

LFC Requester:	Mark Valenzuela
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**AGENCY BILL ANALYSIS
2019 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 2/4/19
Original Amendment _____ Bill No: SB377
Correction Substitute _____

Sponsor: Sen. George K. Munoz Agency Code: 924
Short SCHOOL TRUE TALENT Person Writing Daniel Manzano
Title: ACCELERATION FUND Phone: 505-670-3820 Email Daniel.Manzano@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
NFI	\$12,000.0	Non-recurring	State Treasury

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
NFI	NFI	NFI	N/A	

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	N/A		

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB377 creates the True Talent Acceleration Fund, to be administered by the Higher Education Department (HED). The initial use of the fund is to convene a “true talent advisory council” which will advise HED.

The core uses of the fund are 1) to provide compensation to public postsecondary institutions to offset losses incurred in the delivery of dual credit to secondary students, 2) to support blended advising, 3) to establish a system of shared metrics between PED, HED and DWS, and 4) to finance a marketing plan.

FISCAL IMPLICATIONS

A nonreverting fund is established that may consist of gifts, grants, donations, and earned investment income, as well as a \$12,000.0 allocation from the state treasury.

The fund is subject to appropriation from the legislature and shall be administered by the HED.

Expenditures from the fund can be used in support on multiple goals. Specifically, funds may support:

- “Offset losses” at postsecondary institutions due to tuition waivers
- Support student advising
- Develop shared metrics and data sharing programs
- Design and implement a marketing plan
- Pay per diem and mileage for committee members who are not state employees

While tuition waivers are sometimes seen as an “unfunded mandate,” postsecondary institutions appear to be managing the rise in dual credit through their existing funding structures. At the secondary level, local districts and charter schools receive funding for dual credit students, even though the postsecondary provides the teacher, and often the location, for instruction.

SIGNIFICANT ISSUES

The creation of the True Talent Advisory Council (TTAC) is proposed in addition to the existing Dual Credit Council (DCC), established by 6.30.7 NMAC, for which PED and HED are required partners. Work outlined in SB377, especially Section 1.D (pg 3, line 15), is within the current

scope of the DCC's work. The DCC provides a Policies and Procedures Manual¹ which outlines best practices for dual credit, including alignment to programs of study, meta-majors, CTE pathways and career clusters, as well as academic courses (called unrestricted credits in SB377), and also addresses higher learning commission standards regarding dual credit course delivery and teacher qualification.

Responsibilities of the TTAC include providing advice to HED specifically on funding needs for dual credit. As currently operating, the DCC does not have this responsibility. Furthermore, membership in DCC does not include the workforce solutions department, the economic development department, community organizational leaders or business leaders.

PERFORMANCE IMPLICATIONS

Completing one or more dual credit courses is correlated with significantly higher graduation rates than the overall graduation rate for the state. In 2016-17 (the most current available data), the graduation rate for New Mexico students who participated in dual credit was 85.5%. Once entering postsecondary institution as first time freshman, dual credit students have lower remediation rates (33%) than those students who did not participate in dual credit (50%).

National evidence indicates that when student advisement for dual credit is focused on quality educational pathways that are aligned with both student interest and community workforce needs, students are more engaged in their educational journey, resulting in higher postsecondary matriculation and increased persistence toward completion.²

Dual credit can offer significant tuition savings for New Mexico families, but only when it reduces time to degree attainment³. Because students who directly matriculate from a New Mexico high school have access to the Lottery Scholarship, dual credit coursework is often considered "free" by both families and educators, perhaps devaluing its potential for postsecondary acceleration. Research by HED suggests that New Mexico dual credit students take an average of 7 credits more to complete an Associate's degree than a comparison group who did not participate in dual credit, which reinforces the importance of quality advisement.⁴

SB377 requires the establishment a system of shared metrics between NMHED, the New Mexico Public Education Department (NMPED), and the Department of Workforce Solutions (DWS). It does not specify what performance measures should be evaluated or what goals are appropriate. Metrics that would be useful for evaluating performance might include remediation rates, credit hour attainment, postsecondary persistence and degree completion, and reported wages.

ADMINISTRATIVE IMPLICATIONS

Establishing a system of shared metrics for dual credit students between PED, HED and DWS will likely incur unplanned personnel costs with respect to the time and effort required to develop a system for tracking dual credit data across the three governmental departments. This

¹ <https://webnew.ped.state.nm.us/wp-content/uploads/2018/03/Dual-Credit-Policy-and-Procedures-Manual.pdf>

² <https://ies.ed.gov/ncee/wwc/Intervention/1043>

³ https://nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Progress_Reports/progress%20report%20dual%20credit%20september%202017.pdf

⁴ http://www.hed.state.nm.us/uploads/files/Policy%20and%20Programs/CCRB_dualcredit_Executive_Summary_of_Recommended_Dual_Credit_Changes_pdf.pdf

could be in addition to incurring costs for information technology hardware to support the system design in an optimal manner for purposes of functionality and graphical user interface.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None noted.

TECHNICAL ISSUES

None noted.

OTHER SUBSTANTIVE ISSUES

One stated purpose of SB377 is to design and implement a marketing plan. Marketing considerations could benefit from consultation with other state initiatives, e.g. New Mexico True, to possibly reduce the cost burden on the fund.

ALTERNATIVES

Instead of establishing a new advisory council, consideration might be given to more effectively utilize the existing state workforce board, which is overseen by the Department of Workforce Solutions and has a federally mandated membership structure. Members include the public education department, higher education department, workforce solutions department, economic development department, community organizational leaders and business leaders. Furthermore, it has a requirement that half of the members be representatives of labor and workforce. This existing structure could provide direction to the Dual Credit Council and the Higher Education Department that would reflect the needs of the larger, non-education community. Furthermore, assigning advisory duties for dual credit to the state workforce board might increase the business community's interest in active membership on that board, which could provide additional benefits to state government and legislature.

Since secondary schools receive funding through the state equalization guarantee (SEG) for high school students who are receiving postsecondary tuition waivers, it might be appropriate for the high school student's home school district to pay for tuition. This could be less complicated to administer than the direct appropriation and reimbursement structure proposed by SB377.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Public, postsecondary institutions will continue to deliver dual credit instruction to secondary students within the fiscal parameters currently utilized. NMHED and PED would continue to administer the dual credit program through the dual credit council.

AMENDMENTS

None.