

2017 Accountability Report

Early Childhood

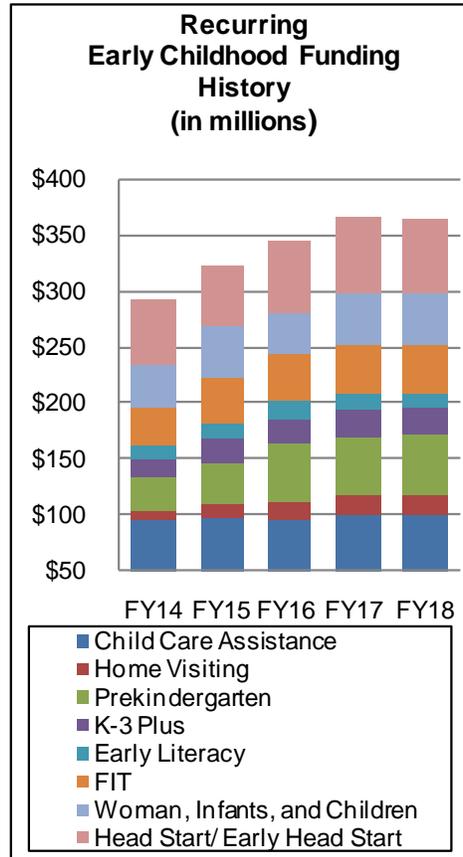
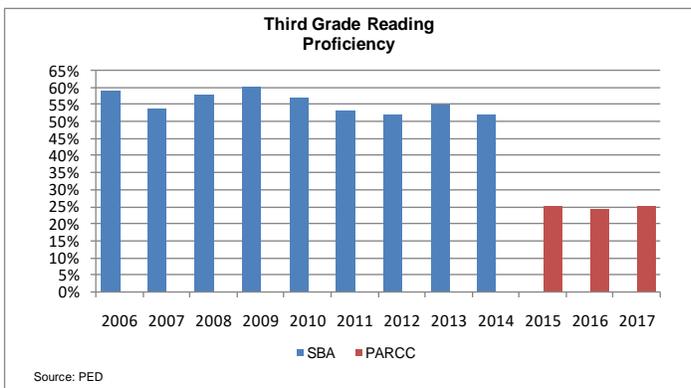


Quality services for at-risk children can greatly impact their future educational and economic success. Recognizing the importance of such services, early childhood initiatives have remained a priority even as the Legislature confronted difficult funding decisions due to declining revenues during the 2017 session.

New Mexico's early childhood care and education system begins prenatally and extends through age 8. Services for improving the health, safety, stability, and education of New Mexico's children span several state agencies, including the Children, Youth and Families Department (CYFD), the Department of Health (DOH), the Human Services Department (HSD), and the Public Education Department (PED). Concern regarding low or declining performance in key indicators such as the rate of repeat child maltreatment, immunization, and reading proficiency of low-income children have been raised. With this knowledge, the Legislature invested in multiple prevention and intervention strategies over the last several years, such as home visiting and prekindergarten.

The Early Childhood Accountability Report is intended to provide a system-wide look at key early childhood indicators across state agencies and consolidate information regarding expenditures and outcomes. The report provides trend data indicating mixed performance results on measures reported last year.

