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**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2023 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/22/23
Bill No: [HB448](#)

Sponsor: Trujillo
Short
Title: DROPOUT RECOVERY ACT

Agency Name
and Code
Number: PED - 924
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	None	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	\$110.0	\$110.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 448 (HB448) enacts the Dropout Recovery Act, which, through an application process, requires the Public Education Department (PED) to provide technical assistance to schools designated as dropout recovery schools. The bill defines dropout recovery

schools as providing educational services exclusively to qualified students who have officially been designated as meeting the definition of dropout and meeting program performance standards established by the department.

The bill qualifies students who receive these services as a dropout, defined as a student who has abandoned their course of study and has not received a New Mexico Diploma of Excellence or high school equivalency credential, and a student who has (a) voluntarily removed the student's self from the school system before graduation due to hardship, court action, expulsion, medical reasons, pregnancy or marriage; (b) withdrawn from school because the student has failed to meet competency requirements and thereby has not received a New Mexico diploma of excellence; (c) been identified as chronically absent and failing to reengage in school after interventions pursuant to the Attendance for Success Act; (d) been expected to attend a school but did not enter as expected for unknown reasons or the student's whereabouts are unaccounted for; or (e) withdrawn from school but has not transferred to another public or private school or enrolled in any career, adult or home education or alternative educational program; or (2) based on the ratio of credits earned and student age, the student is not expected to graduate from high school before reaching the student's four-year cohort graduation date.

The bill would allow a student to receive funding as long as he or she is age 22 by the first day of the school year and was enrolled in the district's MEM the prior year and continues to be enrolled in a dropout recovery school.

The effective date of HB448 is July 1, 2024.

FISCAL IMPLICATIONS

HB448 does not contain an appropriation.

For PED to provide meaningful technical assistance to drop out recovery schools as required by HB448, the agency would require one additional FTE to implement the Dropout Recovery Act at an annual cost of \$110,000.

SIGNIFICANT ISSUES

According to the National Dropout Prevention Center, high school dropouts are more likely to be unemployed, incarcerated, teen parents, and have a higher death rate than high school graduates. High school dropouts have a high cost to the economy: A Northeastern University study indicates each high school dropout will cost taxpayers \$292,000 over the course of their lives. The National Center for Education Statistics indicates median annual earnings for full-time workers ages 25 through 34 who had not completed high school (\$26,000) were lower than those of workers whose highest education level was high school completion (\$32,000), an associate's degree (\$39,000), or a bachelor's or higher degree (\$55,000).

There were 2,613 high school dropouts in the 2022-2023 school year.

PERFORMANCE IMPLICATIONS

Missing school hurts academic performance: On the 2015 NAEP mathematics test, eighth-graders who missed school three or more days in the month before being tested scored between 0.3 and 0.6 standard deviations lower (depending on the number of days missed) than those who did not miss any school days. Key groups of students are particularly vulnerable to chronic absenteeism. Nationally, Hispanic-ELL students and Asian-ELL students are the most likely to

miss more than 10 school days per month. Students from low-income backgrounds and/or students receiving special education services are more than twice as likely as their peers to be absent from school for more than 10 days.⁸⁴ Children who face housing insecurity are likely to change schools more frequently and during the school year, which is associated with lower school engagement and attendance, poorer grades, and a higher risk of dropping out.⁸⁵ Children experiencing homelessness are especially likely to suffer from depression, behavioral problems, or severe academic delay.⁸⁶ Living in substandard housing increases health risks, which in-turn lead to higher levels of school absenteeism. By identifying and addressing the issues for which students drop out of school, the bill would help improve the state's attendance rates, academic performance, and graduation rates.

ADMINISTRATIVE IMPLICATIONS

Per HB448, the Public Education Department (PED) is required to:

- promulgate rules that allow school districts to apply for and receive designations for individual public schools to be designated as a dropout recovery school;
- promulgate a rule to determine a funding structure in which State Education Guarantee (SEG) funds are provided to dropout recovery schools;
- provide technical assistance to designated dropout recovery schools and school districts that apply for such designations; and
- develop a report that identifies all students in the state who meet the definition of a dropout and which would be required to be submitted to all dropout recovery schools by August 15 of each school year;

The bill requires dropout recovery schools to report to PED their estimated enrollment for the following school year, by October 1 of each year.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to [SB367, School Attendance Changes](#), which promotes school attendance improvements by supporting student attendance interventions for schools through whole school reforms, also by amending the Attendance for Success Act.

Relates to [HB252, School District Attendance Incentives](#), which appropriates \$67.0 million to PED to provide school districts with funding for incentives to increase student attendance.

Relates to [SB283, Reducing Suspensions & Expulsions Act](#), would create the Reducing Suspensions and Expulsions Act, which would prohibit the expulsion and limit the out-of-school suspension of students in pre-kindergarten through second grade and child care centers.

TECHNICAL ISSUES

HB448 requires PED to promulgate rules no later than October 1, 2023, but the effective date of the legislation is July 1, 2024.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.