

Funding and Expansion

Investments in early childhood education are at an all-time high in New Mexico, with additional financial resources possible in the coming years.

Evidence for the effectiveness of prekindergarten and early childhood programs continues to grow. However, maximizing the return of investments in such programs poses challenges related to implementation and concerns around capacity and expansion, which were also exacerbated by the pandemic.

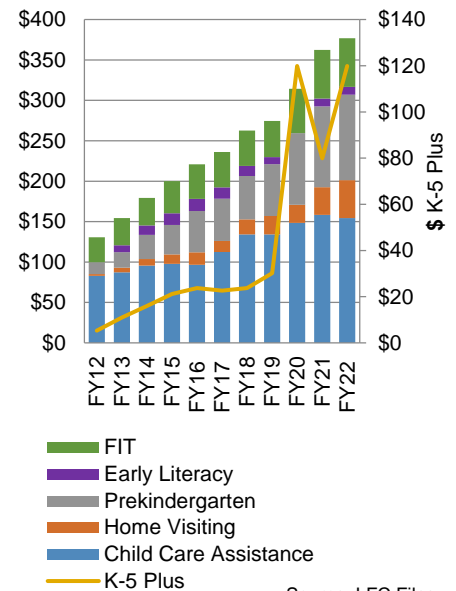
Funding and capacity for early childhood services has steadily increased. In FY22, the Legislature appropriated nearly \$380 million to early childhood programming, an increase of over 188 percent since FY12, not including nearly \$120 million in K-5 Plus appropriations. Additionally, federal stimulus funds provided \$435 million for early childhood services in New Mexico, the majority of which must be spent by September 2023. The Early Childhood Education and Care Department (ECECD) announced it would use recurring federal Child Care and Development Funds (CCDF) to increase rates for subsidized childcare for families at or below 200 percent of the federal poverty level (FPL). ECECD further announced it would use \$130 million of one-time federal relief dollars to expand eligibility for families with income up to 350 percent of the FPL. A statutorily required four-year spending plan is being developed by ECECD and partners that should address sustainability of this and other expenses. Based on preliminary LFC framework estimates, there should be resource growth to ensure continued uptake and expansion (Appendix A and B).

In 2020, the Legislature created the early childhood education and care fund (known as the trust fund), and endowed the fund with a \$300 million appropriation. The trust fund, the repository of excess federal oil, gas, and mineral leasing revenue, will provide at least \$20 million for early childhood programming in FY22. Due to stronger than expected revenues in FY21, LFC economists estimate the trust fund will provide even more support in coming years, conservatively growing to provide over \$90 million in FY26.

A November 2022 ballot measure will also ask voters whether or not the land grant permanent fund (LGPF) should be tapped for an additional 1.25 percent annually to support early childhood programming. Assuming approval by voters and Congress (required because the LGPF was established by federal law), tapping the LGPF would potentially generate an estimated \$236 million in FY23 for education annually. Of this, an estimated \$140 million would be allocated specifically for early childhood education.

Finally, the White House and congressional leaders have signaled strong support for significant future increases in federal early childhood support. The Senate's current \$3.5 trillion budget reconciliation framework includes \$726 billion to the Committee on Health, Education, Labor, and Pensions for various initiatives, including "universal preschool for 3- and 4-year-olds" and some extended childcare support for working families.

Chart 1. Recurring Early Childhood Funding History
(in millions)



Source: LFC Files

Early Childhood Program Issues and Impact

- **Childcare** – Previous increases in subsidy rate did not correspond with increases in worker pay.
- **Home visiting** – The pandemic likely increased family stress, and the programs shifted practices to video and tele-visits.
- **Prekindergarten** – The prekindergarten cohort from the 2008 school year had a 10 percent higher college-going rate.
- **K-5 Plus** – Fewer districts are opting in, despite the program's ability to improve outcomes for students and make-up for lost instructional time.
- **Head Start** – While Head Start programs are seeing more teachers with bachelor degrees, enrollment continued to decline, falling 40 percent since FY12.
- **Child Welfare** – New Mexico has one of the highest victimization rates in the nation for young children, with reports of abuse declining significantly during the pandemic.

Pandemic Impact on Early Childhood

- Prekindergarten programs were conducted virtually and limited to 30-40 minutes per day.
- PED waived school assessments for the end of the 2020 school year and the 2020-2021 school year.
- Young learners lost over one year of in-person learning *and* socialization during a crucial time of learning and development in a child's life.
- ECECD received an influx of federal stimulus funding (\$435 million).

Maximizing return on investment for early childhood services requires responsible planning, scaling, and implementation of programs.

Previous LFC analyses have found inefficiencies in New Mexico's early childhood system because of poor coordination and collaboration. For example, in the previous administration, 4-year-old slots were increased across multiple programs (prekindergarten, Childcare Assistance, Head Start) leading to over capacity of programming in some areas of the state, with some Head Start programs shutting down or shifting slots to 3-year-olds. Another program with implementation concerns has been K-5 Plus. Despite significant investment by the Legislature in the program, uptake has been limited—with only 7 percent of total funded student slots filled in FY22 (see “K-5 Plus,” page 11).

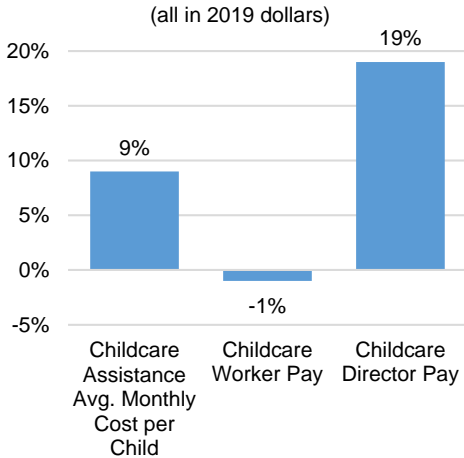
Key elements to the successful expansion of early childhood services include measuring program outcomes based on program purpose, and aligning expectations with program mission. For example, repeated studies found childcare does not provide the same academic outcomes as prekindergarten despite investments in quality.

Another important consideration during program expansion is the potential to lose program fidelity by expanding too rapidly. A 2015 evaluation of the Tennessee Voluntary Pre-K program serves as a cautionary tale about rapid expansion of early childhood programming. Tennessee's program began as a success story with initial results showing enhanced school readiness, but follow-up evaluation found no differences between program participants and nonparticipants. One study of the Tennessee program found critical elements of quality went completely missing as the program expanded. For example, researchers observed teachers received little support for professional development to improve instruction. Additional national research also found Tennessee paid their prekindergarten teachers below average for states with a large proportion of 4-year-olds in prekindergarten programs.

To avoid the pitfalls of expanding too rapidly, New Mexico should consider effective scaling strategies used in other states. For example, a 2019 Washington state legislative report recommended a home visiting program use a phased approach and prioritize high need areas, as measured by a risk index. Additionally, recent research on how to effectively scale early childhood programs suggests concentrating on the following three crucial areas for investment:

- Professional development – emphasize duration and intensity of training, rather than just quantity (number of hours), and promote evidence-based models;
- Curriculum and instruction – provide detailed scripts and guidelines, and use real-time data for monitoring instruction and feedback by professional coaches; and
- Increasing parental supports – assess parental needs through questionnaires and focus groups to facilitate targeted, evidence-based services for parents.