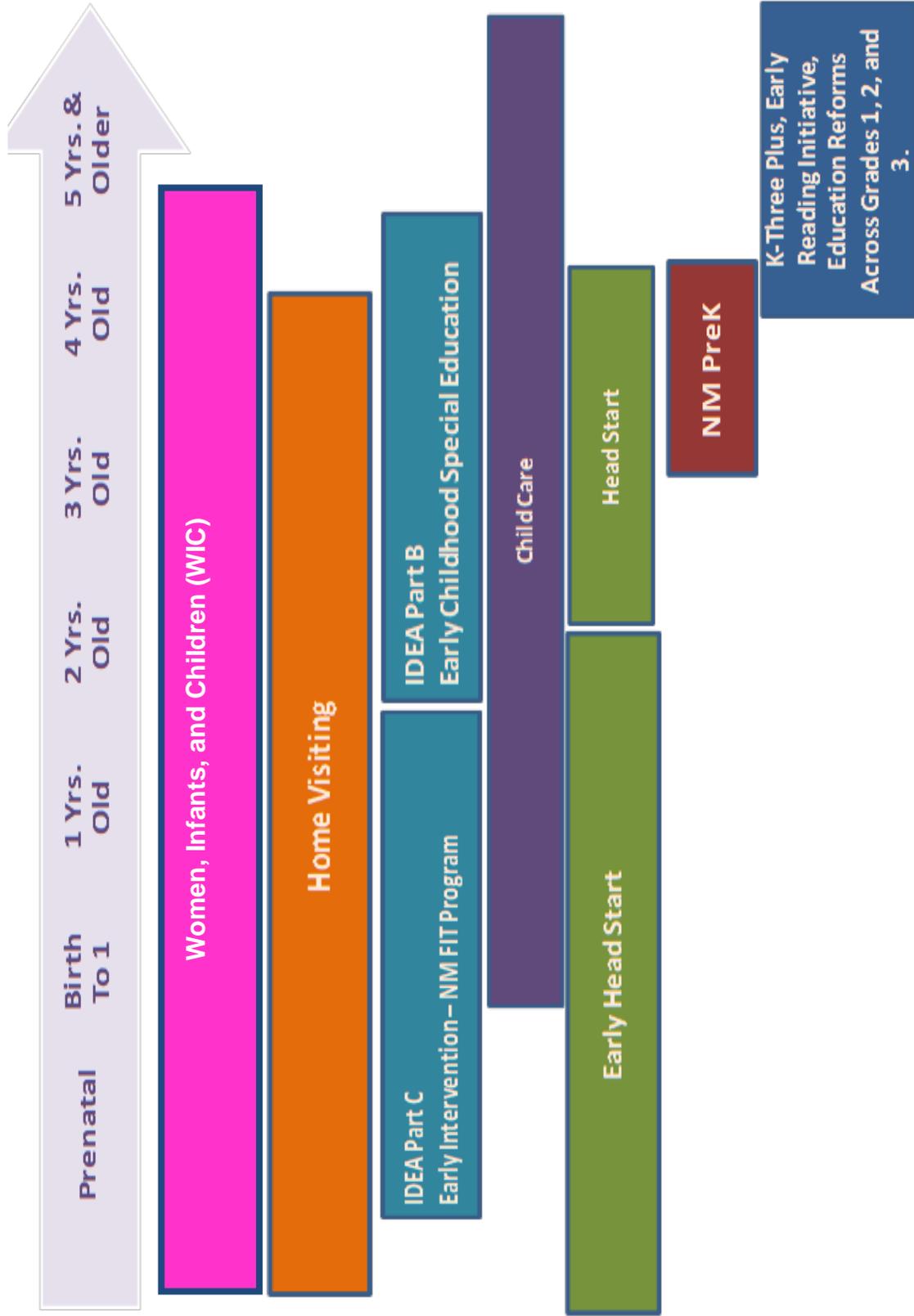
State-wide early public education data shows mixed results. According to the PARCC assessment three out of four New Mexico students do not demonstrate readiness for the next grade level in reading or math. Health and safety indicators continue to show low performance. Given the state's significant investment in programs to improve early childhood health and educational outcomes, analysis of key indicators is vital to ensure investments are meeting their intended goals.



Early Childhood Program Issues and Impact.

- **Home Visiting** expansion should be better targeted to high risk and high need areas.
- **Childcare** costs are increasing due to higher enrollment and improved quality standards which have yet to be fully evaluated.
- **Prekindergarten** improves attendance and performance through the 5th grade.
- **K-3 Plus** was unable to fully fund total projected enrollment at several sites in June 2017.
- **Prekindergarten/K-3 Plus** participation in both programs may close the achievement gap at K entry.
- **Head Start** enrollment continues to fall and performance lags national results.

New Mexico's Early Childhood Care and Education System



Early Childhood Accountability Report-2017 Update

HEALTHY	Infant Mortality	Low Birth Weight	Immunization Rate	Early Access to Prenatal Care
	2015	2015	2015	2015
	5.1	8.7%	70%	66%
	Per 1,000 children U.S. – 5.8 (2016)	2,331 children U.S. – 8.0% (2014)	U.S. – 72% (2015)	25,985 children U.S. – 77% (2015)
	Better	Lower	Better	Better

2014	5.4	2014	8.8%	2013	66%	2014	64%
	DOH		DOH		DOH		DOH

Source: DOH

SAFE	Child Death Rate: Abuse or Neglect	Rate of Child Maltreatment	Rate of Foster Care Placement	Repeat Maltreatment
	2015	2015	2015	2017
	2.8	17.5	3.8	11.7%
	Per 100,000 children U.S. Range 0-5.7	Per 1,000 children U.S. – 9.2 (2015)	Per 1,000 children	U.S. Std– 5.4%
	Worse	Worse	Higher	Better

2014	1.4	2014	15.2	2013	3.7	2016	12.3%
	ACF		ACF		ACF		CYFD/NCANDS

Source: ACF

READY TO LEARN BY KINDERGARTEN	All Students Taking Kindergarten Observation Tool	Rate of Children Under 5 in Poverty	Kids Funded to Participate in Early Childhood Programs	Low Income 4-Year-Olds in Day Services
	FY17	2015	FY18	FY16/FY17
	74.5%	34%	65,298	70%
	Baseline	Worse	children Better	21,655 children Better
	2014	32%	FY17	64,390

