F I S C A L   I M P A C T   R E P O R T

ORIGINAL DATE 02/02/13

SPONSOR   Trujillo, J.   **LAST UPDATED**   **HB** 193

SHORT TITLE   Early Childhood Teacher Retention Project   **SB**

ANALYST   Aledo-Sandoval

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	**FY14**		
	$300.0	Recurring	General Fund

 (Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Responses Received From
Children, Youth and Families Department (CYFD)
New Mexico Association for the Education of Young Children (NMAEYC)

SUMMARY

 Synopsis of Bill

House Bill 193 appropriates $300 thousand from the general fund to the Children, Youth and Families Department for the purpose of funding a demonstration project to increase the quality of early childhood education for children from birth to five years of age by providing incentives to increase retention of teachers in early childhood education programs. HB193 directs the department to contract with a nonprofit entity with at least two year's demonstrated experience in achieving zero attrition among early childhood education teachers.

FISCAL IMPLICATIONS

The appropriation of $300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

SIGNIFICANT ISSUES

The CYFD highlights that Harvard University's Center on the Developing Child reports that "substantial investments in training, recruiting, compensating and retaining a high quality workforce in early childhood programs must be a top priority for society."

The CYFD notes that New Mexico is currently one of several states participating in the national Child Care Wage$® Project, affiliated with the T.E.A.C.H.® Scholarship Program. The Wage$® Project was created in response to research showing that high turnover rates diminished the quality of care received by children and was detrimental to their development and school readiness. The Wage$® Project was first established in North Carolina after the state made significant investments in scholarships for teachers – and then participating programs were unable to retain the teachers due to low wages.

The CYFD also notes that in 2009, ARRA Stimulus funds were used for a comprehensive study of the childcare workforce. The findings included that, "While significant progress has been made in developing early childhood professional development systems over the past twenty years, professional development alone is not enough to increase retention."

In New Mexico, the New Mexico Association for the Education of Young Children (NMAEYC) has the license to operate The Wage$® Project. The project in New Mexico is called INCENTIVES and is only available to teachers of infants and toddlers. The Project has not received any state funding and is being piloted in Santa Fe County with very limited funds from a private foundation.

According to NMAEYC, the rate for staff turnover in New Mexico early childhood programs is approximately 33 percent. They indicate that after the first year of the INCENTIVES Pilot, 46 percent of participants completed additional college coursework and there was no turnover of teachers.

MAS/bm