

1 HOUSE BILL 448

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO PUBLIC EDUCATION; ENACTING THE DROPOUT RECOVERY
12 ACT; AMENDING THE DEFINITION OF "QUALIFIED STUDENT" TO INCLUDE
13 DROPOUT STUDENTS; PROVIDING ELIGIBILITY REQUIREMENTS TO BECOME
14 A DROPOUT RECOVERY SCHOOL; REQUIRING THE PUBLIC EDUCATION
15 DEPARTMENT TO ANNUALLY MAINTAIN A LIST OF STUDENTS WHO ARE
16 IDENTIFIED AS DROPOUTS; PROVIDING RULEMAKING AUTHORITY;
17 REQUIRING DROPOUT RECOVERY SCHOOLS TO ANNUALLY REPORT
18 ENROLLMENT TOTALS.
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20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

21 SECTION 1. Section 22-8-2 NMSA 1978 (being Laws 1978,
22 Chapter 128, Section 3, as amended by Laws 2019, Chapter 206,
23 Section 6 and by Laws 2019, Chapter 207, Section 6) is amended
24 to read:

25 "22-8-2. DEFINITIONS.--As used in the Public School

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1 Finance Act:

2 A. "ADM" or "MEM" means membership;

3 B. "membership" means the total enrollment of
4 qualified students on the current roll of a class or school on
5 a specified day. The current roll is established by the
6 addition of original entries and reentries minus withdrawals.
7 Withdrawals of students, in addition to students formally
8 withdrawn from the public school, include students absent from
9 the public school for as many as ten consecutive school days;
10 provided that withdrawals do not include students in need of
11 early intervention and habitual truants the school district is
12 required to intervene with and keep in an educational setting
13 as provided in [~~Section 22-12-9 NMSA 1978~~] the Attendance for
14 Success Act;

15 C. "basic program ADM" or "basic program MEM" means
16 the MEM of qualified students but excludes the full-time-
17 equivalent MEM in early childhood education and three- and
18 four-year-old students receiving special education services;

19 D. "cost differential factor" is the numerical
20 expression of the ratio of the cost of a particular segment of
21 the school program to the cost of the basic program in grades
22 four through six;

23 E. "department" or "division" means the public
24 education department;

25 F. "early childhood education ADM" or "early

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1 childhood education MEM" means the full-time-equivalent MEM of
2 students attending approved early childhood education programs;

3 G. "full-time-equivalent ADM" or "full-time-
4 equivalent MEM" is that membership calculated by applying to
5 the MEM in an approved public school program the ratio of the
6 number of hours per school day devoted to the program to six
7 hours or the number of hours per school week devoted to the
8 program to thirty hours;

9 H. "operating budget" means the annual financial
10 plan and educational plan required to be submitted by a local
11 school board or governing body of a state-chartered charter
12 school;

13 I. "performance measure" means a quantitative
14 indicator used to assess the output or outcome of an approved
15 program;

16 J. "performance target" means the expected level of
17 performance of a program's performance measure;

18 K. "program cost" is the product of the total
19 number of program units to which a school district is entitled
20 multiplied by the dollar value per program unit established by
21 the legislature;

22 L. "program element" is that component of a public
23 school system to which a cost differential factor is applied to
24 determine the number of program units to which a school
25 district is entitled, including MEM, full-time-equivalent MEM,

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1 teacher, classroom or public school;

2 M. "program unit" is the product of the program
3 element multiplied by the applicable cost differential factor;

4 N. "public money" or "public funds" means all money
5 from public or private sources received by a school district or
6 state-chartered charter school or officer or employee of a
7 school district or state-chartered charter school for public
8 use;

9 O. "qualified student" means a public school
10 student who:

11 (1) has not graduated from high school;

12 (2) is regularly enrolled in one-half or more
13 of the minimum course requirements approved by the department
14 for public school students; and

15 (3) in terms of age and other criteria:

16 (a) is at least five years of age prior
17 to 12:01 a.m. on September 1 of the school year;

18 (b) is at least three years of age at
19 any time during the school year and is receiving special
20 education services pursuant to rules of the department;