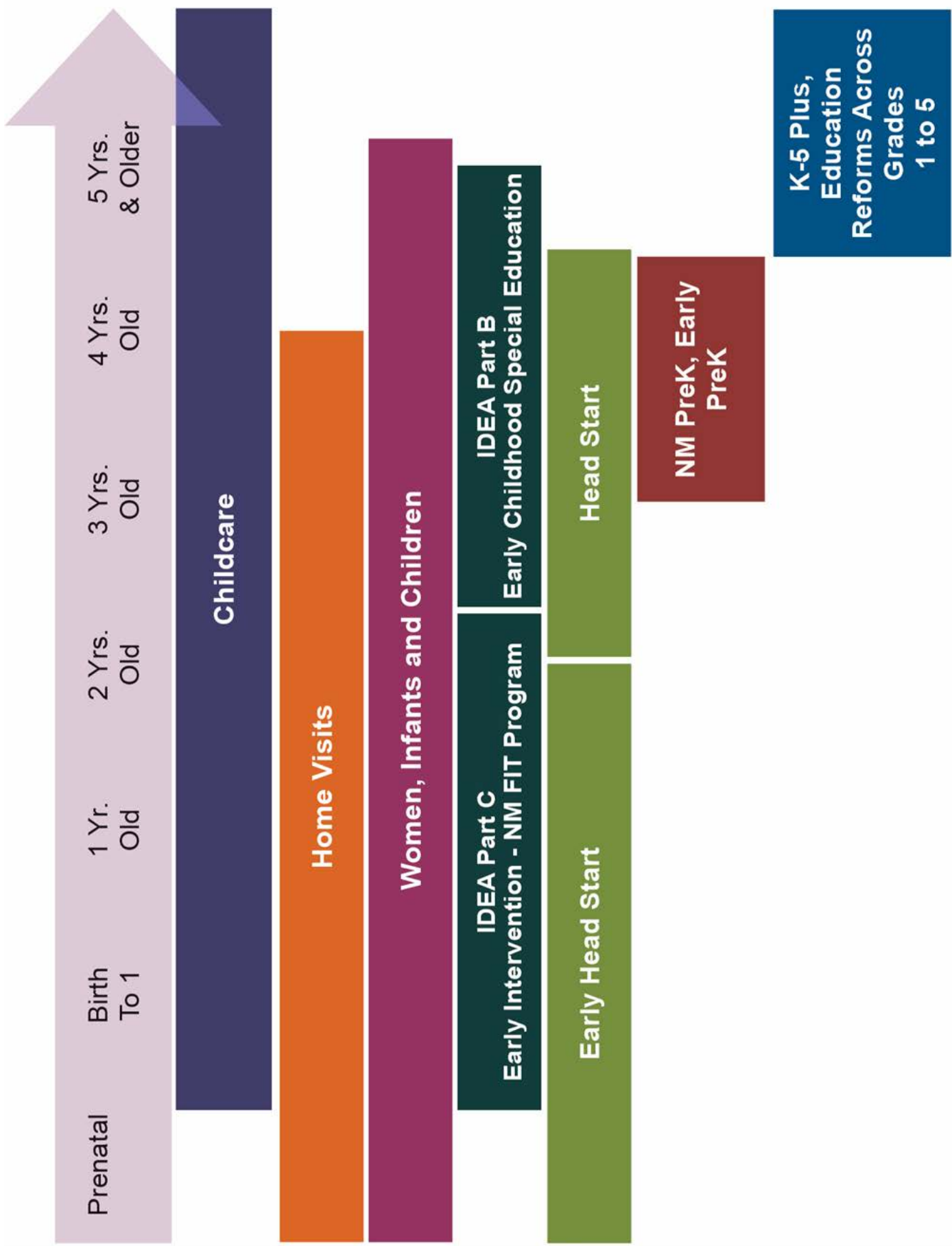
Chart 2. Percent Change in Childcare Assistance Costs and Wages Comparison 2017-2019
(all in 2019 dollars)



Source: LFC Files; Center for the Study of Child Care Employment, Workforce Index 2020

New Mexico must ensure its financial investments in early childhood are sustainable.

With the large influx of one-time federal stimulus dollars earmarked for early childhood, the short-term desire to increase early childhood services must be balanced with the longer-term reality of limited financial resources. To this end, ECECD must have a targeted plan that accounts for current and future capacity needs and prioritizes the most impactful evidence-based programming.



Source: LFC Files

Early Childhood Accountability Report- 2021 Update

HEALTHY	Infant Mortality	Low Birth Weight	Immunization Rate	Early Access to Prenatal Care
	2019	2019	2019	2019
	5.6	9%	66%	68%
	Per 1,000 children U.S. – 5.6 (2019)	2,126 children U.S. – 8% (2019)	U.S. – 71% (2019)	15,564 children U.S. – 78% (2019)
	Better	Same	Worse	Worse
2018 5.7	2018 9%	2018 71%	2018 69%	
Source:	CDC	CDC	CDC	CDC

SAFE	Child Death Rate: Abuse or Neglect	Rate of Child Maltreatment	Rate of Foster Care Placement	Repeat Maltreatment
	2019	2019	2019	FY21
	2.31	16.9	3.4	13.8%
	Per 100,000 children U.S. 2.5	Per 1,000 children U.S. – 8.9	Per 1,000 children	12 Month Rate
	Better	Worse	Lower	Better
2018 2.49	2018 16.7	2018 3.8	FY20 14.1%	
Source:	ACF	ACF	ACF	FY21 Q4 Report Card

READY TO LEARN BY KINDERGARTEN	Kindergarten Students Proficient in Reading on Istation Beginning of Year Test	Rate of Children Under 5 in Poverty	Kids Funded to Participate in Early Childhood Programs	Low Income 4-Year-Olds in Day Services
	FY20	2019	FY20	FY20/FY21
	17%	28.5%	81,547	64%
		U.S. – 18.2%	Children	16,137 children
	Worse	Same	Better	Worse
FY19 18%	2018 28.4%	FY19 78,201	FY19/20 78%	
Source:	PED	Census	LFC Vol. 3	ECECD, ACF, & LFC

EDUCATED 3rd Grade*	Reading – All Kids	Reading – Low-Income Kids	Math – All Kids	Math – Low-Income Kids
	2020	2020	2020	2020
	Not Reported	Not Reported	Not Reported	Not Reported
	2019 27%	2019 22%	2019 32%	2019 26%
	Source:	PED	PED	PED

* PED was granted a waiver exemption for student assessments for SY20 and SY21.

CHILDCARE ASSISTANCE		Kids Attending 4 or 5 Star Center	4-Year-Olds Attending Childcare	Average monthly copay as percent of monthly income	Lower Income Childcare Participants Proficient at Beginning of K – Literacy
FY20	FY21	FY20	June FY20	FY20	FY21
\$149 Million	\$161 Million	58%	1,665	5%	60%
FY20 and FY21 Budgeted: 20,000		Higher	Lower	Federal Rec: <7%	Baseline
		FY19 48%	FY19 2,694	FY19 5%	
Source:		ECECD	ECECD	ECECD	ECECD / PED

All lower income students- 63%

Childcare Assistance

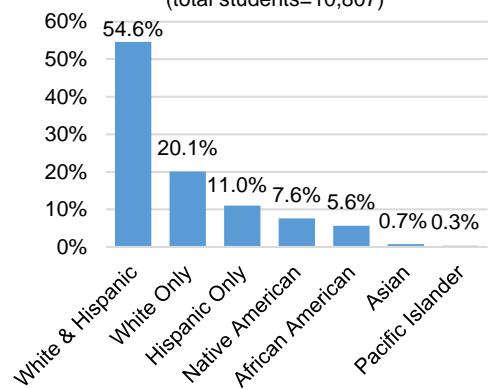
The Childcare Assistance Program provides a subsidy for families with children between the ages of 6 weeks and 13 years with income at program entry at less than 350 percent (recently increased from 200 percent) of the federal poverty level (FPL)—currently \$92,750 for a family of four—and who work or attend training or education programs. Childcare is not an entitlement program. Two federal block grants (child care and development and temporary assistance for needy families) and state general fund appropriations fund Childcare Assistance. Childcare Assistance covers infant care, toddler care, preschooler care, and before-and-after school care for older children.

The pandemic resulted in large declines in child-care enrollment with a 29 percent decrease in reported slots and even lower attendance rates. Previous LFC evaluations have noted the significant investment in quality inputs, but these inputs have not been reliably tied to improvement in outcomes—academic or otherwise. Despite this, in July 2021, ECECD announced increased rates for childcare providers and expanded income eligibility for families, both of which took effect beginning July 1, 2021. ECECD raised the family income eligibility to 350 percent of the FPL, up from 200 percent.

The increased provider rates for childcare assistance were based on a recently published cost estimation model. Previously, New Mexico used a market rate study to inform rate setting for the program. The cost estimation model is an alternative methodology that sets rates based on cost reported by childcare providers in the delivery of service, based on the type of care, age of the child, and state licensing and quality requirements.

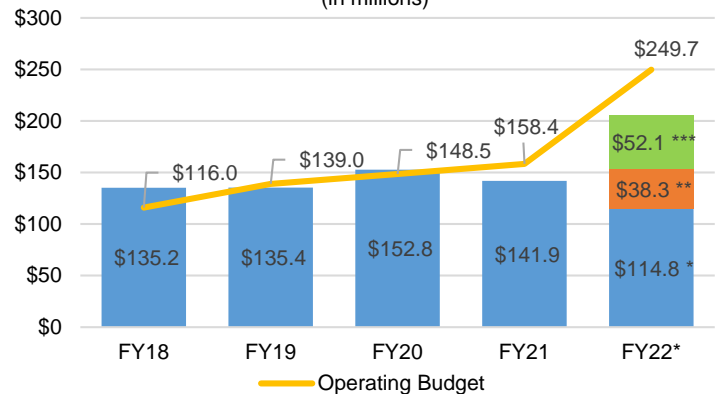
New Mexico continues to have higher maximum reimbursement rates than the majority of states. A 2019 LFC childcare evaluation found New Mexico was paying more for higher quality care than the recommended 75 percent of the market rate and had rates higher than 80 percent of states.

