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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**54th Legislature, 1st Session, 2019**

<b>Bill Number</b>	<u>HB197</u>	<b>Sponsor</b>	<u>Dow</u>
<b>Tracking Number</b>	<u>.211093.1</u>	<b>Committee Referrals</b>	<u>HHHC/HAFC</u>
<b>Short Title</b>	<u>Early Childhood Shared Service Integration</u>		
<b>Analyst</b>	<u>Rogne</u>	<b>Original Date</b>	<u>1/31/2019</u>
		<b>Last Updated</b>	<u></u>

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**FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

**BILL SUMMARY**

Synopsis of Bill

House Bill 197 (HB197) would create a new section of the Children's Code to require the Children, Youth and Families Department (CYFD) to establish a shared service integration model to make early childhood education programs statewide more effective and minimize duplication of public and private local, state, and federal services.

**FISCAL IMPACT**

HB197 would appropriate \$300 thousand from the general fund to CYFD for expenditure in FY20-FY21. Any unexpended or unencumbered balance remaining at the end of FY21 shall revert to the general fund.

**SUBSTANTIVE ISSUES**

HB197 would create a new section of the Children's Code to require CYFD to establish a shared service integration model.

Shared services simply refers to a system that allows funding and resources to be shared within an organization or group. One of the challenges of early childhood education is that it requires coordination with multiple programs in a mixed delivery system. According to the Build Initiative, shared services is a framework or organizational structure that enables early childhood providers to establish systems that can sustain high-quality teaching and learning (pedagogical leadership) while at the same time making sure all necessary fiscal and administrative tasks are performed (business leadership). Build Initiative also notes that in a shared-service alliance, multiple early childhood education sites form a network that pools needs and shares resources, including staff, information, automated systems, skills, and funds, in order to strengthen capacity and ensure sustainable, high-quality care. According to the Legislative Finance Committee, "there are a

growing number of emerging and successful shared-services alliances in the early childhood sector.”

New Mexico is currently focused on better coordination of state-funded prekindergarten programs with federally funded Head Start and Early Head Start programs and high-quality childcare to prevent oversaturation of services for specific age groups and geographic areas to ensure New Mexico does not lose federal revenues. A coordinated early childhood governance structure that ensures federal revenues are not supplanted with state funding is essential to success.

According to CYFD, HB197 does not provide clarity related to the specific model for shared services that this funding is intended for, or if CYFD would be able to determine the model based on national research, workforce needs, and capacity.

### **ADMINISTRATIVE IMPLICATIONS**

According to CYFD, monitoring of the implemented model will be absorbed by existing resources.

### **RELATED BILLS**

Related to HB173, Child & Family Databank Act, which would create a statewide integrated data system providing for data sharing among state agencies, including CYFD.

Related to SB22, Early Childhood Education & Care Dept., which would transfer early childhood related functions of other agencies, including CYFD, to the new early childhood education and care department.

### **SOURCES OF INFORMATION**

- LESC Files
- Children, Youth and Families Department (CYFD)
- Legislative Finance Committee (LFC)

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