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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/18

SPONSOR Small LAST UPDATED _____ HM 46

SHORT TITLE Dual Credit Program Task Force SB _____

ANALYST Dulany

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY18 | FY19 | FY20 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|---------|------|----------------------|------------------------------|------------------|
| Total | | Minimal | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM)
 New Mexico State University (NMSU)
 Higher Education Department (HED)

SUMMARY

Synopsis of Memorial

House Memorial 46 requests HED and the Public Education Department (PED) to convene a task force to study funding the dual credit program and to recommend a sustainable strategy to promote growth and expansion of the dual credit program. The departments are requested to invite representatives of the New Mexico School Superintendents' Association, the Workforce Solutions Department, the Council of University Presidents, the New Mexico Association of Community Colleges, New Mexico Independent Community Colleges, and other interested parties to participate in the task force. The task force is requested to present findings and conclusions to LFC and the Legislative Education Study Committee.

FISCAL IMPLICATIONS

Legislative memorials do not carry appropriations. HED and PED are likely to incur costs in arranging task force meetings, and stakeholders participating in the meetings are likely to incur costs associated with travel and staff time.

A September 2017 LFC program evaluation progress report, *Dual Credit: Funding and Student Outcomes*, notes the state continues to fund both high schools and colleges for dual credit

instruction. In total, the report estimates the state provided \$54.4 million in FY16 for dual credit. For high school students, the report found in FY16 school districts received \$5,017 in program funding per 12th-grade student. Based on an estimate that high school students take an average of 6.56 courses per year, the funding per course is \$769. Students completed 48,068 dual credit courses in FY16, indicating school districts and charter schools received the equivalent of \$37 million in program funding for dual credit courses that year. The report found New Mexico's colleges received approximately \$16.4 million in dual credit funding, although changes to the higher education funding formula make this figure more difficult to disaggregate because institutions are no longer funded based on credit hour metrics. Further, the report finds about \$1 million was set aside in FY16 for instructional materials, which are provided by the high school the student attends.

According to HED, HM 46 cites that dual credit accelerates attainment of post-secondary credentials. This goal is realized when students are enrolled in a specific program and are required to take courses that count toward that program. Currently, this is not a component of New Mexico's dual credit program, according to the department.

HM46 cites that higher education institutions waive tuition for students and that the current funding structure of the dual credit program requires the institutions to bear a heavy cost burden. According to HED, since academic year 2008-2009, the dual credit program has increased from 9,727 students taking 21,640 courses to 21,899 students taking 54,051 courses in AY16-17. HED suggests "the continued growth of the dual credit program suggests that it is not currently underfunded." HED further notes, if the program is underfunded, the growth of the program is currently being subsidized by tuition paying students.

TD/sb/jle