Chart 3. Percent of Childcare Assistance Attendance by Race/Ethnicity
June FY20
(total students=10,807)



Source: LFC Analysis of ECECD Data

Chart 4. Childcare Assistance Historical Spending and Estimated Expansion Projection
(in millions)



*Amounts for FY18-FY21 are actuals and the FY22 \$114.8 million is the projected estimated cost to serve average current enrollment of 15 thousand children.

**\$38.3 million estimated cost to reach pre-pandemic enrollment of 20 thousand children.

***\$52.1 million cost to serve eligibility expansion of 6.8 thousand children.

Note: ECED is unlikely to scale childcare assistance enrollment to 26 thousand in FY22--chart intended only for estimated cost to project impact of rate increase and expansion of eligibility.

Source: LFC Analysis of ECECD Data

FY22 Operating Scenario

Table 1. 2021 Federal Poverty Levels

Household Size	200%	350%
1	\$25,760	\$45,080
2	\$34,840	\$60,970
3	\$43,920	\$76,860
4	\$53,000	\$92,750
5	\$62,080	\$108,640
6	\$71,160	\$124,530

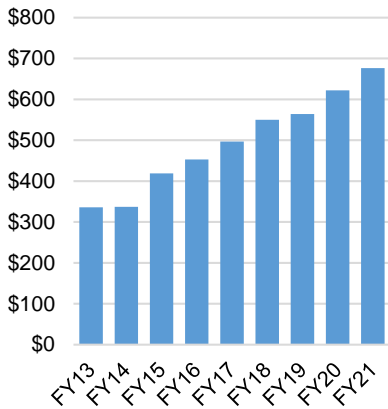
Source: ACF

The change in eligibility and increased cost per child will affect the Childcare Assistance program operating budget for FY22, which did not assume these changes when appropriated. Assuming the average monthly cost per child increases 11 percent above adjusted FY20 amounts to \$637 in FY22, it will cost approximately \$7.6 million annually for every additional 1,000 children enrolled. LFC's assumption uses the FY20 average cost per child in place of the FY21 because the FY21 cost includes non-recurring expenses, such as covering parent co-payments and pandemic-related differentials.

As of June, monthly enrollment was close to 15 thousand children; ECECD would need to enroll an additional 5 thousand children to reach pre-pandemic average enrollment of 20 thousand. With the estimated increased cost per child, increasing enrollment to pre-pandemic levels would cost \$38.3 million. ECECD reported rate increases were based on the result of the cost estimation study. Further, ECECD increased eligibility from 200 percent of the FPL to 350 percent of the FPL.

With eligibility increasing, an additional estimated 6,800 families could participate in the Childcare Assistance Program, which could cost up to an estimated \$52.1 million a year. Previous LFC reports have noted difficulties with enrolling children when recovering from a recession. However, this program growth will take time because providers will need to scale up and families will need to enter the program, and responsible scaling is necessary to avoid implementation problems. Expansion and utilization of funding for extended learning time programs by school districts and charter schools would decrease school age childcare needs.

Chart 5. Childcare Assistance Average Monthly Cost per Child



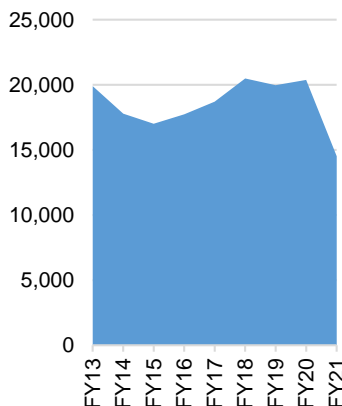
Source: ECECD

Outcomes

The childcare assistance budget has grown over \$75 million from FY12 to FY21. In FY21, the operating budget for Childcare Assistance in New Mexico was \$158 million, excluding the \$435 million from the federal Covid-19 packages. At the close of the fiscal year, the department spent \$141.9 million, including nearly \$25 million in \$200 per-child-per-month additional payments to providers. Recent evidence suggests previous rate increases did not result in increases in worker pay. In fact, worker pay has decreased by 1 percent since 2017.

Since FY18, average monthly enrollment in Childcare Assistance has ranged between 20 thousand and 22 thousand children. The FY21 operating budget anticipated monthly enrollment of 22 thousand children. However, the pandemic dramatically drove down the average monthly enrollment to 14,513, a nearly 29 decrease. Monthly per child costs rose to \$676, a 9 percent increase above FY20.

Chart 6. Childcare Assistance Enrollment by Fiscal Year



Source: ECECD

While enrollment declined, the average monthly cost per child increased as a result of several policy changes ECECD made during the Covid-19 pandemic to stabilize the childcare program. Changes included paying childcare providers based on contracts instead of actual attendance, waiving parent co-payments, and providing increased differential rates per child. Despite the increased cost per child, childcare assistance spending was \$16.5 million below the operating budget.

In FY22, Childcare Assistance enrollment should increase as caregivers return to in-person work and education. The average cost per child is also expected to grow over FY21 as a result of increased provider rates recently announced. On average, across all quality rating levels, the rate for infants will increase 21 percent in center-based care, 48 percent in small family care, 41 percent in group homes, and 29 percent in registered homes. Toddler and preschool-age child rates will also

significantly increase in non-center care between 37 percent and 71 percent. Notably, prior to the rate increases, New Mexico was one of eight states with reimbursement rates at the 75th percentile of the market rate, a standard recommended by the federal government.

Issues

The capacity to offer childcare has been particularly challenging in New Mexico. Due to significant expansion of services for 3- and 4-year-olds and a declining birthrate, there continues to be competition among providers and a lack of system coordination.

Care options for children younger than 3-years-old are especially scarce, with the fewest options available for infants. Previous LFC analysis found that in 2018, only 7,000 infant and toddler care (birth to age 2) slots existed statewide between both the Childcare Assistance Program and the Early Head Start program. As New Mexico increases education services for 3- and 4-year-old children, after-school care provided by public schools, and extended learning time programs, Childcare Assistance might focus on funding younger children and wrap-around hours to address the scarcity of childcare assistance options for infants and toddlers.

Related to adequate slots to serve children, ECECD also reported some loss of capacity during the Covid-19 pandemic, including over 7,000 slots in licensed centers, nearly 800 slots in registered homes, and 150 slots in licensed homes.

The surge of public funding for early childhood has not resulted in higher pay or higher professional credentials for childcare workers. Across the early care and education system, an insufficient or undertrained workforce has been another major barrier to the delivery of high-quality services. In previous years, low wages and a lack of parity between wages paid by public school programs and those paid by private providers—despite both receiving the same funding per child—significantly hindered workforce recruitment. A report from the U.S. Health and Human Services Department found the quality of any early learning setting is directly related to the quality of its staff. However, even early learning instructors with credentials and higher levels of education often earn low wages, making it difficult to attract, recruit, and retain quality caregivers and educators.

Data from the Center for the Study of Child Care Employment shows childcare center director wages in New Mexico grew by 19 percent between 2017 and 2019 while childcare worker wages decreased by 1 percent (in 2019 dollars). Hourly childcare worker wages decreased from \$10.10 (2019 dollars) in 2017 to \$10 in 2019. The \$10 hourly wage paid to childcare workers ranked 39th in the nation. Hourly childcare center director wages increased from \$20.78 in 2017 (2019 dollars) to \$24.69 in 2019, with New Mexico seeing the second highest percentage growth (19 percent) in the country on that metric. The \$24.69 wage earned by childcare center directors ranked 14th in the nation. In light of the newly proposed childcare rates, which would represent significant increases, the wage disparity between center directors and childcare workers could increase further unless the state somehow requires childcare worker wage increases.

The state provides more than enough programming for 4-years-olds and funding for school age children to have after school and enrichment but not enough access for infants and toddlers

While the state provides some sort of early childhood services for 80 percent of all 4-years olds through prekindergarten, childcare and Head Start, childcare slots for infants and toddlers remain scarce.

