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FISCAL IMPACT REPORT

SPONSOR <u>Pope</u>	LAST UPDATED <u>2/16/23</u> ORIGINAL DATE <u>2/13/23</u>
SHORT TITLE <u>School Attendance Changes</u>	BILL NUMBER <u>Senate Bill 367</u>
ANALYST <u>Liu</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		(\$30,808.9) - \$0.0	(\$30,808.9) - \$0.0	(\$61,617.8) - \$0.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to HB112, HB126, HB130, HB134, HB194, HB252, SB120, SB283, SB422

Sources of Information

LFC Files

Responses Received From
 Children, Youth and Families Department (CYFD)

No Response Received
 Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 367

Senate Bill 367 amends the Attendance for Success Act, establishing a new attendance for success fund, requiring school districts (rather than school boards) to report excessively absent students to probation services offices, and requiring public schools to:

- Reduce reporting on student absenteeism from three times a year to once at the end of year,
- Remove students with 10 or more consecutive unexcused absences from the funding formula who have been provided all appropriate interventions,
- Set attendance improvement targets based on prior year chronic absenteeism rates,
- Identify and offer school-based opportunities for students to catch up with coursework,
- Develop whole-school absence prevention strategies such as middle-to-high school transitions and positive behavior supports,
- Identify reasons for chronic absences and align attendance interventions based on these

reasons, and

- Notify parents about services and consequences for students missing 5 percent of school and only apply progressive interventions to students missing 10 percent or more of school.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The bill does not contain an appropriation but changes administrative requirements of the Attendance for Success Act, which may affect operating costs for schools, and creates a new fund.

Removing Student Membership Counts. Provisions of this bill would remove students with 10 or more consecutive unexcused absences from the public school funding formula count, provided that student received all appropriate progressive interventions. In FY23, each student in the funding formula generated an average of \$11.3 thousand. In FY22, over 54.7 thousand students were excessively absent (missing 20 percent or more school days—about 36 days) and the average student had nine unexcused absences.

If students are removed from funding formula membership counts for missing 10 days, it is likely that schools with the highest absenteeism rates would generate less funding because the formula is primarily based on these counts. Assuming a smaller proportion of students—5 percent of the 54.7 thousand excessively absent students—were removed, the statewide funding formula would shift about \$30.8 million away from the schools that lost these students to other school districts and charter schools. The loss of students counted in the formula would reduce program units (a weighted student count) but increase the unit value (a per pupil revenue figure), which could mitigate some volatility in the state equalization guarantee (SEG) distribution for the schools counting fewer students; however, overall reductions in the student count will significantly reduce the share of funding for schools with high absences.

Attendance for Success Fund. Provisions of the bill create an attendance for success fund subject to appropriation by the Legislature and administered by PED to support a statewide attendance program and make grants to district and charters. The fund requires PED to grant awards to school districts and state-authorized charter schools with students in kindergarten through 12th grade in proportion to total enrollment on the second reporting date (80th day) of the prior year, with a minimum award amount of \$20 thousand. The HAFC Substitute for House Bill 2 does not include an appropriation for the attendance for success fund. As such, the disbursements contemplated in this bill would not occur.

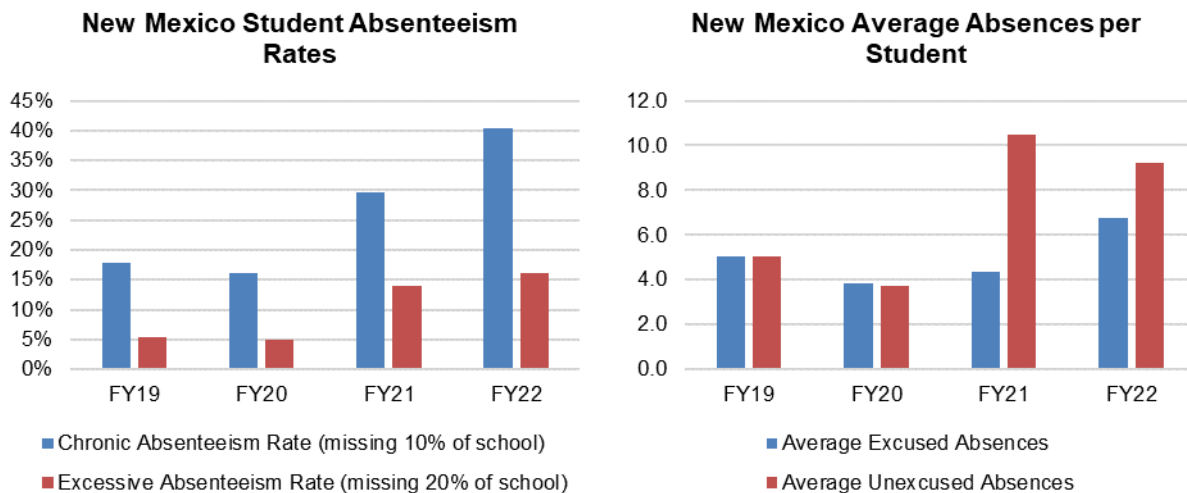
Aligned Interventions. Provisions of the bill require schools to provide interventions to students missing 5 percent or more of school aligned to their reasons for being absent. The bill requires schools to identify and address needs, including enforcement of anti-bullying policies, availability of transportation, and student discipline policies. Costs of providing additional transportation routes or changing school systems may have significant fiscal impacts. CYFD notes this change provides an individualized approach to addressing attendance issues.

