

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 114a

49th Legislature, 2nd Session, 2010

Tracking Number: .180286.1

Short Title: Dual Credit Textbook Fund

Sponsor(s): Senator Cynthia Nava and Representative Nora Espinoza

Analyst: David Harrell

Date: February 8, 2010

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AS AMENDED

The Senate Education Committee assigns the administration of the Dual Credit Textbook Fund to the Public Education Department (PED), rather than the Instructional Material Bureau within PED (see “Technical Issues,” below).

Original Bill Summary:

Senate Bill 114 adds a new section to the *Public School Code* to create a non-reverting dual credit textbook fund in the State Treasury, to be administered by the Instructional Material Bureau in the Public Education Department (PED). The money in the fund is to be distributed to school districts, charter schools, and state-supported schools each year to provide textbooks and course supplies for their students who participate in the state Dual Credit Program.

Among its other provisions, SB 114:

- specifies that the term *textbook* includes other educational media as provided by PED rule;
- allows shipping and handling charges to be included in the cost of dual credit textbooks and course supplies;
- requires PED to promulgate rules to establish procedures, including the amount and schedule of the distributions and an accounting of the distributions by each recipient;
- allows school districts, charter schools, and state-supported schools to retain any unexpended funds and use them for the same purpose in subsequent fiscal years;
- requires each recipient, by July 1 of each year, to report to the Instructional Material Bureau any money received from students for lost or damaged books or unused course supplies, as well as any money received through sale of these items; and
- requires the bureau to reduce the recipient’s distribution by that amount in the succeeding fiscal year.

Finally, SB 114 is the subject of Senate Executive Message 51.

Fiscal Impact:

SB 114 makes no appropriation; however, for FY 11, \$1.0 million is appropriated for dual credit instructional materials in HB 2, as amended by the House Appropriations and Finance Committee on February 2, 2010.

For FY 10, the Legislature appropriated \$1.5 million to PED for dual credit textbooks and course supplies. That amount was reduced to \$1.4 million during the special session in October.

Substantive Issues:

As one of its provisions, the dual credit legislation requires a secondary school – that is, a school district, a charter school, or a state-supported school – to provide the textbooks and course supplies for the school’s students participating in the dual credit program. To address this need, the Legislative Education Study Committee (LESC) endorsed legislation in 2009 to create a fund specifically for this purpose and to appropriate \$1.5 million to this fund. The 2009 bill also prescribed the process that PED was to use for allocating and distributing the money. Although the bill did not pass, the appropriation was included in the *General Appropriation Act of 2009*, as noted above.

In the absence of legislation, PED asked a representative group of district superintendents to recommend a method for allocating and distributing the appropriation during school year 2009-2010. In late August 2009, the Secretary of Public Education sent a memorandum to the superintendents of school districts and the directors of charter schools outlining the process for distributing the funds.

- The first step occurred during the annual program budget questionnaire, which asked districts and charter schools to include the amount spent for “dual credit materials” during school year 2008-2009 and the amount estimated for school year 2009-2010.
- On September 10, PED announced the allocation of approximately \$1.0 million of the \$1.4 million appropriation to 79 school districts, 23 locally chartered charter schools, and three state-chartered charter schools. The other districts and charter schools, PED reported, had not requested any of the funds. According to PED, these funds began flowing in late November 2009.
- In February 2010, districts will be reimbursed through the same process for their students who have enrolled for the second semester. “Any remaining funds,” the memo further explains, “will be used to reimburse districts for summer dual credit course material.”

According to the first annual evaluation of the Dual Credit Program by PED and the Higher Education Department (HED), presented to the LESC in December 2009, the process of allocating and distributing dual credit textbook funds “will be reviewed for improvement, but no legislation related to the process is being proposed at this time. Districts will have more accurate estimates of dual credit textbook needs after school year 2009-2010 enrollments are completed.”

Nonetheless, the LESC has endorsed SB 114 because the committee believes that creating a specific fund and prescribing some procedures for administering it will help ensure both fiscal

accountability and the sustainability of the uniform Dual Credit Program from one administration to the next.

Technical Issues:

The PED analysis of SB 114 notes that the dual credit textbook funds are currently administered through Learning and Accountability, not Finance and Operations, which oversees the Instructional Material Bureau. This analysis also states, “The Instructional Material Bureau is not staffed to assume the responsibility of administering an additional fund and create entirely new policies and procedures required for the administration and monitoring of a program that in no way aligns with the current bureau responsibilities.” For these reasons, the PED analysis suggests amending the bill to replace “instructional material bureau” with “public education department.”

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.

The issue addressed by SB 114 arose during the 2007 interim, as a large, broadly representative dual credit committee, formed by PED and HED, began drafting agency rules and performing other tasks to implement the 2007 legislation creating the Dual Credit Program. At that time, school officials expressed their concern about the high cost of textbooks used in dual credit courses. To address this concern, the LESC Chair asked the Director to convene a work group to determine the amount of money needed and a methodology for distributing the funds. In addition to LESC staff, the LESC Work Group on the Dual Credit Program comprised representatives of the Legislative Finance Committee, the Executive, PED, HED, school districts, charter schools, state-supported schools, secondary education associations, postsecondary education associations, and college bookstores. The recommendations of this work group from the 2008 interim led to the 2009 legislation and appropriation noted above.

Related Bill(s):

HB 90 *Native American Schools Dual Credit Program*