



## **New Mexico True Talent Acceleration Fund:**

Dual Credit Courses Pivotal to Higher Academic and Economic Outcomes  
for New Mexico and Create the Bridge to a PK-20-Workforce System

### Proven, Powerful Outcomes Generated by New Mexico's Dual Credit Program:

Dual Credit courses have proven to be the single greatest tool for propelling New Mexico's students to high school completion, post-secondary persistence, and workforce entry:

- Support college-access and persistence for historically underserved populations, including students of color, first-generation college attenders, and students from low-income families
  - 83% of dual credit students earn A-C grades in their college-level courses, with the vast majority scoring A's and B's (66%)
- Directly correlated to the state's record-setting high school graduation rates and proven to increase students' likelihood to graduate
- Proven correlation to reduced need for college remediation in certain subjects
- Integrated meaningfully into Early College High Schools and high school Career and Technical Education Pathways to shorten time to completion of post-secondary career certifications and two-year degrees, immediately increasing students' earning potential by \$5,000-\$12,000 on average
- Represent the only growing metric in the state's post-secondary enrollment, which has overall remained flat in the last 10 years
- Hold the key to closing the vast middle-skills and technical skills gaps needed in our state-wide workforce, transforming the state's economy through economically empowered workers and the fuel needed to increase diversification of economic development targets for higher-skilled, higher-paying industries
- Save New Mexico families tens of thousands of dollars in tuition costs while their children attend college. Estimated savings can reach as high as twenty thousand dollars for some families in college costs

The significance of these outcomes demands the need to ensure sustainability and expansion of the New Mexico Dual Credit Program. In response to the crisis, a Dual Credit Task Force was convened and now stands behind a set of recommendations that can establish New Mexico as a national leader in Dual Credit course access, quality delivery, academic outcomes, and economic return on investment.

### Why the Dual Credit Task Force was Convened:

Funding for New Mexico's Dual Credit Program currently places an unsustainable financial burden on higher education institutions that provide dual credit courses in partnership with school districts across the state.

Skyrocketing dual credit participation rates, increasing 200% since 2011, combined with \$50 million in cuts to the statewide higher education budget, have created a perfect storm of financial instability in a program that is directly tied to the state's highest-ever high school graduation rates and a significant source of enrollment growth in New Mexico's colleges and universities. In response, colleges have been forced to consider strategies to reduce or limit dual credit offerings to students, which will eventually create a significant loss of momentum to this very successful program. Without an intentional effort to close the gap in funding for higher educational institutions that waive tuition dollars for these courses, the successful Dual Credit Program in New Mexico may well collapse under the weight of its own success.

A prevailing misunderstanding of the costs of dual credit delivery and outcomes is that the state is paying for credit hours twice, and, therefore, some type of double payment is occurring. In fact, it is called "dual credit" specifically because the student is taking the class once, while delivering students credit completion in two separate educational systems, which inherently creates financial impacts in both systems.

Students who do not participate in dual credit coursework in high school then enroll in higher education, the state is, in fact, paying more to fund the credit earned at that time, due simply to the increased time needed for students to earn a certificate or degree. Dual credit provides not only financial efficiencies by being delivered once in a partnership between high schools and higher education institutions, but significant future savings in higher education dollars for families and the state.

Each institution, whether public school or higher education, has institutional costs and expenditures. Aside from the direct costs of instruction (staff, books, fees), costs incurred by both include administration, data, supportive technologies, and other infrastructure costs. Therefore, it's equitable that each institution receive some level of financial compensation for the services delivered in service to students.

In FY 19, the higher education funding formula only provides at most \$1.51 per credit hour generated, while tuition costs (which cover instruction, administration, data, supportive technologies, and infrastructure) range from \$38 to \$82 for community colleges and \$147 to \$180 for universities.

To address this growing crisis and find a financial solution to sustaining this proven program, House Memorial 46 was introduced in the 2018 Legislative Session and called for the establishment of a Dual Credit Task Force to "study funding for the Dual Credit Program and to recommend a sustainable strategy to promote the growth and expansion of the dual credit program." The measure passed but was not implemented due to lack of funding to support it.

However, the Bridge of Southern New Mexico, a Dona Ana County-based non-profit organization, reached out to a set of public and higher education leaders, those who are dealing with the fiscal and academic impacts of the Dual Credit Program, along with representation from the Department of Workforce Solutions, to work together toward creating a sustainable, effective solution for the state's growing Dual Credit crisis. The task force sought not just a funding solution, but one that addressed misalignment in the Dual Credit Program that had undermined academic outcomes for New Mexico's students.