Chart 7. New Mexico Births (2010-2020)

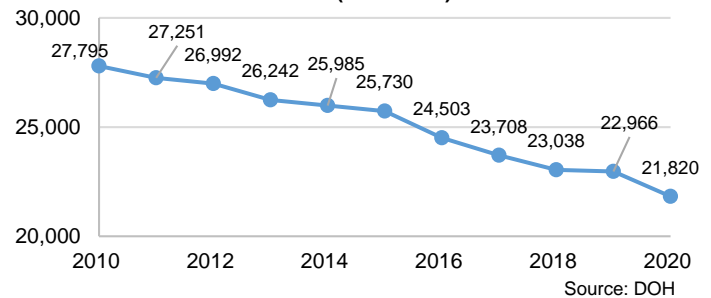
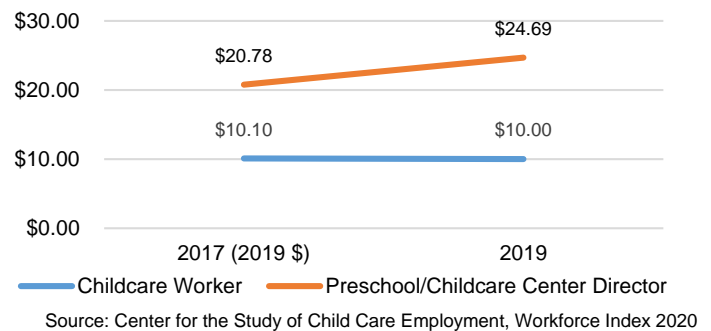


Chart 8. Childcare Worker and Center Director Wages (both in 2019 Dollars)



HOME VISITING		Families Receiving 5 or More Visits		Parents Demonstrating Progress in Positive Parent-Child Interaction		One or More Substantiated Abuse or Neglect Referrals During Participation*		Well-Child Exams	
FY20	FY21	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20
\$22.8 Million	\$34 Million	71.6%	71.6%	44%	44%	0.9%	0.9%	68%	68%
5,746	6,300								
Source:		Higher		Lower		Higher		Better	
		FY19	66%	FY19	45.5%	FY19	12	FY19	57%
		ECECD		ECECD		ECECD		ECECD	

Home Visiting

Home visiting is an intensive parent education program funded to serve 6,300 families in FY21. Some types of home visiting programs reduce child abuse and improve health for both the child and parent. This voluntary program provides family support and basic parenting skills critical to improve childhood outcomes during pregnancy and through the first few years of a child's life. The program pivoted to video and tele-visits during the pandemic.

Impact

More families received five or more visits in FY20, as well as an increase in the number of well-child exams. National research suggested that the pandemic has likely exacerbated challenges for many young children. For example, according to data from Columbia University, family scores on emotional attachment between mother and baby fell by half for both Covid-19 exposed and unexposed infants. Nevertheless, when implemented as intended, evidence-based home-visiting programs in New Mexico should continue to show a positive return on investment and positive child outcomes according to cost-benefit models.

New Mexico started billing Medicaid for Nurse Family Partnership and Parents as Teachers home visiting in 2019, with 151 families receiving services through Medicaid home visiting in 2020. However, First Born, one of the most promising, home-grown programs, is not eligible for Medicaid funding and more research is likely needed to make the program evidence-based. As the state continues to expand home visiting, additional models may be considered, but the return on investment and potential impact varies, depending on which program is implemented. These returns on investment range from \$14 for Triple P (targets families at risk of child maltreatment) to less than a dollar for Early Head Start.

Issues

Traditional face-to-face home visiting was not possible for an extended period of time due to the pandemic, and future analysis of the home visiting program will reveal how impactful video and tele-visits were. As the home visiting program is likely to expand, it is unclear how ECECD intends to recruit additional families and if the current system of providers could accommodate such an increase. For example, it is likely some high risk, high need families would be a better fit for certain types of high intensity programs such as Nurse Family Partnership, whereas lower risk, lower need families could be a better fit with lighter touch paraprofessional programs like First Born.

Table 2. Estimated Return on Investment from Potential Home Visiting Programs in New Mexico

Program Name	Benefit to Cost Ratio	Effect Size	Number Enrolled In New Mexico
Nurse Family Partnership	\$5-\$10	Large Effect/ High Cost	125
Triple P*	\$9-\$14	Small Effect/ Low Cost	Not in New Mexico
Other Home Visiting for At-Risk Families**	\$2-\$4	Medium Effect/ High Cost	849
Parents as Teachers	\$1-\$2	Medium Effect/ Medium Cost	1,159
Healthy Families America	\$1	Medium Effect/ High Cost	Not in New Mexico
Family Connects	\$1	Small Effect/ Low Cost	Starting in New Mexico
Early Head Start	\$0	Minimal Effect/ High Cost	2,157

Note: *This is the cost analysis for all levels of the program. **Other Home Visiting is a proxy for First Born.

Source: LFC Analysis using Pew Results First Analysis with New Mexico Data Where Possible

Washington's Strategy for Expansion and Targeting

Washington's strategy for expansion and targeting used a three-year phased approach to more than triple home visiting enrollment, prioritizing high need areas. A risk index identified communities of greatest need based on five domains: health, socioeconomic status, education, home environment, and substance use.

PREKINDERGARTEN		Low Income PreK Kids Proficient at Beginning of K - Literacy	PreK Kids Proficient at Beginning of K - Literacy	PreK Kids Proficient at Beginning of K - Math	PreK Participant High School Graduation Rate
FY20	FY21	FY21	FY21	FY21	FY20
\$89 Million	\$100 Million	65% (N=3,331)	67% (N=3,993)	65% (N=3,922)	80%
10,827	11,045	No PreK: 62% Baseline	No PreK: 65% Baseline	No PreK: 63% Baseline	No PreK: 74% Baseline
		FY20: Not Available	FY20: Not Available	FY20: Not Available	
	Source:	PED/KOT	PED/KOT	PED/KOT	PED/ECECD
	Note:	Prior Early Childhood Accountability Reports used Istation data. While LFC analysis has shown Istation and KOT scores are correlated, the reported metrics are not comparable.			

Prekindergarten

New Mexico prekindergarten is an early education program for 3- and 4-year olds administered by the Early Childhood Education and Care Department (ECECD) and the Public Education Department (PED). Prekindergarten is available to New Mexico families for either half-day or extended-day services. In FY21, over 11 thousand children were projected to receive prekindergarten services. Despite barriers to expansion, New Mexico is close to providing sufficient funding to ensure all low-income 4-year-olds receive at least some type of early education through Childcare Assistance, prekindergarten, or Head Start.

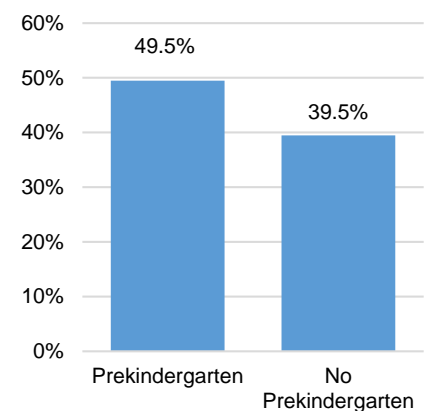
Impact

The pandemic brought challenges for prekindergarten implementation, but evidence for the program’s effectiveness continues to grow. LFC staff found participation in prekindergarten corresponds with a 10 percent increase in college entrance. This evidence includes a large body of national research, and evaluations produced by LFC that have consistently found prekindergarten programs increase math and reading proficiency for low-income 4-year-olds, lower special education and retention rates, and lessen negative effects of mobility, or a child changing schools throughout the school year. A 2020 LFC evaluation of prekindergarten quality and educational outcomes confirmed the national research by evaluating student data in New Mexico. In 2020, the graduation of the inaugural cohort of prekindergarten students tracked by LFC staff through high school, found prekindergarten programs improve student performance throughout the student's public school tenure.

An LFC evaluation reported the 2006 inaugural New Mexico prekindergarten cohort had a four-year high school graduation rate of 80.2 percent, 6.5 percentage points higher than students who did not attend prekindergarten. Gains in graduation rates were even higher—11 percentage points—for English learners and lower-income children. Additionally, the LFC evaluation found prekindergarten reduces chronic absenteeism and the chance a child will be held back a grade and improves the odds a child will exit special education services. Prekindergarten also provides a positive return on investment for New Mexico taxpayers, with the state earning \$6 for every dollar spent through tax revenue on the higher earnings of participants and reduced social costs.

The prekindergarten cohort from the 2008 school year had a 10 percentage point higher college-going rate than students who did not attend prekindergarten that year

Chart 9. College Entrance SY20, Prekindergarten Cohort SY08



Note: Statewide average in SY20 was 40 percent, which represents a noticeable decrease from prior years when the college-going rate was around 60 percent (61% in SY17). This sizeable decrease is likely attributed to the Covid-19 pandemic.

Source: LFC Files

Issues

Implementation issues remain and the state needs to continue improving program coordination to prevent oversaturation for certain age groups and specific geographic regions. New Mexico could consider shifting additional prekindergarten funding to 3-year-olds or encouraging Head Start programs to shift more services to Early Head Start. Additionally, prekindergarten programs must remain of high quality to preserve the positive impact they have on student performance. To this end, previous LFC analysis highlighted the need to standardize a quality rating system among all prekindergarten programs. Doing so increases the likelihood of maintaining high-quality prekindergarten programming, crucial for achieving improved student outcomes.

