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FISCAL IMPACT REPORT

SPONSOR Zamora LAST UPDATED _____
ORIGINAL DATE 3/6/23
SHORT TITLE School District Attendance Incentives BILL NUMBER House Bill 252
ANALYST Liu

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$67,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 367

Sources of Information

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of House Bill 252

House Bill 252 appropriates \$67 million from the general fund to PED for the purpose of providing school districts with funding for incentives to increase student attendance. The funding will be distributed to districts based on student enrollment and awarded to students who are not chronically or excessively absent by the end of the school year. Unexpended or unencumbered balances at the end of FY24 will revert to the general fund. This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The appropriation of \$67 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund. Although the bill does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring.

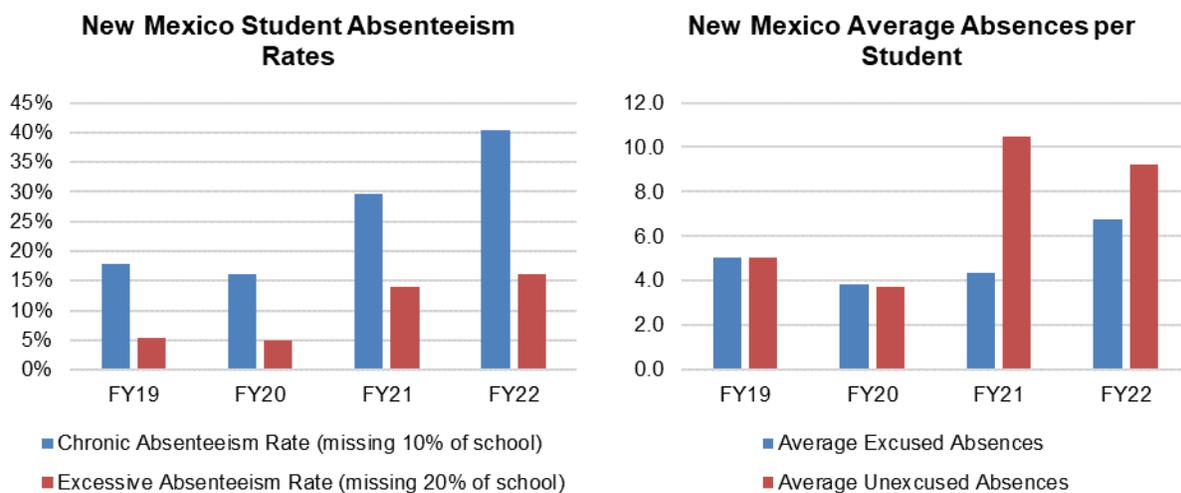
Provisions of this bill would distribute the \$67 million to school districts based on student enrollment, which was about 308 thousand students in FY23. Assuming the appropriation was divided evenly for all students, PED would allocate about \$217 per student at each district. The bill requires school districts to provide an incentive for students who are not chronically or excessively absent at the end of FY24. In FY22, over 40 percent of students enrolled across the state were chronically absent, or missing more than 10 percent of school. Assuming chronic absenteeism remains the same, about \$26.8 million of the appropriation would not be allocated to absent students. It is unclear if schools would redistribute the \$26.8 million to students with high attendance or revert unspent awards to the general fund.

SIGNIFICANT ISSUES

Laws 2019, Chapter 223 (House Bill 236) replaced the Compulsory School Attendance Act with the Attendance for Success Act, which expanded the definition of absenteeism to include excused and unexcused absences and shifted the burden of addressing student absenteeism from the judicial system to schools. Provisions of the Attendance for Success Act required schools to provide:

- Whole-school absence prevention strategies for all students,
- Individualized prevention strategies for students missing 5 percent to 10 percent of school,
- Early intervention strategies for students missing 10 percent to 20 percent of school, and
- Intensive support for students missing 20 percent or more of school.

