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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
53rd Legislature, 1st Session, 2017

Bill Number	<u>SJR17</u>	Sponsor	<u>Padilla</u>
Tracking Number	<u>.205803.1</u>	Committee Referrals	<u>SEC/SFC</u>
Short Title	<u>Early Childhood Education Dept., CA</u>		
Analyst	<u>McCorquodale</u>	Original Date	<u>2/14/17</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

Senate Joint Resolution 17 (SJR17) proposes to amend Article 12 of the New Mexico Constitution by adding a new section to create an Early Childhood Education Department (ECED), and to allow public schools and the newly created ECED to provide or contract for voluntary, nonreligious, nonsectarian, and nondenominational early childhood services and prenatal education and referral services for pregnant women using appropriated, levied, or collected funds other than land grant permanent funds.

FISCAL IMPACT

Joint resolutions do not carry appropriations.

The fiscal impact could be significant for the Public Education Department (PED), the Children, Youth and Families Department (CYFD), and the Department of Health (DOH). CYFD indicated there may be significant impact to the state's current early childhood services program operating budget due to the establishment of ECED, as well as any necessary separation, combination, and establishment of data systems under the program. CYFD stated that although material, personnel, and fiscal assets would be transferred to the new agency, these transfers would not be sufficient to support the subsequent administration and other costs carried by the transferred CYFD programs. Additionally, the work necessary to separate and merge divisions and programs cannot be absorbed by existing resources.

The constitutional amendment in SJR17 requires approval by voters in a 2018 statewide election, in either a general election or a special statewide election. Section 1-16-13 NMSA 1978 requires the Secretary of State (SOS) to print the full text of each proposed constitutional amendment, in Spanish and English, in an amount equal to 10 percent of the registered voters in the state. The SOS is also constitutionally required to publish the full text of each proposed constitutional amendment once a week for four weeks preceding the election in newspapers in every county in the state. The Legislative Finance Committee (LFC) staff estimate each constitutional

amendment may cost up to fifty thousand dollars (\$50,000) in printing and advertising costs based on 2016 actual expenditures.

SUBSTANTIVE ISSUES

In a related analysis, CYFD noted concerns related to the transfer of the department's early childhood services to a new department. Emphasizing that New Mexico's early childhood community has integrated a continuum of services to provide the state's children access to quality early learning opportunities, it is vital that any significant changes in legislation, such as SJR17, that impact of New Mexico's early learning infrastructure be consistent with commitments already made by the state's agencies.

SJR17 does not specify which current early childhood services would be moved to the new ECED. Currently, early learning services are administered through CYFD, DOH, and PED. These programs have been working collaboratively for four years as part of Race to the Top – Early Learning Challenge charged to develop: the Early Childhood Integrated Data System; an aligned tiered quality rating and improvement system (TQRIS); aligned professional development system; early childhood investment zones; and early learning New Mexico communications (website, newsletter, etc.).

According to Volume I of the LFC Report for FY18, New Mexico has demonstrated leadership in increased investment in early care and education. Since FY12, the Legislature invested \$100 million in early childhood programs administered by CYFD, DOH, and PED. CYFD provides child care assistance, home visiting, prekindergarten for 3- and 4-year-olds, early childhood professional development, and high-quality early childhood development centers. In FY17, the Legislature appropriated \$146.8 million to CYFD for these programs. PED provides prekindergarten for 4-year-olds, K-3 Plus, and early literacy (Reads to Lead). In FY17, the Legislature appropriated \$63.2 million to PED for these programs. DOH provides the Infant and Toddler Program for children birth to 3-year-old. In FY17, the Legislature appropriated \$43.7 million to DOH for these programs. Overall, early childhood services received \$259.9 million in FY17, including \$6.2 million from the federal Race to the Top.

ADMINISTRATIVE IMPLICATIONS

The new ECED would create a significant administrative burden. Transitions of contracts and agreements for both departments must be resolved to ensure audit compliance and all contractors are paid for any billings during FY17. Additionally, federal grants will also have to be transferred to the new department.

TECHNICAL ISSUES

SJR17 provides voluntary early childhood education for children from birth to age 5 or "other appropriate age," depending on the service provided. It is unclear if transferring the division of early childhood services from CYFD to ECED could lead to a disruption in services or a duplication of services because there is not definition of "other appropriate age." In a previous CYFD analysis, the early childhood services department provides services to children up to age 13 and sometimes 18.

OTHER SIGNIFICANT ISSUES

New Mexico needs to better coordinate early childhood programs to prevent duplication and fragmentation of services, and to build capacity by braiding federal and state dollars to strategically expand services for children birth through kindergarten. An effective model of governance for early childhood programs should create coherence among policies and services. Build Initiative, a national organization that helps state leaders develop a comprehensive system of early childhood programs, indicated programs that are delivered to young children have different designs and purposes, including Head Start, and state child care programs that represent a combination of federal and state funds and requirements, as well as state-funded prekindergarten. A well-built structure of early childhood programs is a crucial step in reducing fragmentation, uneven quality, and inequity in early childhood programs and services.

There are a broad range of structures used for early childhood governance. Build Initiative outlines three governance models of early childhood programs: a coordinated governance model; consolidated governance model; and creation of a new agency model.

The governance coordinated model “places authority and accountability for early childhood programs and services across multiple public agencies.” New Mexico falls into this category and often seeks to improve coordination and collaboration among agencies that provide early childhood services. Many states with this model relied on a children’s cabinet or special task force established by their governors to encourage coordinated early childhood governance. New Mexico has ELAC, which makes recommendations to CYFD and the Legislature without overstepping its boundaries as an advisory body. Other states like Connecticut, Nebraska, and Wisconsin have similar early childhood program structures.

The consolidated governance model “occurs where the state places authority and accountability for the early childhood system in one executive branch agency.” Three states have a consolidated governance model, California, Maryland, and Michigan. These states have consolidated child care funds and state prekindergarten into a single state education agency. In Maryland, the state education agency eventually created the Division of Early Childhood within the agency.

The creation of a new agency model “creates a new executive branch agency or entity within an agency that has the authority and accountability for the early childhood system.” Three states have created separate state agencies tasked with the authority over the state’s early childhood services and programs, Massachusetts, Washington, and Georgia. This is what SJR17 proposes to do.

ALTERNATIVES

CYFD suggests prior to establishing a new department, consider convening a group to study the issues surrounding the governance of New Mexico’s early childhood services, including the possibility of maintaining the current infrastructure but co-locating all early childhood services to an existing department.

RELATED BILLS

SB289, Early Childhood Education Dept. Act, proposes to create a cabinet-level Early Childhood Services Department according to provisions of the Executive Reorganization Act.

SB106, Early Childhood Services Department, proposes to create a cabinet-level Early Childhood Services Department according to provisions of the Executive Reorganization Act.

SOURCES OF INFORMATION

- The Children, Youth and Families Department
- Legislative Education Study Committee Files

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