

FY27 Budget Request Building Enduring Infrastructure for the Next Generation

Elizabeth Groginsky,
ECECD Cabinet Secretary

Legislative Finance Committee
Tuesday, December 9, 2025





Investments in early childhood education and care yield substantial long-term benefits for individuals and society – a 13% annual return on investment through improved outcomes in education, health, and economic productivity.



Accountability Measures

Health

- Infant mortality dropped from 5.9 in 2023 to 4.4 deaths in 2024 per 1,000 births. (1)

Ready to Learn

- Percent of kindergarteners reading proficiently. (2)
 - School Year (SY) 2023–24 = 37 percent
 - SY 2024–25 = 50 percent

Educated (3rd Grade)

- Percent of 3rd graders reading proficiently. (3)
 - SY 2023–24 = 32.5 percent
 - SY 2024–25 = 39.88 percent

Other Measures

- **About 81% of New Mexico young children are reported as flourishing** — demonstrating curiosity, resilience, and positive social-emotional development. (4)
- **Adverse Childhood Experiences (ACEs):** Children with two or more ACEs declined from 27.3 percent in 2021 to 23 percent in 2024. (5)
- **Safe sleep:** Infants sleeping on a safe surface rose from 80 percent in 2021 to 89 percent in 2023. Back-sleeping increased from 87 percent to 92 percent in the same period. (6)
- **Maternal mortality:** Pregnancy-associated deaths fell from 224 to 144 per 100,000 live births in 2022. (7)
- **Early Development Instrument (EDI):** 47 percent of New Mexico kindergarteners are developmentally on track across all five domains of development. (8)

FY25 and FY26 Tribal Investments

Includes Tribal Investment Strategy, PreK, Preschool Development Grant and Hilton Foundation funds

COLOR KEY:

Language and Culture
Total Award: \$1,447,639

PreK
Total Award: \$4,818,505

Capital Outlay
Total Award: \$3,316,500

Capacity Building
Total Award: \$1,418,803

Early Intervention
Total Award: \$389,350

Construction / Renovation Support
Total Award: \$138,900

Home Visiting
Total Award: \$303,975

1. Ch’ooshgai Community School ■
2. Jicarilla Apache Nation ■
3. Keres Children’s Learning Center ■ ■
4. Pueblo of Santo Domingo ■
5. Mescalero Apache Tribe ■ ■ ■ ■ ■
6. Native American Budget and Policy Institute ■
7. Navajo Nation ■ ■
8. Navajo Technical University ■
9. Ohkay Owingeh ■ ■ ■
10. Pueblo de San Ildefonso ■ ■
11. Pueblo of Acoma ■ ■
12. Pueblo of Cochiti ■
13. Pueblo of Isleta ■ ■ ■ ■
14. Pueblo of Jemez ■ ■
15. Pueblo of Laguna ■ ■
16. Pueblo of Nambe ■ ■
17. Pueblo of Pojoaque ■ ■ ■
18. Pueblo of San Felipe ■ ■ ■
19. Pueblo of Sandia ■ ■
20. Pueblo of Santa Clara ■ ■ ■
21. Pueblo of Tesuque ■ ■ ■
22. Pueblo of Zia ■ ■
23. Ramah Navajo School ■
24. To’hajiilee Community School ■

Percent Growth by Program – *from 2020 to 2025*

51%

New Mexico PreK	
Year	Funded Enrollment
2020	13,343
2021	14,183
2022	14,440
2023	17,530
2024	18,376
2025	20,163

53%

Child Care	
Year	Annual Average of Monthly Enrollment
2020	20,376
2021	14,130
2022	18,423
2023	25,839
2024	28,348
2025	31,087

27%

Home Visiting	
Year	Families Served
2020	5,746
2021	5,697
2022	6,363
2023	6,598
2024	6,899
2025	7,280

8%

Family Infant Toddler	
Year	Children Served
2020	14,953
2021	13,261
2022	13,827
2023	14,865
2024	15,730
2025	16,217

FY27 Budget Priorities

Achieve Universal Access

- Expand Child Care Assistance to all eligible families, no matter their income.
- Recruit and retain a well compensated and credentialed early childhood workforce.
- Build child care capacity and expand the number of school and community-based NM PreK facilities.

Improve School Readiness

- Enhance the quality of services for children with special education needs.
- Set direct service rates set using a cost model that aligns with the true cost of care.

