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FISCAL IMPACT REPORT

SPONSOR Beam DATE TYPED 2/21/05 HB 554

SHORT TITLE CYFD Early Childhood Program Teacher Training SB _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 229; HB 337; HB 508; HB 459; SB 253; SB 254; SB 360; SB 458

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children Youth and Families Department (CYFD)
 NM Commission on Higher Education (NMCHE)
 NM Association of Community Colleges (NMACC)
 NM Public Education Department (NMPED)

SUMMARY

Synopsis of Bill

House Bill 554 appropriates \$500 thousand from the general fund to CYFD for expenditure in FY06 to provide support for professionally trained early childhood teachers and early childhood programs to ensure that children are ready for school when they enter kindergarten.

Significant Issues

The Governor's and Lt. Governor's have proposed a Pre-K initiative that will require more trained early childhood professionals but not necessarily at the Baccalaureate level. Research demonstrates the potential difference education for 4-year olds can make in future student success.

Since the extent of the program is unknown because it is planned to be a voluntary program, the impact of the need is also unknown. Also it is not known if the extent of recommended training has been determined.

According to the NMACC, the community colleges may have a training infrastructure in place that may accommodate the new need. Thirteen community colleges around the state offer early childhood programs with courses and programs ranging from the 45 hour entry level program to certificates (usually around 33 credits) to associates degrees (usually around 66 credits). Spring 05 enrollments in these programs are already in excess of 1,000 students. What is unknown at this time is the projected number of new individuals to be trained or the types of training programs being requested.

PED notes affordability and quality hinge on one of the most important factors: the quality of the staff. More than two-thirds of full-time teachers are paid salaries that fall below the poverty threshold (Whitebook & Phillips 1999). Improving quality means paying higher salaries to attract and retain staff and increasing funding for training and education. For example, according to the Cost, Quality and Child Outcomes Study (Helburn et al. 1995), which surveyed 401 child-care centers, the single largest expenditure for centers already is personnel costs; the labor average was 70% of all costs per month.

Studies find higher quality of care associated with good staff-child ratios, higher levels of teacher education and specialized training, better teacher wages and lower staff turnover (Whitebook, Howes, & Phillips 1990; Phillips, Howes, & Whitebook 1991; Helburn et al. 1995). PED indicates that children in North Carolina childcare programs who had teachers with bachelor degrees and were provided ongoing professional development, appropriate class size and ratios, comprehensive services and good curricula, showed better early literacy and math skills and better behavior skills (Campbell et al. 1999). Programs like the T.E.A.C.H. Early Childhood Project and the Child Care WAGE\$ Project in North Carolina successfully promote professionalism and reduce staff turnover.

PERFORMANCE IMPLICATIONS

In order for the program to “ensure that children are ready for school when they enter kindergarten”, new staff will have to be well trained and in the appropriate subject areas. The curriculum chosen should also be aligned with kindergarten entry requirements and K-4 standards and benchmarks.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

NMACC observes that if additional students for this program beyond what is already in the pipeline need to be trained, there will need to be additional scholarship funds made available (most students entering this field are females from disadvantaged backgrounds needing grant funds to participate in training...not loans that they have to repay as this is typically a low paying profession). In addition, if programs need to expand, additional funds may be needed as the current higher education formula does not pay for program expansion.

ADMINISTRATIVE IMPLICATIONS

Colleges would have to ramp up to accommodate potential increased demand and there may be a need to tailor the curriculum for the program. CYFD would need to administer the funds to the postsecondary sector.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB 229; HB 337; HB 508; HB 459; SB 253; SB 254; SB 360; SB 458

TECHNICAL ISSUES

CYFD is to be the recipient of this fund whereas the intent of the fund has primarily higher education implications.

It is unclear what the use of the funds would be for...potentially both student scholarships and funds for program development/training will be needed.

OTHER SUBSTANTIVE ISSUES

PED provided information that nearly one in three of America's school-age children attends public schools in rural areas or small towns of fewer than 25,000 and more than one in six goes to school in the very smallest communities, those with populations under 2,500. New Mexico is ranked first in the nation in rural child poverty (28%), second highest in the percentage of rural minority students (73%) and third lowest in rural per capita income in the U.S. (\$15,413); therefore, rural education is very important to New Mexico. Twenty-five percent of the state's population is rural with 22% of public school students enrolled in rural schools. Almost 64% of rural New Mexico students are eligible for subsidized lunches, and nearly half the state's rural schools suffer from declining enrollment. (*Why Rural Matters 2003: The Continuing Need for Every State to Take Action on Rural Education*, The Rural School and Community Trust, February 2003.) Early childhood programs in rural school communities often do not have easy access to professional development and technical assistance. Many communities also lack local resources to provide services. High-quality technical assistance and professional development for early childhood teachers and programs are necessary to ensure that children are ready for school when they enter kindergarten.

POSSIBLE QUESTIONS

Should the funds be appropriated to CHE?

BD/lg