	PED	DOH	LFC	CYFD, ACF, & LFC
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Source: PED

EDUCATED 3rd Grade	Reading – All Kids	Reading – Low-Income Kids	Math – All Kids	Math – Low-Income Kids
	2017	2016	2017	2016
	25%	20.3%	30%	24.3%
	Better	Better	Better	Better
	2016	24.1%	2015	18%

	PED	PED	PED	PED
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Source: PED

FAMILY INFANT TODDLER PROGRAM (FIT)	Percent of Children who Receive Services Timely	Children 0-3 with a Service Plan	Children with Improved Socio- Emotional skills	Families Reporting FIT Helped Children Develop/Learn
	FY16 \$61.0 14,130	FY16 98% U.S: 95% (FY15)	FY16 6.7% U.S: 3.1% (FY15)	FY16 70% U.S: 66% (FY15)
Source:	Baseline DOH	Baseline DOH	Baseline DOH	Baseline DOH

Family Infant Toddler Program (FIT). The family infant toddler (FIT) program is New Mexico’s IDEA Part C program designed to provide assistance to families with infants and toddlers with developmental delays, an established medical condition, or at risk due to biological, medical or environmental factors. In FY16 \$61 million was appropriated for FIT, including \$28 million from state funds.

Impact. Most children receiving FIT services who are below benchmark performance levels show improvement. Interestingly, fewer individuals who are not below benchmark when enrolling in FIT show improvements in the outcomes measured. These outcomes include socio-emotional skills, acquisition and use of knowledge and skills, and use of appropriate behaviors to meet their needs.

Issues. New Mexico meets or exceeds national targets in most areas; however, a higher percentage of children have an individual family service plan, indicating New Mexico children may have a higher need for services. Furthermore, program success is highly variable throughout the state and more accountability for low performing programs may be needed.

WOMEN INFANTS AND CHILDREN (WIC)	Infants Breastfed		Infants Initiating Breast Feeding		Number of Pregnant Women	Average Cost of Food per Person
	FY15 \$34.5 52,146	FY16 \$31.2 48,723	FY16 31% (N= 12,676 infants) U.S. 32%	FY16 79.8% (N=12,697) U.S. 53%	FY16 4,632 Per Month	FY16 \$53 U.S. \$43
Source:	Better FY15 29% DOH	Better FY15 75% DOH	Lower FY15 7,876 DOH	Lower FY15 \$55 DOH		

Women Infants and Children (WIC). WIC is a federal program providing supplemental food, health care referrals, and nutrition education for pregnant, breastfeeding, and postpartum women as well as children up to 5 years of age who may be at nutritional risk.

Impact. Food insecurity and malnutrition negatively affect children as they develop and mature. Programs such as WIC may decrease food insecurity in low income communities.

Issues. Increasing WIC access may decrease food insecurity for eligible applicants. The cost of food per person is very high in Native American communities served by WIC and further examination of why the cost is so high may be needed. Additionally, while WIC encourages women to breastfeed by many initiatives, WIC has a lower rate than Home Visiting programs, which are designed to provide home counseling to all of their clients. New Mexico WIC program does not have sufficient funding or staff/peer counselors to provide home visiting services to all WIC participants.

HOME VISITING

FY17 FY18
\$17.5 \$18.3
4,604 4,815

Average Percent of Family Goals Met

FY17
23%
(N= 2,889 families)

No Change

FY16 23%
CYFD

Mothers Initiating Breast Feeding

FY17
90%
(N=437)

Better

FY16 89%
CYFD

Average Yearly Number of Home Visits

FY17
14
(N=3,476 families)

Worse

FY16 14.5
CYFD

Well - Child Exams

FY17
95%
(N= 419)

Worse

FY16 96%
CYFD

Source:

Home Visiting. Home visiting is an intensive parent education program shown to effectively reduce child abuse and improve health. This voluntary program provides family support and basic parenting skills critical to improving childhood outcomes during pregnancy and through the first few years of a child's life. Research shows some home visiting models are an effective and cost beneficial system of intervention for at-risk families.