Greater Accountability and Transparency

- Increase capacity to monitor expanded services and hold providers accountable through enhanced reporting functionality.
- Invest in research-based assessments to measure the quality of child care and PreK services and the impact of these services on child outcomes and school readiness.

FY27 Increase Summary - \$196.2 million

Updated request from September 1 submission

Direct Services \$186.6 million

- Universal Child Care – **\$160.6 million**
- NM Early PreK – **\$15 million**
- Home Visiting – **\$8 million**
- Family Infant Toddler – **\$3 million**

Infrastructure \$9.6 million

- ECECD capacity (18 FTEs) – **\$2.1 million**
- Information Technology and System Enhancements – **\$2.3 million**
- Liability Rates/Insurance - **\$5.2 million**



FY27 Appropriation Request

All Programs (\$ in Thousands)

Sources	FY25 Actual	FY26 Budget	FY27 Request	\$ Δ	% Δ
111 – General Fund** <i>includes liability/insurance rate increase</i>	\$347,720	\$301,888	\$498,090	\$196,202**	65%
112 – Other Transfers (e.g., TANF, ECTF)	\$284,866	\$534,675	536,485	\$1,810	0%
120 – Federal Revenue (e.g., CACFP, CCDF, MIECHV)	\$143,518	\$152,624	\$168,071	\$15,447	10%
130 – Other Revenue	\$5,335	\$7,560	\$2,355	(\$5,205)	-69%
Total	\$781,439	\$996,747	\$1,205,001	\$208,254	21%

Uses	FY25 Actual	FY26 Budget	FY27 Request	\$ Δ	% Δ
200 – Personal Services & Employee Benefits	\$21,644	\$36,520	\$45,478	\$9,278	25%
300 – Contractual Services	\$92,136	\$122,788	\$124,468	\$1,680	1%
400 – Other Expenses	\$612,126	\$781,537	\$978,834	\$197,296	25%
500 – Other Financing Uses	\$32,082	\$55,902	\$55,902	\$0	0%
Total	\$757,988	\$996,747	\$1,205,001	\$208,254	21%
FTE Count	360	382	400	18	5%

