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FISCAL IMPACT REPORT

SPONSOR <u>Romero, GA</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/13/23</u>
SHORT TITLE <u>Hybrid Dual Credit Pilot Project</u>	BILL NUMBER <u>House Bill 256/ec</u>
	ANALYST <u>Helms</u>

APPROPRIATION* (dollars in thousands)

FY23	FY24	Appropriation		Recurring or Nonrecurring	Fund Affected
		FY25	FY26		
		\$1,800.0		Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Public Education Department (PED)

Department of Information Technology (DOIT)

No Response Received

Higher Education Department (HED)

Regional Education Cooperative Association (RECA)

SUMMARY

Synopsis of House Bill 256

House Bill 256 (HB256) appropriates \$1.8 million from the general fund to the Four Corners regional education cooperative for FY23 to FY26 for the purpose of implementing the cybersecurity hybrid dual credit pilot project. Any unexpended or unencumbered balance remaining at the end of FY26 will revert to the general fund.

HB256 would establish a three-year pilot project to determine the efficacy of a hybrid dual credit instruction model emphasizing cybersecurity for public high schools while providing graduate credit via collaboration with New Mexico Institute of Mining and Technology (NM Tech) to participating teachers to qualify as adjunct faculty teaching dual credit courses.

HB256 has an emergency clause to take immediate effect upon passage by the Legislature and signature by the governor.

FISCAL IMPLICATIONS

The appropriation of \$1.8 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund. The \$1.8 million appropriation is intended to cover costs of the project from FY23 to FY26, which given timing of the legislative cycle, will cover three school years. LFC analysis estimates the project's associated costs – which is to include a two week in-person training across two summers for teachers, an online course for teachers, online courses to high school students, in-person activities and facilitation by teachers for high school students, administrative costs to Four Corners regional education cooperative, and hiring a third-party evaluator tracking numerous outcomes of the three-year pilot – will take careful work to stay at \$1.8 million or less across the three years and could easily exceed \$2.5 million.

There is not significant precedent for a bill to directly appropriate funds, including administrative fees for the designee, to an enterprise agency like a regional education cooperative, and there are not guidelines in place for careful oversight of these funds, as regional education cooperatives do not have the same oversight as non-enterprise state agencies.

It is difficult to determine project costs without estimating compensation to high school teachers for training time, to NM Tech for training time and class implementation, to the regional education cooperative, and to the third-party evaluator. It is possible PED, as the administrative body for school district and for regional education cooperatives, could review a comprehensive plan and budget prior to project implementation.

HB256 does not specify the number of students expected to participate in the pilot project, the number of schools, or if training for high school teachers to qualify as adjunct teaching faculty will require payment to these teachers. HB256 does not state the amount of administrative costs that would be received by the Four Corners regional educational cooperative, and why the Four Corners regional education cooperative is the best designee of the appropriation. HB256 does state it intends for a student cohort to graduation with an associate's degree or certificate in cybersecurity and for one teacher cohort to receive enough college credit to qualify as ongoing dual credit instructors.

SIGNIFICANT ISSUES

HB256 proposes a dual credit three-year pilot program for high school graduates to obtain high school diploma and an associate degree with specialization in cybersecurity. In addition, this bill provides pathways for high school teachers to become trainers if they have an existing master's degree. The bill intends to experientially analyze the possibility of a highly productive dual credit program in a high-need field, cybersecurity. HB256 specifies partnerships between NM Tech for the three-year pilot program would go to 10 early college high schools by application.

As it stands in New Mexico, the outcomes of dual credit education are unclear, and analysis of creating a more functional or more specified dual credit program could be beneficial. Since FY14, HED has published an annual report on dual credit, which is based in part on work completed throughout the year by the Dual Credit Council. While this report is relatively comprehensive, including information on all institutions involved in dual credit provision, number of students enrolled and in which courses, grades in dual credit courses, graduation rates

of enrolled students according to the number of courses taken, and college-going rates, the annual report lacks information on dual credit's outcomes in impacting college preparedness, increasing college-going rates for students who otherwise would be less likely to go to college, or impacts of dual credit on overall math or reading proficiency. The annual report does not clarify if students are using their dual-credit courses towards future degree completion. The programs in HB256 could stand to clarify dual credit's role in furthering key education outcomes in the state of New Mexico: reading proficiency, math proficiency, and career or college readiness.

Importantly, analysis from the Department of Information Technology notes:

It appears a dual credit pilot program is generally not the type of an educated-related service a REC provides to school districts. In addition, HB256 does not include selection criteria for participation in the pilot project. The Department of Information Technology (DoIT) has not reviewed or analyzed the proposed curriculum for the Dual Credit Cybersecurity program. Cybersecurity job descriptions are growing in numbers and in complexity and the need is now. While this initiative is a good start in principle, DoIT is not aware of any market analysis that was completed to indicate an associate program is the best alternative to address the current job market situation which could change due to other market and economic factors in the next three years. This dual-credit program could potentially work towards solving the entry level cyber work force crisis, the need for a holistic solution to provide a sustainable and structural career path needs to be established and adopted to meet the evolving needs. For example, if the job requirements for cyber related work continues to indicate minimum requirement is a bachelor's degree, we may continue to have the same situation or worse in spite of the newly minted dual degree associated graduates. At the state level, a new level of job classification with minimum requirement of associate degree needs to be created with appropriate career path or existing entry level cyber job classifications need to be modified.

Analysis from the Public Education Department notes:

The pilot project might increase ongoing and continuous teacher development to build a pipeline from high school to jobs in cybersecurity issues, a fast-growing, highly technical field.

ADMINISTRATIVE IMPLICATIONS

The Public Education Department (PED) approves the operations of RECs and are classified as individual state agencies administratively attached to PED.

There is not significant precedent for a bill to directly appropriate funds, including administrative fees for the designee, to an enterprise agency like a regional education cooperative, and there are not guidelines in place for careful oversight of these funds, as regional education cooperatives do not have the same oversight as non-enterprise state agencies. Oversight from PED to ensure a clear budget for the project could ensure the \$1.8 million appropriation is sufficient to cover three years of costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 125, School Dual Credit Task Force, which would create a task

force to study the administration, cost, and function of dual credit in New Mexico.

OTHER SUBSTANTIVE ISSUES

Analysis from the Department of Information Technology notes:

Cyber workforce needs are increasing year after year and the complexities are evolving as more and more threat actors are exploiting the computer systems, networks and sensitive data and threat vectors are getting very complex. Maintaining status quo will amplify the problems and could potentially expose state assets to cyber risks.

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