In 2020, PED delayed implementation of the Attendance for Success Act due to school closures during the Covid-19 pandemic. Student chronic absenteeism surged during the pandemic and remained high, despite a return to in-person instruction. Following enactment, stakeholders noted the new Attendance for Success Act did not provide sufficient consequences to enforce attendance for excessively absent students and declining engagement with schools during remote learning continues to perpetuate lower expectations surrounding the importance of attendance.



Source: PED

In general, the students groups with the highest absenteeism rates and most unexcused absences in FY22 included students experiencing housing insecurity, Native American students, English

learners, and low-income students.

PED notes the Attendance for Success Act defines a student as “chronically absent” after the student has been absent for 10 percent to 20 percent of classes or school days for any reason, whether excused or not, when enrolled for more than 10 days. “Excessively absent” students are absent for at least 20 percent of their classes or school days for any reason and have not responded to intervention efforts implemented by the public school.

PERFORMANCE IMPLICATIONS

A 2016 LFC program evaluation, *Assessing Time-on-Task and Efforts to Extend Learning Time*, found attendance, chronic absenteeism, and discipline are critical factors impacting the availability of instructional time. The evaluation determined that encouraging students to attend school and connecting with students and families to emphasize the importance of attendance are important responsibilities for school districts and tracking attendance and absenteeism is vital for helping student achievement. An elementary student absent 10 or more days loses a minimum of 15 hours of both language arts and math instruction time depending on various schedule types and configurations. Both excused and unexcused absences decrease student learning time and time-on-task.

A 2015 LFC program evaluation on middle schools, *Public Education Department – Performance, Programming, and Cost of Middle Schools in New Mexico*, found “frequent absences in elementary schools have consequences for middle schools contributing to academic weaknesses and poor attendance habits compounding into chronic absenteeism as students’ progress into middle school. Absences have the largest impact on eighth grade reading and math standards-based assessment (SBA) scores with a reduction of 0.31 in reading and 0.40 in math for every absence. A student with zero absences is projected to be proficient in both reading and math; however, the likelihood of scoring proficient and above declines with every absence.” Additionally, the evaluation found chronic absenteeism begins to rise in middle school and continues to climb through 12th grade.

National research has found a strong relationship between sixth grade attendance and on-time graduation rates. Chronic absenteeism in middle school is one of the best indicators a student will drop out later. Students who were chronically absent in any year between eighth and 12th grades were 7.5 times more likely to drop out of high school. A report by the National Assessment of Educational Progress (NAEP) found absences had consequences for fourth and eighth grade students: 56 percent of eighth grade students who performed at the advanced level in NAEP reading in FY11 had perfect attendance in the month before the test, compared with 39 percent of students who performed below the basic level; in contrast, nearly one in five eighth grade students at the basic level and more than one in four below basic in reading had missed three or more days in the previous month. The trends were similar for fourth grade students. A student who misses an average of three days a month is missing five weeks of school each year, based on a nine-month school calendar.

A 2014 LFC evaluation, *Cost Effective Options for Increasing High School Graduation and Improving Adult Education*, found both national research and state data confirm students who drop out tend to have poor attendance, behavioral referrals, and multiple course failures. The evaluation found in 2014, 8 percent of New Mexico high school students were absent 10 percent or more of the school year and were at-risk of dropping out. Of the 25 high schools with the

greatest numbers of dropouts, 13 had chronic absenteeism rates above 10 percent, meaning more than 10 percent of students missed 18 or more days of school annually and were at-risk of dropping out.

ADMINISTRATIVE IMPLICATIONS

PED notes the department may not have sufficient time to determine a funding method, create requirements for school districts, suggest appropriate incentives and incentive amounts for students, and distribute all the funds.

RELATIONSHIP

This bill relates to Senate Bill 367, which makes changes to the Attendance for Success Act.

OTHER SUBSTANTIVE ISSUES

According to Attendance Works, a national and state initiative on improving school attendance, children living in poverty are two to three times more likely to be chronically absent. Students from communities of color as well as those with disabilities are disproportionately affected. Many absences are tied to health problems, such as asthma, diabetes, and oral and mental health issues. Other barriers include lack of a nearby school bus, a safe route to school, or food insecurity.

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