FY27 Appropriation Request

400 Category – Care & Support

620,679

(P623) Child Care Assistance

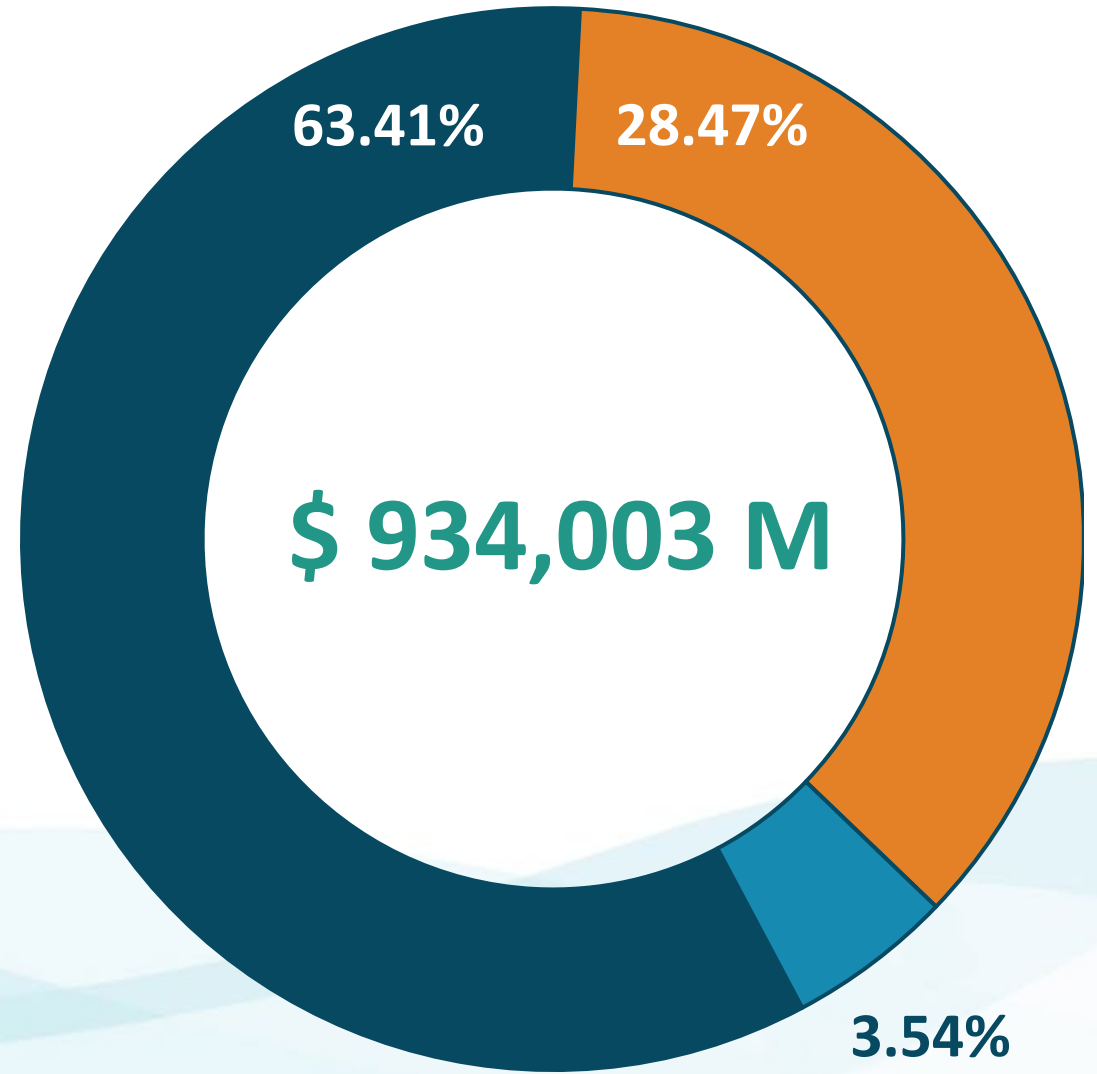
278,764

(P805) PreK Services

34,651

(P622) Early Intervention Services

Includes all funding sources



Reversions Breakdown FY25

For FY25, ECECD reverted \$3.28 million out of a \$781 million budget, or approximately .42 percent of total budget.

Total Reversions:
3,285

Total Budget:
781,439

(\$ in Thousands)

200 – Personal Services and Employee Benefits	
PCode	Amount Reverted
P621	176,464.94
P622	248,007.00
P623	204.10
P805	175,602.56
P624	199,107.36
TOTAL: 799,386	

300 – Contractual Services	
PCode	Amount Reverted
P621	141,122.85
P622	655,644.82
P623	-
P805	876,230.66
P624	-
TOTAL: 1,672,998	

400 – Other Costs	
PCode	Amount Reverted
P621	138,202.69
P622	204,982.64
P623	-
P805	-
P624	-
TOTAL: 343,185	

500 category: a \$469,288 reversion from a fluctuation of services paid by Medicaid resulting in the Health Care Authority not requesting the transfer of funds.

FY27 C2 Requests

\$7.75 Million

- **Professional Development Information System (PDIS) - \$4.5M**
Incorporate a full Learning Management System into PDIS so educators can document credentials, build skills, apply for wage supplements and education scholarships, and explore career pathways.
- **Family Infant Toddler Key Information Data System (FITKIDS) – 2.25M**
Direct ECECD-HCA integration, connectivity to SHARE, and linkage to the agency’s data warehouse will streamline workflows.
- **Enterprise Provider Information and Constituent Services (EPICS) - \$1M**
Discovery contract to determine direction to modernize the department’s 12-year-old data system to address lack of mobile compatibility, and accessibility issues, ensuring equitable access for all users.



FY27 Special Appropriation Requests – \$40.4 Million

Amount	Description
\$20 million	Child Care Revolving Loan Fund to increase child care supply through NM Finance Authority (NMFA)
\$10 million	Wage Scale and Career Lattice (GRO)
\$3 million	Child Care Quality (GRO)
\$3 million	PreK Quality
\$3 million	FIT Professional Development (GRO)
\$1 million	Local Early Childhood System Building Coalitions (GRO)
\$400,000	Tribal Early Childhood Summit



Wage Scale and Career Lattice

Implement statutorily required wage scale and career lattice to ensure all early childhood professionals **earn wages that are comparable** to their K-12 colleagues.

