LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 1st Session, 2021

Bill Number	SB330	**Sponsor**	Padilla
Tracking Number	.219509.1	**Committee Referrals**	SEC/SFC
Short Title	Dropout Prevention Program		
		Original Date	2/15/2021
Analyst	Hathaway	**Last Updated**	

BILL SUMMARY

Synopsis of Bill

Senate Bill 330 (SB330) makes an appropriation of $200 thousand to the Public Education Department (PED) for high school dropout prevention programs. SB330 provides criteria for the dropout prevention programs and notes these shall:

(1) Serve at-risk, underserved, and disadvantaged populations identified through early warning systems to receive targeted interventions designed to get them back on track to graduation;
(2) Use a trauma-informed approach to help students gain employability skills competencies, graduate from high school, and pursue postsecondary education, employment, or military opportunities; and
(3) Provide at least one year of follow-up and support after high school graduation to ensure success beyond high school.

SB330 also includes a requirement that dropout prevention programs make periodic reports as required by PED and provide a final report to PED that includes the year of follow-up and support and provides data on the number of students served, graduation rates, employment, postsecondary enrollment and success, and other information required by PED.

There is no effective date of SB330. It is assumed the effective date is 90 days following the adjournment of the Legislature.

FISCAL IMPACT

SB330 appropriates $200 thousand from the general fund to PED for expenditure in FY22. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund.

SUBSTANTIVE ISSUES

Graduation and Dropout Rates. New Mexico has gradually improved its graduation rate and decreased its dropout rate in the past decade but still lags behind national averages. In the 2019 school year, 74.9 percent of high school students graduated, up from 73.9 percent in 2018. The national four-year graduation rate is 85.3 percent, meaning New Mexico students lag nearly 10 percentage points behind peers nationally. The dropout rate for high school students in 2019 was 11.5 percent, marking the lowest percentage of high school dropouts in over a decade after a peak of 29 percent for the cohort of 2015.

The effect of the Covid-19 public health crisis on graduation rates will need to be studied as data becomes available. It will be important to understand if the public health crisis impacted the number of students graduating and dropping out in 2020. Data for this cohort will be available in late 2021.

The Function of a High School Education. A high school diploma is now considered a minimal requirement for entry into the labor market in addition to being a prerequisite for postsecondary education. Following national trends, New Mexico's economy is becoming more skills-based with most jobs demanding education beyond high school. At least 60 percent of jobs today require students to have education beyond high school. While many of these do not require a four-year degree, they do require additional training and, often, a certificate or industry credential. Increased educational attainment also correlates with higher earnings. Workers with bachelor's degrees increase their income by nearly $20 thousand annually compared with workers with only high school diplomas. As such, graduating from high school is critical to students' future success.

New Mexico has a responsibility to improve the college and career readiness of its students, including addressing dropout rates. As part of the *Martinez* and *Yazzie* consolidated lawsuit, the court ruled the New Mexico Constitution requires the state to provide every student with the opportunity to receive an education that adequately prepares them for college and career. The court also ruled the state is failing to meet this obligation, citing low graduation rates, insufficient proficiency in reading and math, and high rates of college remediation.

Outcomes of High School Dropouts. The American Psychological Association (APA) reports high school dropouts face a range of economic and social challenges. Compared with high school graduates, high school dropouts are less likely to find employment that results in a living wage and are more likely to experience adverse health outcomes and socioeconomic challenges. High school dropouts also affect the broader community in which they live and the overall economy. Educationdata.org reports the lifetime cost to taxpayers for each student that drops out of high school is approximately $300 thousand.

Early Warning Systems. SB330 would require that students served in the dropout prevention program are identified by early warning systems. Early warning systems use readily available information, such as attendance records and academic performance data, to alert teachers and administrators to students who are at risk of dropping out. Early warning systems are designed to provide tiered interventions for students at-risk of dropping out, not engaging in learning, or demonstrating off-track behaviors, including misbehavior or poor academic performance. Research from the Everyone Graduates Center at the Johns Hopkins School of Education found more than 50 percent of dropouts can be identified using three indicators: (1) failing mathematics in eighth grade, (2) failing English in eighth grade, and (3) attending school less than 80 percent of the time.

PED has urged school districts and charter schools to establish early warning systems and has provided guidance on establishing such systems. Although New Mexico currently lacks a statewide early warning system, these systems are often established at the school district and school level. It is unclear if all school districts and charter schools currently use such systems to identify students who could be served per the provisions of SB330.

ADMINISTRATIVE IMPLICATIONS

School districts and charter schools would need to develop early warning systems if they do not already have these in place. In accordance with the Procurement Code, PED would need to award the appropriation through a competitive sealed bid process.

Analysis from PED regarding further administrative implications was not available at the time of bill analysis.

SOURCES OF INFORMATION
- LESC Files

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