A Working Business Plan for Early Childhood in New Mexico
Presented to the Legislative Education Study Committee

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The plan's strategy is grounded in research and input from experts and stakeholders within and outside of NM

Who has been involved in this work?

The **New Mexico Early Childhood Funders Group** sponsored the development of a strategic vision and business plan for early childhood in New Mexico.

A **Steering Committee** of representatives from early childhood, business, government, and economic development spearheaded the plan's development.

Bellwether Education Partners, a national nonprofit with a mission to dramatically change education and life outcomes for traditionally underserved children, provide research, analytic, and facilitation support.

How has the work been conducted?

The plan was developed through a multi-stage process grounded in **data analysis and research** and informed by **interviews with stakeholders** both within and outside of New Mexico.

Landscape Analysis ▸ Defining Vision and Levers for Change ▸ Designing Strategy and Implementation

Landscape Analysis

Supporting healthy early childhood development is essential to New Mexico's long-term outlook….

Early childhood years are a crucial period in young children's development — one that lays the foundation for future success in both school and life.

Brain science connects experiences in the earliest years of life to:

- the foundations for language and literacy,

- the ability to form positive relationships, and

- health and well-being.

Children whose early experiences support healthy development are more likely to become successful students, adults, parents, employees, and citizens.

Ensuring access to high-quality early childhood education, care, and health and family supports is far more cost-effective than waiting to address problems when children are older.

Early childhood education benefits all New Mexico children, but is particularly important for those facing additional challenges

Crucial Needs

36% of New Mexico's young children live in poverty, 50th in the country.

Adverse Childhood Experiences

18% of New Mexico children aged 0-17 have 3 or more Adverse Childhood Experiences (ACES), nearly twice the national average.
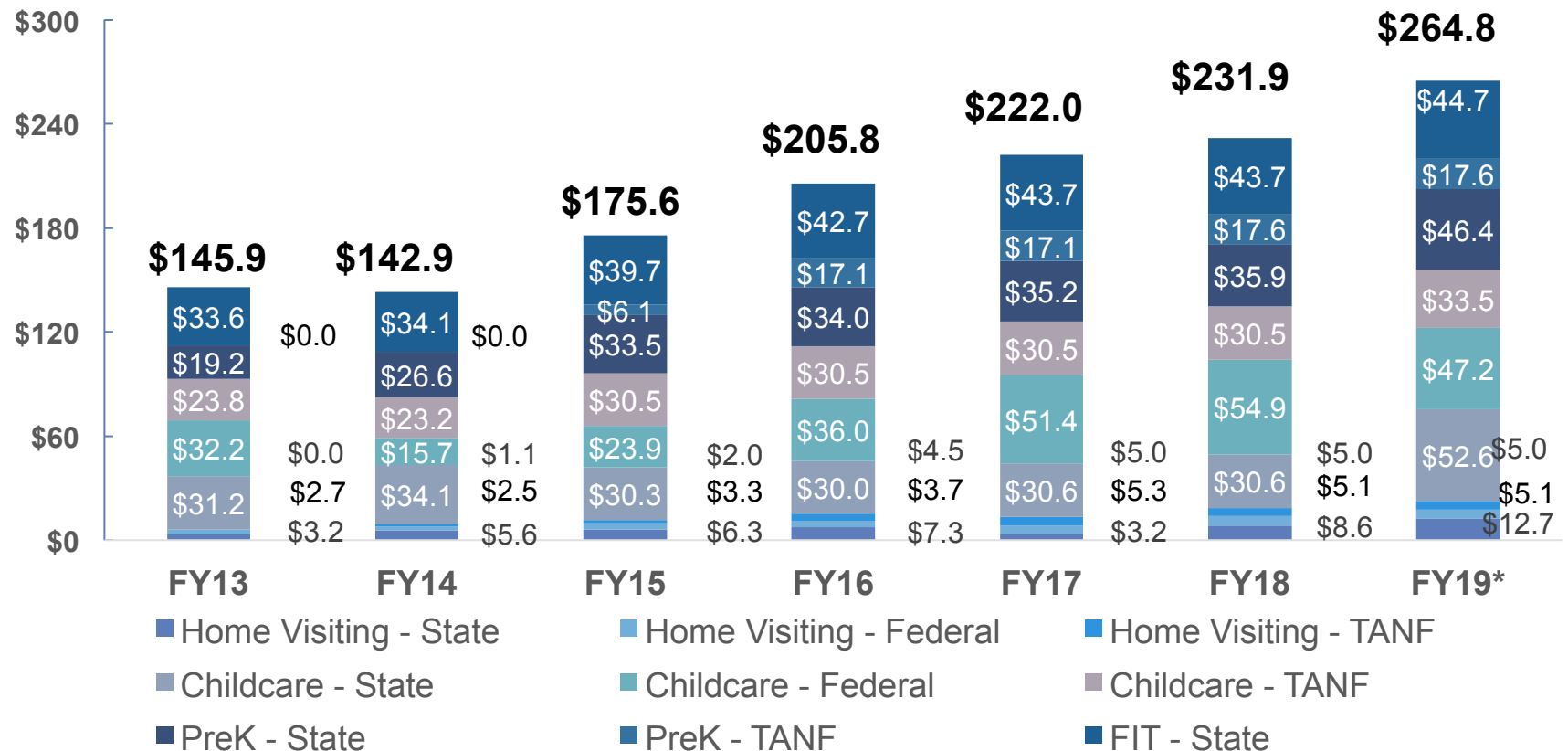
Reading Outcomes