Members of the Dual Credit Task Force include:

*Public Education Representatives*

Stan Rounds, Executive Director, New Mexico Coalition of Educational Leaders

Travis Dempsey, Superintendent, Gadsden Independent School District

Chad Cole, Assistant Superintendent for Finance and Operations, Roswell Public Schools

*Higher Education Representatives*

Dr. Renay Scott, former President, Dona Ana Community College/current Vice President for Student Success, New Mexico State University

Dr. Toni Pendergrass, President, San Juan Community College

Samantha Sengel, Chief Community Engagement Officer, Central New Mexico Community College

Jennifer McDonald, Outreach, Central New Mexico Community College

Mark Saavedra, Executive Director, Council of University Presidents

*New Mexico Department of Workforce Solutions Representatives*

Yolanda Cordova-Montoya, WIOA Administrator

Victoria Alonzo, WIOA Program Coordinator

*The Bridge of Southern New Mexico Representatives*

Dr. Michael Morehead, Board of Directors Vice-Chair

Tracey Bryan, President/CEO

Challenges/Opportunities Addressed:

The meteoric rise in dual credit students (200% more since SY 11-12) and courses taken (200% more since SY 11-12) over a short period of time has, unfortunately, contributed to instability in New Mexico's Dual Credit Program:

- Inequitable and insufficient funding for high education partners who waive tuition for high school students, essentially shifting the costs of dual credit courses onto tuition-paying students, an estimated loss of \$9.5 million statewide for FY18.
- Lack of adequate and blended student advising between high schools and colleges to support course alignment to post-secondary outcomes resulting in excess course accumulation that can undermine students' ability to secure future financial aid
- Inconsistent quality of coursework delivery methods, especially to students in rural areas, to best prepare them for success in college post-high school

- Lack of adequate data analytics to understand the post-secondary and workforce outcomes of dual credit students and improve student outcomes

However, thanks to the work of the New Mexico Public Education and Higher Education Departments, there have been a set interventions launched to help reduce excess coursework and ensure greater alignment between high school and college outcomes including:

- In high school: Career Clusters, Program of Study, Next Step Plans, identification of a set of assessments/tools to determine college-readiness
- In college: State-wide transferability of freshman-level courses, Meta Majors, state alignment to Higher Learning Commission Standards

Most importantly, when Dual Credit courses are properly aligned to post-secondary career certifications or two-year degrees, the additional funding needed to close the funding gap for higher educational institutions will generate a financial return on investment for New Mexico’s families and the state. Using the most fiscally conservative estimates for every \$1 invested in closing this funding gap:

- \$13 will be returned to families when students earn four-year degrees through reduced student loan debt, need for remediation, and increase income from earlier workforce entry; \$6 for two-year degrees
- \$1.12-\$1.28 returned to the state through taxes generated through increased graduate earnings and remediation savings for four-year degrees; 56 cents to 71 cents returned on two-year degrees

Students and families save \$5,000 to \$15,000 annually when Dual Credit courses are well aligned to degree completion and workforce access, ensuring reduced time to degree, increased likelihood of degree completion, reduced student loan debt, and maximum utilization of limited lottery scholarship resources and precious state budget dollars.

#### Dual Credit Task Force Proposed Solutions:

New Mexico has the right tools, funding, and political will to spark transformation in its educational system, and Dual Credit courses provide the literal “bridge” to the PK-14/PK-16/PK-20-Workforce system desperately needed to propel students, families, communities, and the state forward.

Guided by best practices and using recommendations advanced nationally through the College Board’s College Credit in High School Working Group Report, the Dual Credit Task Force proposes the following set of recommendations to position New Mexico’s Dual Credit Program as a national model for maximizing educational investment and alignment.

#### **Policy Recommendation:**

Establish the **New Mexico True Talent Acceleration Fund** as a separate funding stream to provide higher education partners with the resources to fully support the state’s Dual Credit Program.

Administered by the Higher Education Department, the New Mexico True Talent Acceleration Fund would be guided by a New Mexico True Talent Advisory Council, also organized and convened by the Higher Education Department, that includes leaders from:

- Public Education
- Higher Education (community college and university)
- Department of Workforce Solutions representative
- Community Organizational Leaders
- Business Leaders
- New Mexico Economic Development Department

The New Mexico True Talent Advisory Council would be tasked with ensuring adequate and sustainable funds distributed through the New Mexico True Talent Acceleration Fund:

