



NMCCEA
NEW MEXICO CHILD CARE AND EDUCATION ASSOCIATION



Revenue Stabilization & Tax Policy
Committee
September 18-19, 2023
Villanueva Victory Club Stan Fulton
Athletics Center Corner of Arrowhead
Drive and Wells Street
Las Cruces, New Mexico

***Proposals for Gross Receipts Tax
Deductions for Childcare Services***

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About NMCCEA

Our Mission: Investing in New Mexico's children by strengthening licensed early care and education programs through advocacy and professional development.

Our Vision: A prosperous future for NM children by creating strong academic foundations and ensuring access to quality childcare to all families.

Our History: NMCCEA is a 501(c)(6) nonprofit organization founded in 1995 in response to Human Services Department reimbursement rates remaining stagnant for nine years. The state began giving families more subsidies to afford childcare, however, when the cost of living rose, program reimbursement rates did not. Providers weren't being paid at market prices, so centers began closing their doors. NMCCEA was created to serve as the unified voice of childcare centers in state legislation across New Mexico.

Today, NMCCEA still advocates for childcare and early education programs, however, efforts now include professional development, ensuring all families have access to high-quality childcare.

Overview of the Industry

- Minority owned and operated
- Small businesses and non-profits
- Community and neighborhood based
- Diverse in mission, vision, and purpose
- Hours of operation are responsive to the needs of families
- Accountability-Highly Regulated- Private providers must meet all New Mexico PreK standards, plus much more
For example, private providers must self report any accident or incident, triggering regular site visits, fines and even closure. It's a very different process at a PED site.

How Childcare Assistance is Funded

- The Childcare Assistance Program—supported with state general fund appropriations, federal child development grants, appropriations from the early childhood education and care trust fund, and federal Temporary Assistance for Needy Families grants—subsidizes care for families by directly paying a set amount to licensed childcare centers and registered childcare homes for each qualifying child.
- The Childcare Assistance Program subsidizes the cost of childcare for families at or below 400% of the federal poverty level that are working, in school, or searching for employment.

Childcare Assistance GRT Breakdown

Category	# Children	Star 5 Rate	GRT / child	GRT all classroom funded CCA
Infants	8	\$1,925.00	\$157.61	\$1,260.88
Toddlers	12	\$1,500.00	\$122.81	\$1,473.75
PreSchool	16	\$1,125.00	\$92.11	\$1,473.75
School Age	20	\$750.00	\$61.41	\$1,228.13

How Pre-K Services are Funded

- The New Mexico Early Childhood Education and Care Department (ECECD) oversees the New Mexico Prekindergarten (PreK) program, a high-quality program that is available to all families with eligible 3- and 4-year-old children, regardless of income.
- PreK program funding is awarded through a competitive grant opportunity and grantees are monitored for compliance with New Mexico PreK Standards by ECECD.
- All New Mexico Public Schools and licensed Community Based Providers are eligible to apply.
- In FY24, the New Mexico Legislature appropriated \$98M to ECECD to enhance and expand the NM PreK program.

Pre-K Services GRT Breakdown

Category	# Childre	Reimb Rate	Total	GRT for 1 classroom
NM PreK 3 & 4 Mixed Age Classroom	16	\$12,300.00	\$196,800.00	\$16,113.00

Questions