24% proficient in 3rd grade reading in 2016 — placing New Mexico's last among the seven states administering the PARCC assessment.

High-quality early childhood education programs are essential to support equity for children in poverty and with additional risk factors, and to improve educational outcomes for the state as a whole.

New Mexico has invested significantly in supporting young children and families, but additional progress is needed

New Mexico Early Childhood Program Funding by Source, FY2013 to FY2019 (in millions)

Chart: New Mexico Early Childhood Program Funding by Source, FY2013 to FY2019 (in millions)

Source	FY13	FY14	FY15	FY16	FY17	FY18	FY19*
Total	$145.9	$142.9	$175.6	$205.8	$222.0	$231.9	$264.8
FIT - State	$33.6	$34.1	$39.7	$42.7	$43.7	$43.7	$44.7
PreK - TANF	—	—	—	—	$17.1	$17.6	$17.6
PreK - State	$19.2	$26.6	$6.1 / $33.5	$17.1 / $34.0	$35.2	$35.9	$46.4
Childcare - TANF	$23.8	$23.2	$30.5	$30.5	$30.5	$30.5	$33.5
Childcare - Federal	$32.2	$15.7	$23.9	$36.0	$51.4	$54.9	$47.2
Childcare - State	$31.2	$34.1	$30.3	$30.0	$30.6	$30.6	$52.6
Home Visiting - State	$3.2	$5.6	$6.3	$7.3	$3.2	$8.6	$12.7
Home Visiting - Federal	$2.7	$2.5	$3.3	$3.7	$5.3	$5.1	$5.1
Home Visiting - TANF	$0.0	$1.1	$2.0	$4.5	$5.0	$5.0	$5.0

Legend: Home Visiting - State, Home Visiting - Federal, Home Visiting - TANF, Childcare - State, Childcare - Federal, Childcare - TANF, PreK - State, PreK - TANF, FIT - State

Yet gaps in support remain across communities, and programs do not reach all children and families in need.

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Vision and Levers

This plan proposes a vision for early childhood and a strategic, systems-based approach to achieving it

Statewide Vision for Early Childhood

All New Mexico children receive high quality and affordable early learning and development services to prepare them for success in school and life.

The plan aims to harness assets and address challenges identified in the landscape analysis

Strategies for achieving the plan's vision build on existing assets….

- ❑ Communities with rich cultural and linguistic diversity.
- ❑ Significant state early childhood investments.
- ❑ Higher education system.
- ❑ Local coordination.

