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FISCAL IMPACT REPORT

SPONSOR Soules LAST UPDATED _____
ORIGINAL DATE 1/30/24
SHORT TITLE Las Cruces School Services BILL NUMBER Senate Bill 209
ANALYST Liu

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$4,261.6	Nonrecurring	General Fund

Parentheses () 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 Department (ECECD)

Agency Analysis was Solicited but Not Received From

Public Education Department (PED)

SUMMARY

Synopsis of Senate Bill 209

Senate Bill 209 appropriates \$4.3 million from the general fund to Las Cruces Public Schools (LCPS) through PED for expenditure between FY25 and FY28. The appropriation is intended to provide parenting support services, provide workforce training in trauma and maltreatment, and reduce adverse childhood experiences (ACE). Any unexpended or unencumbered balances at the end of FY28 would revert to the general fund. This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$4.3 million contained in this bill is a nonrecurring expense to the general fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services and those services perform well, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

The appropriation in the bill is a direct allocation from PED to LCPS for 10 services through a one-stop shop that provides parenting services from birth to young adulthood, trains the future workforce in trauma and maltreatment, and develops cooperative protocols among agencies and organizations to reduce ACEs. The uses of this appropriation appear to align with a plan developed by the 100 percent New Mexico initiative under the Anna, Age Eight Institute, which describes the following 10 vital services to address social determinants of health:

- Medical and Dental Care,
- Behavioral Healthcare,
- Food Security Programs,
- Housing Security Programs,
- Transportation,
- Parent Supports,
- Early Childhood Learning,
- Community Schools,
- Youth Mentor Programs, and
- Job training.

The HAFC Substitute for House Bill 2 includes \$2.1 million for the Anna, Age Eight Institute through New Mexico State University (NMSU). Provisions of this bill would make a separate appropriation to LCPS, which is not currently included in the budget. ECECD notes the appropriation does not discuss why the services are needed in LCPS specifically, as opposed to New Mexico statewide.

SIGNIFICANT ISSUES

The original study on ACEs, conducted by the U.S. Center for Disease Control and Prevention in the mid-1990s, found a strong relationship between adverse experiences and a child's development and long-term risks. The 10 ACEs include physical abuse, emotional abuse, sexual abuse, physical neglect, emotional neglect, living in households with domestic violence, living with adults who misuse substances, living with adults with untreated mental health challenges, having parents separated or divorced, and living in households where a member is incarcerated. According to the Anna, Age Eight Institute, one in four New Mexicans report four or more ACEs, with physical abuse, emotional abuse, and living in homes with substance use disorders being the most common.

A 2020 community survey report of 1,226 respondents in Dona Ana County (67 percent of respondents were a parent, guardian, or primary caregiver for a child) by NMSU found the following prior to the Covid-19 pandemic:

- **Medical and Dental Care** – 30 percent of respondents had difficulty getting dental care and 38 percent had difficulty getting medical care, with perceived need for all health-related services being notably less for Hispanics or Latinos and respondents whose primary language was not English;
- **Behavioral Healthcare** – 49 percent of respondents had difficulty seeking mental or behavioral health services, with participants noting a lack of qualified providers;
- **Food Security Programs** – 53 percent of respondents needed food assistance services;
- **Housing Security Programs** – 16 percent of respondents needed affordable housing, with difficulty accessing services for single parents;

- **Transportation** – 21 percent of respondents needed public transportation, particularly for residents of Chaparral;
- **Parent Supports** - 35 percent of respondents with children reported needing home visiting services, particularly for residents of the Gadsden Independent School District (GISD), and 47 percent of respondents with children reported needing childcare services, particularly for residents of LCPS;
- **Early Childhood Learning** – 50 percent of respondents with children reported needing preschool services, with residents of GISD most likely to need services compared to LCPS or Hatch Valley Schools;
- **Community Schools** – 31 percent of respondents with children reported needing school-based health services;
- **Youth Mentor Programs** – 6 percent of respondents with children reported needing youth mentor services; and
- **Job training** – 23 percent of respondents needed job training services, with 24 percent reporting a lack of childcare during training times.

PERFORMANCE IMPLICATIONS

Reducing the number of ACEs can break the negative generational cycle and improve health and well-being. Similarly, because the basic architecture of a child’s brain forms in the first few years of life, research shows these earliest years may present the most significant opportunity to remediate developmental delays and address the cognitive and social delays that can result from less stimulating emotional and physical environments, as well as the severely diminished neurological development that can result from unstable and stressful environments.

Early childhood services can lead to positive outcomes, and investments have increased over 50 percent since FY23; however, LFC’s 2023 early childhood accountability report found challenges with program implementation and oversight remain. For example, home visiting services can lead to positive benefits for families; however, the full expected benefits are likely not realized for most families because only 7 percent completed the program in FY23, down from the 11 percent that completed in FY22. Additionally, oversight of prekindergarten quality can be difficult as both ECECD and PED have different educational requirements for teachers and report different information on classroom quality. Child safety is one of the most important issues facing the state, and, when examining population-level health and safety metrics, infant mortality and abuse and neglect deaths have improved; however, substance use and repeat maltreatment remain high, with New Mexico consistently ranking among the top six states for repeat maltreatment occurring within 12 months of an initial allegation. Births in New Mexico have been declining much faster than originally anticipated and as births continue to decline, the number of children needing early childhood services will also decline. Enrollment in Head Start has declined by 45 percent since FY12.

ADMINISTRATIVE IMPLICATIONS

Provisions of this bill would require PED to flow funding to LCPS outside of the public school funding formula (also known as the state equalization guarantee distribution). LCPS would need to establish programs or contract with entities to provide services outlined in the bill, some of which may be outside the scope of the district’s current operations.

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