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FISCAL IMPACT REPORT

ORIGINAL DATE 2/18/2015

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Tribal College Dual Credit Fund SB 564

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$500.0	\$500.0	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Section 4J, Higher Education Department, Policy Development and Institutional Financial Oversight

Duplicates SB 2 Tribal Dual Credit Program

SOURCES OF INFORMATION

LFC Files

Responses Received From
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 564 appropriates \$500 thousand from the general fund to the tribal dual credit fund at HED to compensate tribal colleges and universities for the loss of tuition and fee revenue in providing dual credit courses.

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 FY16 shall revert to the general fund.

For FY14 and FY15, HED received \$200 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 institutions for tuition and fees associated with offering dual credit courses. For FY16, both the LFC recommendation and Executive recommendation included \$200 thousand in general fund support for this program. Should the Legislature maintain FY15 levels of funding for FY16 and SB 564 is enacted, the program would receive \$700 thousand – a nearly three-fold increase over FY15 general fund levels.

SIGNIFICANT ISSUES

HED reports that, during the 2013-2014 academic year, more than 3,500 dual credits were offered by the participating tribal colleges. Since tribal colleges do not receive state general fund support for instruction and general expenditures, the tribal dual credit program provides a modest level of support to subsidize expenses for offering such classes.

IAIA reports that dual credit courses are helpful in increasing the number of Native American students who enroll and persist in college. With greater financial support, more students could be served by these colleges.

PERFORMANCE IMPLICATIONS

Neither HED or tribal colleges report performance measures for the number of dual credit courses completed or whether students completing such courses require remediation at the college-level. The LFC's 2014 evaluation on college readiness efforts recommended measuring student persistence at the college-level for students who completed dual credit courses.

ADMINISTRATIVE IMPLICATIONS

While SB 564 appropriates funds to the tribal dual credit program fund and current appropriations are appropriated to HED's policy development and institutional financial oversight program, there is no difference in the administration of these funds. Under the General Appropriation Act or Section 21-1-1.2 NMSA 1978, any unexpended or unencumbered funds remaining in the tribal dual credit program fund or HED's program fund at the end of the fiscal year revert to the general fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 564 duplicates the appropriation included in HED's policy development institutional oversight line-item in the General Appropriation Act.