in dual credit programs in FY11 was 9,087 and in FY14 was 15,304; however, over that same period of time, PED reports the number of courses students enrolled in was 9,087 in FY11 but only 10,068 in FY14. For FY15, the public school support appropriations include approximately \$854.6 thousand to PED for the purchase of dual credit instructional materials.

The Higher Education Department reports dual credit courses have given students an opportunity to make progress toward college degrees before they finish high school, provide academic rigor, and help students transition from high school to postsecondary education. HED reports a higher student enrollment than that included in PED’s quarterly report – totaling more than 17,000 high school students that took one or more dual credit courses in New Mexico’s postsecondary institutions in FY14, resulting in enrollment in more than 38,000 dual credit courses, and 100,234 student credit hours of courses. Over the last five years, HED notes the number of students taking dual credit courses has increased by 71 percent. HED reports the majority of courses students take for dual credit fall into the categories of English language and literature, health professions and related clinical sciences, visual and performing arts, and mathematics and statistics.

In addition to dual credit programs, students are also able to earn college credit for advanced placement courses if they are able to score high enough on the end of year advanced placement course exam, again without incurring tuition costs. For FY15, the public school support appropriation includes \$747.9 thousand for dual credit programs and additional funding is made available for advanced placement programs in an appropriation made for college preparation, career readiness and dropout prevention.

In addition to these appropriations, FY15 includes a \$887.6 thousand the states cyber academy, IDEAL-NM, a statewide e-learning program of PED. In partnership with New Mexico schools, IDEAL-NM indicates it offers “online courses taught by New Mexico licensed teachers. The courses are teacher-led, interactive and aligned with standards. Students across the state enroll in

the IDEAL-NM virtual school for a variety of reasons including, enrichment, expanded access to electives, credit recovery and acceleration and to fulfill the distance learning graduation requirement. IDEAL-NM encourages the use of technology to offer more personalized and college- and career-ready educational programs. Through partnership with IDEAL-NM, all New Mexico schools have access to the statewide learning management system (LMS) at no cost. The LMS serves as a platform for the delivery of online and blended learning.”

Given the significance of these programs, it is unlikely that enactment of this bill will have a negative effect on the program.

PED’s analysis notes removing these graduation requirements would directly contradict many of the PED initiatives that are focused on college and career readiness and render the efforts of New Mexico school districts to offer dual credit, advanced placement, honors, and distance learning courses irrelevant. However, it is unclear how removing these as graduation requirements would render current efforts irrelevant and directly contradict many PED initiatives. PED would not be prohibited from furthering their current initiatives, nor would local school districts. Many current PED initiatives are not specifically required by statute.

Additionally, PED and Western New Mexico State University note concerns about decreasing the rigor of graduation requirements. Given the state’s low educational performance, policymakers should carefully analyze changes to graduation rates. While removal of these requirements could decrease the rigor of high school graduation requirements if students stopped participating in or schools stopped supporting these programs, participation and success in advanced placement and dual credit courses directly affects high schools ratings under the A-F school grading system. Additionally, school grades are incorporated into some educator’s annual evaluations, making it unlikely that educators will stop supporting these programs if they are successful.

RELATIONSHIP

The following bills amend Section 22-13-1.1 – HB145, HB165, HB178, HB345, SB14, SB127, SB229, SB357, SB445, and SB496.

TECHNICAL ISSUES

Section F of this law (Section 22-13-1.1 NMSA 1978) states that once a student enters ninth grade, the graduation requirements cannot be changed for that student from the requirements specified in law at the time the student entered ninth grade. If enacted, the changes proposed in this bill, when read in conjunction with Section F, mean that beginning with the incoming ninth grade class of 2015-2016, these students will not be required to earn one unit as an advanced placement or honors course, a dual credit course, or a distance learning course for the purposes of graduating. However, the requirement will still be on the books for 10th, 11th, and 12th graders during the 2015-2016 school year, 11th and 12th graders during the 2016-2017 school year, and 12th graders during the 2017-2018 school year.

PED’s analysis notes requirements of Paragraph N in the bill (page 9 and 10) may need to be aligned to conform with the changes proposed in this bill.