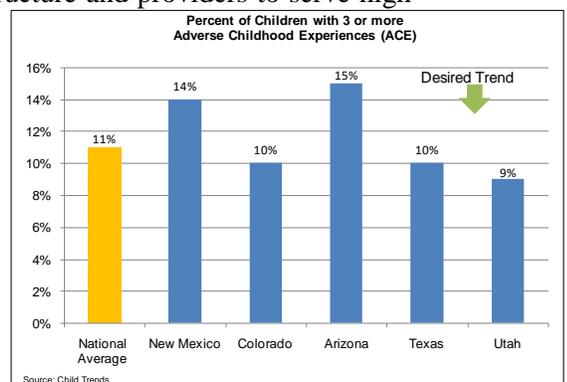
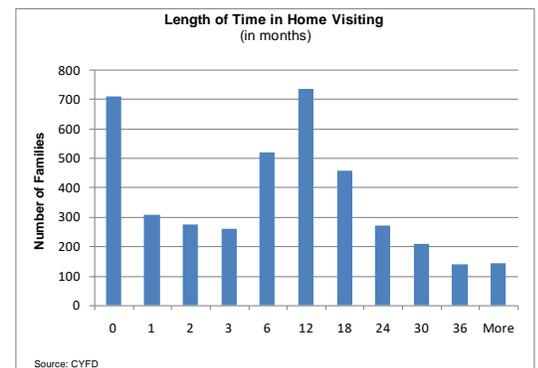
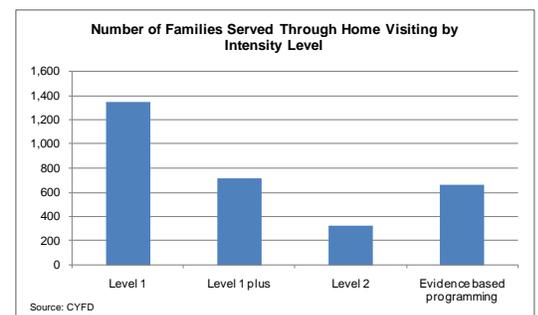
Impact. Previous home visiting reports by CYFD show a higher percentage of children in home visiting receive well-child visits compared to children on Medicaid who do not participate in this program. This is particularly relevant as half the individuals participating in home visiting services are on Medicaid and earn only about \$20 thousand a year. Evidence based home visiting programs in New Mexico continue to show a positive return on investment and positive child outcomes.

First Born, a homegrown program, shown by a RAND Corporation study to decrease child emergency room visits and increase positive parenting behaviors, is currently under review by the federal Maternal Infant and Early Childhood Homevisiting program to be recognized as an evidence-based program. Furthermore, CYFD implemented multiple levels of home visiting to serve children with varying levels of need. Importantly, in New Mexico most home visiting programs are not tied to evidence-based programming, and specific outcomes and return on investment are uncertain.

Issues. In FY17, the LFC estimated about 4,800 families received state-funded home visiting services, but an additional 5,900 families are eligible. Strategically, policymakers have continued incrementally increasing funding of home visiting services to allow communities time to develop quality infrastructure for programming. Continued attention is needed to ensure family engagement and improved performance of funded programs under the standards-based accountability system.

The national return on investment for early childhood programming is up to seven dollars for every one dollar invested. However, the state is still working to build up infrastructure and providers to serve high

numbers of at-risk children. A screening tool to target services to the most at-risk families is the Adverse Childhood Experiences (ACE) score. The U.S. Center for Disease Control reports children with high ACE scores are linked to risky behaviors, chronic health conditions, and early death. The state's early childhood and health systems should consider using the ACE score to target services to families most at-risk. In addition, the 2017 appropriation for HSD included language to align home-visiting programs with CYFD, avoid duplication of services, and possibly leverage general fund appropriations with federal match. This may allow CYFD and HSD to collaborate on a targeted Medicaid-funded home-visiting pilot.