- Support funding for dual credit courses aligned to programs of study, meta majors, Career and Technical Education pathways, and Career Clusters as identified by the New Mexico Departments of Public Education and Higher Education that support progress toward certificate/degree completion and/or workforce preparedness
- Fund only “Unrestricted Credits” as defined in the NMAC 5.3.12, “...*student credit hours earned in a course offered for academic credit for which the faculty salary is paid by funds from the regular instruction and general sources and for which the student cost is the regular, on-campus tuition.*”
- Comply with Higher Learning Commission standards for dual credit course delivery through college instructors or qualified high school adjunct teachers
- Support the Higher Education Department in management and administration of the fund
- Provide funding to support blended advising between high schools and colleges/universities to support students’ progress toward degree/certificate completion
- Establishes and funds a system of shared metrics for dual credit students between the New Mexico Departments of Public and Higher Education and Workforce Solutions and includes data-sharing agreements with neighboring states to confirm student outcomes in education and employment
  - High school and college completion
  - Transferability of courses
  - Job placement/income in the workforce
  - Demonstrate positive returns on investment to families and state dollars invested in the program
- Support communications about the fund and Dual Credit Program to stakeholders, including:
  - Students
  - Parents
  - High School Teachers and School Administrators

- College Professors and Administrators
- High School and College Advisors

**Funding Recommendation:**

The New Mexico True Talent Acceleration Fund would be set at \$9 million - \$12 million per year, based on average of statewide tuition per credit hour. This fund would support:

- Instructional costs for dual credit course delivery
- Administrative costs to higher education for blended advising between public and higher education
- Clear communication to students and families about dual credit courses and their potential impacts on students’ ability to complete post-secondary certifications or degrees
- A pilot for data sharing between PED/HED/WFS as well as data-sharing agreements with neighboring states
- HED staff costs to convene, implement, and measure the New Mexico True Talent Acceleration Fund

This fund would provide a sufficient and sustainable funding stream, unlike the the dual credit performance metric from the existing funding formula, which creates a “winners” and “losers” dynamic in the formula. It will provide a stable funding mechanism to support those institutions’ ability to sustainably partner in this proven best practice in our state and for data driven metrics on the return on this investment to New Mexico’s families and the state, itself.

In recent years, funding for Dual Credit courses was allocated to New Mexico’s comprehensive and two-year institutions through the Higher Education Instruction and General Performance-based funding formula in FY15.

Dual credit was included as part of the formula to fund the cost of administering dual credit and to partly offset waived tuition. It’s estimated that institutions of higher education waived \$33.7 million in tuition or an average of \$8.4 million per year from fiscal years 2015-18 (based on funding formula data).

The funding formula distributes funding to institutions based on institutions’ percentage of production of the dual credit hours and the hourly tuition rate (weighted value).

For example, if institution A’s weighted value is 10% of the total weighted value, then that institution will receive 10% of the funding available for dual credit. The amount of available funding is provided through two sources: 1) new money from a budget increase over the previous year and 2) redistribution of the institutions’ Instruction and general funding base. New money has an impact on the overall state budget, while base redistribution has no impact, since money is taken from one institution and given to another institution based on its overall

performance. In FY16 through FY19 dual credit received approximately 3.3% of total available new funds and redistributed funds.

Although there was a small reimbursement of \$4.75 per dual credit hour in FY15 to approximately \$1.51 per dual credit hour for every one percent in new money in FY19 some institutions actually lose money overall, due to redistribution of the existing base. Institutions that have above average dual credit hour production (weighted by part-time tuition) receive additional funding while institutions with below average dual credit hour production (weighted by part-time tuition) will lose funding. In other words, funding is redistributed from institutions with low weighted dual credit hour production to institutions with high weighted dual credit hour production. New funding has the potential to offset losses depending on how much is earned through redistribution and the amount earned from new money. In fiscal years 2017 and 2018 the legislature did not provide new funding so there was no possibility of institutions offsetting potential losses with new money.

New money does have a small positive impact but does not come close to cover the tuition waived by institutions. In 2019, institutions waived \$8.4 million in tuition, while receiving a total of \$1.1 million through the formula: \$376,400 coming from new money and \$752,700 redistributed from the institutions base. This represented a single year loss of \$7.3 million statewide even with new money.

New Mexico's Dual Credit Program cannot exist without both partners (public education and higher education) playing their role in the partnership. These roles require administrative, advising, instructional, material, and transportation costs. However, by delivering a course one time, with credit counting in two places (high school and college) there is an efficiency built into the system. The "double funding" argument bears no weight, because students are receiving two very clearly defined outcomes - high school and college credit.

#### How Will New Mexico Benefit from the New Mexico True Talent Acceleration Fund:

Moving New Mexico forward demands that we mobilize as many New Mexicans as possible into technical and middle-skill degrees to fill the growing gaps in our workforce. High poverty and unemployment rates (especially for those with less than a high school diploma) and a shortage of technically skilled workers are preventing success and perpetuating the sense of hopelessness about the prospect of change and the future of New Mexico for the next generation.

