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FISCAL IMPACT REPORT

SPONSOR <u>Pope/Trujillo</u>	LAST UPDATED <u>2/12/2025</u>
	ORIGINAL DATE <u>2/09/2025</u>
SHORT TITLE <u>Exclusionary Practices Act</u>	BILL NUMBER <u>Senate Bill 147</u>
	ANALYST <u>Hanika-Ortiz</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
ECECD		\$5.0 to \$50.0	Indeterminate but minimal		Recurring	General Fund

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

Sources of Information

LFC Files

Agency Analysis Received From
 Department of Health (DOH)
 Early Childhood Education and Care Department (ECECD)
 New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of Senate Bill 147

Senate Bill 147 (SB147) enacts a new section of the Children’s Code to provide limitations on the expulsion or suspension of children ages 6 weeks through 5 years from a school program or licensed facility, including removals for “soft expulsion,” defined as the practice of making a program so unwelcoming the parent has little choice but to withdraw the child. The bill provides that an enrolling entity may not expel or suspend a child for a reason related to the child’s behavior or for a disciplinary reason, except if the child causes or threatens bodily injury to another outside of self-defense. No suspension shall exceed three days. If the enrolling entity asks a parent to remove a child for disciplinary reasons, it constitutes a suspension.

The bill requires the prekindergarten program or licensed facility to report on any disenrollment of a child including expulsion and suspension; and gives rulemaking authority to ECECD.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

ECECD will incur expenses related to rulemaking for drafting rules, public notices, and hearings. The department will also incur expenses related to training and overseeing compliance. This can usually be accomplished with existing staff and within resources. If external consultants are

needed, costs could range from \$5,000 to \$50,000, requiring additional budget authority.

SIGNIFICANT ISSUES

Suspension and expulsion is strongly discouraged in New Mexico, except in rare cases where a child poses a serious safety risk, which this bill addresses. Programs like Head Start have explicit policies against expelling children due to behavior. Licensed facilities must use developmentally appropriate strategies when dealing with children with challenging behaviors.

The Department of Health (DOH) notes a joint statement from the National Association for the Education of Young Children, American Academy of Pediatrics, and National Education Association states:

Every year, as many as 8,710 three- and four-year-old children may be expelled from or pushed out of their state-funded preschool or prekindergarten classroom. A disproportionate number of these children are African American boys and girls, and these early childhood expulsions are happening at a rate more than three times that of their older peers in grades K-12. In childcare centers, expulsion rates are 13 times what they are in K-12 classrooms, with as many as 39 percent of childcare providers reporting at least one expulsion in the past year.

ECECD reports that requiring programs to report disenrollment, including suspensions or expulsions, will provide a mechanism for the department to collect data and conduct analysis to identify trends and support needed to help educators better support the child including managing challenging behavior, recognizing trauma, and promoting social-emotional development.

Changes to services for a child with an individualized education program or individual family service plan must be consistent with the federal Individuals with Disabilities Education Act.

ADMINISTRATIVE IMPLICATIONS

ECECD would promulgate the necessary rules to put in place provisions of the Act.

TECHNICAL ISSUES

It's not clear if the bill applies to programs that do not receive state or federal funding.

It's also not clear whether parents have the right to a hearing, to present evidence, or to appeal.

OTHER SUBSTANTIVE ISSUES

DOH emphasizes high-quality preschool programs provide important cognitive, academic, social, and emotional skills necessary for success in elementary school and beyond. Prekindergarten programs have been shown to have substantial benefits in reducing crime, raising earnings, and promoting education. Children who attend prekindergarten are more likely to graduate high school and are less likely to have children during their teenage years or become involved in the criminal justice system. But without support during these early years, a child is more likely to drop out of school, receive public assistance, and commit crimes.