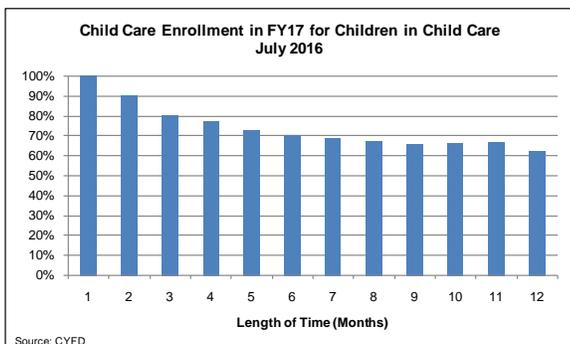
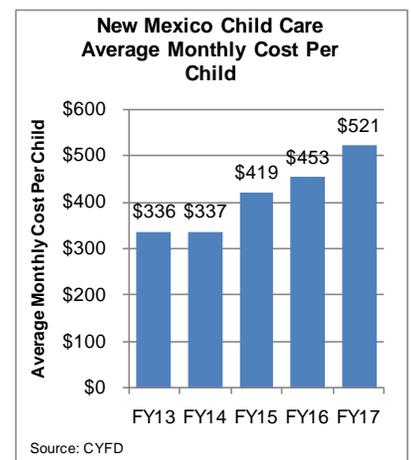
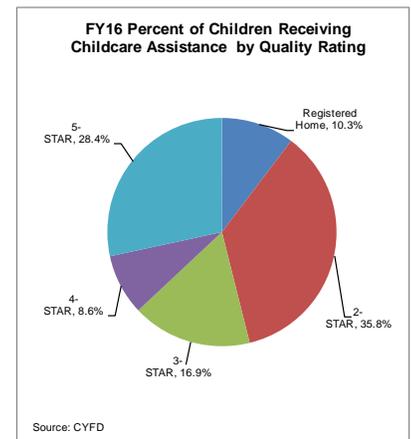
CHILD CARE ASSISTANCE		Kids Attending 4 or 5 Star Center		4-Year-Olds Attending Child Care		Enrolled 9 or More Months		Low Income Kids Proficient by 3 rd Grade	
FY17	FY18	FY17		June FY17		FY17		FY17	
\$100	\$100	36%		2,463		49%		17%	
18,520	19,500	Worse		Higher		Better		Worse	
		FY16	37%	FY16	2,005	FY16	43%	FY16	18%
								All low income students- 18%	
Source:			CYFD		CYFD		CYFD		CYFD

Child Care Assistance. Administered by CYFD, the Childcare Assistance program serves about 19 thousand children up to age 13 at a cost of \$100 million annually. The program subsidizes the cost of child care for families with incomes at or below 200 percent of the federal poverty level (FPL), or about \$48 thousand annually for a family of four. All participating families at 150 percent of the FPL receive automatic assistance. Semi-annually, CYFD opens enrollment for families on the waiting list between 151 and 200 percent FPL. Historically, child care has been viewed as a welfare support program, supporting low-income parents to work. However, since 2004, LFC evaluations emphasized the national trend toward implementing quality initiatives to improve outcomes. Since FY13, the average monthly cost per child has risen by over 40 percent.

Impact. CYFD continues moving forward in its implementation of FOCUS, New Mexico’s third-generation tiered quality rating system. Providers still using the previous rating system, Aim High, will be ineligible for funding starting January 2018. Aim High showed minimal to no effects on student academic performance for participating 3 and 4 year olds according to previous LFC evaluations. Four-year-old child care enrollment has increased over the past two years from 1,972 to just fewer than 2,500. Additionally, the number of children enrolled nine or more months also increased from 34 percent in FY14 to 49 percent in FY17. These increases are potentially due to a federal 12-month eligibility change instituted in October 2016.

Issues. In 2014, the federal Child Care and Development Block Grant (CCDBG) Act was reauthorized. The reauthorization made significant changes by defining health and safety requirements for childcare providers and a new 12-month eligibility requirement versus the previous six months. Extending the recertification process increased enrollment in childcare assistance significantly in FY17, over 4 percent, and is projected to continue growing through FY20. Enrollment is projected to grow to an average of 22 thousand children, more than 3,000 above the FY17 monthly enrollment, according to CYFD. However, participation goes down by 20 percent after the first two months of enrollment. This decrease in enrollment may be unaffected by increasing the eligibility requirement. In addition, provider rates have grown from an average monthly rate of \$326 in 2013 to \$521 in FY17. As more providers are obtaining the highest level of quality, the projected average monthly rate is also expected to increase to nearly \$530 in FY19 and FY20.

Increasing enrollment coupled with higher provider rates will considerably raise the need for additional child care assistance funding in FY19 and FY20. Conservative estimates project upward of \$20 million in both FY19 and FY20 will be necessary to maintain caseloads and reduce the chances of growing large waitlists.

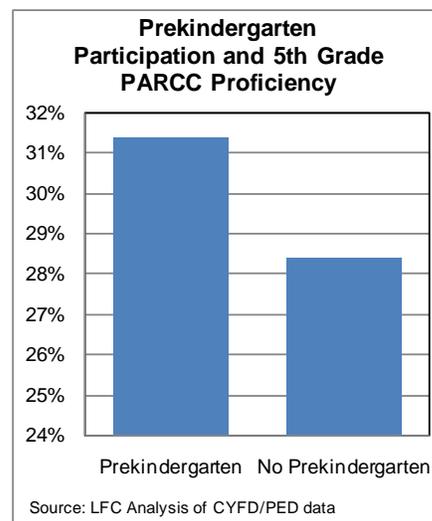
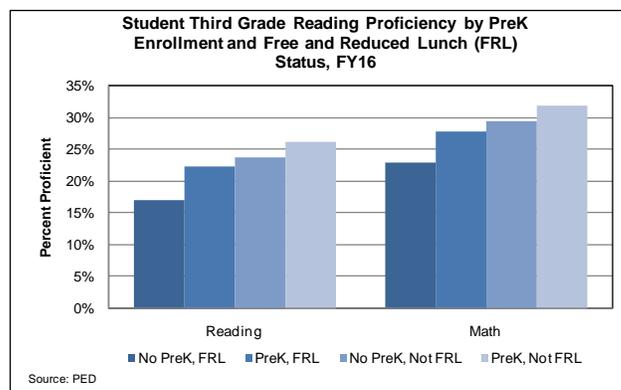