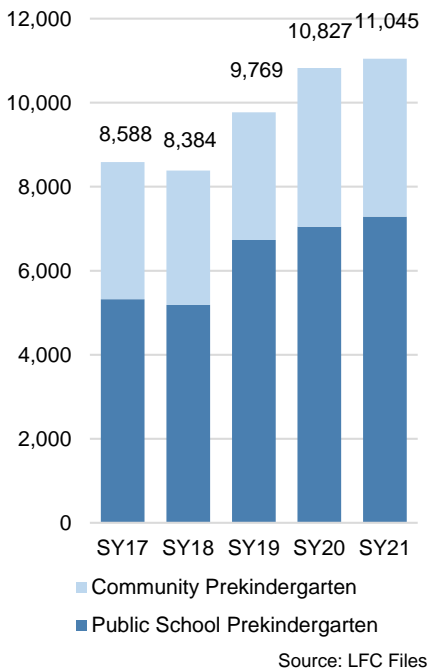
During the pandemic, all public school and most private New Mexico prekindergarten programs were forced to close in-person programs and to conduct programs virtually. In spring 2021, virtual class sessions lasted on average approximately 30 to 45 minutes, depending on the children's ability to remain attentive and parents' ability to assist and support their children in remote learning.

During virtual classes, teachers followed lesson plans and continued to implement learning activities taking into consideration what materials children and families had at home to support the activities. In many instances, teachers and schools delivered materials via the bus route or at “grab-n-go” meal sites. Teachers posted recordings of virtual classes on social media outlets and offered supplementary videos for parents to encourage and enhance children's virtual learning experience.

Prekindergarten consultants continued to support programs through online monthly programs and Zoom-based consultant visits. Prekindergarten staff were provided training, support, and guidance on how to implement virtual services, how to make necessary adjustments to support parents' technological capacities, and, if needed, helping parents access technology.

Future analysis of the pandemic prekindergarten cohorts will indicate how impactful these newly implemented aspects of prekindergarten compared with in-person delivery.

Chart 10. Prekindergarten Enrollment, SY17-SY21



K-5 PLUS EXTENDED SCHOOL YEAR		Percentage of Students in 20 Day Programs or 25 Day Programs	Average Days between End of K-5 Plus and Beginning of School Year	Eligible Students Enrolled	Kindergarten Students who Participated in K-5 Plus at Benchmark on KOT - Literacy
FY21	FY22	FY19	FY19	FY22	FY21
\$80 Million	\$126 Million	25 Day: 100% 20 Day: 0%	13 High: 28 Low: 4	7%	67% No K-5 Plus: 65%
Summer 2020 14,242	Summer 2021 8,699	Higher	Lower	Worse	Baseline
		FY18 25 Day: 84% 20 Day: 17%	FY18 14 High: 46 Low: 3	FY21 11%	
		Source: PED	PED	LFC Files	PED/KOT

K-5 Plus

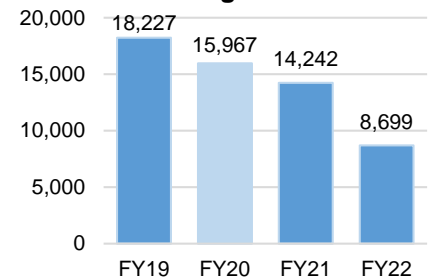
Research has identified "time-on-task," the time students spend in the classroom actively engaged in learning, as greatly impacting student learning. The state implemented a voluntary K-3 Plus program—an extended school year program for kindergarten through third grade students—in 2007. The Legislature later expanded the program to fourth grade and fifth grade in a 4-year K-5 Plus pilot program. The court ruling in the *Martinez-Yazzie* education sufficiency lawsuit found a strong need for programs that extend learning time, and noted schools lacked funding for these programs. In 2019, the Legislature moved K-5 Plus and Extended Learning Time, a separate program that also funds extra school days, into the public school funding formula and made enough funding available for every student in high poverty schools to participate in a K-5 Plus program; however, school districts and charter schools only enrolled 8,699 students out of 84 thousand funded slots in the summer of 2021. The definition of "early childhood" is expanding up to age 8 and K-5 Plus has been shown, when combined with prekindergarten, to close the achievement gap for students encompassed in the "early childhood" definition making K-5 Plus an important part of early childhood education.

Impact

Even before the pandemic, LFC studies have shown large learning gaps existed among New Mexico's most at-risk students and the Legislature responded by funding K-5 Plus and extended learning time programs. K-5 Plus is scientifically shown to improve student performance relative to peers when programs are executed correctly. Numerous LFC studies have shown students who participate in K-5 Plus are more likely to perform on grade level, and the benefits of K-5 Plus are even more pronounced for low-income students and Native American students. These findings are similar to the Utah State University independent scientific evaluation of the K-3 Plus program, published in 2015. The evaluation assessed students over four years and found students enrolled in K-3 Plus the summer prior to kindergarten were more ready for school and outperformed their peers.

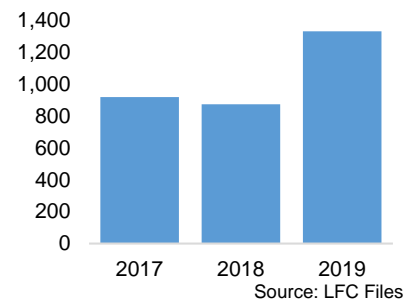
Recent LFC reports have shown, despite efforts to implement provisions of the Indian Education Act, Native American students continue to perform below their peers, although some metrics show recent improvement. In 2019, Native American students who participated in K-5 Plus were more likely to be proficient in reading than Native American students who did not participate in the program. Native

Chart 11. K-5 Plus Enrollment FY19 through FY22



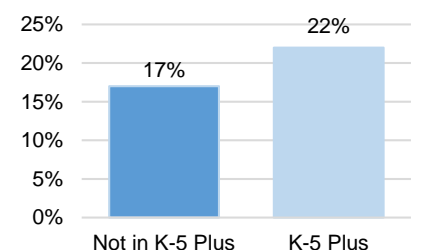
Source: PED Runs

Chart 12. Enrollment of Native American Students in K-5 Plus



Source: LFC Files

Chart 13. Percent of Native American Students Proficient in Reading, 2019



Note: Grades kindergarten through third on Istation assessment.

Source: LFC Files

K-5 Plus Levels of Fidelity

Higher Fidelity – programs no less than 25 days and programs that end no earlier than two weeks prior to the first day of the regular school year.

Medium Fidelity – programs implementing only one of the two measures described in higher fidelity programs. Either the program has no less than 25 days or the program ends no earlier than two weeks prior to the first day of the regular school year.

Lower Fidelity – programs not implementing either of the two measures described in higher fidelity programs. The programs are less than 25 days and the programs end more than two weeks before the first day of the regular school year.

American students who participated in K-5 Plus in 2019 saw the highest gains in reading proficiency compared with other K-5 Plus participants, and the share of reading-proficient Native American participants was 5 percentage points above Native American students. This positive impact varies from year to year, potentially because Native American students are less likely to be enrolled in high fidelity K-5 Plus programs compared with other New Mexico students. In 2019, only 9 percent of Native American students participated in a K-5 Plus program rated as high fidelity, compared with 31 percent of other K-5 Plus student participants. Additionally, that same year, only 15.6 percent of Native American students in grades kindergarten through third, participated in a K-5 Plus program compared with 18 percent of all eligible students statewide.

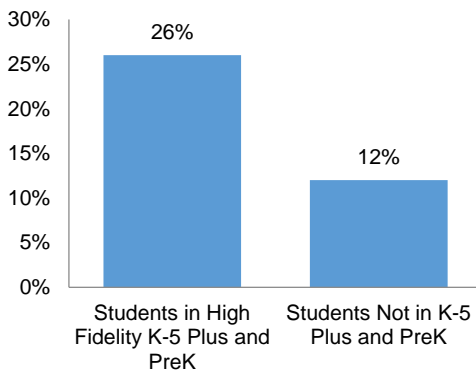
K-5 Plus is known to improve student outcomes, especially for low-income students, when the program is implemented with high fidelity. Chapter 134, Laws 2021, amends the K-5 Plus Act to allow a school providing a 5-day instruction week to provide 25 additional instructional days or 205 instructional days, whichever requires addition of the fewest instructional days, to be eligible to generate K-5 Plus units. Schools providing a 4-day instruction week are required to provide the lesser of 20 additional instructional days or 175 total instructional days. The bill requires K-5 Plus schools extend their school calendar for all students in the participating school. Because all K-5 Plus programs should be implemented school wide, students will generally stay with the same classroom teacher, making the K-5 Plus cohort requirement less necessary. Finally, the bill clarifies the school district must provide the same or more instructional days and hours as it provided in the previous year to participate in a K-5 Plus program after the first year of participation.