The foundation of the wage scale is the wages paid to professionals. In addition to these infrastructure supports, ECECD invests in wages through direct service payment rates based on competitive compensation.

ECECD’s FY27 budget request includes a request for \$10 million a year for three years to **implement the Wage Scale and Career Lattice Framework**, which has been developed and finalized.

Wage Scale and Career Lattice Infrastructure Supports			
	FY25 Actual	FY26 Projected	FY27 Proposed
NM PreK and Head Start Parity	\$2,482,595	\$4,100,000	\$4,175,008
Infant Toddler Parity	\$2,639,977	\$5,000,000	\$5,000,000
Scholarships	\$3,363,350	\$3,850,000	\$4,235,000
Wage Supplement and Mentor Network	\$575,000	\$575,000	\$575,000
Bilingual Incentive Payment	\$499,144	\$550,000	\$605,000
Total System Supports	\$9,560,066	\$14,075,000	\$14,590,008

How Cost Modeling and Rates Strengthen Wages of the Early Childhood Workforce

- **ECECD sets all reimbursement rates using cost models that reflect true program costs**, including all personnel and non-personnel expenses (e.g. wages, benefits, materials, rent, utilities).
- The **cost models use a salary scale with an \$18 per hour pay floor** setting a clear minimum.
- The **scale includes higher salaries** for increased level of credentials and responsibilities.
- Higher rates, informed by a **model inclusive of competitive wages and full compensation**, strengthens recruitment and reduces turnover.
- These rates represent a **consistent and reliable funding source** that allows programs to offer competitive wages.
- The salary scales used in the cost models are incorporated in the Wage Scale and Career Lattice Framework.



Snapshot: Universal Child Care

Metrics that show we are *on the right track* — since the announcement of Universal Child Care

Families



Since November 1

- 6,206 families determined eligible
- 7,036 additional children enrolled

Income Levels

- **9.8%** of families at or below 100% FPL
- **19.2%** at or below 200% FPL
- **33.9%** at or below 400% FPL
- **48.1%** at or below 500% FPL

Age of Children

- **39%** infants and toddlers
- **37%** preschool
- **24%** school-age

Supply



- **144** new provider applications
- **29** new homes registered (20); licensed (9)
- **9** new licensed centers

Quality

- **75%** of newly enrolled infants and toddlers enrolled with 4- or 5-star providers
- **57%** of newly enrolled children participating in full-time care

