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FISCAL IMPACT REPORT

SPONSOR: Heaton DATE TYPED: 2/27/03 HB 191

SHORT TITLE: Office of Early Education SB _____

ANALYST: L. Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation for the Department of Education in the General Appropriation Act

SOURCES OF INFORMATION

Responses Received From

- State Department of Education SDE
- Commission on Higher Education (CHE)
- Children, Youth & Families Department (CYFD)
- Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 191 appropriates \$500.0 from the general fund to the State Department of Public Education (SDE), amends the Public School Code to create the Office Of Early Education and provides for its duties; transfers the appropriations and property of the Office of Child Development in Children, Youth & Families Department (CYFD) to the SDE; and repeals Sections 32A-16-1 through 31-16-4 that established the Office of Child Development.

Significant Issues

The bill has elicited diverse reactions from agencies providing the analysis.

The CHE reports that House Bill 191 is consistent with recommendations in the “Blueprint for the Alignment of Early Education in New Mexico” requested by the LESC September 13, 2002 and prepared jointly by the Department of Children Youth, and Families (CYFD) and the State Department of Education (SDE).

- The SDE cites the absence of a single coordinating agency for programs designed for early education, and agrees that this bill will provide a focus for programs dealing with a child's early years.
- CYFD, on the other hand, observes that, while the bill is aimed at integrating early care services, it would actually remove the Office of Child Development from CYFD, the agency that administers all child care funding (and child care accounts for a major part of early care and education services statewide).
- The DOH suggests that placing the Office of Early Education in the Lieutenant Governor's office would serve to improve the coordination of early childhood services across multiple state and federal agencies.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

According to CYFD, while the bill is aimed at integrating early care services, it would actually remove the Office of Child Development from CYFD, the agency that administers all child care funding (and child care accounts for a major part of early care and education services statewide).

The bill would transfer 8.0 FTE and \$5.322 million from CYFD to the SDE. Any costs associated with the transfer would have to be absorbed by CYFD's existing resources.

ADMINISTRATIVE IMPLICATIONS

CYFD reports that the agency remains responsible for the development and implementation of the federal Child Care and Development Fund (CCDF), of which the mandated quality requirements are just one part. The oversight of CCDF money remains with CYFD and the movement of the funds to SDE would have significant administrative implications. The quality set-aside childcare funds currently meet the grant requirements of the CCDF.

OTHER SUBSTANTIVE ISSUES

The DOH points out that SDE has not had a strong focus on early childhood education from birth to 5 years of age except for special education 3 and 4 year olds and a small Even Start literacy program.

In support of this change, SDE cites a recent study that identified the five major challenges of coordinating early childhood programs and points out that the bill addresses all five challenges:

- developing a comprehensive vision;
- expanding fiscal resources;
- addressing regulatory differences among programs and funding systems;
- implementing early education initiatives across different structures and constituencies;
- and

- tracking progress and measuring results

POSSIBLE QUESTIONS

1. Will SDE be able to carry out the provisions of the Bill?
2. Have the agencies affected by this bill discussed the logistics of the transfer if this bill is enacted?
3. Does this transfer fragment the responsibilities of CYFD and will CYFD still be able to meet its responsibilities under federal statutes?

LRB/lr:yr