21 (c) ~~[except as provided in Subparagraph~~
22 ~~(d) of this paragraph]~~ has not reached the student's
23 twenty-second birthday on the first day of the school year; or

24 (d) has reached the student's twenty-
25 second birthday ~~[on]~~ by the first day of the ~~[2019-2020]~~ school

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1 year, is counted in a school district's or charter school's MEM
2 [~~on the third reporting date of the 2018-2019 school year~~] in
3 the prior school year, has been continuously enrolled in [~~the~~
4 ~~same~~] a public school [~~since that reporting date~~] designated as
5 a dropout recovery school and is still enrolled in that school;

6 P. "rural population rate" means that proportion of
7 the total population within a school district's geographic
8 boundaries that lives in a rural area and not in an urban area
9 as defined by the United States census bureau;

10 Q. "staffing cost multiplier" means:

11 (1) for fiscal year 2019, the instructional
12 staff training and experience index;

13 (2) for fiscal year 2020, the weighted average
14 of the instructional staff training and experience index at
15 seventy-five percent and the teacher cost index at twenty-five
16 percent;

17 (3) for fiscal year 2021, the weighted average
18 of the instructional staff training and experience index at
19 fifty percent and the teacher cost index at fifty percent;

20 (4) for fiscal year 2022, the weighted average
21 of the instructional staff training and experience index at
22 twenty-five percent and the teacher cost index at seventy-five
23 percent; and

24 (5) for fiscal year 2023 and subsequent fiscal
25 years, the teacher cost index; and

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1 R. "state superintendent" means the secretary of
2 public education or the secretary's designee."

3 **SECTION 2.** A new section of the Public School Finance Act
4 is enacted to read:

5 "[NEW MATERIAL] DROPOUT RECOVERY SCHOOLS--FUNDING
6 STRUCTURE FOR DROPOUT STUDENTS.--

7 A. The department shall promulgate a rule to
8 determine a funding structure in which state equalization
9 guarantee funds are provided to the dropout recovery school
10 either:

11 (1) on a per student basis in the same year in
12 which the qualified student enrolled;

13 (2) based on a per credit completed rate in
14 the same year in which the qualified student enrolled; provided
15 that no dropout recovery school shall receive more funding per
16 student than the average annual cost per student and that
17 credit completion shall be reported in a manner approved by the
18 department; or

19 (3) through traditional funding distributions
20 based on the prior year's membership counts.

21 B. As used in this section, "dropout recovery
22 school" means a public school or a program within a public
23 school that has received a designation by the department as a
24 dropout recovery school pursuant to the Dropout Recovery Act."

25 **SECTION 3.** A new section of the Public School Code is
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1 enacted to read:

2 "[NEW MATERIAL] SHORT TITLE.--Sections 3 through 7 of this
3 act may be cited as the "Dropout Recovery Act"."

4 SECTION 4. A new section of the Public School Code is
5 enacted to read:

6 "[NEW MATERIAL] DEFINITIONS.--As used in the Dropout
7 Recovery Act:

8 A. "dropout" means a student who has abandoned the
9 student's course of study and has not received a New Mexico
10 diploma of excellence or high school equivalency credential;

11 B. "dropout recovery school" means a public school
12 or a program within a public school that has received a
13 designation by the department as a dropout recovery school
14 pursuant to the Dropout Recovery Act; and

15 C. "school district" includes charter schools."

16 SECTION 5. A new section of the Public School Code is
17 enacted to read:

18 "[NEW MATERIAL] DROPOUT RECOVERY SCHOOL--ELIGIBILITY
19 REQUIREMENTS.--

20 A. The department may designate a public school as
21 a dropout recovery school if the public school meets all of the
22 following criteria:

23 (1) has met the criteria of a dropout recovery
24 school as provided by rules promulgated by the department;

25 (2) provides educational services exclusively

1 to qualified students who have officially been designated as
2 meeting the definition of dropout; and

3 (3) meets program performance standards
4 established by the department.