NEW MEXICO PreK		PreK Kids Reading at Kindergarten Grade Level	PreK Kids Proficient by 3 rd Grade - Reading	PreK Kids Proficient by 3 rd Grade - Math	4-Year Olds in NM PreK
FY17	FY18	FY16	FY16	FY16	FY16
\$52.3	\$53.5	69%	26%	32%	32%
9,390	9,200	No PreK: 66%	(N=3,147) No PreK: 23.8%	(N=3,368) No PreK: 29.6%	(N=9,254)
		Low Income: 22%	Low Income: 22%	Low Income: 28%	
		Baseline	Better	Better	Better
		FY15: 25%	FY15: 27%	FY15: 30%	
Source:		PED/Istation	PED/PARCC	PED/PARCC	PED/CYFD

Prekindergarten. New Mexico prekindergarten is an early education program for 3- and 4-year-olds implemented by CYFD and the Public Education Department (PED). The program is available to families for half-day or extended-day services. In FY16, over 9,000 children received prekindergarten services, including extended day services. Prior to FY16, prekindergarten was only available to 4-year-olds but policymakers expanded services for 3-year-olds to support continued gains in student achievement outcomes and authorized extended day services. Over 450 children participated in early prekindergarten programs in FY16.

Impact. The LFC has consistently found prekindergarten programs improve math and reading proficiencies for low income 4-year-olds and lower special education and retention rates. LFC has also found prekindergarten programs deliver a positive return on investment for New Mexico taxpayers based on improvement in test scores. The percentage of 4-year-old participants in prekindergarten reading at grade level in kindergarten improved this year and students who participated in prekindergarten performed significantly better on the 3rd grade PARCC than peers not participating. This pattern was consistent for low income and non-low income students. Istation results in 2016 showed 69 percent of prekindergarten participants were reading at grade level compared to 66 percent of students not participating. New Mexico continues to compare favorably to other states for funding of prekindergarten. According to the National Institute of Early Education Research (NIEER), 32 percent of 4-year-olds in the U.S. were enrolled in prekindergarten programs in 2016 and the average state spending was \$4,976 per child enrolled. NIEER reports at 33 percent, New Mexico ranked 16th in the nation for 4-year-olds enrolled in prekindergarten programs in 2016 and ranked 20th for state spending at \$5,233 per child enrolled. The NIEER report also noted 9,757 children participated in New Mexico prekindergarten in 2016, an increase of 16 percent from the previous year.

Previous LFC reports found lasting effects for students participating in prekindergarten including higher student achievement, lower special education identification, and reduced retention rates through the 3rd grade. The LFC is currently undertaking a longitudinal study of student data including prekindergarten that will examine effects in later grades. Students who attended prekindergarten in 2010 had significantly higher rates of reading proficiency in 5th grade compared to non-participants.



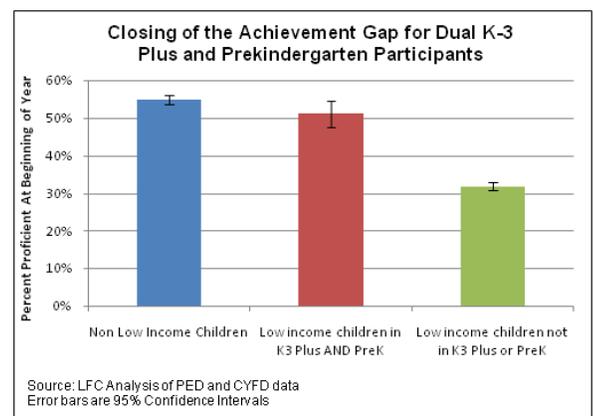
Issues. Istation was recently selected by the PED, through an RFP process, as the new formative reading assessment for kindergarten through 3rd grade students. In 2017, for the second year prekindergarten participants took the PARCC as third graders. Low income and non-low income prekindergarten participants performed significantly better on the 3rd grade PARCC than peers not participating in prekindergarten. Currently, 3-year-old prekindergarten is only implemented by CYFD-funded private child care programs. PED raised concerns regarding the infrastructure and capacity of schools to expand prekindergarten to earlier ages and instead chose to focus on expansion of extended-day prekindergarten for 4-year-olds.

