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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/1/15  
 SPONSOR Trujillo, CH LAST UPDATED 3/10/15 HB 555  
 SHORT TITLE Early Childhood Educator Scholarship Fund SB \_\_\_\_\_  
 ANALYST Klundt

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	Continuing appropriations	Recurring	Early Childhood Educator's Scholarship Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children, Youth, and Families Department (CYFD)

### SUMMARY

This bill creates the early childhood educator scholarship fund as a non-reverting fund in the state treasury. The state treasurer shall deposit in the fund all amounts appropriated to the fund, which will be administered by Children, Youth and Families Department. There is no appropriation in this bill.

The non-reverting funds are to be used to create scholarships to enhance the ability of early childhood caregivers and educators to obtain either:

- (1) A child development associate credential issued by the national credentialing program of the council for professional recognition.
- (2) A New Mexico child development certificate issued by the Children, Youth and Families Department.

Eligibility for the scholarship includes educators working in child care or education settings with children under age five.

## FISCAL IMPLICATIONS

There is no appropriation contained within this bill; however, CYFD received \$1.1 million from the general fund in FY15 for provider educational development and income supplements. Money in this fund could be used for educational development of early childhood caregivers.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

## SIGNIFICANT ISSUES

Currently, CYFD contracts with New Mexico Association for the Education of Young Children (NMAEYC) to provide scholarships through the Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood Scholarships. These scholarships are targeted for individuals employed by a licensed child care program (including Head Start), New Mexico PreK program, Home Visiting, Early Intervention, and Consultation Programs in New Mexico while working toward a degree in early childhood education at a New Mexico institution of higher education with corresponding certification/licensure from the state of New Mexico in any of the following paths: New Mexico Child Development Certificate, Associate of Arts, Bachelor's Degree, Master's and Doctorate Degrees. The funding for these scholarships comes from the Child Care Federal and State funds, New Mexico PreK and Race to the Top funds.

NMAEYC is responsible for the following:

- Update the recruitment plan with strategies for marketing the project;
- Update the recruitment brochures;
- Develop contractual documents for participants;
- Implement supervision plan to include new staff orientation, observation of staff, performance review;
- Review of caseload management and evidence of use of the T.E.A.C.H. Early childhood ® database and completeness of records for the outreach coordinator;
- Develop Memorandums of Agreement with the two-year and four-year institutions of higher education to inform them of the project and ensure students' registration fees and other expenses are billed to NMAEYC;
- Provide T.E.A.C.H. counselor(s), as a case manager for scholarships;
- Ensure that all data requirements of T.E.A.C.H. Early Childhood are captured; and
- Ensure compliance with the Child Care Services Association of North Carolina, the license holder of the T.E.A.C.H. Project.

It is unclear whether this bill is intended to support the existing scholarships, or supplant them. The bill indicates that the fund shall be created to support early childhood educator obtain their Child Development Associate credential or for their New Mexico Child Development Certificate, while, as previously indicated, TEACH Scholarships pay for college coursework that leads to a state-issued early childhood teacher certificate or license. The Child Development Associate credential does *not* lead to a degree in New Mexico's early childhood path.

Because the CDA credential does not lead to a degree, CYFD worked closely with the Office of Head Start to establish an equivalent for this certificate that *would* follow the education path

towards the AA and ultimately the BA degrees. The Child Development Certificate (CDC) was created and the Office of Head Start approved the equivalency understanding that the costs for obtaining the CDC are lower than the CDA and do not require the renewal process.

This bill supports acquisition of a CDA, which does not lead to a degree; or a CDC, which does. However, there is no mention of scholarships for the Associate of Arts (AA) or Bachelor's Degree (BA). The majority of the eligible participants are currently working toward their AA and BA; few stop with just the CDC, as Head Start and PreK are now requiring a BA for teachers and AA for teacher assistants.

Additionally, CYFD also works with NMAEYC to implement the wage supplement program INCENTIVES. The INCENTIVES program has been shown to support workforce stability through annual stipends, which supplement low salaries. It is unclear if this bill would allow for the continued implementation of the program.

### **AMENDMENTS**

The sponsor may want to consider adding language to include a wage supplement program. Continued education and wage supplement programs are currently coupled to ensure improved quality of provider education and stability in the workforce.

The sponsor of this bill may want to consider removing the earmarking of revenues from the fund.

KK/bb/aml