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## FISCAL IMPACT REPORT

SPONSOR: Wilson DATE TYPED: 03/07/01 HB \_\_\_\_\_  
 SHORT TITLE: Early Childhood Career Scholarship Act SB 595/aSEC  
 ANALYST: Fernandez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 600.0			Recurring	G/F

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
		\$ (600.0)	Recurring	General Fund
		\$ 600.0	Recurring	New Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Commission on Higher Education (CHE)  
 State Department of Public Education (SDE) - Did not respond  
 Children, Youth & Families (CYFD) - Did not respond

### SUMMARY

#### Synopsis of SEC Amendment

The Senate Education Committee amendment creates the Early Childhood Scholarship Fund, directs the entire \$600.0 appropriation to CHE to fund early childhood career scholarships, and authorizes CHE to issue warrants from the Early Childhood Scholarship Fund. Balances remaining in the Fund

at the end of each fiscal year do not revert to the general fund, but are appropriated to the CHE for distribution in subsequent years.

This amendment creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

### Synopsis of Bill

Senate Bill 595 establishes a scholarship program to encourage persons employed by an early childhood program to pursue career development through an approved program leading to a certificate, associate, or bachelor's degree in early childhood education, special education, or elementary education. The bill also appropriates \$600.0 from the general fund to CYFD and CHE for the purpose of enacting the Early Childhood Career Scholarship Act.

### Significant Issues

Award recipients will be eligible to receive scholarships in the amount of \$750 per semester or a maximum of \$1,500 per academic year.

To qualify for a scholarship, a recipient must be employed by an early childhood program for at least one year prior to receiving a scholarship and must continue to remain employed during the academic year for which the scholarship is awarded.

### **FISCAL IMPLICATIONS**

The appropriation of \$600.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

Of the \$600.0 appropriation, \$450.0 is appropriated to CHE to provide scholarships and \$150.0 is appropriated to CYFD to publicize the program.

### **ADMINISTRATIVE IMPLICATIONS**

The CHE is required to adopt rules necessary to implement and administer the Early Childhood Career Scholarship Act. The bill requires CYFD to publicize the early childhood career scholarship program. CYFD is also required to identify early childhood, special education and elementary education workers who do not have bachelor's degrees and are eligible to participate in the program.

### **TECHNICAL ISSUES**

CHE indicates that all other financial programs are non-reverting.

The CHE also suggests including language to allow the commission to use up to three percent of the funds for the administration of the program.

CTF/njw