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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/13

SPONSOR Kernan LAST UPDATED _____ HB _____

SHORT TITLE CYFD Childcare Providers Grants SB 242

ANALYST Aledo-Sandoval

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
\$500.0	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Bill 242 appropriates \$500 thousand from the general fund to the Children, Youth and Families Department (CYFD) for the purpose of providing grants to state-assisted childcare providers to enable providers to comply with CYFD rules regarding upgrades to facilities including playground equipment and fire sprinkler systems.

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 FY14 shall revert to the general fund.

SIGNIFICANT ISSUES

According to the CYFD, the federal government as well as other state agencies may have requirements that financially impact child care facilities (e.g. upgraded cribs is a federal requirement, fire sprinkler systems is a state fire marshal requirement, commercial kitchen appliances is a NM Environment Department requirement, etc.). The CYFD does not have the authority to waive compliance of these requirements and must be include them in the state's childcare licensing regulations.

The CYFD notes that there may be significant procurement issues including grants for capital expenditures and possible conflicts with the state's anti-donation clause. In the past, the CYFD has only been able to offer grant opportunities for quality improvements, such as educational equipment and relatively minor expenses that would not be considered capital improvements or expenditures.

LFC staff notes there is no criteria mentioned in the bill so that requests could be prioritized by CYFD.

MCAS/bm