

LESC bill analyses are available on the New Mexico Legislature website (www.nmlegis.gov). Bill analyses are prepared by LESC staff for standing education committees of the New Mexico Legislature. LESC does not assume any responsibility for the accuracy of these reports if they are used for other purposes.

LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number SB377 **Sponsor** Munoz

Tracking Number .212873.1 **Committee Referrals** SEC/SFC

Short Title School True Talent Acceleration Fund

Analyst Force **Original Date** 2/7/19
Last Updated _____

BILL SUMMARY

Synopsis of Bill

Senate Bill 377 (SB377) would create the “true talent acceleration fund” as a nonreverting fund consisting of appropriations, gifts, grants, donations and investment income derived from the fund. The Higher Education Department (HED) is to administer the fund, which is subject to appropriation by the Legislature. The purpose of the fund would be to provide funding to offset losses incurred by postsecondary institutions tuition waivers for secondary students who take dual credit courses; support blended advising among high schools and public postsecondary institutions; establish a system of shared performance measures among HED, the Public Education Department (PED), and the Workforce Solutions Department (WSD) for dual credit students, which should include data-sharing with neighboring states to confirm student outcomes in employment and postsecondary education; and design and implement a marketing plan for public secondary students and their families about the advantages of dual credit.

HED would be required to convene the “True Talent Advisory Council,” (TTAC) which should include PED, HED, WSD, the Economic Development Department (EDD), and business and community leaders. The TTAC is to be staffed by PED and HED. The council is meant to advise HED on academic dual credit courses; funding needs for dual credit; compliance with Higher Learning Commission standards for dual credit; and funding recommendations for those aforementioned areas of advice.

FISCAL IMPACT

SB377 would appropriate \$12 million from the general fund to the true talent acceleration fund for expenditure in FY20 and subsequent years to carry out the purposes of the bill and fund expenses of the TTAC and HED in implementing the provisions of SB377. Unexpended and unencumbered balances will not revert at the end of the fiscal year.

HED notes the continued growth in the dual credit program over the last ten years suggests the dual credit program is adequately funded and, if not, the growth of the program is likely stabilized by tuition-paying students.

WSD indicates the requirement of shared metrics among PED, HED, and WSD will create fiscal impact. WSD suggests reserving a portion of the appropriation specifically for the establishment of shared performance measures.

Several New Mexico postsecondary institutions note likely fiscal impact in the form of increased operating funds for offsetting dual credit tuition costs:

- University of New Mexico (UNM) indicates additional revenue for Gallup branch campus is estimated at approximately \$45.5 thousand; for the Taos branch, \$483.4 thousand; for the main campus, \$1.3 million.
- New Mexico Institute of Mining and Technology (NMIMT) estimates additional revenue of \$45 thousand.
- New Mexico State University (NMSU) estimates losses for its campuses over the last seven years of approximately \$1.5 million, and notes a three-year likely impact of an additional \$420 thousand.

SUBSTANTIVE ISSUES

The dual-credit program is a low- to no-cost way for high school students to acquire college credit by allowing them to take courses that simultaneously satisfy high school graduation requirements while earning credits toward a postsecondary degree or certificate. HED and PED both note these goals are better achieved when the student enrolls in dual credit as part of an aligned, specific program or pathway. The popularity of dual-credit courses has been steadily increasing; the number of students in dual-credit courses increased 125 percent from FY09 to FY17, while the number of dual-credit courses taken grew 150 percent. While the increase in students participating in dual credit courses appears significant, it should be noted that in FY17, 62.3 percent of students only availed themselves of one dual credit course, probably to fulfill graduation requirements, which require students to take an online, advanced placement, honors, or dual credit course. Evidence suggests participation in dual credit programs increases positive student outcomes; in FY16, the graduation rate for dual credit students was 85 percent, compared with the statewide rate of 68.6 percent.

The dual-credit statute, Section 21-1-1.2 NMSA 1978, requires postsecondary institutions to waive fees for participating students, while school districts and charter schools purchase instructional materials. Statute only requires HED to “encourage” postsecondary institutions to waive tuition. According to the Legislative Finance Committee’s 2017 *Progress Report* on the dual-credit program, beginning in FY13, postsecondary institutions that offer dual-credit courses stopped receiving direct funding for dual-credit courses, instead receiving a base amount derived from prior-year appropriations, with about 2 percent determined by successful performance outcomes, leaving postsecondary institutions that offer dual-credit courses at a deficit for dual-credit funding. One of the proposed purposes of the true talent acceleration fund is to help offset these losses experienced by postsecondary institutions.

SB377 requires the establishment of shared performance measures among PED, HED, and WSD, but makes no suggestion regarding what measures would be appropriate. PED raises the possibility of these metrics focusing on areas such as remediation rates, credit hour attainment, postsecondary matriculation, degree completion, and reported wages. PED also notes the existence of the Dual Credit Counsel (DCC), a partnership between PED and HED created by the dual credit rule, Part 7 of 6.30 NMAC, suggesting that many of the directives of SB377 are within the scope of the DCC’s work. The DCC provides a Dual Credit Policies and Procedures Manual, which offers best

practices for dual credit, such as alignment between secondary and postsecondary programs of study, career and technical education pathways, and career clusters. It should be noted, the manual does not carry the weight of law; it was recently updated when stakeholder resistance to proposed changes to 6.30.7 NMAC were met with significant stakeholder resistance. The manual suggests access to dual credit should be limited to only one course for high school students who do not attend an early college high school and can demonstrate readiness on a standardized assessment. These recommendations were among those that evoked such resistance to the proposed amendments to the dual credit rule.

WSD makes note of its obligation to implement the Workforce Innovation and Opportunity Act (WIOA), under which the department established the WIOA youth program that focuses on young people aged 14 to 24 years, particularly those who are disadvantaged and experience barriers to employment. The program is meant to prepare young people for postsecondary education and employment opportunities and help them attain credentials. WSD coordinates with local school districts, postsecondary institutions, businesses, and registered apprenticeship programs to assure the program's activities and services are aligned with in-demand occupations and industries.

Several New Mexico postsecondary institutions have expressed support for SB377, recognizing that the appropriation in the bill will help defray costs for dual credit tuition that they have been waiving; they include the UNM, NMSU, Luna Community College, Mesalands Community College, San Juan College, NMIMT, University of New Mexico-Taos, and the New Mexico Independent Community Colleges.

ADMINISTRATIVE IMPLICATIONS

SB377 will require cooperation and collaboration among PED, HED, and WSD in the development of shared performance measures that may require additional FTE for those agencies.

SOURCES OF INFORMATION

- LESC files
- Public Education Department (PED)
- Higher Education Department (HED)
- Workforce Solutions Department (WSD)
- New Mexico Independent Community Colleges (NMICC)
- University of New Mexico (UNM)
- New Mexico State University (NMSU)
- Luna Community College (LCC)
- Mesalands Community College (MCC)
- San Juan College (SCC)
- New Mexico Institution of Mining and Technology (NMIMT)
- University of New Mexico- Taos (UNM-Taos)

RELATED BILLS

HB415, True Talent Acceleration Fund, is identical to SB377.

RKF/mc