And propose new strategies to address challenges and barriers to that vision.

- ❑ Many families lack awareness of the existence or benefits of early childhood supports.

- ❑ New Mexico's early childhood system is fragmented across agencies and programs.

- ❑ The quality and availability of services is uneven across the state and is poorly matched with community needs in some places, and programs currently reach a fraction of children and families they aim to support.

- ❑ New Mexico's early childhood workforce faces similar challenges to EC workers everywhere, including barriers to degree and low pay.
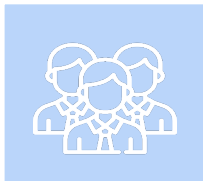
Strategies pursued under **Five Key Levers** combine to achieve results for young children and families
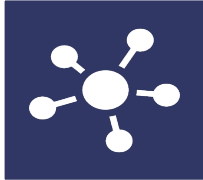
Coordinate state and tribal systems to be greater than the sum of their parts.
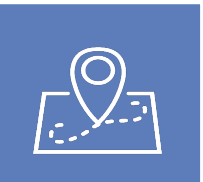
Leverage local community capacity to improve program implementation.

Build and support a highly effective early childhood workforce.

Conduct outreach and engagement to provide families with tools and information.

Expand programs with quality to increase access for young children.

Lever 1: Coordinate state and tribal systems to be greater than the sum of their parts.

Lever 1 focuses on establishing **leadership** and **infrastructure** at the state level to achieve strong **coordination** across agencies and with tribal governing bodies to eliminate fragmentation and improve the system's ability to address the needs of New Mexico families

Key Strategies Under Lever 1

❑ Cultivate leadership and support for coordinated early childhood systems

❑ Establish an executive level early childhood leadership position with authority to coordinate across early childhood programs, agencies, and with tribal govts.

❑ Build and support an integrated data system that meets the needs of multiple stakeholders, including facilitating streamlined interactions with families and supporting continuous improvement among service providers

Lever 2: Leverage local community capacity to improve program implementation.

Local coordination and capacity is needed to **match provider capacity and service offerings to local needs** and help **families** access information, resources, and the combination of services that best support their children

Key Strategies Under Lever 2

Identify and support local lead agencies who will act as the primary point of contact for the state and perform a range of functions, including:

- ❑ Assess local area needs and assets to inform coordinated funding requests to state
- ❑ Coordinate funding to ensure efficient resource allocation
- ❑ Implement family engagement plans tailored to local needs and community characteristics
- ❑ Coordinate local provider networks and communities of practice to support quality

Lever 3: Build and support a highly effective early childhood workforce.

Skilled **early childhood workers** are essential to the quality of early childhood programs, and program expansion requires increased workforce capacity

Key Strategies Under Lever 3

❑ Adopt state-wide goals and priorities for early childhood workforce, and align annual investments to those goals

❑ Align state training requirements and professional development with one another and with higher education

❑ Expand scholarships and compensation supports and ensure allocation aligns with state's workforce goals

Lever 4: Conduct outreach and engagement to provide families with tools and information.

Parents need to understand the importance of early development and the strategies that can **support their children's learning**, plus be able to navigate available services

Key Strategies Under Lever 4

❑ Create flexible and adaptable materials and resources that can be customized locally to build awareness around early childhood development and support

❑ Support outreach through local coordination agencies

❑ Streamline enrollment processes for families with multiple entry points to a range of services

Lever 5: Expand programs with quality to increase access for young children.
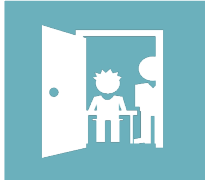
Currently, state-funded early childhood programs serve only a fraction of intended populations, much less the majority of children who can most benefit. **Expanding programs incrementally** with **quality** and **fidelity** will scale impact to serve more children and families.

