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FISCAL IMPACT REPORT

SPONSOR: Beffort DATE TYPED: 02/14/03 HB _____

SHORT TITLE: Support for Indigent Early Childhood Teachers SB 539

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	Temporary Assistance to Needy Families Grant Fund

(Parenthesis () Indicate Expenditure Decreases)

Related to HB 191 that transfers CYFD's Office of Child Development to the State Department of Education.

Related to SB 89 and HB 198 containing an appropriation to NMSU for a bachelor's degree program in early childhood and elementary education in Grants and Cibola counties.

Relates to Appropriation in the General Appropriation Act to the CYFD Prevention and Intervention Program.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)
 Commission on Higher Education (CHE)
 Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 539 appropriates \$500.0 from the Temporary Assistance to Needy Families (TANF) grant to the CYFD Office of Child Development for the purpose of contracting with persons employed as early childhood teachers who are also TANF clients to enroll in a degree course at a post-secondary educational institution to improve their employment skills.

Significant Issues

CYFD currently spends \$3,000.0 on contracts that provide training and technical assistance to childcare providers (\$2.4 million for the Child Care and Development Block Grant (CCDBG), \$500.0 from TANF and 100.0 from general fund) and this bill would provide another \$500.0. CYFD is concerned with the expenses of developing contracts with each participant and would prefer expanding existing contracts through the training and technical assistance programs currently under contract. In addition, the agency has 2 FTE overseeing contracts and, if contracts for individuals are required, more staff may be needed to administer the contracts.

The HSD budget request has the agency transferring the 30 percent maximum from TANF to the CCDBG. The degree course required in this bill would take \$500.0 of the funds transferred to CYFD Office of Child Development for training of child care providers and direct it for TANF clients to enroll in a degree course as specified in the bill. The proposed degree program is available as part of the TANF Education Works Program and, if conducted through that program, would not be counted in the 30 percent transfer maximum to CCDBG.

HSD states for the past five years the agency has transferred funds to the Office of Child Development for training of child care providers. In the FY04 budget request, this was increased by an additional \$500.0 and is included in the LFC recommendation. HSD states that the language in this bill would likely limit, rather than enhance, the Income Support Division and CYFD's ability to provide training. In addition, the agency states the \$500.0 would go to a very small group of eligible participants.

Lastly, HSD states that the appropriation from TANF needs to be made to HSD who will transfer the funds to the appropriate agency. HSD states all federal TANF block grant funds have historically been appropriated to HSD. Appropriating these funds to another state agency, while possible, complicates the state's ability to account for these funds and report TANF activity to the federal government.

CHE states they have worked with CYFD Office of Child Development and the Early Childhood Education Task Force for the past ten years and this bill would help to relieve the financial burden of early childhood teachers in taking higher education courses.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the TANF block grant. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the TANF block grant.

ADMINISTRATIVE IMPLICATIONS

CYFD will have to develop rules and regulations for administering the program, criteria for individual contracts and a tracking method for both financial and individual performance.

TECHNICAL ISSUES

CYFD recommends amending page 1, line 22-23 to specify qualifying degree courses.

POSSIBLE QUESTIONS

1. Why should funds transferred to CCDBG from TANF be use for a program that is already included in the TANF Education Works Program?

GAC/njw/lis