Issues

The *Martinez-Yazzie* court ruling found a strong need exists for extended learning time and the Legislature has made funding available for the K-5 Plus and Extended Learning Time programs. However, in the summer of 2021 only 11 districts and 6 charter schools participated in the K-5 Plus program for a total of 8,699 students. Gallup, Moriarty, Rio Rancho, and Santa Fe are some of the school districts that did not participate in K-5 Plus in 2021 despite demonstrated positive gains for low income and Native American students. Missed learning time from Covid-19-related closures exacerbated the achievement gap between at-risk students and their peers. K-5 Plus and extended learning time programs could be essential, not only to closing the achievement gap, but in making up for lost instructional time.

Improvements to program implementation are evident as a result of recent legislative reforms. In 2019, 100 percent of programs were 25 day programs, improving from the previous year when 17 percent of programs were only 20 days. This is likely a result of the Legislature’s decision to make program funding formula based. Districts and charter schools also shortened the average number of days between the end of the K-5 Plus program and the beginning of the school year from 14 days in 2018 to 13 days in 2019. A more seamless transition from program to regular school year creates a longer school calendar instead of a stand-alone summer program. The Legislature made the K-5 Program part of a larger school calendar reform and when combined with other Extended Learning Time programs, students gain extra instructional time.

Chart 14. Low Income Students in Both Prekindergarten and K-5 Plus Reading Proficiency on Istation, 2019



Source: LFC Files

NEW MEXICO HEAD START	4-Year-Old Enrollment		Teachers with Bachelor's Degree or Higher		Families Receiving Parenting Services		Up-to-Date Well-Child Exams	
	FY19	FY19	FY19	FY19	FY19	FY19	FY19	FY19
	3,097	42%	35%	82%				
Federal Funds FY21 \$70.5 Million	Lower	Better	Higher	Worse				
Source:	FY18	FY18	FY18	FY18	FY18	FY18	FY18	FY18
	3,297	36%	33%	96%				
	ACF	ACF	ACF	ACF				

Head Start

Head Start and Early Head Start are federal programs to promote school readiness of children under age 5 from low-income families by enhancing their cognitive, social, and emotional development. Tribal Head Start programs served an additional 1,732 New Mexico children at a cost of \$28 million. Head Start programs also provide health, nutrition, social, and other services for qualifying children and their families. The services may be provided in a center, school, family childcare home, or a child's own home. Head Start funding is provided directly to providers, bypassing state agencies. ECECD has no administrative role in Head Start but houses one federally funded staff member to act as the state's Head Start collaboration director.

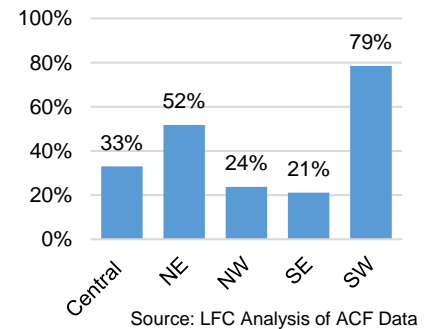
Impact

Teacher qualification is a component of federal high-quality standards for Head Start programs. Although New Mexico has made improvements in FY18 and FY19, New Mexico continues to lag the nation on Head Start teacher qualifications. Nationally, 75 percent of teachers have a bachelor's degree or higher, but in FY19, New Mexico had 42 percent of its Head Start teachers meeting this requirement, an increase for the second year in the row. Teacher qualifications vary regionally, with only 21 percent of teachers in the Southeast region with at least a bachelor's degree and 79 percent of teachers in the Southwest with at least a bachelor's degree, the only region outpacing the nation. Many qualified teachers may prefer to enter into the public school system because of higher pay and better benefits, especially after legislated teacher raises authorized in the previous three years.

Issues

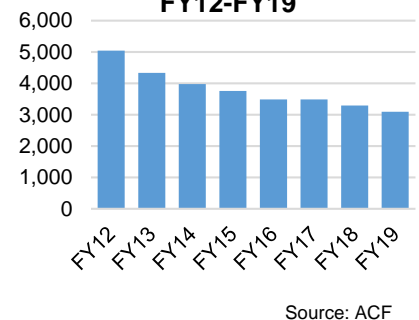
Early Head Start and Head Start enrollment has fallen 30 percent since 2012, with 4-year-old enrollment falling 40 percent over the same period. A 2019 LFC evaluation of Childcare Assistance noted a lack of coordination among Head Start programs and childcare hurt access to programming in some counties. This lack of coordination continues with the number of Head Start slots decreasing as the number of other early childhood program slots increase, signaling prekindergarten may be crowding out Head Start programs. The state needs to coordinate effectively so it does not supplant federally-funded Head Start with state-funded prekindergarten and childcare. The number of Early Head Start slots continues to increase as Head Start slots decrease, and Early Head Start enrollment is its highest in eight years.

Chart 15. Percent of Head Start Teachers with at Least a Bachelor's Degree by Region, FY19



Head Start enrollment for 4-year-olds has declined 40 percent since 2012

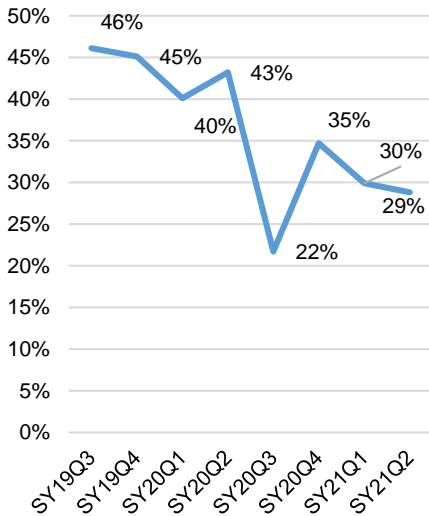
Chart 16. Head Start Four-Year-Old Enrollment, FY12-FY19



SAFE UNDER 5 YEARS OLD	Rate of Infant Maltreatment	Number of Victims Under 5	Percent of Kids in Foster Care Younger than 5	Child Maltreatment Death Rate
	2019 48.4	2019 24.4	2019 33%	2019 2.31
	Per 1,000 U.S. 25.7	Per 1,000 U.S. 13.5	U.S. 36%	Per 100,000 U.S. 2.50
Worse 2018 47.3	Worse 2018 23.8	Better 2018 34%	Better 2018 2.49	
Source:	ACF	ACF	ACF	ACF

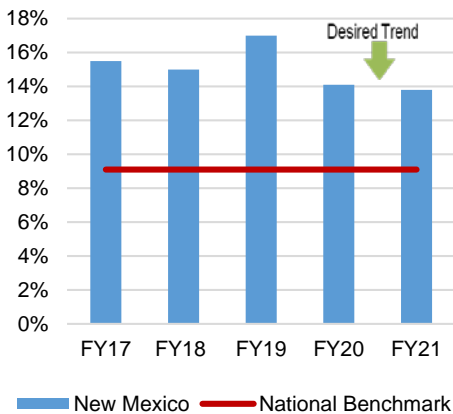
Child Welfare

Chart 17. Rate of Short-Term Stays in Foster Care



Source: CYFD 360 SF21 Q2 report

Chart 18. Safety: Children Subject to Repeat Maltreatment within 12 Months



Source: CYFD

Child safety is one of the most important issues facing the state. Incidents of child maltreatment are associated with several negative outcomes, including physical injuries, psychological distress, and in extreme cases, death. Further, research shows children who experience abuse or neglect often have negative impacts well beyond their childhood years. Youngest children are most vulnerable for maltreatment.

In spring 2021, LFC published a report examining children who stayed in the foster care system for less than eight days. New Mexico, at that time, had over 40 percent of children in foster care staying for less than eight days. Due to the trauma of potentially unnecessary placements in foster care, the report highlighted different recommendations to reduce these short-term placements. The rate of these placements has fallen more than 25 percent since the first quarter of FY20, from 40 percent to 29 percent in the second quarter of FY21 (the most recent data available from CYFD).

Impact

A large body of research shows children exposed to extreme neglect have decreased brain development and emotional regulation. These children are also more likely to have long-term problems, such as depression, suicide, substance abuse, and physical health problems. The Centers for Disease Control and Prevention (CDC) defines adverse childhood experiences (ACEs) as potentially up in a family with mental or substance abuse problems. Research shows in New Mexico, one of every six children has experienced three or more adverse childhood experiences (ACEs). Nationally, the number is one in every 10 children.