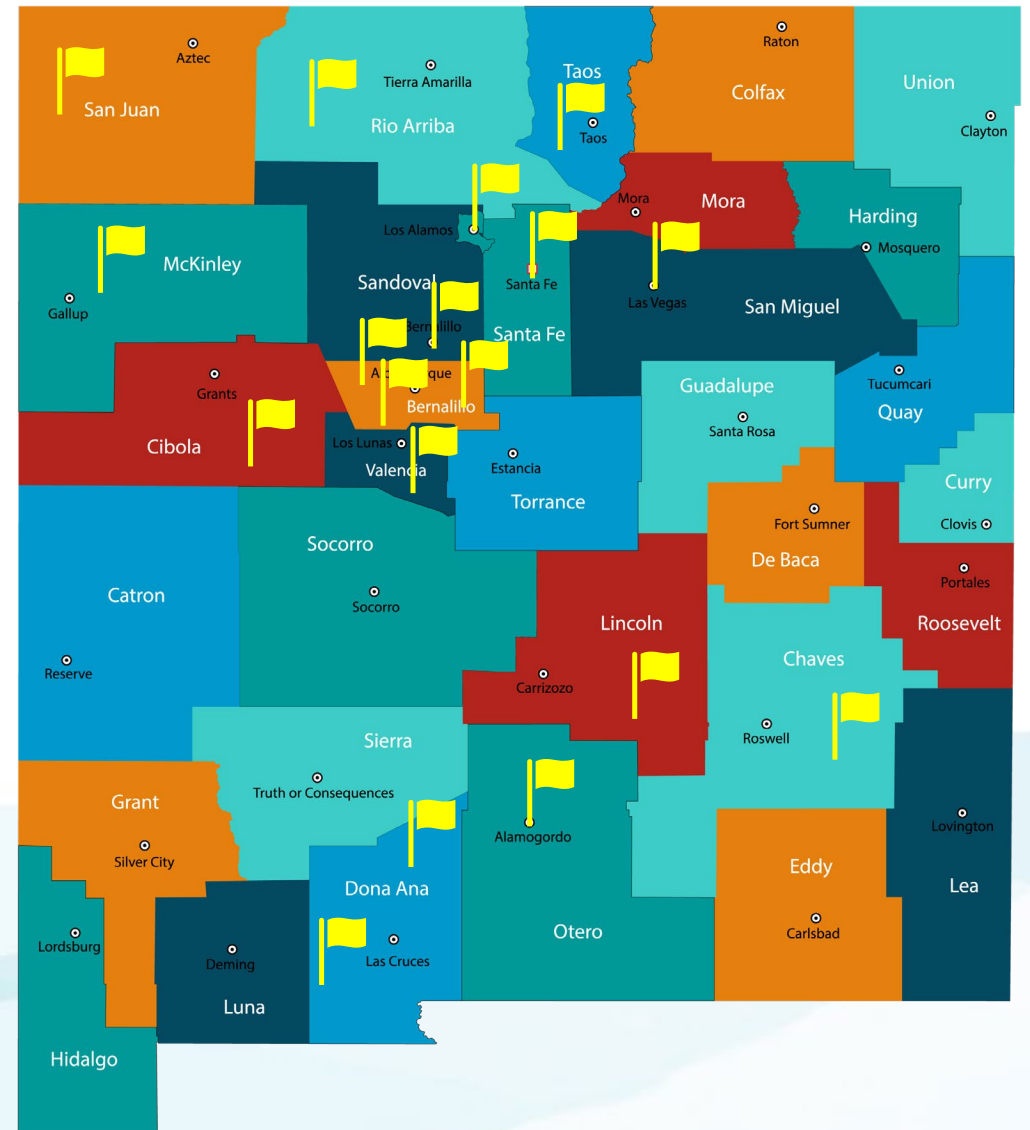
Workforce



- **715** child care provider background check applications
- **21%** increase in background checks over last year
- 304 (28%) licensed providers have opted in to the enhanced rate which requires a salary minimum.

Local Early Childhood Coalitions

- **Bernalillo** – Bernalillo County Home Visiting Work Group Coalition
- **Bernalillo** – Voices For Early Childhood Coalition
- **Bernalillo** – PB&J Family Services
- **Chaves** – Wings For Life
- **Doña Ana** – Doña Ana County Early Childhood Education Coalition
- **Doña Ana** – Proveedoras Unidas de Southern NM
- **Grant** – Community Partnership for Children
- **Los Alamos** – Los Alamos Early Childhood Collaboration
- **Lincoln** – Partners in Early Childhood Education Coalition
- **McKinley** – McKinley County Early Childhood Coalition
- **Rio Arriba** – Rio Arriba County Early Childhood Collaborative
- **Otero** – 100% Otero
- **San Miguel** – San Miguel Early Childhood Coalition
- **San Juan** – San Juan County Early Childhood Coalition
- **Santa Fe** – Santa Fe Early Childhood Steering Committee
- **Taos** – Paso a Paso Network
- **Valencia** – Valencia County Early Childhood Community Partnership
- **Statewide** – Explora - Coalition for Science Learning in Early Childhood





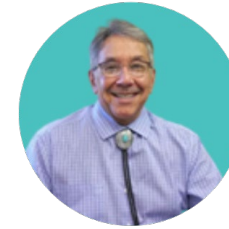
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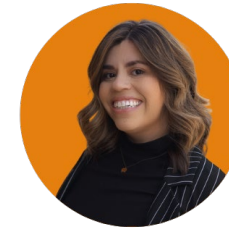
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Stay Connected with the New Mexico Early Childhood Education and Care Department



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Sign up at nmececd.org/newsroom.