Key Strategies Under Lever 5

- ❑ Build system capacity for quality in childcare

- ❑ Flexibly expand PreK for three- and four-year-olds across high quality settings

- ❑ Expand home visiting while addressing quality and fidelity

- ❑ Strategically allocate future increases in childcare funding via contracted slots

Implementation

The plan lays out a blueprint for implementation for discussion among state leaders and stakeholders

The plan assumes a 5-year implementation timeline and incorporates numerous assumptions that produce an estimate of cost and impact.

Investments in system capacity are front-loaded, focusing on leadership and infrastructure

Expansion of workforce supports and early childhood programs is approached incrementally, building to achieve goals over the 5 year timeline of the plan
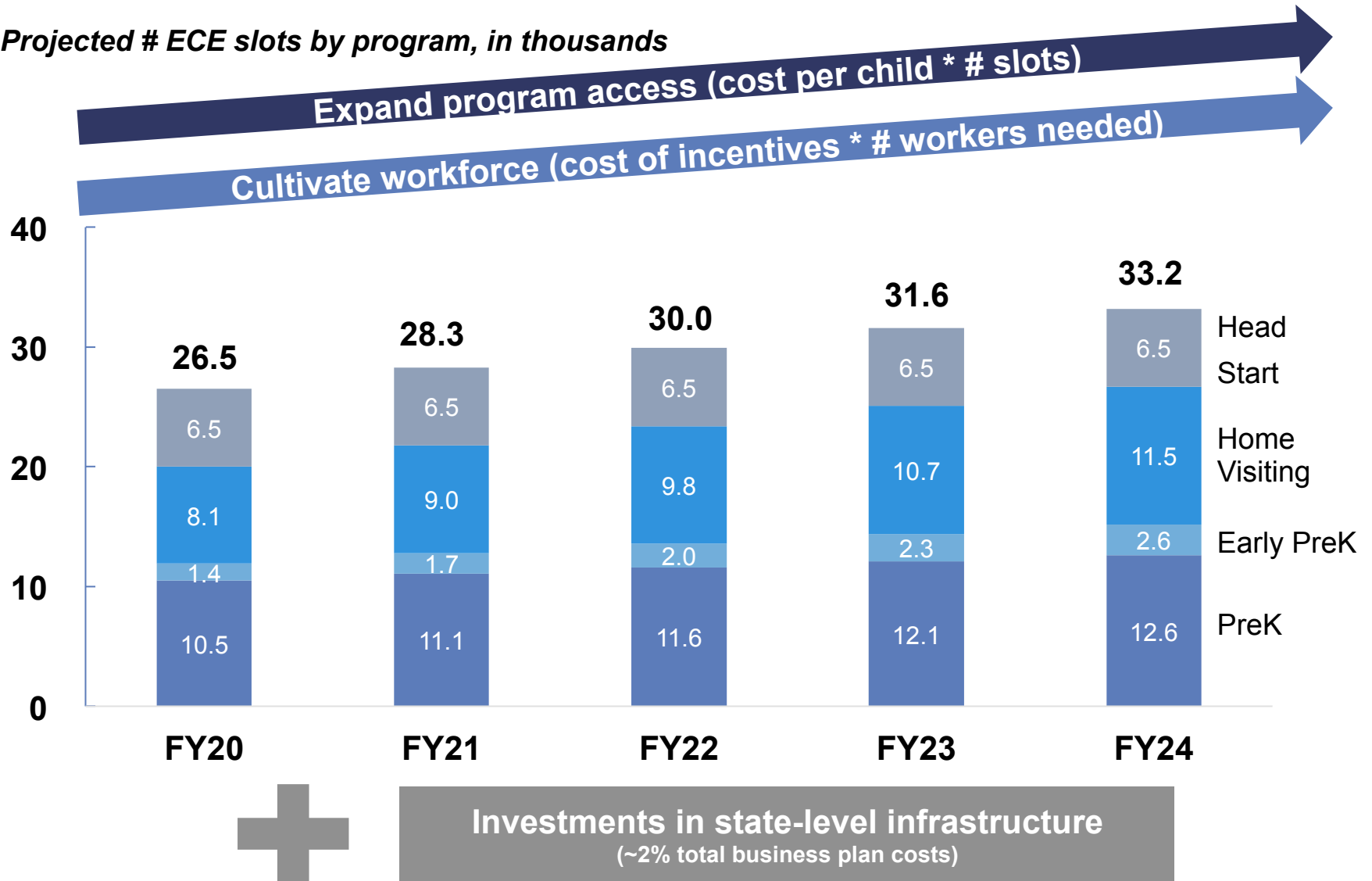
While grounded in research and input from multiple stakeholders, assumptions can be adjusted as circumstances change, new information becomes available, and additional perspectives are gathered.