Research shows experiencing ACEs results in several negative outcomes that manifest throughout an individual's life: disrupted neurodevelopment; social, emotional, and cognitive impairment; adoption of health-risk behaviors; disease, disability, and social problems; and early death. ACEs can produce toxic stress that affects brain development. ACEs are also linked to chronic health problems, mental illness, and substance misuse in adulthood. The greater the number of ACEs a person experiences, the greater their risk for poor physical and mental health throughout their lifetime.

Issues

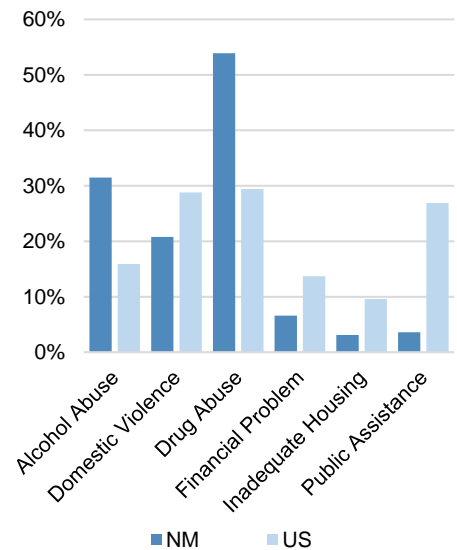
Unfortunately, New Mexico has one of the highest victimization rates in the nation for young children. In New Mexico, just over 8,000 children were victims of maltreatment between 2018 and 2019. Nearly 17 per 1,000 children in New Mexico are victims of maltreatment, compared with nearly nine children per 1,000 nationally. New Mexico's overall victimization rate has increased by 36 percent since 2013, but the victimization rate for young children increased at a faster rate, with victimizations rising by 55 percent for children under 1 year.

According to The Administration for Children and Families (ACF), of maltreatment types, neglect is the most prevalent in New Mexico and nationally. Eighty-two percent of maltreatment cases in New Mexico are due to neglect, followed by psychological maltreatment (27 percent), physical abuse (12 percent), medical neglect (3 percent), and sexual abuse (3 percent).

Many New Mexico families struggle with substance use disorders, inadequate housing, parental incarceration, and other social issues, potentially contributing to child maltreatment. New Mexico leads the nation in child maltreatment victims with a caregiver who is abusing drugs, yet lags behind the nation in delivering preventive and early intervention services. However, the state recently began a differential response program providing for degrees of intervention that may help address family needs. New Mexico also falls behind in offering post-response services to children, with 37 percent of victims receiving post-response services, compared with 61 percent nationally.

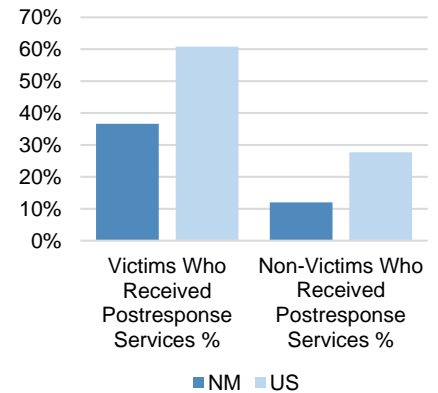
During the pandemic, New Mexico saw a drop in reported child maltreatment, which is concerning because more suspected abuse and neglect cases are reported by school officials than any other source and school officials were not seeing children while schools were closed to in-person learning. Child abuse and neglect also was likely exacerbated by the pandemic because other undesirable outcomes seem to have increased during the pandemic (such as violent crime, suicide rates, and deaths from drug overdoses). Child maltreatment likely did not drop, and the state might see deterioration in lagging metrics, including some child health outcomes.

Chart 19. Victims with Caregiver Risk Factors, 2019



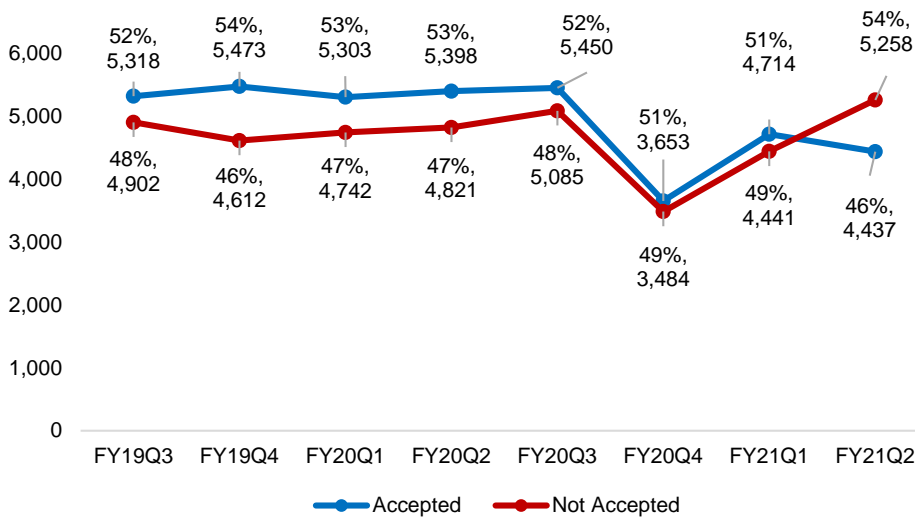
Source: 2019 Maltreatment Report, ACF

Chart 20. Children Who Received Postresponse Services, 2019



Source: 2019 Maltreatment Report, ACF

Chart 21. All New Mexico Reports of Abuse and Neglect: Trends



Note: This line graph shows the number of reports that statewide central intake received in New Mexico in the last eight quarters. This includes both screened out (not accepted) and screened in (accepted) reports.

Source: CYFD 360 County Profile Report

Fiscal Framework

Given the high-level of programmatic complexity within the early childhood system and increasing funding amounts, regularly projecting program enrollments and expenditures will assist in more efficiently and effectively delivering early childhood services throughout the state. The exercise of performing regular projections is a useful tool in understanding the sensitivity of key assumptions and modeling a variety of scenarios. This process also enables ECECD to proactively plan and strategize for different future scenarios.

The U.S. Senate budget committee recently announced a framework for \$3.5 trillion in the federal fiscal year 2022 budget

As a first step towards the ultimate goal of the department developing regular projections, LFC staff created preliminary fiscal frameworks, which are presented in Appendix A. Framework A shows a high uptake scenario between FY23 and FY26, while Framework B shows a low uptake scenario. High and low uptake scenarios are both dependent on the department's ability to scale provider capacity, which stands as a challenge given current strains on the early childhood workforce, especially during the current economic conditions created by the Covid-19 pandemic.

Additionally, the presented fiscal frameworks do not account for the possibility of future federal revenue support. The U.S. Senate budget committee recently announced a framework for \$3.5 trillion in the federal fiscal year 2022 budget reconciliation, including instructions for the committee on health, education, labor, and pensions for \$726 billion. Priorities include universal prekindergarten for three-year-olds and four-year-olds and childcare for working families.

While the developed fiscal frameworks are for the entire state, there is benefit in performing similar exercises at the local level. Understanding programmatic needs and costs locally would help local entities coordinate and strategically plan, reducing instances of duplication of services. Access to improved planning tools and resources would also allow for improved implementation of services by understanding what future need within the community is likely to look like and taking appropriate steps to meet those future needs.

Next Steps

Because all of the programs discussed here have been shown to positively impact children when properly implemented, the state needs strong performance measures to ensure the programs are working as intended, especially as early childhood programming enters a new phase of increased funding and expansion.

ECECD does not report all of the data found in this report as part of the Accountability in Government Act process, but has agreed to add several data points in FY23. Given the significant legislative investments in early childhood, the Legislature needs to continue working with the department to report robust measures to ensure adequate Legislative oversight. Each program should have a suite of performance measures focused either on direct outcomes or outputs tied to outcomes. These performance metrics should be determined jointly with the Department of Finance and Administration, ECECD, and LFC staff. Some metrics to consider would include:

- Average childcare worker pay;
- An independent measure of childcare quality by childcare quality level that assesses teacher child interactions, such as the early childhood environment rating scale;
- Average rate of home visiting goals met;
- Prekindergarten attendance; and
- Targeted infant care investment and expansion.

ECECD should ensure review and implementation of relevant recommendations from previous LFC reports, including:

- [2019 Early Childhood Accountability Report](#);
- [Childcare Assistance Effectiveness](#);
- [Prekindergarten Quality and Educational Outcomes](#);
- [The Department of Health's Role in the Early Childhood System](#); and
- [Policy Spotlight-State Population Trends](#).

School districts and charter schools should leverage funding for K-5 Plus and Extended Learning Time programs to make up for pandemic-related lost instructional time, prioritizing at-risk students.

