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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/15

SPONSOR    SEC \_\_\_\_\_ LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE    No Driving for Certain Students    SB 85/SECS

ANALYST    Gudgel

### APPROPRIATION (dollars in thousands)

| Appropriation |      | Recurring<br>or Nonrecurring | Fund<br>Affected |
|---------------|------|------------------------------|------------------|
| FY15          | FY16 |                              |                  |
|               | NFI  |                              |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

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

|              | FY15 | FY16                       | FY17 | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|----------------------------|------|----------------------|------------------------------|------------------|
| <b>Total</b> |      | See Fiscal<br>Implications |      |                      |                              |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)  
 Administrative Office of the Courts (AOC)  
 Attorney General's Office (AGO)  
 Public Education Department (PED)  
 Children, Youth and Families Department (CYFD)  
 Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

HEC Committee Substitute for House Bill 117 amends the Compulsory School Attendance Law (CSAL) and the Motor Vehicle Code to mandate the suspension of the driving privileges of a habitually truant eighth- through 12<sup>th</sup>-grade student until their 18<sup>th</sup> birthday if they do not come into compliance with the CSAL beginning with the 2016-2017 school year. The bill also imposes mandatory reporting requirements for the Public Education Department and the Motor Vehicle Division of the Taxation and Revenue Department on implementation of the CSAL beginning in FY18.

The bill eliminates the Children’s Court’s ability to suspend the driving privileges of a habitually truant student for 90 days on a first finding of habitually truancy and one year for subsequent findings.

Changes proposed in this bill only allow the suspension of driving privileges of habitually truant public school students even though provisions of the CSAL apply to school-age persons who attend public school, private school, home school or a state institution.

### **FISCAL IMPLICATIONS**

The AOC notes there will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and appeals from MVD’s final decisions. 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.

Additionally, there could be increased administrative costs for both the PED and the MVD related to enforcement of the provisions of this bill.

### **SIGNIFICANT ISSUES**

Beginning with the 2016-2017 school year, every public school will be required to notify the parent of each eighth- through 12<sup>th</sup>-grade student who becomes habitually truant (accumulates 10 or more unexcused absences). Parents will be given the opportunity to request a meeting with the school administrator within two weeks of the notice to commit to returning the student to school, contest the unexcused absences, provide evidence that the student is not subject to the Compulsory School Attendance Law (CSAL), or request a hardship waiver pursuant to PED rule to fulfill unavoidable employment or family medical care giving duties.

If, after 30 days of the initial notice of noncompliance with the CSAL, the student remains noncompliant, a school district or state-chartered charter school will be required to provide a state-provided certification of noncompliance with the CSAL. The MVD will be required to suspend or deny the driving privileges (instructional permit, driver’s license, or provisional license) of any student that is issued a certification of noncompliance with the CSAL until the student reaches 18 years old. A student who has had their driving privileges suspended pursuant to these provisions will be allowed to 1) request a meeting with the school district or state-chartered charter school and request that the district or charter school provide MVD with certification that the student is in compliance with or no longer subject to the CSAL; 2) appeal the school district’s or state-chartered charter schools decision to PED; and 3) appeal PED’s decision to district court pursuant to Section 39-3-1.1 NMSA 1978 (See Other Substantive Issues for details of Section 39-3-1.1 NMSA 1978).

Section 2 enacts mandatory reporting requirements for PED and MVD on implementation of the CSAL. Reporting required will include aggregate data for each middle and high school, school district and charter school as follows:

- the number of students who accumulated the equivalent of 10 days or more of unexcused absences within a school year;

- the number of state-provided certifications of noncompliance issued pursuant to the CSAL;
- the number of students who were denied the issuance of or incurred the suspension of an instruction permit, driver's license or provisional license due to noncompliance with the CSAL and the number of:
  - students who had more than one denial or suspension; and
  - instruction permits, driver's licenses or provisional licenses that were denied or suspended and were subsequently granted or reinstated as a consequence of compliance with the CSAL; and
- the number of hardship waivers granted.

The report must also include an evaluation of academic improvement attributable to implementation of the CSAL.