K-3 PLUS EXTENDED SCHOOL YEAR		Number of Students in 20 Day Programs vs. 25 Day Programs	Average Days between End of K-3 Plus and Beginning of School Year	Percentage of Proficient K-3 Plus Students Enrolled 2+ Years, 3 rd Grade Reading	Kindergarten Students at Benchmark on DIBELS
FY17 \$23.6 19,399	FY18 \$23.7 18,832	FY16 25 Day: 15,716 20 Day: 5,374	FY16 18 High: 39 Low: 0	FY16 12%	FY16 44% No K-3 Plus: 41%
		Higher FY15 25 Day: 20,163 20 Day: 539	Baseline	Baseline	Baseline
Source:		PED	PED	PED/PARCC	LFC Analysis of DIBELS

K-3 Plus. Research has identified “time-on-task,” the time students spend in the classroom actively engaged in learning, as a practice that greatly impacts student learning. The state implemented the K-3 Plus program – an extended school year program for kindergarten through third grade students – in 2007. The program extends the school year for a minimum of 25 instructional days beginning before students start kindergarten at high-poverty or low-performing elementary schools for students who choose to participate. Almost 71 thousand students are eligible to participate in the program. Since 2007, enrollment and funding for K-3 Plus have generally risen. However, in those years where funding decreased, there was a corresponding drop in enrollment.

Impact. K-3 Plus has been scientifically shown to improve student performance relative to peers when programs are executed correctly. Students who participated in K-3 Plus in FY16 before entering kindergarten the same year were more likely to be at benchmark on the DIBELS assessment than students who did not attend K-3 Plus. In FY16, 12 percent of third grade students who participated in two or more years of K-3 Plus were proficient in reading. The kindergarten readiness 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 entry into kindergarten were more ready for school and outperformed their peers. Furthermore, those enrolled in K-3 Plus continued to have higher levels of achievement four years later; however the difference between those enrolled in K-3 Plus and those not, was smaller prior to third grade than it was prior to kindergarten.

One area of debate in recent years regarding early childhood programs is the potential positive effect of multiple services on outcomes. LFC staff analyzed 2016 DIBELS data for New Mexico kindergarteners and found positive effects for both K-3 Plus and prekindergarten participants. Additionally, a cohort of about 1,000 children entering kindergarten in school year 2016 participated in both prekindergarten and K-3 Plus. For children participating in both programs the achievement gap is closed by kindergarten entry. Further examination of these data is needed as the closure of the achievement gap may be caused by the combined effects of prekindergarten and K-3 Plus, but may also be partially attributable to other factors including selection bias or increased parental engagement.



Issues. There is concern the K-3 Plus program may not be implemented correctly at all schools. For increased gains from K-3 Plus throughout the school year students should stay with the same teacher they had during the summer, however this is not often the case.

Additionally, K-3 Plus was intended to provide students with a jump start on the new school year and while statute allows schools flexibility to start the program any time during the summer, intuitively, the program should start closer to the regular school year. The amount of time between K-3 Plus and the beginning of the school year varies across school districts with a high of a 39 day gap between the end of the K-3 Plus program and the beginning of the new school year, and a low of zero days, providing a seamless transition between the program and the school year.

The K-3 Plus program is conducted in high-poverty schools with high numbers of at-risk students. PED classifies schools as high-poverty if the school has either 80 percent or more of students eligible for free or reduced lunch or the school has earned a D or F school grade the previous year. Additionally, all students within eligible schools are welcome to attend the K-3 Plus program. Looking at proficiency levels alone, K-3 Plus students are underperforming compared to the average public school student. However, it should be noted that K-3 Plus students have a number of other contributing factors influencing their performance. LFC staff is continuing to examine K-3 Plus in terms of implementation and impact.

Timing of implementing K-3 Plus also causes funding issues. PED cut funding in FY18 (July/August 2017), resulting in 5,116 fewer students served. PED then reserved funding to increase spending on June 2018 programs by over 80 percent. Further, more programs are now only making available 20 days of instruction rather than 25. Despite statutory language, school districts can implement 20 day programs by extending the day from 5.5 hours to 6.875 hours. The number of students participating in the shorter programs has increased from 539 in FY15 to over 5,000 in FY16. The intent of the program is not being followed and should raise concerns for policymakers that K-3 Plus is turning into summer school rather than a scientifically proven program to extend the school year for students from low-income families that need additional time-on-task to catch up to more affluent peers academically. Attendance is also lagging with students in 25 day programs attending an average of 20 days and students in 20 day programs attending 18 days on average.

