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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/08

SPONSOR     Martinez     LAST UPDATED                      HB   533  

SHORT TITLE     Grants Dropout & Truancy Program     SB                     

ANALYST     Escudero    

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: SB 410, SB 477 and SB 510

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

#### SUMMARY

##### Synopsis of Bill

House Bill 533 appropriates \$50.0 from the general fund for FY 09 to the Public Education Department (PED) to support a dropout and truancy prevention program in Grants.

#### FISCAL IMPLICATIONS

The appropriation of \$50.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

PED may be required to designate staff to monitor the distribution of and expenditures of HB 533 funds. PED would be able to monitor these funds with existing staff. Estimated staff time for an Education Administrator 0 is 80 hrs x \$22.74/hr x 30% benefits= \$2.4.

## **SIGNIFICANT ISSUES**

According to PED, the Grants/Cibola County Schools has reported a truancy rate of 10% for the first semester of school year 2007/2008, and a Habitual truancy rate of 5%. Out of a total enrollment of 3,564 students, 463 were classified as truants (Grants/Cibola County School District, 2007).

According to the 2005/2006 PED Student Dropout Report, the dropout rate reported in 2005-2006 for the Grants/Cibola school district was 4.1% (New Mexico Public Education Department, 2008).

The goals of the Governor's Dropout and Truancy Prevention Initiative are to decrease truancy and dropout and increase student attendance. In order for students to achieve they must first be present. In addition, the underlying issues for dropout and truancy are oftentimes associated with social, family and health barriers that prevent students from achieving. These barriers do contribute to the disparities seen in NM diverse cultures that contribute to the achievement gap. Therefore, the dropout and truancy prevention programs help to provide supports to students, schools and families to increase academic success and close the achievement gap for all students.

According to the National Center for School Engagement (National Center for School Engagement, 2008):

- Truancy has been identified as one of the early warning signs of students headed for potential delinquent activity, social isolation or educational failure via suspension, expulsion or dropping out.
- Truancy is considered to be one of the top 10 problems facing schools. 80% of dropouts were chronically truant before dropping out. 90% of youths in detention for delinquent acts were chronically truant.
- If the attendance rate continues to decrease, the graduation rate will be affected.
- Dropout and truancy have been correlated to an increase in juvenile crime.
- The underlying issues for dropout and truancy are often associated with social, family and health barriers that prevent students from achieving. These barriers negatively impact closing the achievement gap.

## **PERFORMANCE IMPLICATIONS**

House Bill 533 may positively impact measures that relate to the Governor's Truancy and Dropout Prevention Initiative. The initiative may enhance school attendance, graduation rates and student performance, and may have an impact on abuse, neglect, juvenile delinquency, substance abuse and other related matters.

## **ADMINISTRATIVE IMPLICATIONS**

PED is the administrative agent for HB 533. PED will monitor the implementation of HB 533 with existing staff

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to SB 410, SB 477 and SB 510; Executive recommendation for \$1,000.0 for truancy and dropout prevention.