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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/11

SPONSOR Espinoza LAST UPDATED \_\_\_\_\_ HB 214

SHORT TITLE Dual Program Eligibility SB \_\_\_\_\_

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		See Narrative		\$0.1	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the General Appropriation Act. HAFC substitute for HB2 has an \$812.3 thousand dollar appropriation for dual credit instructional materials.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)  
Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

House Bill 214 amends Section 21-1-1.2 and Section 21-13-19 related to dual credit to require the school district in which the parent of a private school or home school student resides to pay the cost of required textbooks and other core supplies if a qualifying private school or home school student participates in the Dual Credit program. Allocations to pay for materials will be made pursuant to the Instructional Material Law. Students will be required to return textbooks and unused course supplies to the district upon course completion or withdrawal.

## **FISCAL IMPLICATIONS**

A \$1.4 million appropriation was made to the Public Education Department during FY10 to cover the costs of dual credit instructional materials. At the end of FY10 \$360.6 thousand of the appropriation was reverted. HAFB Substitute for HB2 includes an \$812.3 thousand appropriation for dual credit instructional materials.

PED indicates unknown fiscal impact to districts to pay for Dual Credit textbooks and instructional materials for home school and private school students and to the PED to ensure collection of data elements to meet annual dual credit reporting required by Section 21-1-1.2 NMSA 1978. PED provided the following analysis:

- According to Higher Education Department (HED) data from 2007, 2008 and 2009, an average of 1,052 high school students who attended either private school or an “unknown” high school took at least one college course at a public postsecondary institution each year. Since public school students report their high school, “unknown” high school students may be home school students.
- There are 6,069 high school students attending NM private schools that receive Instructional Materials funds. This figure was determined from the reporting by private schools on their 40<sup>th</sup> Day membership to the state available on the NMPED web site.
- New Mexico home schools report to PED that there are 7,128 kindergartens through 12<sup>th</sup> grade students. Since PED does not regulate the numbers of credits for home schools, it is not possible to tell how many of these students are in high school.

HED indicates there will be no direct fiscal impact to the department if this bill is enacted.

## **SIGNIFICANT ISSUES**

Currently, everyone involved in the dual credit program bears some financial responsibility to participate, except public school and private school students. For public school, charter school, state-supported school and Bureau of Indian Education students, public colleges and universities have agreed to waive tuition and general fees, public high schools pay for textbooks and course supplies, and the students and their families are responsible for course fees and transportation.

Public and private school students are required to pay for all costs associated with participating in a dual credit course – including tuition and general fees, textbooks and course supplies, and course fees and transportation. This bill would eliminate some of the financial burden placed on private school and home school students and their families by requiring the school district to pay for the instructional materials required for Dual Credit courses.

PED provided the following analysis:

- HB 214 would expand the use of the Unique ID to private/home school students. This could give New Mexico more complete education data.
- By earning college credit in high school, students are more likely to both graduate from high school and participate in postsecondary education opportunities after high school.
- Students who earn dual credit are more likely to complete their postsecondary education.

- New Mexico students who take Dual Credit courses are less likely to need remediation in college

### **PERFORMANCE IMPLICATIONS**

The intent of HB214 is aligned with HED’s strategic goal of expanding access to postsecondary education, as set forth in the Agency Strategic Plan for the HED.

PED indicates the following performance implications:

- For home school and private school students that move into the public school system, HB 214 could positively impact high school graduation rates.
- For home school and private school students who attend a New Mexico public postsecondary institution after high school graduation, HB 214 could reduce postsecondary remediation rates and increase college completion rates.

### **ADMINISTRATIVE IMPLICATIONS**

PED and HED will need to establish a mechanism to collect Dual Credit data on home school and private school students. Currently, private schools are not required to report student data to PED for inclusion in the Student Teacher Accountability Reporting System (STARS) or to HED for inclusion in the Data Editing and Reporting (DEAR) database. Statutorily, HED and PED are required to report on annual dual credit data including:

- The number of students taking dual credit courses;
- The participating school districts, charter schools, state-supported schools, Bureau of Indian Education high schools, public postsecondary educational institutions, and tribal colleges, and their graduation rates;
- The courses taken and grades earned;
- The public postsecondary educational institutions and tribal colleges that participating students ultimately attend; and
- The cost of providing dual credit courses.

Data collected are ultimately used to evaluate the effect of the Dual Credit program on academic performance and accessibility to students statewide. HB214 does not specify which agency will assume the administrative responsibility or cost for this development. It is also possible for home school and private school instructors/staff to require training to appropriately report Dual Credit information to HED and PED.

Uniform Master Agreements will also have to be updated to reflect collaboration with private schools and home school parents, including outlining the roles, responsibilities and liabilities of the private school and home school parent.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to SB215 – creates the Dual Credit Textbook Fund.

## TECHNICAL ISSUES

Page 2, Section B, Paragraph 1 includes private school students and home school students as being eligible to participate in dual credit so long as they are enrolled in one-half or more of the minimum course requirements approved by the public education department for public school students. In 2010, a similar requirement related to the inclusion of Bureau of Indian Education students under HB 90 was addressed through a revision of the Dual Credit rule (6.30.7 NMAC). This rule now allows for BIE students to meet the BIE definition of half-time.

## OTHER SUBSTANTIVE ISSUES

### Constitutional Issues

HED believes granting home school and private school students benefits through the Dual Credit program may implicate the following three sections of the New Mexico Constitution:

- Article IV, Section 31 prohibiting any appropriation for charitable, educational or other benevolent purposes to any person, corporation, association, institution or community, not under the absolute control of the state;
- Article IX, Section 14 (the anti-donation clause) prohibiting the state, country, school district and municipality from directly or indirectly lending or pledging credit or making any donation to or in aid of any person, association, or public or private corporation; and
- Article XII, Section 3 prohibiting any proceeds arising from the sale or disposal of any lands granted to the state by Congress, or any other funds appropriated, levied or collected for education purposes from being used for the support of any sectarian, denominational or private school, college or university.

HED also indicates that should the home schools and private schools exist for religious purposes, providing benefits to these students through the Dual Credit program could raise First Amendment issues pursuant to the United States Constitution which prohibits religious preference at both the federal and state government level.

RSG/bym