5 B. A dropout recovery school may provide
6 educational services to a dropout who meets any one or more of
7 the following criteria:

8 (1) is an otherwise qualified student as
9 defined in Section 22-8-2 NMSA 1978 who has:

10 (a) voluntarily removed the student's
11 self from the school system before graduation due to hardship,
12 court action, expulsion, medical reasons, pregnancy or
13 marriage;

14 (b) withdrawn from school because the
15 student has failed to meet competency requirements and thereby
16 has not received a New Mexico diploma of excellence;

17 (c) been identified as chronically
18 absent and failing to reengage in school after interventions
19 pursuant to the Attendance for Success Act;

20 (d) been expected to attend a school but
21 did not enter as expected for unknown reasons or the student's
22 whereabouts are unaccounted for; or

23 (e) withdrawn from school but has not
24 transferred to another public or private school or enrolled in
25 any career, adult or home education or alternative educational

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1 program; or

2 (2) based on the ratio of credits earned and
3 student age, the student is not expected to graduate from high
4 school before reaching the student's four-year cohort
5 graduation date."

6 SECTION 6. A new section of the Public School Code is
7 enacted to read:

8 "[NEW MATERIAL] ANNUAL DROPOUT REPORTS--CONTENTS.--

9 A. No later than August 1 of each year, the
10 department shall develop a report that identifies all students
11 in the state who meet the definition of a dropout.

12 B. The report shall include:

13 (1) student identifying information, including
14 name, age, last known address, phone number, email address and
15 any other contact information available;

16 (2) the last school of attendance for the
17 dropout and the grade the dropout was enrolled in when the
18 dropout left school; and

19 (3) any other information available to the
20 department that may assist dropout recovery efforts to locate
21 other potential dropouts.

22 C. The department shall transmit the report no
23 later than August 15 of each year to all schools that have been
24 designated as a dropout recovery school pursuant to the Dropout
25 Recovery Act."

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1 SECTION 7. A new section of the Public School Code is
2 enacted to read:

3 "[NEW MATERIAL] DROPOUT RECOVERY SCHOOL DESIGNATIONS--
4 RULEMAKING AUTHORITY--DEPARTMENT ASSISTANCE TO DROPOUT RECOVERY
5 SCHOOLS--ANNUAL ENROLLMENT REPORTS.--

6 A. No later than October 1, 2023, the department
7 shall promulgate rules that allow school districts to apply for
8 and receive designations for individual public schools to be
9 designated as a dropout recovery school.

10 B. The rules shall include provisions that:

11 (1) permit dropout recovery schools to enroll
12 qualified students year-round;

13 (2) allow dropout recovery schools to recruit
14 and enroll students from outside its geographical boundaries
15 pursuant to Section 22-1-4 NMSA 1978;

16 (3) choose a funding structure in which state
17 equalization guarantee funds are provided to the dropout
18 recovery school as provided in Section 2 of this 2023 act;

19 (4) permit dropout recovery schools to report
20 student performance and graduation rates in an alternative
21 format than those outlined in the School Support and
22 Accountability Act; provided that school accountability reports
23 shall still capture the school's progress at ensuring adequate
24 student academic progress and students receiving a New Mexico
25 diploma of excellence;

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1 (5) require that students graduating from a
2 dropout recovery school only receive a New Mexico diploma of
3 excellence if they have met all credit requirements outlined in
4 Section 22-13-1.1 NMSA 1978, but allow students enrolled in a
5 dropout recovery school to immediately show competency through
6 the alternative demonstration of competency;

7 (6) allow a dropout recovery school to
8 contract with nationally accredited organizations for academic
9 programming;

10 (7) require appropriate student support
11 services for student success and allow a dropout recovery
12 school to contract with support service providers for those
13 student supports;

14 (8) require that dropout recovery schools
15 provide all appropriate special education services for students
16 with disabilities pursuant to the federal Individuals with
17 Disabilities Education Act;

18 (9) establish criteria for students to exit a
19 dropout recovery school and re-enter the school district of
20 residence; and

21 (10) permit dropout recovery schools to be
22 offered in face-to-face, hybrid and online modalities.

23 C. The department shall provide technical
24 assistance to designated dropout recovery schools and school
25 districts that may apply for dropout recovery school

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designations.

D. No later than October 1 of each year, dropout recovery schools shall report to the department estimated enrollment for the following school year."

SECTION 8. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2024.