The New Mexico Department of Workforce Solutions has identified a set of "Star Occupations" that meet multiple positive criteria related to employment growth. Many of these top private-sector Star Occupations require career certifications and associate degrees that more New Mexicans could earn faster and younger using dual credit courses while in high school, including:

- Medical and Health Services Managers
- Registered Nurses (ADNs)

- General and Operations Managers
- Management Analysts
- Industrial Machinery Mechanics
- Computer Systems Analysts
- Medical and Clinical Lab Technicians
- Computer User Support Specialists
- Supervisors of Office & Administrative Workers
- Licensed Practical and Vocational Nurses
- Emergency Medical Technicians and Paramedics

Dual credit courses also have a role to play in the mismatch between workforce development efforts and the current and future needs of employers. According to the most recent New Mexico Job Vacancy Survey by the Department of Workforce Solutions, four of every five jobs characterized as “difficult to fill” required a license or certification and occurred in industries like agriculture, construction, manufacturing, healthcare, transportation and logistics, engineering, IT, and technical trades – all of which can be met through existing Career and Technical Education pathways.

The *2016 New Mexico First Statewide Town Hall Report: Economic Security and Vitality for New Mexico* highlighted that by 2020, most NM students will not have the education, credentials, or degrees required to fill 63% of the state’s jobs. Recommendations included strengthening the workforce through education, specifically by investing in youth programs that teach social, agricultural, financial, technical, vocational, organizational and employment preparation skills by creating pathways, reform funding mechanisms to support and encourage diverse career and college pathways that reflect anticipated workforce needs and include all CTE and certificate programs, and align high school and 2/4-year education curriculum and articulation, transferring credit between institutions.

Dual Credit Courses are also pivotal to improving the academic outcomes, as outlined in the No Time to Lose Report that is providing guidance to the Legislative Education Study Committee in supporting a comprehensive, connected set of interventions to move our state and our students forward. In the National Center on Education and the Economy’s report to the committee, *What It Will Take for New Mexico to Compete With The Best Education Systems in the World*, three of the nine building blocks for a world-class state education system can be achieved through a meaningful and strategic use of Dual Credit Courses:

- Building Block #3: Develop world-class, highly coherent instructional systems
- Building Block #4: Create clear gateways for students through the system, set to global standards, with no dead ends
- Building Block #7: Create an effective system of career and technical education and training

Graduates of New Mexico’s Dual Credit Program are, indeed, the best ambassadors for the program’s success on behalf of students, and especially those in historically underrepresented populations:



*Dual credit helped me become more independent. It was on me. My parents supported me, but they didn't have the experience to help. When I got to BYU, I didn't struggle like people older than me.*

Brigham Young University Sr. Amanda King, Native American first-generation college attendee from the Navajo Reservation (San Juan College dual credit student)

*Taking college courses disciplines you and makes you ready for success. Dual credit helped me get there faster. It would have taken more time and money. Instead, I graduated with no loans.*

UNM Engineering Graduate Monica Lechuga, first-generation American and graduate starting at Sandia National Lab in January (San Juan College dual credit student)

## **Summary**

New Mexico's Dual Credit Program has delivered on its promise to increase high school graduation and college enrollment rates for students. Facilitating strong, connected alignment to post-secondary completion points is the logical, and achievable, next step.

By establishing the New Mexico True Talent Acceleration Fund, New Mexico's students, families, educators, and leaders will amplify and expand the impact of Dual Credit courses in supporting academic and economic outcomes for all students, all while generating a return on investment of precious state budget dollars for New Mexico's families in educational saving and increased earnings. The state also benefits from increased efficiencies in education delivery, boosted future earnings of graduates which, in turn, strengthens the tax base, and reduces the need for inefficient remediation dollars.

The New Mexico True Talent Acceleration Fund:

- Provides the platform for New Mexico's transformation to a K-14/K-16/K-20 system
- Establishes greater access to, and accountability for, high quality Dual Credit courses for all New Mexico students
- Establishes a stable, sustainable funding source of \$9 to \$12 million to support higher education institutions' ability to sustainably partner in this proven best practice and generate data driven metrics on the return on this investment to New Mexico's families and the state
- Provides clear, consistent communication for students, families, and educators to determine how to best use these courses and understand the long and short-term impacts on student financial aid post-high school
- Supports blended advising to maximize investments of state dollars in both educational systems
- Solidifies academic pathways to college completion, generating increased earnings for graduates
- Meaningfully addresses and closes the state's middle-skills workforce gaps
- Creates the platform for a shared data system between the Departments of Public Education, Higher Education, and Workforce Solutions to track outcomes from education to employment and guide strategic future investment

- Incorporates public and private sector leaders in oversight and wise investment of New Mexico's Dual Credit Program.