

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill No:** SB 167a

**49th Legislature, 1st Session, 2009**

**Short Title:** Pre-Kindergarten Program Distribution

**Sponsor(s):** Senators Sue Wilson Beffort and Linda M. Lopez

**Analyst:** Kathleen Forrer

**Date:** March 6, 2009

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**AS AMENDED**

**The Senate Floor amendment adds delayed repeal language effective July 1, 2014.**

**Original Bill Summary:**

SB 167 amends the *Pre-Kindergarten Act* to require that any money appropriated for prekindergarten programs be divided equally between the Public Education Department (PED) and the Children, Youth and Families Department (CYFD).

**Fiscal Impact:**

SB 167 makes no appropriation.

**Fiscal Issues:**

When the *Pre-Kindergarten Act* (act) was passed and signed into law in 2005, the act included a temporary clause directing that any money appropriated for prekindergarten programs in FY 05 through FY 07 be equally divided between PED and CYFD.

In its analysis of SB 167, the Department of Finance and Administration (DFA) indicates that, although there is no longer any statutory requirement to do so, PED and CYFD informally agreed to maintain the equal distribution of appropriated program funds. However, for FY 10, the Executive has made the following recommendations for funding New Mexico's prekindergarten initiative, known as New Mexico PreK:

REVENUE SOURCE ( <i>in thousands</i> )	PED	CYFD
General Fund	\$10,500.0	\$9,500.0
Temporary Assistance for Needy Families (TANF)	\$1,000.0	\$1,000.0
<b>TOTAL</b>	<b>\$11,500.0</b>	<b>\$10,500.0</b>

**Issues:**

Both PED and CYFD have included the following statement in their respective analyses of SB 167:

The Executive has the responsibility for ensuring efficient and effective administration of the preK program and its funding. The Public Education Department and the Children Youth and Families Department are the two

Executive agencies charged with administration of the preK program. The two agencies have established processes that in practice and in Administrative Code have proven to adequately and appropriately address the needs of children and local communities. Statutorily prescribing in detail a public policy decision regarding how funding is divided under two Executive governmental agencies is counter productive to ensuring local communities' and children's needs are prioritized and that resources are targeted to meet those needs.

**Background:**

Since the program's inception, the Legislature has appropriated a total of approximately \$46.0 million in General Fund revenue to implement New Mexico PreK, plus an additional \$2.0 million in Temporary Assistance for Needy Families (TANF) dollars and \$7.0 million in severance tax bond receipts for capital outlay costs associated with pre-kindergarten classrooms:

**FY 06** \$4.95 million in General Fund revenue was appropriated: \$4.0 million to PED, which was equally divided between PED and CYFD, for a pre-kindergarten pilot program; and \$950,000 to the Department of Finance and Administration (DFA) for pre-kindergarten services.

**FY 07** Almost \$9.5 million in General Fund revenue was appropriated: \$4.0 million each to PED and CYFD (\$3,995,800 after "sanding") for the pre-kindergarten program and an additional \$1.5 million to PED for "one-time pre-kindergarten start-up costs for developmentally appropriate equipment and classroom safety improvements." In addition, the Legislature also appropriated \$4.0 million in severance tax bond receipts "to plan, design, construct, equip and furnish pre-kindergarten classrooms statewide."

**FY 08** \$14.0 million in General Fund revenue was appropriated: \$5.0 million each to PED and CYFD in the *General Appropriation Act of 2007* and an additional \$2.0 million each to PED and CYFD in "HB 2 Junior." Although there was no separate appropriation for start-up costs, as there had been the previous year, PED and CYFD set aside \$500,000 each to provide start-up grants.

**FY 09** \$17.6 million in General Fund revenue was appropriated: \$8.5 million each to PED and CYFD for the pre-kindergarten program, \$400,000 to PED for pre-kindergarten start-up costs, and \$200,000 to OEA "to evaluate the kindergarten-three-plus and pre-kindergarten programs." In addition, the Legislature appropriated \$1.0 million each in TANF funds to PED and CYFD for the pre-kindergarten program and \$3.0 million in severance tax bond receipts to PED "to construct pre-kindergarten classrooms statewide."

Information provided to LESC staff by PED and CYFD shows that the two agencies have approved a total of 148 programs serving 4,567 children statewide for FY 09:

- PED has approved 61 programs serving 2,231 children in 27 school districts. Contract amounts total almost \$7.6 million, including approximately \$6.5 million for program costs, \$219,652 for start-up costs, and \$876,899 for transportation.
- CYFD has approved has approved 87 programs serving 2,336 children. These programs are provided by 46 contractors. Contract amounts total nearly \$7.3 million, including

approximately \$6.8 million for program costs, \$235,321 for start-up costs, and \$287,616 for transportation.

**Related Bills:**

None known as of March 6, 2009.