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## FISCAL IMPACT REPORT

SPONSOR Gonzales DATE TYPED 2/25/2005 HB 508

SHORT TITLE CYFD Early Childhood Program SB \_\_\_\_\_

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$2,800.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 229; HB 337; HB 508; HB 554; SB 253; SB 254; SB 360; SB 458; SB 459; SB 511

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children Youth and Families Department (CYFD)  
 NM Public Education Department (NMPED)

### SUMMARY

#### Synopsis of Bill

House Bill 508 appropriates \$2.8 million from the general fund to CYFD for early childhood education programs. The appropriation is to be distributed as follows:

- \$1,000,000 for the AIM HIGH program;
- \$300,000 to provide technical assistance for licensing of registered family care home providers;
- \$1,500,000 to establish satellite training and technical assistance programs.

#### Significant Issues

Children who participate in high-quality early childhood programs are 40% less likely to need special education or be held back a grade. (*Long-term Effects of Early Childhood Intervention on*

*Education Achievement and Juvenile Arrest, Journal of the American Medical Association, Vol. 285, November 18, 2001)*

Several studies (e.g., Perry Preschool Project, Abecedarian Study, Head Start, Chicago Child-Parent Centers Study, Rand Report 2000) show academic benefits for four-year-olds attending high-quality early childhood programs.

Aim High is a voluntary quality improvement project for childcare providers including childcare centers, family childcare homes and school-age programs. The Aim High program establishes five levels of quality childcare and encourages childcare providers to move through the level system

PED points out the current regulation governing Child Care Centers, Out Of School Time Programs, Family Child Care Homes and other Early Care and Education Programs (Title 8, Social Services, Chapter 16, Child Care Licensing Part 2, Reg #8.16.2 NMAC) is a lengthy document (40 pages) that requires careful review in order to be familiar with and understand all of the requirements for licensing. Technical assistance for family care home providers could improve the accuracy and completeness of license applications resulting in an increase of licensed providers. “Developing local, state, and national supports for quality would help centers and homes across the country operate at levels comparable to those of the programs.” (*Achieving High-Quality Child Care: How Ten Programs Deliver Excellence Parents Can Afford, By Amy Fowler Kinch and Lawrence J. Schweinhart*).

Twenty-five percent of New Mexico’s population is rural with 22% of public school students enrolled in rural schools. The state is ranked first in the nation in rural child poverty (28%), second highest in the percentage of rural minority students (73%) and third lowest in rural per capita income in the U.S. (\$15,413). Almost 64% of rural New Mexico students are eligible for subsidized lunches, and nearly half the state’s rural schools suffer from declining enrollment. (*Why Rural Matters 2003: The Continuing Need for Every State to Take Action on Rural Education, The Rural School and Community Trust, February 2003 –*

Rural school communities often do not have easy access to professional development and technical assistance for early childhood programs. Many communities also lack local resources to provide services. High-quality technical assistance and professional development for early childhood teachers and programs are necessary to ensure that children are ready for school when they enter kindergarten.

## **FISCAL IMPLICATIONS**

The appropriation of \$2.8 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

## **ADMINISTRATIVE IMPLICATIONS**

CYFD will absorb the administrative impact associated with enacting the bill.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to HB 229; HB 337; HB 508; HB 554; SB 253; SB 254; SB 360; SB 458; SB 459; SB 511

**OTHER SUBSTANTIVE ISSUES**

In New Mexico, the majority of child care for young children is provided in registered family home settings. CYFD indicates that additional technical assistance to providers will help assure the quality of services provided to young children. The bill would also establish satellite training and technical assistance offices located in rural areas of the state.

**BD/yr**