

LFC Requester:	Kelly Klundt
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**AGENCY BILL ANALYSIS
2019 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 2/21/19
Bill No: SB22SRC

Sponsor: Senate Rules Committee **Agency Name and Code Number:** PED-924
Short Title: EARLY CHILDHOOD EDUCATION & CARE DEPT. **Person Writing** Daniel Manzano
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
\$1,250.0	\$0.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB298

Duplicates/Relates to Appropriation in the General Appropriation Act: Relates to HB2

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Substitute

SB22 gives the new department the responsibility to approve funding and to monitor the PED PreK and Early PreK programs. In addition, SB22 seems to transfer the responsibility to provide technical assistance and training for public school PreK program staff to the Early Education and Care Department. This would eliminate the PED’s current training and coaching services contracted with the UNM Center for Development and Disability. SB22 also does not appear to provide a means for PED to access funds for administration and program support.

FISCAL IMPLICATIONS

SB22 states the Early Education and Care Department “may approve a public provider or contract with any other provider for the delivery of Early PreK or PreK services at the per child rate paid to public elementary schools designated as Title 1 in that locality where services are provided”, but does not reference the Student Equalization Grant (SEG) formula, which determines this rate. In addition, the rate paid to schools is set for children in kindergarten through 12 grade, or for a child three to five years of age with a disability requiring special education services. It is not clear how this “per child” rate would be determined for children who are not currently included in the SEG. The SEG has additional multipliers based on socio-economic and demographic factors. The children in early pre-kindergarten and pre-kindergarten require a smaller staff-to-student ratio than children in kindergarten through 12th grade. In addition, funding programs at a “local rate” that varies by community when the budget is set by appropriation, would be difficult.

PED will “access funds” from the new department to allocate to school districts and charter schools, called “public providers” in the bill. It will be important that the funds are transferred in a manner to be available to public providers on July 1 of each fiscal year.

There is no mention of a transfer of funds for the administrative or program support functions at PED.

SIGNIFICANT ISSUES

While PED would make actual funding awards to public providers following the approval by the new department, it appears that all other responsibilities have been transferred to the new department. PED and the new department will collaborate prior to awarding funding to public and other providers in order to avoid over saturation of a community while preserving parental choice.

PERFORMANCE IMPLICATIONS

The PED pre-k program and the CYFD Early childhood programs are evaluated using different criteria and standards. The practitioners from both entities will have to work together to determine common metrics to be used for early childhood education starting in 2020. PED will provide training, technical assistance, coaching, and monitoring for public school programs. This bill assigns these functions to the new department.

ADMINISTRATIVE IMPLICATIONS

It appears that PED may not be funded for administrative or support functions, including funding for the Early Childhood Observation Tool.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP:

Related to HJR 1: Permanent Funds for Early Childhood Education

HB1: Phased-in Minimum Wage Increase

Related to HB134: PreK in Community Schools Act

HB160: Requirements for Child Care Assistance

Related to HB171 Raising Minimum Teacher Salaries

Related to HB173 and SB202: Child and Family Databank Act (some duplication)

Related to SB47: Increase School Personnel Salaries

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

None noted

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

CYFD, DOH and PED will continue to collaborate to implement high quality early learning and care programs. The three departments will use the federal Preschool Development Grant to complete a thorough needs assessment, including determining the costs of programming and means of financing by December 31, 2019.

AMENDMENTS

Substitute 2/21/2019