Estimated K-3 Plus Student Enrollment and Funding

Program Enrollment

Month	2013 July/Aug.	2014 June	2014 July/Aug	2015 June	2015 July/Aug.	2016 June	2016 July/Aug.	2017 June	2017 July/Aug	2018 June*
	8,729	4,913	13,143	5,815	13,568	5,533	14,560	4,485	10,564	8,268
Summer	2013 Summer	2014 Summer		2015 Summer		2016 Summer		2017 Summer		2018 Summer*
	11,639	18,056		19,383		20,093		15,049		8,268
Fiscal Year	FY14		FY15		FY16		FY17		FY18*	
	13,642		18,958		19,101		19,045		18,832	

Sources and Uses

	FY14	FY15	FY16	FY17	FY18*
Est. Beg. Balance	\$3,244,950	\$3,554,950	\$1,327,950	\$1,857,950	\$441,950
General Fund Appropriation	\$15,950,000	\$21,223,000	\$23,700,000	\$23,574,000	\$23,700,000
Total Uses	(\$15,640,000)	(\$23,450,000)	(\$23,170,000)	(\$24,990,000)	(\$23,700,000)
Est. End Balance	\$3,554,950	\$1,327,950	\$1,857,950	\$441,950	\$441,950
Final Unit Value	\$3,817.55	\$4,007.75	\$4,037.75	\$3,979.63	\$4,053.55
Min. Funding per Student	\$1,145.27	\$1,202.33	\$1,211.33	\$1,193.89	\$1,216.07

*Preliminary or estimated

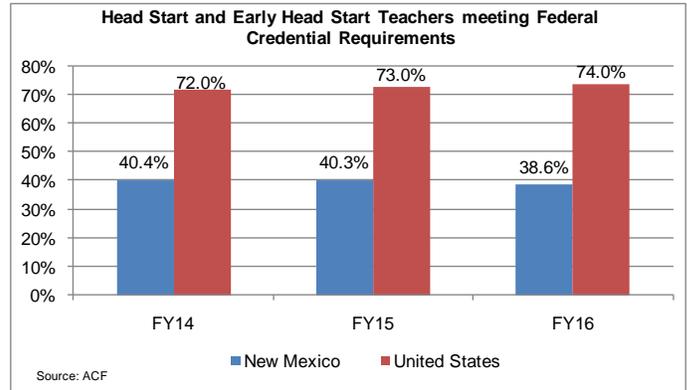
Source: PED and LFC Files

NEW MEXICO HEAD START		4-Year-Old Enrollment	Teachers with Bachelor's Degree	Families Receiving Services	Well-Child Exams
Federal Funds		FY16	FY16	FY16	FY16
FY17	FY18	3,491	38.6%	61%	88%
\$67.0	\$ 67.0	Lower	Worse	Higher	Better
		FY15 3,757	FY15 40%	FY15 60%	FY15 83%
		ACF	ACF	ACF	ACF

Source:

Head Start. Head Start and Early Head Start are federal programs that promote school readiness of children under age 5 from low-income families by enhancing their cognitive, social and emotional development. 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. CYFD has no administrative role in Head Start but does house one federally-funded staff member to act as the state's Head Start collaboration director, a position which was only recently filled. Within New Mexico, 61 percent of families enrolled in Head Start receive at least one additional family service and the percentage of children who are up to date with their well child visits is double that of those not enrolled in similar programs. However, if New Mexico Head Start was at the national averages and standards, we may see higher enrollment and increased benefits.

Impact. A recent 2016 report from the Brookings Institute associated Head Start programs with long term improvements in educational outcomes for students. Federal standards define high-quality Head Start programs partially by teacher qualifications. Unfortunately, New Mexico continues to lag behind the national average on Head Start teacher qualifications. Federal standards require 50 percent of Head Start teachers have a bachelor's degree or higher in early childhood education or a related field. To date, New Mexico has 38.6 percent of its Head Start teachers meeting this requirement. This is an improvement from 2012 when only 32 percent met the requirement; however, it is a decrease from 2015 when 40.3 percent of Head Start teachers met the requirement.



Issues. Head Start enrollment continues to fall. A 2013 LFC evaluation of early childhood programs noted a lack of coordination among Head Start programs and other early childhood services hurt access to programming in some counties. In some counties Head Start is losing funding due to the market being flooded with learning opportunities for 4-year-olds. Following the 2013 LFC evaluation, a delegation of New Mexico legislators wrote to the New Mexico congressional delegation citing these issues and requested more control over these federal programs. To date, no notable federal change has occurred. While Head Start funding has slightly increased in recent years, the number of children contracted to be served has declined. The program serves between 7,400 and 7,600 children each year. In FY17, Head Start was funded to serve 251 less children than the previous fiscal year but revenues increased \$1.2 million, raising the annual average cost per child to \$449.

