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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/12/16

**SPONSOR** HJC **LAST UPDATED** \_\_\_\_\_ **HB** 240/HJCS

**SHORT TITLE** School Attendance Law Early Warning System **SB** \_\_\_\_\_

**ANALYST** Elkins

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Bill 205

### SOURCES OF INFORMATION

LFC Files

Response Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

The House Judiciary Committee Substitute for House Bill 240 amends the Compulsory School Attendance Law to require every school in a district and charter school to implement the PED developed early warning system which identifies students at risk of becoming habitual truants or dropping out of school starting with the 2016-2017 school year. The bill requires school districts and charter schools to notify parents when a student has three or more unexcused absences, have a truancy prevention team meet with the student and parents and develop a written attendance plan when a student has five or more unexcused absences, and notify parents that the student has become a habitual truant when a student has 10 or more unexcused absences. A truancy prevention team is defined as a group consisting of a school administrator, a licensed school employee, and one or more truancy and dropout prevention coach or another school employee who is responsible for monitoring student attendance and addressing unexcused absences, a municipal, county, state, tribal or federal official and a member of an organization supporting students at risk of becoming habitual truants or dropping out of school.

Subject to the availability of funding, HJC substitute for HB240 requires every public school with a habitual truancy rate greater than 10 percent to hire a truancy and dropout prevention coach. The minimum duties of a truancy and dropout prevention coach include developing and

implementing truancy prevention measures, identifying students in need of school attendance intervention, developing and implementing a tiered system of support based on a student’s level of need, incorporating family involvement, and monitoring the progress of students receiving truancy prevention services.

Starting with the 2017-2018 school year, when a student in grades eight through twelve accumulates 10 or more unexcused absences in a school year a school shall:

- give notice of noncompliance to the parents including notice of the opportunity for the student and parents to request an optional meeting with the school principal to commit to the student returning to school, contest the occurrence and number of unexcused absences, provide evidence that the student is no longer subject to the Compulsory School Attendance Law, or request a hardship waiver.
- give to the student’s parents and PED a certification of noncompliance with the Compulsory School Attendance Law

Upon receipt of the certification of noncompliance from PED, the motor vehicle division shall suspend or deny the issuance of an instruction permit, provisional license, or driver’s license to a student. Following the suspension or denial, a student may request a meeting with the school to provide evidence that they are in compliance with or no longer subject to the Compulsory School Attendance Law, appeal the school’s determination and request a hearing and final decision from PED, and appeal PED’s final decision to the district court.

The bill requires PED in collaboration with the motor vehicle division and school districts and charter schools to submit an annual report to the governor, the Legislative Education Study Committee, and the Legislative Finance Committee on the implementation of the Compulsory School Attendance Law.

### FISCAL IMPLICATIONS

In FY14 and FY15, PED requested \$500 thousand from the general fund for a dropout prevention program. In FY14 the Legislature appropriated \$500 thousand for the program, and in FY15 the Legislature included dropout prevention as part of \$2.9 million appropriation for college preparation and career readiness. In FY14, PED spent \$300 thousand to provide professional development to education professionals about early warning systems, before New Mexico’s early warning system was developed. PED also contracted for \$200 thousand with Double Line, Inc. to support the development of the early warning tool, which is being developed internally by the department.

#### FY14 PED Dropout Prevention Allocations (in thousands)

	Contractor	Purpose	Amount Allocated	Amount Expended
FY14	Double Line, Inc	Professional services contract for Education Data Dashboard- Early Warning System	\$200	\$198
FY14	High Plains REC	Professional development for the New Mexico Early Warning System	\$300	\$300

