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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/09

SPONSOR Madalena LAST UPDATED _____ HB 206

SHORT TITLE American Indian Childhood Education SB _____

ANALYST Burns

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

Children Youth and Families Department (CYFD)

No Response Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 206 appropriates \$50 thousand from the general fund to the Indian affairs department for the purpose of providing early childhood education for preschool children residing in the Pueblos of Cochiti, Santa Ana and Zia.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

According to the Indian Affairs Department the Pueblos of Cochiti, Santa Ana, and Zia are in a regional non-profit Head Start Program under the federal Office of Head Start. The Director of the Program has reported that the Program is in compliance with the prescribed standards known as the “Performance Standards for the Operation of Head Start Programs by Grantee and Delegate Agencies” found at 45 C.F.R. Part 1304, §§ 1304.1 *et seq.*¹

As a recipient of federal Head Start funding, the program may not receive a federal share of more than 80% of the grantee’s total budget unless a waiver has been granted.² Therefore, the program is required to obtain and document the additional 20% from third party in contributions such as through state legislative appropriations.

PERFORMANCE IMPLICATIONS

CYFD has performance measures related to pre-kindergarten and early childhood education programs. CYFD currently funds and administers pre-kindergarten programs statewide; and Early Childhood Development programs that serve children birth through five years of age.

TECHNICAL ISSUES

The Indian Affairs Department suggests that this appropriation is meant to supplement federal funding for head start program. There is no mention in the bill of head start programs or federal funding. If not tied to the federal funding the appropriation amount may not be sufficient to achieve the bill’s intentions.

OTHER SUBSTANTIVE ISSUES

According to CYFD quality pre-kindergarten and preschool programs can have a significant positive effect on children's ultimate academic success. Early childhood programs are scarce in the Pueblo communities.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to the Indian Affairs Department the consequence of not enacting this bill will be that the Head Start Program of Cochiti, Santa Ana and Zia may not be in compliance with the Head Start Act’s requirement that it obtain and document up to 20% of its total budget from non-federal sources and may result in a disallowance of federal funds for the Program.

KJB/mt

¹ Conversation with Kathleen Sando, Director, Five Sandoval Head Start program, on January 23, 2009.

² Head Start Act, § 640(b).