

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/7/2007

SPONSOR Stewart LAST UPDATED 2/25/2007 HB 317/aHEC/aHAFC

SHORT TITLE High School Advanced Placement Courses SB _____

ANALYST Aguilar

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$2,033.5	\$2,033.5.0	\$4,067.0	Recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Department of Finance and Administration (DFA)

Higher Education Department (HED)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 317, as amended, removes the appropriation.

Synopsis of HEC Amendment

The House Education Committee amendment to House Bill 317 revises and adds to the responsibilities of the advanced placement board, makes a technical correction to language regarding appropriations to the advanced placement fund and expands the uses of the fund, and delays by a year implementation requirements for providing advanced placement courses.

SIGNIFICANT ISSUES

HB317/aHEC removes language regarding state and federal appropriations into the advanced placement fund as a technical correction.

HB317/aHEC adds two items to the list of responsibilities of the advanced placement board. These are make recommendations on the selections of certified advanced placement professional development providers and t make recommendations on strategies for expansion of the Pre-AP

and AP programs throughout the state.

The amendment expands the list of uses of the advanced placement fund to include the delivery of Pre-AP and AP courses through distance delivery methods and for providing professional development activities recommended by the board.

The bill requires that each high school in the state offer at least one advanced placement course. The amendment delays this until the 2008-2009 school year.

Synopsis of Original Bill

House Bill 317 appropriates \$2 million from the general fund to the advanced Placement Fund for the purpose of supporting the advanced placement summer institute and to provide funding to schools to enhance advanced placement programs.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

HB317 creates an advanced placement advisory board to advise the department on the best use of advanced placement funding and to make recommendations for curriculum to be used at the summer institute, recommendations on other professional development programs, and recommendations on professional development providers.

This bill creates a new fund whose proceeds are to be used to support the advanced placement summer institute, which will be free to New Mexico teachers; and allocate money to public schools to enhance a school district or charter school's advanced placement program to include professional development. The bill would allocate \$50.00 to school districts and charter schools for each student who receives a score of a 3, 4, or 5 on an advanced placement exam.

HB317 provides that each high school in New Mexico will offer at least one advanced placement course. This course can be offered as an approved distance learning advanced placement course.

AP courses have an end-of-course exam, with a score range of 1-5. Students who receive a score of 3, 4, or 5 on an AP end-of-course exam may be eligible to receive college credit for that course.

HED notes that AP courses are part of a high school-to-college alignment strategy because they are rigorous and prepare students to be college ready. On average, 62 percent of the AP Exams taken receive a grade that is recommended for college credit, advanced placement, or both. according to the College Board more than 90 percent of the colleges and universities in the United States recognize these exam grades. More than 1,400 institutions grant a full year's credit

(sophomore standing) to students presenting satisfactory grades on a stated number of AP Exams.

ADMINISTRATIVE IMPLICATIONS

PED notes the need for additional staff to support an advisory board and to oversee the program. The department estimates a need of \$33.5 thousand annually to support this program.

TECHNICAL ISSUES

One concern raised by PED AP staff is that several rural districts do not have the hardware, software or internet bandwidth capacity to engage in distance learning. PED AP staff also indicated that they are only just beginning to reach out to rural districts for training and professional development in implementing AP. The overall concern is that some rural districts may not be ready to implement an AP program either in-house or through a distance-learning program by the 2007-08 school year.

The Public Education Department reports that it currently receives \$98,000 in federal funding to provide reduced AP test fee grants. The federal money can only be used for this purpose. By combining this federal money with state allocations into the fund, and requiring that the money in the fund must be used for the summer institute and the fifty dollar awards, it may mean that federal funds are unintentionally misspent, putting the PED in violation of the spending regulations of the US Department of Education. The Department recommends amending lines 22-25 on page 2 of the bill to read, "The fund shall be administered by the department, and money in the fund is appropriated to the department to carry out the purposes of the fund, subject to federal law requirements."

PA/sb:csd