This plan invests over 5 years – early focus on leadership and infrastructure helps ensure quality in incremental expansion

	Year 1	Year 2	Year 3	Year 4	Year 5
Lever 1: Coordinate state and tribal systems					
Establish a senior executive level EC leadership position	■				
Build use cases for an integrated data system	■	■	■		
Data system development			■	■	■
Lever 2: Leverage local community capacity					
Establish local lead agency pilot program	■	▨	▨	▨	▨
Evaluate pilot and adapt policies		■	■	■	■
Establish coordinated application/enrollment processes at the local level	■	▨	▨	▨	▨
Lever 3: Build and support a highly effective early childhood workforce					
Establish early childhood workforce goals and align state investments	■				
Align state training requirements and PD	■	■	■		
Expand scholarships and compensation supports	■	■	■	■	■
Lever 4: Conduct outreach and engagement					
Create adaptable outreach materials and resources	■	▨	▨	▨	▨
Support local engagement and outreach activities	■	■	■	■	■
Lever 5: Expand programs with quality					
Build system capacity for quality in childcare	■	■	■	■	■
Expand PreK and home visiting with quality	■	■	■	■	■
Develop RFP process to strategically allocate increased childcare funding	■	■	■	■	■

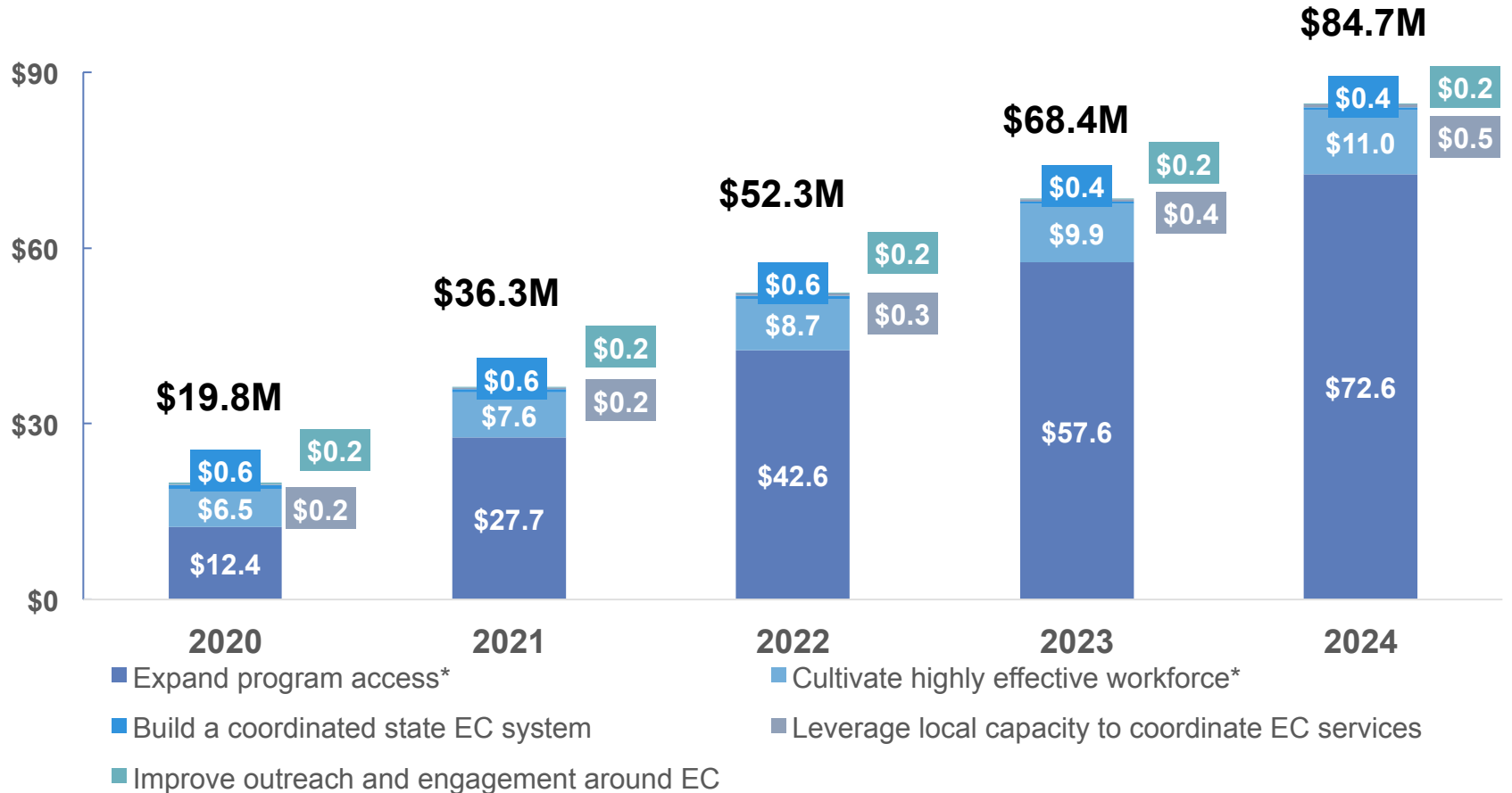# In our model, cost reflects growth of state-funded slots plus infrastructure investments

