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FISCAL IMPACT REPORT

SPONSOR <u>Romero, GA</u>	LAST UPDATED <u>3/6/23</u> ORIGINAL DATE <u>1/24/23</u>
SHORT TITLE <u>School Dual Credit Task Force</u>	BILL NUMBER <u>House Bill 125/aHFI#1</u>
ANALYST <u>Helms</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Regarding the Original Bill Received From
 Higher Education Department (HED)
 Public Education Department (PED)
 New Mexico Independent Community Colleges (NMICC)

SUMMARY

Synopsis of HFI#1 Amendment to House Bill 125

The House Floor amendments to House Bill 125 changes the composition of the proposed dual credit task force. While three overall members from community colleges are maintained, the members representing independent community colleges are reduced from three to two, while one member representing branch community colleges is added.

Synopsis of Original Bill

House Bill 125 proposes a dual credit task force to examine current course offerings, enrollment and hiring practices, student support, credit transferability, and barriers to participation. The task force is required to include the secretary of higher education or designee, two members from four-year institutions and three members from independent community colleges appointed by the secretary of higher education, the secretary of public education or designee, and two superintendents and three high school principals appointed by the secretary of public education. The bill proposes the task force would be established by July 1, 2023 and would report findings by January 1, 2024, to the governor, the Legislative Education Study Committee (LESC), and the Legislature.

FISCAL IMPLICATIONS

While there is no appropriation with HB125, analysis from HED indicates a major study within a six-month period would require staff resources from HED, PED, and members of higher education institutions and school districts appointed to the task force. PED analysis indicates the cost of a comprehensive survey and data analysis with existing staff is undetermined.

SIGNIFICANT ISSUES

Since FY14, HED has published an annual report on dual credit, which is based in part on work completed throughout the year by the Dual Credit Council. While this report is relatively comprehensive, including information on all institutions involved in dual credit provision, number of students enrolled and in which courses, grades in dual credit courses, graduation rates of enrolled students according to the number of courses taken, and college-going rates, the annual report lacks information on dual credit's outcomes in impacting college preparedness, increasing college-going rates for students who otherwise would be less likely to go to college, or impacts of dual credit on overall math or reading proficiency. The annual report does not clarify if students are using their dual-credit courses towards future degree completion.

HED analysis notes the Dual Credit Council, which includes three members from PED and three members from HED, could look into the provisions in HB125 in detail over the next couple of years, which is different from the expedited timeline described in HB125.

PED analysis notes while the Dual Credit Council already exists, “the dual credit task force created by HB125 would similarly be composed of appointees of the cabinet secretaries, but with minimal overlap of duties, would function to examine overarching issues for improving dual credit programs rather than making recommendations about issues not addressed in rule,” and “the report of the task force would be useful to the PED to ensure that students master academic and professional skills needed to be prepared for college and careers.”

Analysis from New Mexico Independent Community Colleges (NMICC) states colleges are not adequately reimbursed for dual credit students and notes in FY24, the Council of University Presidents, New Mexico Association of Community Colleges, and NMICC have requested \$15 million in nonrecurring funding to be spent over three to five years to support dual credit in New Mexico.

The SEG disburses funds to school districts for dual credit instructional materials, nearing \$900 thousand in FY20, and starting in FY20, the Legislature has appropriated \$2 million to colleges and universities to support dual-credit instruction. A 2021 LFC brief found that while nearly 16 thousand students had participated in dual credit pre-pandemic, two-year community colleges had expanded dual credit more than research universities and four-year institutions; dual credit students constituted 63 percent of enrollment at Mesalands Community College. However, colleges claim dual credit hours in their funding formula, while students are also counted as enrolled at their district and funded via the SEG, which may double-fund one student's enrollment. A 2017 LFC report also found participation in dual credit correlated more closely to a student's ACT scores than their college outcomes. The 2021 LFC brief also noted colleges indicate they lose tuition when they enroll dual credit students, yet dual credit students also buoy enrollment figures.

Dual credit has also been included in high school graduation requirements, where students must take one unit that is either an Advanced Placement, honors, dual credit, or distance-learning course.

PERFORMANCE IMPLICATIONS

HED analysis notes the dual credit program was designed “to help students transition from high school to college, either to an academic program, or into a career and technical education field, depending on the pathway chosen by each student.” HB125 could elucidate if the intended outcomes of dual credit for college readiness and impact of investment are being met, or if the dual credit program could be better utilized to support students in college and career readiness.

ADMINISTRATIVE IMPLICATIONS

HED and PED analysis notes the work of meeting and preparing a final report would entail additional work that would have to be absorbed into current administrative workloads, potentially impacting other project timelines.

RELATIONSHIP

Section 21-1-1.2 NMSA 1978 details eligibility to participate in dual credit, responsibilities of PED, HED, and participating IHEs, and various performance and reporting requirements.

Section 22-13-1.4 NMSA 1978 requires each school district to offer a program of courses for dual-credit, in cooperation with an institution of higher education, and a program of distance learning courses.

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