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### FISCAL IMPACT REPORT

SPONSOR:	Nava	DATE TYPED:	02/03/00	HB	
SHORT TITLE:	Early Childhood and Family Support Education			SB	260
				ANALYST:	Fernandez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 75.0		\$ 100.0	Recurring	G/F
	\$ 9,000.0			Recurring	G/F

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB30, Relates to SB2 and SB405

### SOURCES OF INFORMATION

State Department of Public Education (SDE)

Human Services Department (HSD)

## **SUMMARY**

### Synopsis of Bill

This bill creates a new section of the public school code to provide an optional early childhood and family support education programs such as full-day kindergarten, half-day programs for children ages three through five, or summer transition programs for children ages three through five. This bill also amends the Public School Finance Act to provide additional program units for students enrolled in an approved early childhood and family support education program.

### Significant Issues

In order to receive funding, school districts must establish partnerships with local community-based public or private programs that offer pre-school educational services.

School districts must follow a program approval process developed by SDE. The department is required to disseminate guidelines to all school districts. Proposals from school districts must include a family involvement component based on family support principals for full-day kindergarten, early childhood or summer transition programs.

Districts are required to demonstrate a five-year phase-in plan to serve those children most in need based upon the indicators in the at-risk formula for the first year. In the second year and thereafter, districts shall expand services to the remainder of children in need or provide additional services to those most in need.

Early childhood and family support programs are required to reflect the employment and economic

development needs of the local community and encompass health, safety and nutrition and support the educational and developmental needs of children, address cultural diversity and provide family support.

Student and family participation in preschool and early literacy programs shall be voluntary on the part of the parents or guardians.

The accountability component included requires school districts to evaluate and document the results of the program including the number of children and families served, services provided and the gains achieved by the students.

Districts that receive funding are also required to implement or expand a program for job skills and leadership development for mothers and fathers of participants who are recipients of federal and state Temporary Assistance for Needy Families grant (TANF). Schools must identify and report families who are eligible for TANF in order to determine maintenance of effort requirements.

## **FISCAL IMPLICATIONS**

For school year 2001-2002, the early childhood education MEM of 1.0 not including developmentally disabled three- and four-year old students, is multiplied by 0.144. Effective with school year 2002-2003, the early childhood education MEM of 1.0 not including developmentally disabled three- and four-year old students, is multiplied by 0.288. Effective with school year 2003-2004 the early childhood education MEM of 1.0 not including developmentally disabled three- and four-year old students, is multiplied by 0.432. Effective with school year 2004-2005, the early childhood education MEM of 1.0 not including developmentally disabled three- and four-year old students, is multiplied by 0.576. Finally, effective with school year 2005-2006, the early childhood and family support education MEM which shall be determined by the number of students served by the programs, is multiplied by 0.72.

This bill appropriates \$75.0 to SDE to develop and disseminate application guidelines. The department may use the funds in fiscal years 2001 and 2002. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

This bill appropriates \$9,000.0 to SDE for expenditure in fiscal years 2001 and subsequent fiscal years to fund early childhood and family support education program units at the program unit value established by the Superintendent of Public Instruction. The funds shall not revert at the end of each year.

The Human Services Department estimates that in order to implement the provisions contained in the bill, the agency will require an additional three positions at an annual cost of \$85.0. The agency will also need to modify data processing systems and revise reporting requirements at an estimated cost of \$15.0.

The Human Services Department indicates that it is not clear if early childhood and family support expenditures are intended to count in meeting the state's TANF maintenance of effort (MOE) requirements. If so, problems could arise, especially since the proposed program does not limit participation to TANF eligibles.

### **ADMINISTRATIVE IMPLICATIONS**

SDE is required to develop guidelines for the approval and application process, disseminate the guidelines, and provide technical assistance in developing proposals.

The bill requires Human Services Department (HSD) to assist SDE and local school districts in identifying and tracking those children in families eligible for TANF benefits. HSD is also required to provide technical assistance to local school districts implementing or expanding a job skills program. According to HSD, this requirement is "problematic". Various other agencies already provide job training to low income families and in some cases, the services are unused due to a lack of clients.

### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

Included in SB2 and SB405 are the recommendations of the LFC. The committee recommended \$11,100.0 in categorical funding for early childhood education initiatives that would allow districts to expand or implement programs for three- and four-year old children, implement full-day kindergarten programs, provide before- and after-school programs, summer school programs for early childhood and literacy development aimed at children in kindergarten through grade three. The committee recommended SDE develop a program approval process that ensures accountability and includes pre- and post-assessments for students in the program. The committee also recommended that local school districts pursue federal funds and/or use operational funds to supplement state general fund to support this initiative.

## **TECHNICAL ISSUES**

HSD suggests that the bill be modified to require local school districts to provide only early childhood education services to eligible children and to require that they coordinate with state, local and tribal programs with respect to the provision of appropriate work program services.

CTF/njw