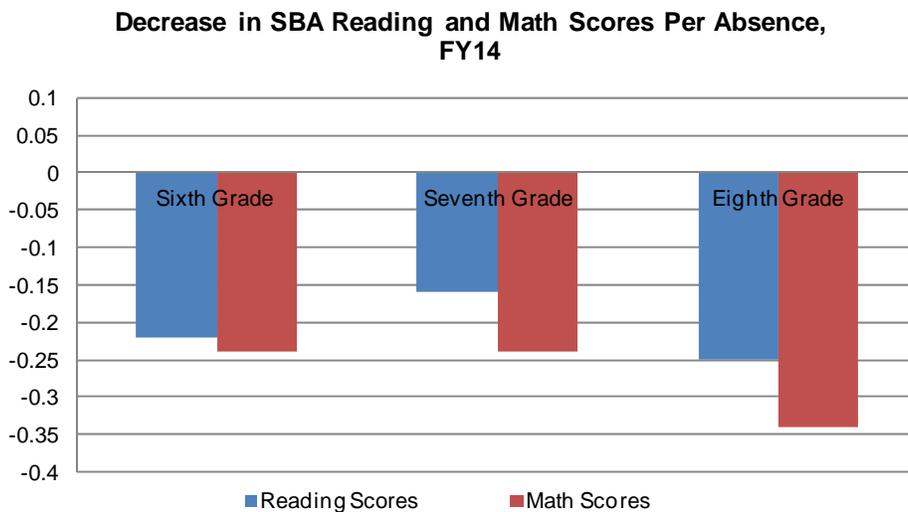
Source: Sunshine Portal

According to a prior PED analysis of a similar bill, using data from SY14-15, 89 schools in the state have a habitual truancy rate over 15 percent. HJC substitute for HB 240 requires every public school with a habitual truancy rate greater than 10 percent to hire a truancy and dropout prevention coach when resources are made available. The number of schools with a habitual truancy rate greater than 10 percent would be at least 89 schools. Currently, the truancy and dropout prevention coach program provides \$60 thousand for truancy and dropout prevention coaches for salaries and benefits. Currently there is a \$5.3 million need for truancy and dropout prevention coaches. The bill provides for these coaches when resources are made available.

TRD estimates this bill will result in an unknown revenue increase. Actual revenues will depend on the number of revocation actions taken, which will result in reinstatement fees once an offender’s revocation period has ended.

### SIGNIFICANT ISSUES

A LFC program evaluation on middle schools, “Public Education Department – Performance, Programming, and Cost of Middle Schools in NM” (2015), stated, “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 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.”



Nearly a quarter of school districts in New Mexico have habitually truant percentages higher than the statewide average of 12.5 percent. 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 twelfth 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 3 days a month is missing five weeks of school each year, based on a nine month school calendar.

In the 2015-2016 school year, PED released an RFA granting \$2.5 million in competitive funding to districts and charters to employ Truancy and Dropout Prevention Coaches. 29 districts and charters applied, with a request for over 70 coaches. 17 applicants were awarded, with a total of 40 coaches granted. The awarded districts/charters had an average habitual truancy rate of 29.9 percent, and an average dropout rate of 12.2 percent, both rates significantly higher than the state's average rates. Initial results of the schools using the program shows an increase in average daily attendance rates, which may indicate lower rates of habitual truancy at the end of the year.

In the 2014-2015 school year, 14.7 percent of New Mexico students were identified as habitually truant. Habitual truancy is defined as having 10 or more unexcused absences in a school year. Truancy impacts a student's ability to learn and grow, and often places them at higher risk for dropping out of school altogether.

According to PED in a prior analysis of a similar bill, a research program of Johns Hopkins University, the Everyone Graduates Center, has found that a high percentage of students who dropout send distress signals early in their educational careers, long before they actually drop out of school. A case study in Philadelphia found that a 6<sup>th</sup> grader with even one of the four signals of failed math, failed English, attendance below 80 percent for the year, or a final "unsatisfactory" behavior mark in at least one class, had at least a 75 percent chance of dropping out of high school. Students with more than one signal were even more likely to drop out. <http://new.every1graduates.org/an-early-warning-system/>

PED noted in a prior analysis early identification and parental notification are key to habitual truancy prevention, especially considering habitual truancy is an issue at all grade levels, Pre-K-12. Researchers Sheverbush, Smith, and DeGruson (2000) found that implementation of strategies aimed at developing family, school and community partnerships have proven effective in increasing daily attendance rates as well as decreasing chronic absence. Furthermore, researchers Epstein and Sheldon (2002) identified the following key program elements in building partnerships to reduce absences, making home visits to families of habitually truant students, rewarding students for improved attendance establishing a contact person(s) at school for parents to work with, calling home when students are absent, conducting workshops for families about attendance, referring chronically absent students to counselors, and using a truant officer to work with problem students and families. Schools that focused on increasing attendance by implementing strategies with these key elements showed a more substantial increase in daily attendance rates from one year to the next for participating schools, as well as a two percent decrease in chronic absence. HB240 incorporates many of these key elements with the prescription for parent contact at 3, 5, and 10 or more unexcused absences, requirement for the development of a written attendance plan from a truancy prevention team, which shall include benchmark goals and intervention practices.

TRD notes this legislation will have a moderate impact on the Motor Vehicle Division (MVD). Any efforts will have to be coordinated with the PED to ensure that data associated with suspensions is submitted to MVD accurately and securely. Overall time and impact cannot be determined until more information regarding the method for entering the withdrawals is developed.

### **ADMINISTRATIVE IMPLICATIONS**

PED noted in a prior analysis it would need to revise NMAC 6.10.8, Compulsory School Attendance, to be in alignment with the new language in sections 22-12-7, 22-12-8, and 22-12-9 NMSA 1978 relating to suspending or denying driving privileges. Additionally, PED would need to enhance current mechanisms and/or develop, in collaboration with the Juvenile Probation Office of the Judicial District and the Motor Vehicle Division of the Taxation and Revenue Department, a systematic method for referral, reporting and monitoring of the reporting of school-age persons in violation of the Compulsory School Attendance Law. While student attendance records are currently captured in the Student Teacher Accountability Reporting System (STARS), staff would need to enhance the reporting system to be inclusive of referrals with other agencies. This can be done with existing personnel.

CE/jle/al/jo/jle