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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 02/19/13

**SPONSOR** Garcia, M.H.      **LAST UPDATED** \_\_\_\_\_      **HB** 456

**SHORT TITLE** School Truancy Identification & Penalties      **SB** \_\_\_\_\_

**ANALYST** Roberts

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

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	\$122.0	\$81.3	\$203.3	Recurring	MVD General Operating

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicate to SB 393

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)  
 Administrative Office of the District Attorneys (AODA)  
 Taxation and Revenue Department (TRD)  
 Department of Health (DOH)  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 456 (HB 456) amends the Public School Code (Sections 22-12-2, 22-12-7 through 9) and the Motor Vehicle Code (Section 66-5-30 NMSA 1978). Amendments to the Public School Code are related to truancy, school withdrawal, and early intervention. The bill expands on reasons that allow a student to withdraw from school. Amendments to the Motor Vehicle Code allow the Motor Vehicle Division (MVD) of the Taxation and Revenue Department (TRD) to suspend or revoke the license or suspend the instruction permit of a student certified and referred by the Public Education Department (PED) as being in violation of the Compulsory Attendance Law.

Specific provisions of the bill are as follows:

- Section 1: Requires one of the following reasons to apply before an under-age child can withdraw from school: 1) the parent provides proof that the child is enrolled in another

school; 2) the school receives written documentation of the child's illness, financial hardship that requires the child to work full time, or by court order; or 3) at an exit interview the child, the parent, and the principal meet to discuss the intention to withdraw from school, the child and the parent sign a written acknowledgment that such withdrawal will likely reduce the child's future earnings, and the principal agrees to the withdrawal and signs the written acknowledgement of the child and parent.

- Section 2: Takes away the court's ability to order the suspension of a habitual truant's driving privileges. Starting in the 2013-2014 school year, a habitual truant in eighth through twelfth grades shall be referred to the MVD for a hearing to determine the suspension or postponement of driving privileges. The driving privileges can be suspended or postponed until the child is 18 years of age or until the child is in compliance with the Compulsory School Attendance Law, whichever occurs first.
- Section 3: Substitutes specific requirements for intervening with a child and the family to prevent withdrawal from school or habitual truancy. This bill defines "risk factor" to include: 1) multiple discipline referrals; 2) third grade reading scores below the proficiency level; 3) habitual truancy in grades six through nine; 4) failing in a course in grades six through nine; and 5) a grade point average of 1.5 or below in grade nine.
- Section 4: Removes the definition for "student in need of early intervention" and a new reporting requirement is added to this section requiring each school to report to the school district, and each school district to report to the Department annually the number of students who: 1) accumulated five unexcused absences; 2) accumulated ten unexcused absences; 3) withdrew from school with or without an exit interview; 4) stopped attending school during a semester; or 5) failed to return to school after a school break."
- Section 5: Gives the MVD authority to suspend or postpone driving privileges "to a school-age person or student certified and referred by the PED as being in violation of the Compulsory School Attendance Law.

## **FISCAL IMPLICATIONS**

The PED will be responsible for communicating the changes in the Compulsory School Attendance Law and the new dropout prevention system to districts and schools. The Department notes that this can be done with existing resources.

## **SIGNIFICANT ISSUES**

The Administrative Office of the Courts (AOC) notes that judges currently use driving privileges as a tool to incorporate in a juvenile disposition. It is unclear whether a Children's Court judge would receive the information regarding the status of a school-aged person's driving privileges. It is likely that a judge would continue to find this information helpful in a disposition.

The Department of Health (DOH) reports:

Twenty-seven states have some type of policy connecting student attendance, behavior and/or achievement to the privilege of driving. Seventeen states condition driving privileges on compliance with school attendance requirements. Four states combine

academic performance and attendance requirements as conditions of driver's license eligibility. Three states revoke a student's driving privilege based on suspensions, expulsions and/or other safety infractions. Two states revoke a student's driving privilege based on attendance infractions and/or suspensions, expulsions or other safety infractions. Lastly, one state places conditions on driving privileges based on compliance with attendance, behavior and/or academic performance.

Little research has been completed on the effect state laws have on truancy or dropout rates, but state policymakers should consider that, for many teenagers, driving is real currency. Promoting this privilege as a reward for attending and succeeding in school resonates with many students. Districts and/or schools may incur administrative costs in collaborating with the MVD, but still these can be relatively low-cost policies. Several U.S. states have introduced no pass no drive (NPND) laws that have been effective in reducing truancy and increased time allocated to school.

Truancy has a number of unfortunate consequences. A National Center for School Engagement literature review found that truants have lower grades, need to repeat grades, drop out of school, are expelled from school, and graduate from high school at lower rates than students with fewer unexcused absences. Truancy is a risk factor for other problems including substance abuse, delinquency, gang activity, and serious criminal behavior.

Effective truancy reduction programs are comprehensive and consist of four broad categories: 1) sound and reasonable attendance policies with consequences for missing school; 2) early interventions especially with elementary students and their families; 3) targeted interventions for students with chronic attendance problems; and 4) strategies to increase engagement and personalization with students that can affect attendance rates. Such strategies include: family involvement, culturally responsive environments, smaller learning community structures, mentoring, advisory programs, and maximization of the focus on learning.

The PED cites that as part of the executive recommendation, \$4.75 million was requested to support the New Mexico Graduates Now initiative. Included as part of the request, is \$500 thousand to support the development and implementation of the early identification and notification system for students at risk of dropping out of school.

## **PERFORMANCE IMPLICATIONS**

The PED notes that HB 456 supports the Department's strategic lever 2: real accountability: real results through increasing parental involvement and strategic lever 3: ready for success by increasing graduation rates.

## **ADMINISTRATIVE IMPLICATIONS**

The PED will be responsible for administering and communicating the changes to the Compulsory School Attendance Law. The Department notes that they will need to enhance current mechanisms and/or develop, in collaboration with juvenile probation offices statewide and the MVD of the TRD, a systematic method for referral, reporting and monitoring the reporting of school-age persons in violation of the Compulsory School Attendance Law.

The MVD of the TRD will be responsible for administering changes to the Motor Vehicle Code to suspend or revoke the license or suspend the instruction permit of a student certified and referred by the PED as being in violation of the Compulsory Attendance Law.

### **TECHNICAL ISSUES**

The TRD recommends that the bill include language similar to that in the Parental Responsibility Act that would allow or required the MVD to take action simply on the basis of the finding by the PED. The TRD estimates 750 hearings annually. The hearings bureau budget impact would be approximately:

- Postage: \$10,000
- Hearing Examiner (1 FTE): \$75,000
- Clerk (1 FTE): \$35,000
- Travel (per diem and gas): \$2,000
- Total first year: \$122,000
- Total 2nd year hearings and all costs drop by 1/3: \$81,333

The AOC notes that any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If HB 456 is not enacted, the Public School Code will not be amended to include suspension or postponement of driving privileges of school-aged persons in violation of the compulsory school attendance law upon a hearing by the MVD of the TRD.

### **AMENDMENTS**

The TRD notes that there should be consideration to amend the portion of HB 456 related to the requirement that the MVD hold a hearing would be prudent. The Department notes that an amendment is being prepared.

MIR/svb