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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/11  
 LAST UPDATED 03/13/11

SPONSOR Beffort HB \_\_\_\_\_

SHORT TITLE Equal Pre-K Program Appropriations SB 167/aSEC/aHEC

ANALYST Peery-Galon

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children, Youth and Families Department (CYFD)

Public Education Department (CYFD)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment to Senate Bill 167 strikes the Senate Education Committee amendments 1 and 2. By striking the amendments any money appropriated for pre-kindergarten programs would be divided equally between the Public Education Department and the Children, Youth and Families Department as proposed in the original bill.

#### Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 167 states funding appropriated for pre-kindergarten programs are to be divided so that the Public Education Department receives a distribution of up to 50 percent and the Children, Youth and Families Department receives a distribution of at least 50 percent.

#### Synopsis of Original Bill

Senate Bill 167 creates a new section of the Pre-Kindergarten Act requiring any money appropriated for pre-kindergarten programs to be divided equally between the Public Education Department and the Children, Youth and Families Department.

## **FISCAL IMPLICATIONS**

CYFD noted the Senate Education Committee amendment for Senate Bill 167 does not indicate how the split of appropriated pre-kindergarten funding would be determined, by whom or what criteria.

PED and CYFD noted the proposed legislation does not include an appropriation. The equal distribution of statewide pre-kindergarten funds between the PED and CYFD would restore the funding arrangement that was identified in statute at the beginning of the NM pre-kindergarten program.

## **SIGNIFICANT ISSUES**

New Mexico pre-kindergarten program provides early childhood services in public schools and in nonpublic settings, such as community child-care centers. Two-thirds of enrolled children at each site must live in a Title I elementary school zone.

For the past five years, CYFD and PED has contracted with the National Institute for Early Education Research (NIEER) at Rutgers University to conduct a study that randomly selected 4-year-olds attending pre-kindergarten and nonparticipants to evaluate the effectiveness of the initiative. The research has established the following key findings:

- Pre-kindergarten meaningfully impacts young children's language, literacy and math development;
- Overall classroom quality is good, but some improvements are needed, particularly in classroom support for early mathematics;
- Impacts of pre-kindergarten and classroom quality are similar for pre-kindergarten program sites administered by the Public Education Department and CYFD; and
- An estimated \$5 in benefits is generated in New Mexico for every dollar invested in pre-kindergarten.

The FY11 adjusted operating budget for pre-kindergarten is \$7.5 million for CYFD and \$6.9 million for PED.

PED and CYFD reported the original funding for NM pre-kindergarten was, for the first two years, divided equally in statute between PED and CYFD in administering funds. Dividing the funding equally ensures that parents and communities will continue to have a balance of options when selecting pre-kindergarten programs for their children.

PED and CYFD noted the operating assumption of NM pre-kindergarten has been that a mixed delivery system, which utilizes both private providers and public school settings, is a desirable policy option. With the equal split of funding between PED and CYFD, the mixed delivery system can continue to be operationalized.

PED reported that the department and CYFD are committed to continued parity in funding of the NM pre-kindergarten program as doing so is cost effective, provides more choice for the state's children, and allows for data to be compared and studied.

CYFD reported that throughout 2011, PED and CYFD have jointly agreed to evaluate the effectiveness of the mixed delivery system to determine if there is the potential for improved outcomes and/or program efficiencies through some restructuring of the program or distribution of funding.

**PERFORMANCE IMPLICATIONS**

PED and CYFD noted the departments have performance measures related to the proposed legislation. If the proposed legislation generates additional funding for PED's or CYFD's pre-kindergarten programs, the additional funding could positively affect PED's and CYFD's related performance measures.

CYFD has the following performance measure on pre-kindergarten: percent of children in state-funded prekindergarten showing measurable progress on the preschool readiness kindergarten tool. The performance measures FY10 actual was 70.2 percent.

**ADMINISTRATIVE IMPLICATIONS**

CYFD stated that the Senate Education Committee amendment for Senate Bill 167 will require negotiations to determine who appropriated pre-kindergarten funds are split, by whom the decision is made and what criteria the decision is made by.

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