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FISCAL IMPACT REPORT

SPONSOR Espinoza ORIGINAL DATE 2/26/09
LAST UPDATED _____ HB 740
SHORT TITLE Dual Credit Program for Additional Students SB _____
ANALYST Varela

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		See Narrative	See Narrative	\$0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 49, HB 50, HB 139, SB 323
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Department of Public Education (PED)

Department of Higher Education (HED)

SUMMARY

Synopsis of Bill

HB 740 amends Section 21-1-1.2 NMSA 1978 to expand access to dual credit programs to high school students who attend home schools, private schools and federal Bureau of Indian Education schools. HB 740 amends language related to course, textbook and supply costs and reporting requirements

FISCAL IMPLICATIONS

HB 740 carries no appropriation.

The Public Education Department (PED) reports a likely fiscal impact to the Bureau of Instructional Materials to cover the costs of additional textbooks and the Data Collection and Reporting Bureau efforts related to the increased reporting requirements to the STARS data warehouse. PED is unable to provide an estimate of the potential fiscal impact due to the incomplete data related to home schooled children who may wish to take advantage of the proposed changes found in this bill. In addition, private schools and Bureau of Indian Education

schools are not required to report student data to PED for inclusion in STARS. According to the Office of Educational Accountability (OEA), without this data, there exists no clear means for PED to provide a state student identification number to individuals from these sources who wish to participate in the dual credit program.

The Higher Education Department (HED) reports that there is no direct cost to the agency as a result of the enactment of HB 740.

SIGNIFICANT ISSUES

OEA reports that over a two-year period through enabling legislation, SB 983 (2007) and SB 31 (2008), New Mexico created a dual credit program that allows public high school students in school districts, charter schools, and state-supported schools to earn both high school and college credit for qualifying dual credit courses. Qualifying courses must be academic or career technical in nature, which means they must apply toward a degree or certificate program.

The significant difference with a dual credit course and a regular high school course is that the former awards credit towards the high school diploma as well as a certificate or degree in an institution of higher education. HED reports that in school year 2007-2008, a total of 10,200 students from New Mexico high schools took dual credit courses, amounting to approximately 10 percent of the state's total high school student population.

Both the PED and HED indicate that some mechanism for providing a state-issued student identification number to students from home schools, private schools or federal Bureau of Indian Education schools will need to be established. HB 740 does not specify who should assume the cost of this development. In addition, mechanisms for the return of textbooks and supplies will need to be worked out at the local level for each school district that participates in this expansion.

The dual credit initiative is part of the larger effort to redesign high schools in New Mexico as well as enhance college readiness and reduce the need for remedial coursework in institutions of higher education.

PERFORMANCE IMPLICATIONS

OEA states that HB 740 appears to support the Making Schools Work Performance and Accountability Contract at Task 1.7 Ensure students graduate from high school prepared to succeed in higher education and the workplace and Task 1.8 Expand participation in higher education.

ADMINISTRATIVE IMPLICATIONS

A mechanism for issuing a state student identification number may need to be developed at the state-level and a means for the return of textbooks and supplies may need to be worked out at the local level for each participating district.

PED indicates there are at least 5 administrative implications that arise from HB 740:

- Reporting to the Student Teacher Accountability Reporting System (STARS);
- Reporting to the Data Editing and Reporting (DEAR) System;

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- Modifying state administrative rules;
- Enabling Bureau of Indian Education schools to apply for Indian Education Funds; and
- Enabling Bureau of Indian Education schools, home school, and private schools to waive tuition and fees associated with dual credit.

RELATIONSHIP

Relates to HB 49, HB 50, HB 139, SB 323

PV/mt