

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 157

50th Legislature, 1st Session, 2011

Tracking Number: .183587.1

Short Title: Dual Credit Reimbursement for Completion

Sponsor(s): Senator Lynda M. Lovejoy and Others

Analyst: Ally Hudson

Date: March 1, 2011 (revised)

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

Bill Summary:

SB 157 amends the higher education statutes to require that tuition reimbursement through the higher education funding formula for dual credit coursework be based on course completion, not enrollment.

SB 157 also amends the term *Bureau of Indian Education high school* to mean a school located in New Mexico that is directly funded by the Bureau of Indian Education (BIE) of the US Department of the Interior.

Fiscal Impact:

SB 157 does not contain an appropriation.

Fiscal Issues:

During the 2010 interim, the Legislative Education Study Committee (LESC) heard a presentation on the dual credit program. Among other aspects of the program, the committee discussed the reimbursement for tuition waivers that postsecondary institutions receive through the higher education funding formula. One point of concern was that, because this reimbursement is based on course enrollment, not completion, institutions may receive reimbursement for students who withdraw early in the term. The committee also noted that the master plan for higher education presented by the Secretary of Higher Education recommended creating a new funding formula related to student outcomes, such as completion of studies; and, with dual credit in particular, the master plan encouraged course completion. For these reasons, the LESL endorsed SB 157 as both an accountability and a cost-saving measure.

Should SB 157 be enacted, the Higher Education Department (HED) analysis explains, the department estimates that total dual credit tuition reimbursement to the postsecondary institutions would decrease by approximately \$350,000, based on the following assumptions:

- dual credit enrollment (73,390 credit hours) and tuition rates stay at the academic year 2009-2010 level; and

- approximately 6,800 credit hours would be classified as “incomplete,” amounting to approximately 9.0 percent of total dual credit student credit hours.

The bill analysis from HED further explains that, “due to a two-year lag between a year in which courses are provided and the year in which corresponding formula funding is appropriated, SB 157 [may] affect state funding in FY 14 and subsequent years.”

Substantive Issues:

Among its provisions, current statute addressing the Dual Credit Program requires:

- the public postsecondary educational institution or tribal college to waive all general fees; and
- HED to revise procedures in the higher education funding formula to address enrollments in dual credit courses and to encourage institutions to waive tuition for students taking those courses.

According to HED:

- since the inception of the Dual Credit Program in 2007, the department has collected course enrollments as a component of its data collection, and has reimbursed postsecondary institutions for their involvement with the Dual Credit Program based upon these numbers;
- the current funding formula uses enrollment data as of the census date of a course, which is typically the third Friday of the semester (for 16-week courses);
- a percentage of dual credit students withdraw from their coursework after the census date. Consequently, postsecondary institutions may be receiving tuition reimbursements for students who do not complete their coursework; and
- some institutions have expressed concern about the proposed funding model, arguing that they incur a cost whether a student completes a course or not.

As a final point, the Public Education Department analysis cites research showing that “students who complete dual credit courses complete high school and college at higher rates; therefore, if more New Mexico students are encouraged to complete dual credit courses, this could positively impact high school graduation rates and college completion rates.”

Background:

Enacted in 2007, LESC-endorsed legislation provided, for the first time, a statewide dual credit program authorized in statute and supported by the state. Through this program, a student may take a class offered by a postsecondary educational institution and earn credit at the high school and college levels simultaneously. The legislation was amended in 2008, also as endorsed by the LESC, to expand the program to include state-supported schools, in addition to school districts and charter schools, and to allow dual credit courses to be taken during the summer term. Most recently, in 2010, the legislation was amended to include federal BIE high schools and tribal colleges in the program.

The Dual Credit Program in New Mexico has proved to be popular. From an estimated figure of 6,000 to 7,000 during school year 2007-2008, actual enrollment during school year 2009-2010 grew to almost 11,000 with nearly 20 percent of those students taking two or more classes.

Related Bills:

SB 215 *Create Dual Credit Textbook Fund*

HB 214 *Dual Credit Program Eligibility*