Projected # ECE slots by program, in thousands

Expand program access (cost per child * # slots)

Cultivate workforce (cost of incentives * # workers needed)

	FY20	FY21	FY22	FY23	FY24	
Total	**26.5**	**28.3**	**30.0**	**31.6**	**33.2**	
Head Start	6.5	6.5	6.5	6.5	6.5	Head Start
Home Visiting	8.1	9.0	9.8	10.7	11.5	Home Visiting
Early PreK	1.4	1.7	2.0	2.3	2.6	Early PreK
PreK	10.5	11.1	11.6	12.1	12.6	PreK

+ Investments in state-level infrastructure
(~2% total business plan costs)

*Head Start enrollment reflects total for 3 and 4 year olds; funding considered separate from this business plan

We estimate the NM Early Childhood Business Plan will require increased investment of $20M in Year 1

Estimated NMEC business plan cost over FY2019 spending levels by lever (2020-2024), in millions

Legend:
- ■ Expand program access*
- ■ Cultivate highly effective workforce*
- ■ Build a coordinated state EC system
- ■ Leverage local capacity to coordinate EC services
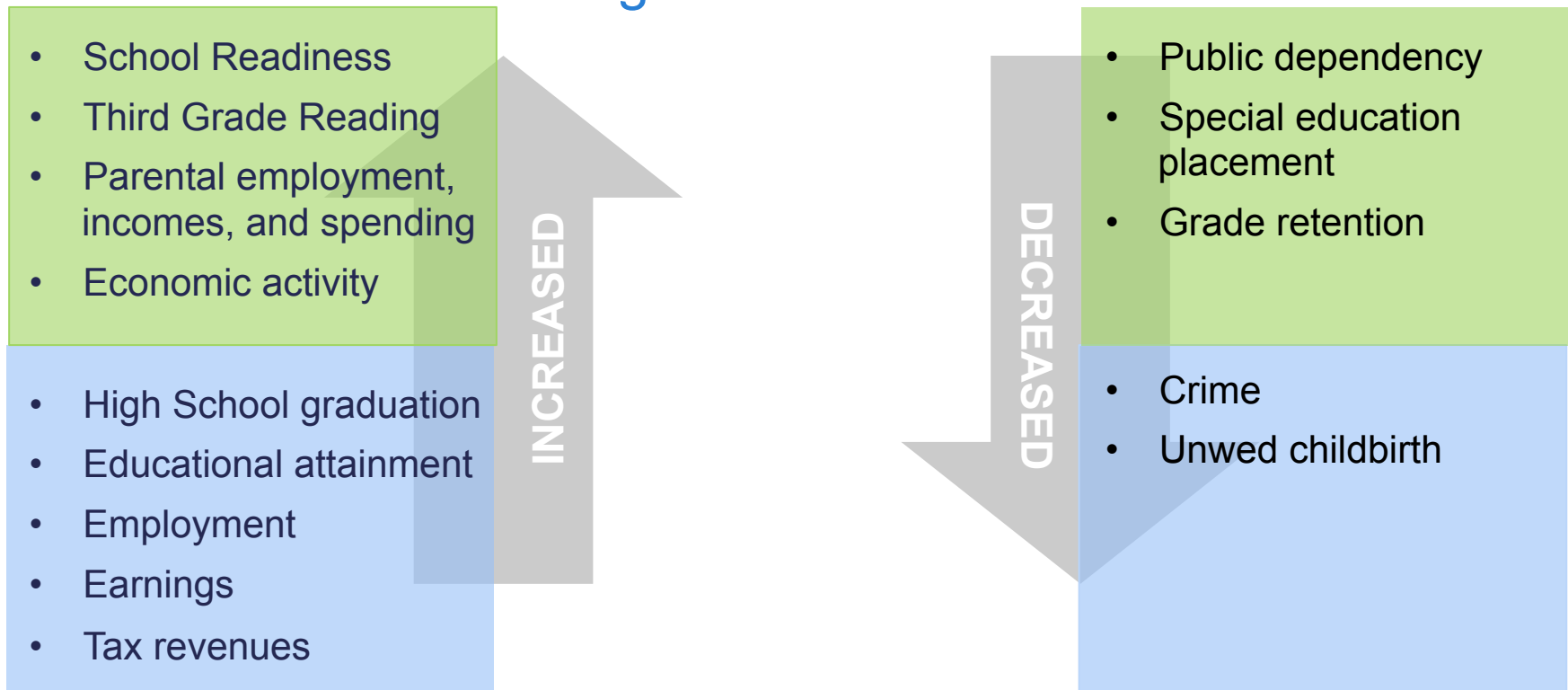- ■ Improve outreach and engagement around EC

Totals above includes all program and infrastructure costs (grey fill) based on the assumptions outlined in the business plan; annual totals compare to FY2019 EC appropriations in New Mexico.

*Program access and workforce costs included in total are incremental to current ECE costs; remaining levers introduce new costs
Note: figures may not sum exactly due to rounding

Implementing this plan with quality and fidelity will drive improved outcomes for children, families, and the state

Investing in early childhood produces both near-term and longer-term benefits

INCREASED

- School Readiness
- Third Grade Reading
- Parental employment, incomes, and spending
- Economic activity

- High School graduation
- Educational attainment
- Employment
- Earnings
- Tax revenues

DECREASED

- Public dependency
- Special education placement
- Grade retention

- Crime
- Unwed childbirth

Economists estimate that each dollar spent on high quality early childhood programs generates $3 to $10 in broad social benefits and a ***$2 to $3 dollar economic return on investment to states from increased jobs or earnings***.

Conclusion

Most importantly, investing in a vision in which all New Mexico children receive the support they need in their first five years is a necessary first step in realizing a future in which New Mexico thrives in measures of health, education, and economic vitality.

Next Steps

- Conduct community conversations to identify areas of consensus as well as opportunities for improvement and revision

- Engage key policymakers

- Provide implementation support and technical assistance