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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-10-06

SPONSOR     Komadina     LAST UPDATED                      HB                     

SHORT TITLE     GRADUATE STUDENT CHILD CARE PROGRAM     SB     721    

ANALYST     Lucero    

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$375.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB859 ,Relates to HB203, HB363, SB159.  
Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Higher Education Department (NMHED)

#### No Response Received From

Children, Youth and Families Department (CYFD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 721 appropriates \$375.0 from the general fund to Children, Youth and Families Department for the purpose of providing child care assistance for persons who are enrolled in a graduate or postgraduate degree program in a New Mexico public post-secondary institution.

### FISCAL IMPLICATIONS

The appropriation of \$375.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

Childcare is one of the biggest expenses eating up many student parents' income. Balancing childcare needs with pursuing an advanced degree or post-doctoral training program may, at times, feel overwhelming. New Mexico needs to encourage our students and post-docs to successfully achieve their higher education goals.

Most universities in New Mexico have childcare centers on site. Priority should be given to student parents pursuing a graduate or post-graduate degree.

*New Mexico Higher Education Department provided the following statement:*

Currently the New Mexico State Regulation (8.12.2.11 M) for clients eligible for child care assistance benefits (upon meeting the requirements for eligibility by the department and federal regulation) state that child care will not be paid during hours in which a parent or guardian is attending graduate or post-graduate courses.

This bill will support graduate and post-graduate students in New Mexico who are attending a post-secondary institution and are at or below 150% of the federal poverty level. There are 25,000 children in child care subsidy, where 70% of the parents or guardians are working, 15% are in school, and 15% are working and in school. The average cost per child across all age ranges and income levels is approximately \$3,240 annually.

## **PERFORMANCE IMPLICATIONS**

More childcare coverage would be the result of this bill. More students may graduate with graduate and post-graduate degrees.

## **ADMINISTRATIVE IMPLICATIONS**

CYFD will absorb the administrative costs associated with this activity.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Duplicates HB859

Relates to HB203, HB363, SB159

## **TECHNICAL ISSUES**

The bill does not specify whether the student parent must be enrolled full-time or part-time.

The bill does not specify an upper age limit for the child. A child six years old and attending school may not need childcare during most of the day. The parent will most likely take classes during the day.

The current regulation states that childcare is not available during hours the parent is in class. This appropriation is in essence seeking an hourly childcare benefit. CYFD childcare benefits are tiered in blocks of time, not by the hour.

The parent may be receiving childcare for most of the day; however, during the class type the

parent is ineligible for the hours spent in class. If 15 percent of the childcare population is students, then the percentage of students that are graduate or post-graduate are few in number. If only hourly coverage is necessary, then this appropriation may be too large.

### **OTHER SUBSTANTIVE ISSUES**

CYFD should estimate how many hours are not being covered due to the regulation. CYFD should establish an hourly rate for childcare.

### **ALTERNATIVES**

CYFD could amend New Mexico State Regulation (8.12.2.11 M) to allow child care assistance for hours during graduate or post-graduate courses.

CYFD could amend the childcare rates structure to include hours for graduate or post-graduate parents.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If SB721 is not enacted; the recruitment and retention of graduate and post-graduate students in New Mexico public post-secondary institutions will potentially be limited. Child care allows these students to work toward completion of degrees and builds upon student success.

DL/yr