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FISCAL IMPACT REPORT

SPONSOR Sanchez DATE TYPED 2/14/04 HB _____

SHORT TITLE Dropout Prevention Programs SB 336

ANALYST Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$1,000.0	See Narrative			Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB 265

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Public Education Department (PED)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 336 appropriates \$1 million from the general fund to the State Public Education Department (PED) for expenditure in fiscal years 2004 and 2005 for the purpose of contracting with a private nonprofit organization to establish dropout prevention programs at Bernalillo, Valley, Los Lunas, Rio Grande and West Mesa high schools in Bernalillo, Sandoval and Valencia counties.

SB 336 contains an emergency clause.

Significant Issues

This bill provides funding for dropout prevention programs to a three county area containing high schools that have a high percent of Hispanic and Native American students. The PED reports that New Mexico's dropout rate is the 5th highest in the nation. According to the PED's

Dropout Study for 2000-2001 the dropout rates are:

- 5.3% for New Mexico,
- 6.7% for Hispanics,
- 5.9% for Native Americans, and
- 3.6% for Anglos.

According to study, the dropout rates for the high schools listed in the bill are as follows:

- Bernalillo 4.9%
- Valley 5.1%
- Los Lunas 2.1% (although for the alternative school it is 16.7%)
- Rio Grande 14.8%
- West Mesa 3.6%

The school districts with the highest dropout rates are:

- House 35.7%
- Espanola 9.9%
- Carrizozo 9.1%
- Belen 8.8%
- Albuquerque 8.6%

ADMINISTRATIVE IMPLICATIONS

The PED reports its staff will be required to administer a request for proposal, establish a contract and provide oversight and technical assistance for the proposed project(s) and state this can be accomplished with current FTE.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

The PED Staff in the school districts targeted in this bill, Bernalillo, Albuquerque and Los Lunas, would be required to administer dropout prevention programs. Additional staff may need to be hired to accomplish this task. The appropriation in the bill would allow for this staffing pattern to occur.

The \$1 million to the contracted entity may breakdown as follows:

\$ 80,000	Consultation fees to establish dropout prevention in the five identified schools
\$ 5,000	Consultant travel costs
\$ 5,000	Administration fees associated with the project (including copying, flow-through of money to school sites, etc).
\$ 10,000	Project Evaluation
\$900,000	Establishment of dropout prevention programs at each of the five school sites. Including FTE and program development and support.

OTHER SUBSTANTIVE ISSUES

The PED reports that it currently provides funding, through a Joint Powers Agreement (JPA), to the Department of Health (DOH) for dropout prevention strategies and evaluation in three New Mexico school districts. This bill affords an opportunity for PED to expand the current dropout prevention pilot program. Funding for the current DOH-administered dropout prevention program ends in June 2004.

In the interest of accountability, the contractor hired to implement the program should submit a program evaluation to the Legislative Finance Committee and the Public Education Department by August 2006 detailing the effectiveness of the program and relating the benefits to the State of New Mexico from having implemented this program.

LB/dm:yr