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FISCAL IMPACT REPORT

SPONSOR Dow ORIGINAL DATE 1/29/19
LAST UPDATED _____ HB 197

SHORT TITLE Early Childhood Shared Service Integration SB _____

ANALYST Kludt

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

House Bill 197 appropriates \$300 thousand from the general fund to the Children, Youth and Families Department (CYFD) to establish a shared services integration model in FY20 and FY21. Any unexpended or unencumbered balance remaining at the end of FY21 shall revert to the general fund.

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 FY21 shall revert to the general fund.

SIGNIFICANT ISSUES

CYFD is concerned there is no clarity in HB197 related to the specific model for share 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.

According to the U.S. Health and Human Services Department, “Shared services is sharing within an organization or group. Specifically, it refers to one part of an organization or group providing a service that had previously been found in more than one part of the organization or group. Thus, the funding and resourcing of the service is shared.

Shared accountability for results is a fundamental tenet of a shared-services approach. All partners need to ensure that the agreed results are delivered based on defined measures. This approach is emerging as a strategy for maximizing the impact of resources invested in early childhood, primarily for those providing direct services to children and their families. This strategy can be seen as supportive of system financing. By providing ways to support a program or provider, it allows funding to be redirected or allocated in different ways.^[1] The following are proven results of shared services in early childhood:^[2]

- Reduced or shared costs and time through joint purchasing, staff sharing, centralized administration, or some combination
- Shared program or administrative capacity-building through the use of common tools and systems, shared mentoring and supervision, and collaborative improvement processes
- Reinvestment of cost and time savings into enhanced program quality

There are a growing number of emerging and successful shared-services alliances in the early childhood sector. In “intensive” shared-services models, a local or regional network of centers and/or homes collaborates and shares staff to deliver services more efficiently and with greater attention to quality. When organizations come together to participate in a shared service, they are often identified as an alliance. These alliances may use a range of business models to operate.

- Sound Child Care Solutions (SCCS) in Seattle is a local example of shared services. According to its Web site, “SCCS is a consortium of seven child care centers that creates stable child care by sharing administrative, accounting and human resource functions, while simultaneously investing in improved teacher practices by providing ongoing professional development opportunities in alignment with our commitment to undoing institutionalized racism, and providing quality care and education to the children we serve.”^[3]
- In Fairfax, Virginia, the [Infant Toddler Family Day Care](#) is a shared-services consortium of providers that receive a wide range of supports and services including marketing, training, monthly billing and collections, professional networking, supports to parents, and a substitute pool.
- [Quality Care for Children](#), in Georgia, is a hub for Web-based services that are offered statewide. These shared services include cost savings on food and supplies, templates, and support documents.”

^[1] Whitehouse, K. (2015, June 5) Investing in early childhood education through the shared services model [Blog post]. *CitiesSpeak*. Retrieved from: <http://cityspeak.org/2015/06/05/investing-in-early-childhood-education-through-the-shared-services-model/>.

Alliance for Early Childhood Finance. (n.d.). Shared services. [Web page]. Retrieved from <http://www.earlychildhoodfinance.org/shared-services>.

[2] Stoney, L. (2015, February 11). Shared services: Powerful alliances for ECE programs [Webinar]. Retrieved from <http://www.earlychildhoodwebinars.com/wp-content/uploads/2015/02/Slides-for-Shared-Services-2.11.15.pdf>.

[3] Sound Child Care Solutions. (n.d.). History [Web page]. Retrieved from <http://soundchildcare.org/seattle-child-care-centershistory/>.

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