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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/09
 LAST UPDATED 03/02/09 **HB** _____

SPONSOR Beffort

SHORT TITLE Pre-Kindergarten Program Distribution **SB** 167/aSfI#1

ANALYST Peery-Galon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance Administration (DFA)
 Children, Youth and Families Department (CYFD)
 Public Education Department (PED)

SUMMARY

Synopsis of SFI#1 Amendment

The Senate Floor amendment #1 for Senate Bill 167 adds on page 1, between lines 20 and 21, the following: "Section 2. DELAYED REPEAL.- - Section 1 of this act is repealed effective July 1, 2014."

Synopsis of Original Bill

Senate Bill 167 adds a new section to the Pre-Kindergarten Act that states any money appropriated for pre-kindergarten programs is to be divided equally between the PED and CYFD.

FISCAL IMPLICATIONS

DFA stated that the proposed legislation carries no appropriation but the proposed change would require the precedent for the equal distribution of pre-kindergarten program appropriations followed for the past four fiscal years be established statutorily. The appropriation for pre-kindergarten programs in fiscal year 2009 is \$18.9 million.

SIGNIFICANT ISSUES

The original funding for pre-kindergarten was divided equally in statute for the first two years between PED and CYFD. This mandated split ended at the end of fiscal year 2008.

PED and CYFD reported the governor has the responsibility for ensuring efficient and effective administration of the pre-kindergarten program and its funding. PED and CYFD are the two executive agencies charged with administration of the pre-kindergarten 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. PED and CYFD stated that statutorily prescribing in detail, a public policy decision regarding how funding is divided under two executive agencies, is counter productive to ensuring local communities' and children's needs are prioritized and that resources are targeted to meet those needs.

DFA noted the executive and Legislature have cooperated over the past four fiscal years to establish, implement and expand state funded pre-kindergarten statewide. In FY09, there are approximately 2,231 children being served in PED programs and 2,340 children in CYFD programs, for an estimated total of 4,571. The program has been the subject of a statewide evaluation conducted by the National Institute for Early Education Research (NIEER). The results from the evaluation have established that children who attend pre-kindergarten have higher levels of school readiness for entrance into kindergarten as measured by receptive vocabulary, mathematical skills and print awareness. The evaluation has established that no significant difference in the quality of program deliver between the two agencies.

DFA reported all program expansion to date have been performed via a request for proposal process that is nearly identical between PED and CYFD. This process has resulted in expansion of pre-kindergarten programs to several communities across the state. However, there remains an unmet need of an estimated 9,000 four-year olds that could benefit from the pre-kindergarten program, based on projections developed jointly by PED and CYFD in late 2008.

PERFORMANCE IMPLICATIONS

PED reported that if the proposed legislation is enacted, PED and CYFD's goal of ensuring all children are ready for kindergarten could be inadvertently hampered. Policy decisions regarding pre-kindergarten program implementation could become restricted due to caps placed on program allocations, whether the programs are located in public schools or childcare centers.

CYFD stated an operating assumption of pre-kindergarten has been that a mixed delivery system, which utilizes both private providers and public school settings, is a desirable policy option.

DFA stated the proposed legislation would maintain equity in funding for state-funded pre-kindergarten between CYFD and PED, and the proposed legislation supports the governor's performance agenda – ensuring that all young children are ready for school.

ADMINISTRATIVE IMPLICATIONS

CYFD noted that it will continue to partner with PED on the administration of the statewide pre-kindergarten funds.

CONFLICT,

DFA noted there could be a potential conflict with the pre-kindergarten funding in the General Appropriations Act.

OTHER SUBSTANTIVE ISSUES

DFA noted there is a potential drawback in the passage of the proposed legislation in that funds for pre-kindergarten would be mandated to be divided equally between CYFD and PED with no allowance for differential funding, regardless of the need for funds expressed by CYFD and PED. This could pose an obstacle to meeting needs in various communities that could best be served by one department or the other based on local capacity through either a public school or private provider.

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