### Attend-to-Drive Laws

A January 2011 Education Week article noted that over the last 20 years a majority of states have implemented policies that link teenager's driving privileges to school attendance, academic performance, or behavior. The Southern Regional Education Board (SREB) noted nationally a majority of states link eligibility for a driver's license to school attendance. The intent of these laws is that students meet mandatory attendance requirements to earn the right to drive. Failing this, students cannot apply for a driver's license but they can win back the right to seek one by returning to school, qualifying for an exemption, or attaining an age beyond the states mandatory attendance laws. Laws nationally vary significantly in how they define truancy, collect and report data, and allow for exemptions.

### **SREB recommends strong attend-to-drive policies include the following:**

- Bridge the gap between compulsory attendance ages and attend 'n' drive ages so that both types of policies can work more effectively.
- Coordination and collaboration among stakeholders (students, parents, schools, law enforcement and juvenile justice) to ensure common goals are met.
- Collect the right data about student behavior and statewide penalties, study them, and share them to know which elements of their laws help keep students in school — and which ones help bring them back.
- Allow reasonable exemptions for students with special circumstances, such as those who need to drive in order to care for family members or attend classes.
- Research the views of various constituencies — including teens — on attend 'n' drive laws so that leaders can improve the design and effectiveness of the laws.

### **PERFORMANCE IMPLICATIONS**

PED reported 21.5 percent of high school students were habitually truant in FY14 (had 10 or more unexcused absences), a 5 percentage point increase over FY13. PED's analysis notes 16.3 percent of all New Mexico students were habitually truant in FY14, an increase of 3 percentage points from FY13. The bill could have the effect of decreasing habitual truancy, increasing high school student proficiency and graduation rates, and decreasing the percent of high school graduates that require remedial courses in New Mexico institutions of higher education.

This bill may also impact performance measures of the district courts in the following areas: cases disposed of as a percent of cases filed; and percent change in case filings by case type

## **ADMINISTRATIVE IMPLICATIONS**

PED, MVD, school districts, state-chartered charter schools, and the court system will be affected by this bill. The bill includes rule making authority for the PED and the TRD to implement provisions of the bill.

The TRD notes the department will be required to update the licensing system to recognize public school students whose licenses have been suspended for habitual truancy to ensure they are not issued a permit or driver's license until they have come into compliance with the Compulsory School Attendance Law (CSAL). TRD states they will also need to implement regulations for the hearing the department may be required to conduct if a student disputes the information provided to MVD or if the student has a compliance letter. The regulation should be specific that TRD's action to suspend or deny is based upon the certification from the PED, and that the hearing will not be an opportunity for the child to address the merits of the truancy issue. Because the issues are limited, TRD notes such hearings may be conducted by telephone. Additionally, TRD's analysis notes PED will need to work with TRD to be sure that certificates of noncompliance and compliance are communicated electronically in a format that is consistent with the requirements of MVD's Tapestry system reengineering project.

PED notes regulations related to the CSAL would need to be amended to align with changes in the bill and develop a systematic method for referral, reporting, and monitoring of public school students who are in violation of the Law, potentially in collaboration with the juvenile probation and parole offices and the MVD of TRD. 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. PED indicates this can be done with existing personnel.

The AOC notes judges currently use driving privileges as a tool in juvenile dispositions and receipt of information regarding the status of a school-aged person's driving privileges are helpful in a disposition (the bill eliminates a Children's Court's ability to suspend a habitually truant student's driving privilege pursuant to the CSAL. AOC notes it is unclear if a Children's Court judge would receive notice of suspension of school-aged person's driving privileges pursuant to the CSAL.

## **DUPLICATION**

House Education Committee Substitute for House Bill 117 is a duplicate bill.

## **OTHER SUBSTANTIVE ISSUES**

The DOH analysis notes research shows truancy is related to delinquency, substance use and abuse, poor academic performance, high school dropout, suicidal thoughts and attempts, early sexual intercourse, and teenage pregnancy. Truancy is also associated with poor adult outcomes including marital instability, mental health problems, lower-paying jobs, and adult criminality. Schools also suffer due to the loss of instructional time and funding since student attendance is often a partial determinant of funding.