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FISCAL IMPACT REPORT

ORIGINAL DATE 1/17/15

SPONSOR Trujillo, Ch **LAST UPDATED** _____ **HB** 56

SHORT TITLE Child Care Teacher Retention **SB** _____

ANALYST Klundt

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 86

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

House Bill 56 appropriates \$400 thousand from the general fund to the Children, Youth and Families Department (CYFD) in FY16 to fund a demonstration project to increase the quality of early childhood education for children from birth to five years of age by providing incentives to increase retention of teachers in early childhood education programs. This bill also requires that the demonstration project be operated by a nonprofit entity.

FISCAL IMPLICATIONS

House Bill 56 appropriates \$400 thousand from the general fund to CYFD in FY16. Any unexpended or unencumbered amount remaining at the end of the fiscal year shall revert. This appropriation is not contained within the Executive recommendation or agency request; however the LFC recommendation included \$300 thousand from the general fund for early childhood professional development.

SIGNIFICANT ISSUES

The Center on the Developing Child at Harvard University reports that, “substantial investments in training, recruiting, compensating and retaining a high quality workforce must be a top priority for society”.

CYFD reported that according to a 2009 comprehensive study of the child-care workforce the state has made significant progress in developing the professional development system over the past twenty years. The agency also stated that professional development alone is not enough to increase retention. It is estimated that there are approximately 25,000 individuals working in the state's early learning system[s] (including home visiting, early intervention, Early/Head Start, child care, PreK, early childhood special education and family support). However, only a small fraction of this workforce has a degree in early childhood education; and it is estimated that fewer than half of the child care workforce have taken any college coursework. Many of those working in child care lack even a high school diploma.

The New Mexico Association for the Education of Young Children (NMAEYC) currently holds the license for the state of New Mexico to implement The Child Care Wage Project, a national initiative that was created in response to research showing that the quality of care received by children lowered due to teacher turnover and teacher education. The current pilot initiative project is being successfully managed by NMAEYC.

According to NMAEYC, the typical rate for staff turnover in New Mexico's early childhood programs is approximately 33 percent. In their report, they indicate that after the first full year of a small INCENTIVES Pilot using foundation funds, 46 percent of participants completed additional college coursework, and there was no turnover of teachers. The second year-end reported 47 percent completed additional coursework, while 27 percent had enough courses to move to the next Supplement Level.

PERFORMANCE IMPLICATIONS

In FY15, CYFD was appropriated \$297 thousand for incentives to increase retention of teachers in early childhood education programs

According to the mid-year report recently received by CYFD, INCENTIVES had received 265 applications from early educators in 20 counties. The FY15 appropriation was able to award salary supplements to 111 of the 265 applicants.

After enrolling all 111 child care educators, about 184 educators remain on the waiting list for INCENTIVES and the agency reports additional applications have been received in January 2015 which have not been reviewed and entered into the database, resulting in a growing waiting list.

ADMINISTRATIVE IMPLICATIONS

CYFD reports the administration of these funds will be provided out of existing resources.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 56 duplicates Senate Bill 86.

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