

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 167aa

50th Legislature, 1st Session, 2011

Tracking Number: .183705.1

Short Title: Equal Pre-K Program Appropriations

Sponsor(s): Senator Sue Wilson Beffort

Analyst: Craig J. Johnson

Date: March 22, 2011

AS AMENDED

The House Education Committee amendment strikes the Senate Education Committee amendments.

The Senate Education Committee amendments:

- **removes the requirement appropriations for pre-kindergarten programs be distributed equally between the Public Education Department (PED) and the Children, Youth and Families Department (CYFD); and**
- **replaces it with the requirement that PED receive up to 50 percent and CYFD receive at least 50 percent of the money appropriated for pre-kindergarten programs.**

Original Bill Summary:

SB 167 adds a new section to the *Pre-Kindergarten Act* in the *Children's Code* to require that any money appropriated for pre-kindergarten programs be divided equally between the Public Education Department (PED) and the Children, Youth and Families Department (CYFD)

Fiscal Impact:

SB 167 does not contain an appropriation.

Fiscal Issues:

Since 2005, the Legislature has appropriated over \$98.75 million to implement New Mexico PreK, including over \$6.0 million in federal Temporary Assistance for Needy Families (TANF) funds, and approximately \$17.0 million for classrooms.

- For FY 06, \$4.95 million:
 - \$4.0 million in a special General Fund appropriation to the Department of Finance and Administration (DFA) to fund a voluntary pre-kindergarten program, which was equally divided between PED and CYFD; and

- \$950,000 (after sanding) from the General Fund to DFA for pre-kindergarten services.
- For FY 07, approximately \$13.5 million:
 - \$3,995,800 from the General Fund to PED for pre-kindergarten programs in public schools;
 - \$1.5 million in a special General Fund appropriation to PED for “one-time pre-kindergarten start-up costs for developmentally appropriate equipment and classroom safety improvements” in public schools statewide;
 - \$4.0 million from severance tax bond (STB) proceeds to PED for pre-kindergarten classrooms in public schools statewide; and
 - \$3,995,800 to CYFD from the General Fund for pre-kindergarten programs administered by the department.
- For FY 08, \$17.0 million:
 - \$7.0 million from the General Fund to PED for pre-kindergarten programs in public schools. According to PED staff, \$500,000 was set aside for program start-up costs;
 - \$3.0 million from STB proceeds and the General Fund to PED for pre-kindergarten classrooms, including portable buildings, in public schools statewide; and
 - \$7.0 million from the General Fund to CYFD for pre-kindergarten programs administered by the department. According to CYFD staff, \$500,000 was set aside for program start-up costs.
- For FY 09, over \$23.1 million:
 - \$8.5 million from the General Fund to PED for pre-kindergarten programs in public schools;
 - an additional \$1.0 million from federal TANF funds to PED for pre-kindergarten programs in public schools;
 - \$400,000 in a special General Fund appropriation to PED for pre-kindergarten start-up costs;
 - \$3.0 million from STB proceeds to PED for pre-kindergarten classrooms in public schools;
 - \$8.5 million from the General Fund to CYFD for pre-kindergarten programs administered by the department;
 - an additional \$1.0 million from federal TANF funds to CYFD for pre-kindergarten programs administered by the department;
 - \$500,000 to CYFD from reauthorized STB proceeds for pre-kindergarten classrooms; and
 - \$200,000 to OEA “to evaluate the kindergarten-three-plus and pre-kindergarten programs.”
- For FY 10, approximately \$23.2 million:
 - approximately \$7.9 million (after appropriation reductions) from the General Fund to PED for pre-kindergarten programs in public schools;
 - an additional \$1.5 million from federal TANF funds to PED;

- \$2.0 million from STB proceeds to PED for pre-kindergarten classrooms in public schools statewide;
 - approximately \$7.8 million (after appropriation reductions) from the General Fund to CYFD for pre-kindergarten programs administered by the department;
 - an additional \$1.5 million from federal TANF funds to CYFD; and
 - \$2.5 million from reauthorized STB proceeds to CYFD for pre-kindergarten classrooms.
- For FY 11, approximately \$17.0 million:
 - approximately \$5.3 million (after appropriation reductions) from the General Fund to PED;
 - an additional \$1.0 million to PED from the Pre-K fund balance for pre-kindergarten programs in public schools;
 - an additional \$625,000 from federal TANF funds to PED;
 - \$2.0 million from STB proceeds to PED for pre-kindergarten classrooms in public schools statewide;
 - approximately \$7.7 million (after appropriation reductions) from the General Fund to CYFD for pre-kindergarten programs administered by the department; and
 - an additional \$416,000 from federal TANF funds to CYFD.
 - In FY 11, according to PED, approved programs are serving a total of 4,378 children statewide:
 - 2,064 public school students in 87 approved programs at 26 public school districts and three charter schools; and
 - 2,314 children in 41 CYFD programs at 84 sites.

Substantive Issues:

- Dividing the funding equally ensures that parents and communities will continue to have a balance of options when selecting pre-kindergarten programs for their children.
- PED and CYFD noted the operating assumption of New Mexico pre-kindergarten has been that a mixed delivery system, which utilizes both private providers and public school settings, is a desirable policy option. With the equal split of funding between PED and CYFD, the mixed delivery system can continue to be operationalized.
- PED reported that the department and CYFD are committed to continue parity in funding of the New Mexico pre-kindergarten program as doing so is cost effective, provides more choice for the state's children, and allows for data to be compared and studied.
- CYFD reported that throughout 2011, PED and CYFD have jointly agreed to evaluate the effectiveness of the mixed delivery system to determine if there is the potential for improved outcomes and/or program efficiencies through some restructuring of the program or distribution of funding.

Background:

- The *Pre-Kindergarten Act* creates two non-reverting funds: the Public Pre-kindergarten Fund, administered by PED; and the Children, Youth and Families Pre-kindergarten Fund, administered by CYFD. Both funds consist of appropriations to the fund, income from fund investments, gifts, grants, and donations. Up to 10 percent of the money in each fund may be used for administrative expenses by the respective departments.
- When the *Pre-Kindergarten Act* was passed and signed into law in 2005, the act included a temporary clause directing that any money appropriated for pre-kindergarten programs in FY 05 through FY 07 be equally divided between PED and CYFD.

Related Bills:

SB 150 *Research Park Royalties to Pre-K Fund*