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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/12

SPONSOR Chavez, E. LAST UPDATED _____ HB 198

SHORT TITLE CYFD Child Care Resource and Referral Service SB _____

ANALYST Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

Human Services Department (HSD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 198 appropriates \$150.0 thousand from the general fund CYFD for the purpose of expanding the childcare resource and referral service database. The database will track early childhood educators and administrators employed by childcare centers participating in state or federal child care assistance programs or as licensed family childcare providers. Centers will have minimum reporting requirements and CYFD will assign unique state identification numbers to each early childhood educator or administrator. The department will look at career trends, turn-over rates, training and education and other issues to improve the quality of early childhood education.

FISCAL IMPLICATIONS

The appropriation of \$150.0 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 2013 will revert to the general fund. Per LFC letter dated January 16, 2012, appropriations for human services will grow approximately 2 percent per year through FY 15. According to the LFC staff General Fund Recurring Appropriation Outlook for FY14 and FY15, December 2011 forecasted revenues will be insufficient to cover growing recurring appropriations.

Because the database used for the New Mexico child care resource and referral service does not include individual educator or administrator information, another database system would need to be developed, established and maintained. The University of New Mexico has stated that cost of developing and maintaining such a system is a minimum of \$380.0 per year, for a three-year total additional cost of \$760.0.

SIGNIFICANT ISSUES

CYFD currently has a \$120.0 contract with the University of New Mexico (UNM)'s Division of Continuing Education to administer the existing statewide child care resource and referral service. This funding is federal, from the federal Child Care Development Fund to support personnel salaries and benefits for 1.5 FTE, software license fees and data storage fees, printing and postal costs to mail additional resource information to families accessing the service, marketing costs, and telecommunication costs. The existing data base meets the requirements of the National Association of Child Care Resource and Referral Agencies.

HB 198 also requires information collected will include demographic information including race, ethnicity, age, and gender; education; and results of criminal background checks. Confidentiality of this individual information may be an issue.

HSD has a contract with CYFD to provide childcare to Temporary Assistance for Needy Families and New Mexico Works case managers make referrals to CYFD for childcare assistance.

LFC staff recommends any databases created should be integrated to reduce data entry requirements and to ease data retrieval.

ADMINISTRATIVE IMPLICATIONS

CYFD will have to work with UNM to meet confidentiality of posted information. Generally names and demographic information may need to be separated or hidden when posted on the website.

OTHER SUBSTANTIVE ISSUES

The bill is not clear as to the purpose of the data collection of additional demographic data and how it is to be used to look at career trends in early childhood education and what will be the end product of any analysis done. In addition, there are no guidelines for the agency on what information may be released to the public and for what purposes. The database will also lack information from those childcare centers not receiving federal or state financial support.

GAC/lj:svb