Appendix A. Fiscal Framework A – High Uptake

	FY22	FY23	FY24	FY25	FY26
Sources					
Recurring Revenue					
General Fund ¹	\$ 279.5	\$ 302.7	\$ 314.5	\$ 326.5	\$ 336.2
TANF ²	\$ 54.1	\$ 54.1	\$ 54.1	\$ 54.1	\$ 54.1
CCDF ³	\$ 71.0	\$ 71.0	\$ 71.0	\$ 71.0	\$ 71.0
Medicaid Match ⁴	\$ 20.3	\$ 36.2	\$ 52.0	\$ 67.9	\$ 83.7
MIECHV ⁵	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5
FIT OSF ⁶	\$ 30.0	\$ 40.8	\$ 41.6	\$ 42.4	\$ 43.3
LGPF ⁷	\$ -	\$ -	\$ 144.6	\$ 144.6	\$ 142.2
ECE Trust Fund ⁸	\$ 17.2	\$ 27.2	\$ 38.8	\$ 66.0	\$ 90.8
Nonrecurring Revenue					
ARPA ⁹	\$ 75.0	\$ 61.0	\$ 61.0	\$ -	\$ -
Total Revenue	\$ 550.6	\$ 596.5	\$ 781.1	\$ 776.0	\$ 824.9
Uses					
Childcare Assistance ¹⁰	\$ 154.4	\$ 168.2	\$ 180.9	\$ 193.7	\$ 206.4
Home Visiting ¹¹	\$ 46.9	\$ 83.5	\$ 120.1	\$ 156.7	\$ 193.4
Prekindergarten (4s) ¹²	\$ 82.4	\$ 83.8	\$ 89.8	\$ 95.8	\$ 101.8
Prekindergarten (3s) ¹³	\$ 24.1	\$ 29.3	\$ 44.0	\$ 58.7	\$ 73.4
FIT ¹⁴	\$ 60.8	\$ 81.6	\$ 83.2	\$ 84.9	\$ 86.6
K-5 Plus ¹⁵	\$ 119.9	\$ 119.9	\$ 119.9	\$ 119.9	\$ 119.9
Total	\$ 488.5	\$ 566.3	\$ 638.0	\$ 709.7	\$ 781.4
Difference	\$ 62.1	\$ 30.1	\$ 143.2	\$ 66.3	\$ 43.5
Slot Assumptions					
Childcare Assistance ¹⁰	22,000	22,000	23,667	25,334	27,000
Home Visiting ¹¹	10,400	16,751	23,103	29,454	35,806
Prekindergarten (4s) ¹²	11,579	11,973	12,828	13,683	14,539
Prekindergarten (3s) ¹³	2,375	3,353	5,030	6,707	8,383
FIT ¹⁴	18,468	16,320	16,646	16,979	17,319
K-5 Plus ¹⁵	133,000	133,000	133,000	133,000	133,000

1. LFC Post-Session 2021 for FY23-25, 3% for FY26
2. Assumed no change from FY22 amount
3. Assumed no change from FY22 amount
4. FY22 Medicaid match of 73.46% assumed for FY23-FY26
5. Maternal, Infant, and Early Childhood Home Visiting (MIECHV) amount held constant from FY22
6. Family Infant Toddlers (FIT) federal percentage from FY22 held constant for FY23-FY26
7. Assumes passage of LGPF proposal by voters in November 2022. LFC FIR for HJR1
8. LFC projections for early childhood education and care fund. Total is less \$2.8 million which was allocated to non program expenses in FY22, and assumed the same in FY23-FY26
9. Remaining ARPA funds equally divided in FY23 and FY24
10. Assumes linear growth between FY23-FY26 to 27,000.
11. Funded slots in FY22 were about 10,400 but actual number served was 4,601. 75% of births served in FY26
12. Only state funded slots, assumes all full-day. Assumes 85% in FY26 of 4-yr-olds, excluding Head Start
13. Only state funded slots, assumes all full-day. Assumes 50% in FY26 of 3-yr-olds, excluding Head Start
14. Program growth based on 2% annual growth
15. Fully funded, no change assumed

Cost Assumptions	Per Slot
Childcare Assistance	\$637 per month
Home Visiting	\$ 5,400
Prekindergarten (4s)	\$ 7,000
Prekindergarten (3s)	\$ 8,750
FIT	\$ 5,000
K-5 Plus	N/A

Appendix B. Fiscal Framework B – Low Uptake

	FY22	FY23	FY24	FY25	FY26
Sources					
Recurring Revenue					
General Fund ¹	\$ 279.5	\$ 302.7	\$ 314.5	\$ 326.5	\$ 336.2
TANF ²	\$ 54.1	\$ 54.1	\$ 54.1	\$ 54.1	\$ 54.1
CCDF ³	\$ 71.0	\$ 71.0	\$ 71.0	\$ 71.0	\$ 71.0
Medicaid Match ⁴	\$ 20.3	\$ 20.3	\$ 20.3	\$ 20.3	\$ 20.3
MIECHV ⁵	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5
FIT OSF ⁶	\$ 30.0	\$ 40.8	\$ 41.6	\$ 42.4	\$ 43.3
LGPF ⁷	\$ -	\$ -	\$ 144.6	\$ 144.6	\$ 142.2
ECE Trust Fund ⁸	\$ 17.2	\$ 27.2	\$ 38.8	\$ 66.0	\$ 90.8
Nonrecurring Revenue					
ARPA ⁹	\$ 75.0	\$ 61.0	\$ 61.0	\$ -	\$ -
Total Revenue	\$ 550.6	\$ 580.6	\$ 749.4	\$ 728.4	\$ 761.4
Uses					
Childcare Assistance ¹⁰	\$ 154.4	\$ 152.9	\$ 160.5	\$ 164.3	\$ 168.2
Home Visiting ¹¹	\$ 46.9	\$ 46.9	\$ 46.9	\$ 46.9	\$ 46.9
Prekindergarten (4s) ¹²	\$ 82.4	\$ 83.8	\$ 89.8	\$ 92.8	\$ 95.8
Prekindergarten (3s) ¹³	\$ 24.1	\$ 22.4	\$ 37.4	\$ 44.9	\$ 52.4
FIT ¹⁴	\$ 60.8	\$ 81.6	\$ 83.2	\$ 84.9	\$ 86.6
K-5 Plus ¹⁵	\$ 119.9	\$ 119.9	\$ 119.9	\$ 119.9	\$ 119.9
Total	\$ 488.5	\$ 507.5	\$ 537.8	\$ 553.7	\$ 569.7
Difference	\$ 62.1	\$ 73.1	\$ 211.7	\$ 174.7	\$ 191.7
Slot Assumptions					
Childcare Assistance ¹⁰	22,000	20,000	21,000	21,500	22,000
Home Visiting ¹¹	10,400	10,400	10,400	10,400	10,400
Prekindergarten (4s) ¹²	11,579	11,973	12,828	13,256	13,683
Prekindergarten (3s) ¹³	2,375	2,566	4,276	5,131	5,986
FIT ¹⁴	16,000	16,320	16,646	16,979	17,319
K-5 Plus ¹⁵	133,000	133,000	133,000	133,000	133,000

1. LFC Post-Session 2021 for FY23-25, 3% for FY26

2. Assumed no change from FY22 amount

3. Assumed no change from FY22 amount

4. FY22 Medicaid match of 73.46% assumed for FY23-FY26. Amount held constant

5. Maternal, Infant, and Early Childhood Home Visiting (MIECHV) amount held constant from FY22

6. Family Infant Toddlers (FIT) federal percentage from FY22 held constant for FY23-FY26

7. Assumes passage of LGPF proposal by voters in November 2022. LFC FIR for HJR1

8. LFC projections for early childhood education and care fund. Total is less \$2.8 million which was allocated to non program expenses in FY22, and assumed the same in FY23-FY26

9. Remaining ARPA funds equally divided in FY23 and FY24

10. Assumes ramped growth to 22,000 in FY26.

11. Funded slots in FY22 were about 10,400 but actual number served was 4,601. Assumes served amount doesn't exceed funded slots between FY23-FY26

12. Only state funded slots, assumes all full-day. Assumes 80% in FY26 of 4-yr-olds, excluding Head Start

13. Only state funded slots, assumes all full-day. Assumes 35% in FY26 of 3-yr-olds, excluding Head Start

14. Program growth based on 2% annual growth

15. Fully funded, no change assumed

Cost Assumptions	Per Slot
Childcare Assistance	\$637 per month
Home Visiting	\$ 5,400
Prekindergarten (4s)	\$ 7,000
Prekindergarten (3s)	\$ 8,750
FIT	\$ 5,000
K-5 Plus	N/A