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Appendix

Slides 19-24



NEW MEXICO
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FY27 Appropriation Request

P-code 621 Program Support (*\$ in Thousands*)

Sources	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
111 – General Fund	9,831	11,582	15,836	4,254	37%
112 – Other Transfers (e.g., TANF, ECTF)	30,897	51,673	52,356	683	1%
120 – Federal Revenue (e.g., CACFP, CCDF, MIECHV)	8,251	10,551	4,216	-6,335	-60%
130 – Other Revenue	3,652	3,942	0	-3,402	-100%
Total	52,631	77,208	72,408	-4,800	-6%

Uses	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
200 – Personal Services & Employee Benefits	9,982	11,957	12,508	551	5%
300 – Contractual Services	15,100	21,243	16,208	-5,035	-24%
400 – Other Expenses	2,373	4,008	3,691	-317	-8%
500 – Other Financing Uses	24,400	40,000	40,000	0	0%
Total	51,855	77,208	72,407	-4,801	-6%
FTE Count	85	94	97	3	

FY27 Appropriation Request

P-code 622 Family Support and Early Intervention (*\$ in Thousands*)

Sources	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
111 – General Fund	58,103	62,697	74,259	11,562	20%
112 – Other Transfers (e.g., TANF, ECTF)	6,947	33,759	32,752	-1,007	.-3%
120 – Federal Revenue (e.g., CACFP, CCDF, MIECHV)	5,982	8,370	8,153	-217	-3%
130 – Other Revenue	2,323	2,501	1,004	-1,497	-60%
Total	73,355	107,327	116,168	8,841	8%

Uses	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
200 – Personal Services & Employee Benefits	5,021	6,551	9,501	2,950	45%
300 – Contractual Services	35,575	51,228	56,073	4,845	9%
400 – Other Expenses	22,327	33,647	34,694	1,047	3%
500 – Other Financing Uses	10,432	15,901	15,901	0%	0%
Total	73,355	107,327	116,169	8,842	8%
FTE Count	57	62	68	6	

FY27 Appropriation Request

P-code 623 Early Care, Education and Nutrition (*\$ in Thousands*)

Sources	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
111 – General Fund	40,544	4,903	127,871	122,968	2,508%
112 – Other Transfers (e.g., TANF, ECTF)	209,813	356,885	358,814	1,929	0.5%
120 – Federal Revenue (e.g., CACFP, CCDF, MIECHV)	140,755	127,273	153,273	26,000	20%
130 – Other Revenue	841	1,100	1,100	0	0%
Total	381,953	490,161	641,058	150,417	31%

Uses	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
200 – Personal Services & Employee Benefits	11,810	15,679	15,060	-619	-3.9%
300 – Contractual Services	3,906	5,599	5,599	0	0%
400 – Other Expenses	376,166	468,883	620,399	151,516	32%
500 – Other Financing Uses	0	0	0	0	0%
Total	391,882	490,161	641,058	150,417	31%
FTE Count	164	179	184	5	

FY27 Appropriation Request

P-code 805 New Mexico PreK (*\$ in Thousands*)

Sources	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
111 – General Fund	221,417	202,469	218,106	15,637	8%
112 – Other Transfers (e.g., TANF, ECTF)	13,779	71,879	72,546	667	1%
120 – Federal Revenue (e.g., CACFP, CCDF, MIECHV)	0	0	0	0	0%
130 – Other Revenue	0	0	0	0	0%
Total	235,196	274,348	290,652	16,304	6%

Uses	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
200 – Personal Services & Employee Benefits	1,814	2,045	2,706	661	32%
300 – Contractual Services	4,723	5,649	9,310	3,661	65%
400 – Other Expenses	228,658	266,653	278,635	11,982	4%
500 – Other Financing Uses	0	0	0	0	0%
Total	235,195	274,348	290,651	16,304	6%
FTE Count	17	22	24	2	

FY27 Appropriation Request

P-code 624 Policy, Research and Quality Initiatives (*\$ in Thousands*)

Sources	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
111 – General Fund	15,827	18,973	20,410	1,437	8%
112 – Other Transfers (e.g., TANF, ECTF)	14,584	19,234	20,014	780	4%
120 – Federal Revenue (e.g., CACFP, CCDF, MIECHV)	5,649	10,271	2,427	-7,844	-76%
130 – Other Revenue	0	0	250	250	N/A
Total	36,060	48,478	43,101	-5,377	-11%

Uses	FY25 Actuals	FY26 Budget	FY27 Request	\$ Δ	% Δ
200 – Personal Services & Employee Benefits	3,322	2,718	5,563	2,845	105%
300 – Contractual Services	31,956	44,494	37,063	-7,431	-17%
400 – Other Expenses	783	1,266	476	-790	-62%
500 – Other Financing Uses	0	0	0	0	0%
Total	36,061	48,478	43,102	-5,376	-11%
FTE Count	36	43	45	2	

Citations

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