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## FISCAL IMPACT REPORT

**SPONSOR** Trujillo, Ch. **ORIGINAL DATE** 2/1/16  
**LAST UPDATED** \_\_\_\_\_ **HB** 221  
**SHORT TITLE** Early Childhood Educator Development **SB** \_\_\_\_\_  
**ANALYST** Klundt

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$2,000.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to GAA

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children, Youth and Families Department (CYFD)

Public Education Department (PED)

### SUMMARY

House Bill 221 appropriates \$2.0 million from the general fund to Children, Youth and Families Department for the purpose of retention and professional development of early childhood educators.

### FISCAL IMPLICATIONS

The appropriation of \$2.0 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2017 shall revert to the general fund. The LFC recommendation includes \$150 thousand for this purpose. As of FY16, appropriations for this program were \$1.6 million.

Additionally, the LFC and executive recommendations for Early Childhood Services program (ECS) of the Children, Youth and Families Department (CYFD) include non-reverting general fund language. Therefore, there is conflicting language as to whether this funding would revert.

## SIGNIFICANT ISSUES

For more than ten years, CYFD has contracted with the New Mexico Association for the Education of Young Children (NMAEYC) to provide T.E.A.C.H.® Scholarships and W.A.G.E.S.® retention incentives to early childhood educators in New Mexico.

It is well documented that the training and professional development of early educators is the primary indicator of program quality and is the most significant predictor of children's success when they reach the primary grades. This holds true for home visitors, early interventionists, and all early childhood educators, not only child care or preschool teachers.

Research also shows that the consistency of personnel is a significant factor in children's learning.

T.E.A.C.H. Early Childhood® is a public-private partnership to increase the quality of early care and education for children birth to five years through the professional development of those who care for and teach them. It is estimated that in New Mexico alone, there are more than 26,000 individuals (primarily minority women) who earn their livelihood as child care providers/educators.

Started in 2004 with a \$100 thousand appropriation, T.E.A.C.H. currently has a budget of \$1.69 million in FY16 from all funding sources, public and private, and is serving 1,000 T.E.A.C.H. scholars across New Mexico. The average cost for a scholar is \$1,800 a year.

Normally, T.E.A.C.H. scholars are able to take more than one class. Unfortunately, due to demand and a lack of funds, T.E.A.C.H. had to limit the number of classes it paid for in spring, 2016.

Consequently, T.E.A.C.H. began a waiting list for scholarships August, 2014, and the list now has 122 educators. (The list does not include any public school educators, who were served by an additional T.E.A.C.H. grant for this fiscal year from PED.) To serve the educators currently on the waiting list would cost \$217.8 thousand for a year.

Started in 2010 with private funds, W.A.G.E.S.® or INCENTIVES\$ (New Mexico's program to incentivize the retention of early childhood personnel) has goals of increasing the education of teachers of children birth to age 5 and reducing the turnover of teachers leaving for other work. The program currently has a budget for FY16 of \$561.9 thousand from all sources, and is serving 240 educators throughout the state. The cost per participant is \$2.3 thousand a year. The program pays supplements directly to teachers, based on the teachers' level of education every six months, as long as the teachers have worked with children under age 5 during that time with the same early childhood program. Many of the teachers already have degrees.

INCENTIVES\$, targeted at child care educators, has had a waiting list since the program went statewide in the fall of 2014. Currently, there are 89 educators on the waiting list. It would cost \$204.7 thousand to serve them for one year.

A statewide survey of early childhood program directors in 2015 by UNM Center for Education Policy Research showed that the turnover rate of teaching staff in early childhood centers and group homes is 31 percent. By contrast, turnover among T.E.A.C.H. scholars was 10 percent that year, and among INCENTIVE\$ participants 9 percent. Thus, T.E.A.C.H. and INCENTIVE\$ help to make good all the investments the state makes in training and early childhood program improvement by encouraging educators to become better educated, to receive higher compensation and therefore to commit to work children under age 5 over the long haul.

The T.E.A.C.H. program impacts 20,936 children in the state.

INCENTIVE\$ impacts 6,648 children.

**BREAKDOWN OF CURRENT T.E.A.C.H. FUNDING**

- CYFD (birth to five) -- \$481.9 thousand
- CYFD PreK -- \$362.7 thousand
- PED PreK -- \$200 thousand (\$100,000 of this is in process of final approval)
- Race to the Top -- \$612.5 thousand
- City of Albuquerque -- \$15 thousand
- Brindle Foundation -- \$15. thousand

**BREAKDOWN OF INCENTIVE\$ FUNDING:**

- CYFD -- \$496.9 thousand
- Brindle Foundation -- \$35 thousand
- United Way of Central NM -- \$30 thousand

T.E.A.C.H.® and W.A.G.E.S.® or INCENTIVE\$ are administered by the NM Association for the Education of Young Children, which is licensed by Child Care Services Association of Chapel Hill, North Carolina, to offer both services. The CCSA oversees the quality of the programs using its standards.

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