SIGNIFICANT ISSUES

Laws 2019, Chapter 223 (House Bill 236) replaced the Compulsory School Attendance Act with the Attendance for Success Act, which expanded the definition of absenteeism to include excused and unexcused absences and shifted the burden of addressing student absenteeism from the judicial system to schools. Provisions of the Attendance for Success Act required schools to provide:

- Whole-school absence prevention strategies for all students,
- Individualized prevention strategies for students missing 5 percent to 10 percent of school,
- Early intervention strategies for students missing 10 percent to 20 percent of school, and
- Intensive support for students missing 20 percent or more of school.

In 2020, PED delayed implementation of the Attendance for Success Act due to school closures during the Covid-19 pandemic. Student chronic absenteeism surged during the pandemic and remained high, despite a return to in-person instruction. Following enactment, stakeholders noted the new Attendance for Success Act did not provide sufficient consequences to enforce attendance for excessively absent students and declining engagement with schools during remote learning continues to perpetuate lower expectations surrounding the importance of attendance.



Source: PED

In general, the students groups with the highest absenteeism rates and most unexcused absences in FY22 included students experiencing housing insecurity, Native American students, English learners, and low-income students.

PERFORMANCE IMPLICATIONS

A 2016 LFC program evaluation, *Assessing Time-on-Task and Efforts to Extend Learning Time*, found attendance, chronic absenteeism, and discipline are critical factors impacting the availability of instructional time. The evaluation determined that encouraging students to attend school and connecting with students and families to emphasize the importance of attendance are important responsibilities for school districts and tracking attendance and absenteeism is vital for helping student achievement. An elementary student absent 10 or more days loses a minimum of

15 hours of both language arts and math instruction time depending on various schedule types and configurations. Both excused and unexcused absences decrease student learning time and time-on-task.

A 2015 LFC program evaluation on middle schools, *Public Education Department – Performance, Programming, and Cost of Middle Schools in New Mexico*, found “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 standards-based assessment (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.” Additionally, the evaluation found chronic absenteeism begins to rise in middle school and continues to climb through 12th grade.

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 12th 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 three days a month is missing five weeks of school each year, based on a nine-month school calendar.

A 2014 LFC evaluation, *Cost Effective Options for Increasing High School Graduation and Improving Adult Education*, found both national research and state data confirm students who drop out tend to have poor attendance, behavioral referrals, and multiple course failures. The evaluation found in 2014, 8 percent of New Mexico high school students were absent 10 percent or more of the school year and were at-risk of dropping out. Of the 25 high schools with the greatest numbers of dropouts, 13 had chronic absenteeism rates above 10 percent, meaning more than 10 percent of students missed 18 or more days of school annually and were at-risk of dropping out.

ADMINISTRATIVE IMPLICATIONS

The current Attendance for Success Act requires reporting on absenteeism three times a year during the reporting dates (40th, 80th, and 120th day). Provisions of this bill would reduce reporting this data to the end of the school year and set targets for attendance improvement based on prior year performance. While this will significantly reduce reporting requirements for schools and development of attendance plans, timely information on absenteeism will no longer be available to the state. Interventions will be based on prior year performance outcomes and targets, which may not be relevant to current issues with attendance in schools.

CYFD notes the bill removes requirements for local school governing boards to consult with the superintendent or head administrator of a charter or private school prior to reporting excessively

absent students to juvenile probation (JPO). Instead, the school will now be able to make a Family in Need of Services (FINS) referral to juvenile probation without the aforementioned consultation. This change will likely expedite attendance FINS referrals to JPO but is not expected to increase the total number of referrals received. CYFD notes the expedited nature of these referrals aligns with best practice methodology surrounding juvenile probation cases and could be expected to improve the outcomes of attendance FINS referrals.

RELATIONSHIP

This bill relates to House Bill 112, which establishes a PED pilot for wellness rooms; House Bill 126, which changes high school graduation requirements; House Bill 130 and 194, which raise instructional hour requirements; House Bill 134, which provides free menstrual products in schools; House Bill 252, which appropriates \$67 million to PED for incentives to increase student attendance; Senate Bill 120, which allows open enrollment for children of military families; Senate Bill 283, which limits expulsions and suspensions for children in prekindergarten through second grade; and Senate Bill 422, which limits the number of students enrolled in charter schools within large districts.

OTHER SUBSTANTIVE ISSUES

According to Attendance Works, a national and state initiative on improving school attendance, children living in poverty are two to three times more likely to be chronically absent. Students from communities of color as well as those with disabilities are disproportionately affected. Many absences are tied to health problems, such as asthma, diabetes, and oral and mental health issues. Other barriers include lack of a nearby school bus, a safe route to school, or food insecurity.

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