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FISCAL IMPACT REPORT

ORIGINAL DATE
SPONSOR Sanchez, M. **LAST UPDATED** 1/25/2015 **HB** _____

SHORT TITLE Tribal Dual Credit Program Fund **SB** 2

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$500.0	\$500.0	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Higher Education Department, Policy Development and Institutional Oversight

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Institute for American Indian Art (IAIA)

SUMMARY

Synopsis of SB 2

Senate Bill 2 appropriates \$500 thousand from the general fund to the tribal college dual credit fund, administered by the Higher Education Department (HED), to fund the tribal dual credit program. The funding would subsidize the costs incurred by tribal colleges for providing college dual credit programs to students pursuant to Section 21-1-1.2 NMSA 1978. Funds not expended during FY16 for credits provided during the 2015-2016 academic year would revert from the tribal dual credit fund to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund.

For FY14 and FY15, HED received \$200 thousand for the tribal dual credit program. The department has agreements with participating tribal colleges (Dine College, Navajo Technical College, and the Institute of American Indian Arts (IAIA)) to reimburse these institutions for tuition and fees associated with offering dual credit courses. For FY16, both the LFC recommendation and Executive recommendation included \$200 thousand in general fund support for this program. Should the Legislature maintain FY15 levels of funding for FY16 and SB 2 is enacted, the program would receive \$700 thousand – a nearly three-fold increase over FY15 general fund levels.

SIGNIFICANT ISSUES

HED reports that, during the 2013-2014 academic year, more than 3,500 dual credits were offered by the participating tribal colleges. Since tribal colleges do not receive state general fund support for instruction and general expenditures, the tribal dual credit program provides a modest level of support to subsidize expenses for offering such classes.

IAIA reports that dual credit courses are helpful in increasing the number of Native American students who enroll and persist in college. With greater financial support, more students could be served by these colleges.

PERFORMANCE IMPLICATIONS

Neither HED or tribal colleges report performance measures for the number of dual credit courses completed or whether students completing such courses require remediation at the college-level. The LFC's 2014 evaluation on college readiness efforts recommended measuring student persistence at the college-level for students who completed dual credit courses.

ADMINISTRATIVE IMPLICATIONS

While SB 2 appropriates funds to the tribal dual credit program fund and current appropriations are appropriated to HED's policy development and institutional financial oversight program, there is no difference in the administration of these funds. Under the General Appropriation Act or Section 21-1-1.2 NMSA 1978, any unexpended or unencumbered funds remaining in the tribal dual credit program fund or HED's program fund at the end of the fiscal year revert to the general fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 2 duplicates the appropriation included in HED's policy development institutional oversight line-item in the General Appropriation Act.