

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

SPONSOR <u>Hemphill</u>	LAST UPDATED _____ ORIGINAL DATE <u>2/6/2024</u>
SHORT TITLE <u>Preschool Literacy Program Act</u>	BILL NUMBER <u>Senate Bill 242</u>
	ANALYST <u>Chilton</u>

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

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
ECECD		\$658.7	\$691.6	\$1,350.3	Recurring	General Fund

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

### Sources of Information

LFC Files

Agency Analysis Received From  
 Early Childhood Education and Care Committee (ECECD)

Agency Analysis was Solicited but Not Received From  
 Public Education Department (PED)

## SUMMARY

### Synopsis of Senate Bill 242

Senate Bill 242 (SB242) would establish a “Preschool Literacy Program Act.” The purpose of the act is to support, through the Early Childhood Education Division of ECECD, early reading through the provision of mailed-out age-appropriate books to children throughout the state from birth to the age of five. Local program partners can be governmental agencies (of municipalities, counties, or tribes) or non-profit organizations; they would be tasked with enrolling children in the areas they cover and for paying 20 percent of the cost of the program; the other 80 percent would come through ECECD and the Preschool Literacy Program Act. All children living in the area covered by the affiliate would be eligible to enroll to receive the books. The local programs would be responsible for choosing the books to be appropriate for the populations receiving them.

Each year, beginning July 1, 2025, ECECD would survey parents and guardians of children receiving books as to their satisfaction with the program. A report on the effects of the program would be delivered by the Early Childhood Education Division to the Legislative Education Study Committee each year beginning on December 1, 2025.

The effective date of this bill is July 1, 2024.

## FISCAL IMPLICATIONS

There is no appropriation in SB242, and ECECD does not estimate the cost of subsidies for the local programs which would be partners in the provision of books to young children according to this bill. However, using the enrollment figures below and the cost of books and mailings that are borne by the local affiliates, the following calculation can be made:

26,137 children statewide x \$30.00 per year average cost x 80% match = \$627,288

As most of the affiliates attempt to increase their enrollment, bringing more books to local children, this figure is likely to grow. Assuming a conservative estimate of yearly growth of 5 percent per year statewide, the figures in the above table are adjusted upward for each subsequent year.

## SIGNIFICANT ISSUES

It has repeatedly been shown that having books in the home, whether purchased, obtained at a library, or sent to a child by an outside agency, has positive effects on reading levels all the way to third grade and beyond, and may strengthen the bond between the parent and child as parents read to young children.

ECECD comments on its experiences with this type of program: “ECECD has seen successful outcomes in early literacy through programs similar to what this bill would create. Early reading builds critical literacy skills that lead to strong future readers including increased vocabulary and phonetic awareness. Reading to young children also builds relationships among parents and children, along with building the child's emotional, cognitive, and social skills.”

Data from southwest New Mexico, gathered by the Imagination Library of Grant County, show this effect strongly; a large study done in Cincinnati, Ohio showed strongly positive effects of a combination of Imagination Library-sent books and pediatrician recommendations, also accompanied by giving a young family books, resulted in positive effects on early literacy, school performance and family cohesion. These and many other corroborating studies are available at the Dolly Parton Imagination Library website, [Research - Dolly Parton's Imagination Library](#).

New Mexico counts 46 programs cooperating with the Dolly Parton Imagination Library, each signing children up to receive books and raising money to share the cost of the books with the Dolly Parton Foundation, which assembles an expert committee to choose the books that they will send out each month. Each month six different age-appropriate books are sent out, at present one for every child in the program (and not yet “graduated,” or turned five) born in 2019, another for those born in 2020, etc., through books for newborns born in 2024. Two of the 12 books sent out to each age group each year are bilingual English-Spanish.

It is possible that other programs in addition to the Imagination Library have similar specifics to those proposed in Senate Bill 242, but the 46 local affiliates of the Imagination Library fit the qualifications required under Senate Bill 242. Currently, 26,137 children in New Mexico are

signed up by the local affiliates, which range in size from a few dozen (Bread Springs Day School's program has 41) to the 5,122 books sent out through Libros for Kids in Bernalillo County. Books are available in every county in New Mexico, and the total number of children signed up in the state was 26,137 as of February 5, 2024.

For several years, these programs' book and mailing expenses have been paid in part by grants from the Early Childhood Education and Care Department through the Southwest New Mexico Council of Governments.

LAC/al/ne/ss