

Update on Universal Child Care and Implementation of the Child Care Assistance Program Act

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Key Constituencies

- Children and Families
- Program Owners and Directors
- Early Childhood Professionals



Families and Children

- ECECD's 2026 Family Engagement and Satisfaction Survey shows the initial impact universal child care has had among 5,699 parents and caregivers of young children.
- When describing the effect early childhood programs have had on families' lives:
 - Families named direct cost relief more often than any other theme.
 - 93% of families reported a positive impact on their wellbeing.

“Before the assistance, I was staying home because the cost of child care would take my whole paycheck. It did not make sense to go to work with small babies. I started school but could only take one or two classes per term because of the responsibilities of staying home. Child care assistance helped me to finish my degree at a faster pace and begin my career.”

Testimonials from 2026 Family Engagement and Satisfaction Survey

“For years, I was terrified of getting a raise. If I made just a little more, I would lose my child care subsidy ... Now that the program is universal, I finally accepted the management position.”

“For my family, the Universal Child Care program did not just help with bills, it totally changed our trajectory. ... We were constantly stressed, dipping into savings, and I had even put off going back to school for a better career because my entire paycheck would have just gone to child care.”

“It has been an enormous blessing to our household. I recently had a job offer outside of state and turned it down, partially because child care was unaffordable. Now I can build my career and know my child is getting a great education, and we won’t be overwhelmed financially.”

“The biggest impact has been the literal thousands of dollars we’re saving now that the state covers the full cost of child care ... It has made it possible for me to focus on my job and be more present for all three of my kids because I’m not constantly exhausted from trying to figure out how to make the math work for our monthly bills.”

Emerging Evidence: Families and Children

- First empirical study of New Mexico's universal child care initiative (Herbst 2026) examines how access to no-cost child care influences mothers' employment and how mothers allocate time between paid work and education.
- Findings show that reducing child care constraints can support different choices:
 - Among mothers with lower educational attainment, the study estimates 18 percent increases in employment, a 23 percent increase in full-time work, and a 15 percent increase in weekly work hours.
 - Among mothers with higher educational attainment, the study finds reductions in paid work alongside increases in school enrollment.
- By reducing the financial constraints associated with child care, universal access offers mothers unprecedented choices about how to engage with paid work and the economy.

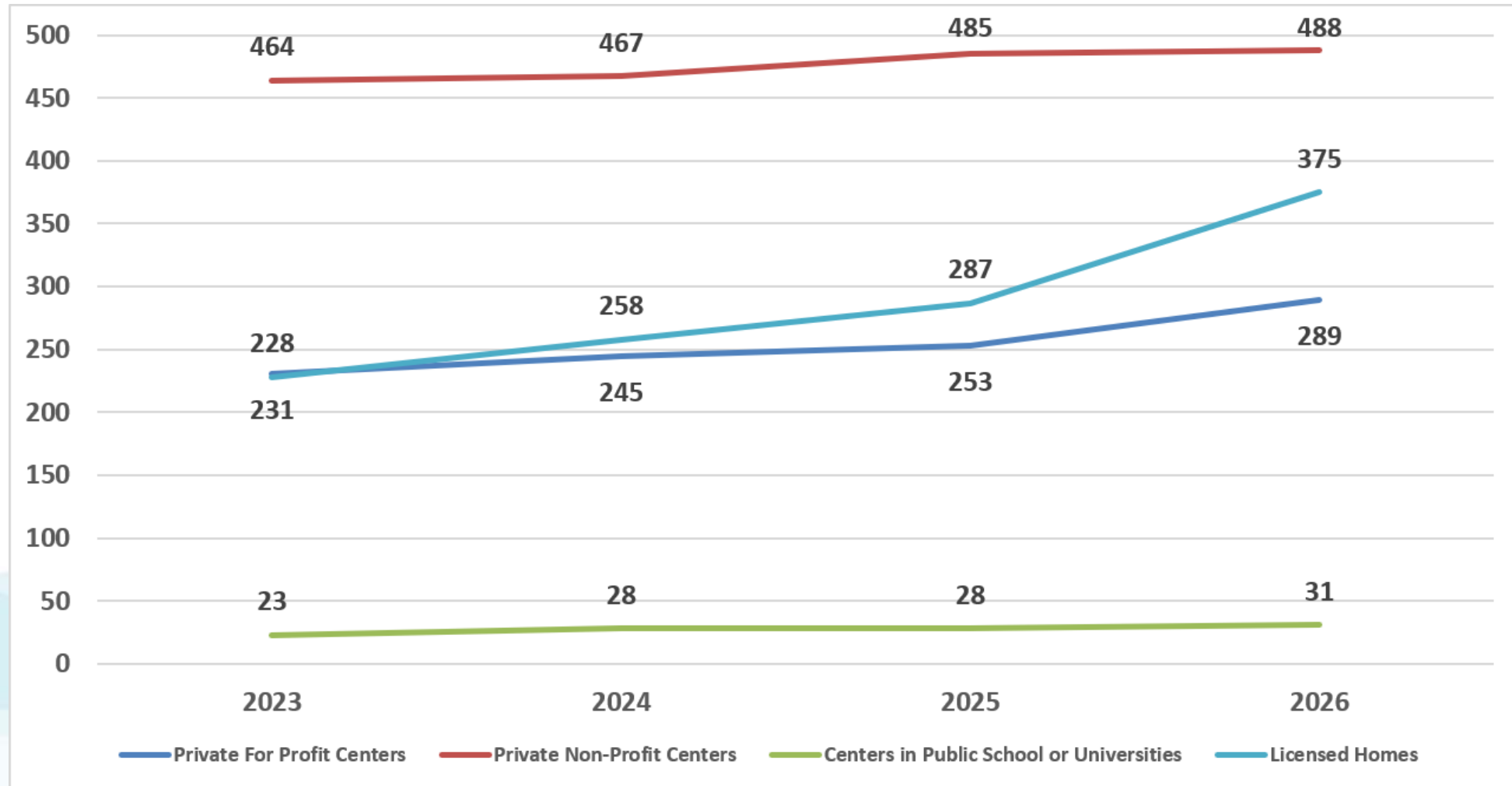
Program Owners and Directors: Supply

- New Mexico's Universal Child Care system is delivered across diverse care settings, including homes, centers, and partnerships with public institutions like school districts and universities. Programs use a variety of philosophies and approaches, including faith-based, Montessori, Reggio Emilia, and more.
- Since 2023, supply has increased across all types of licensed care, including private for-profit centers, non-profit centers, centers in public schools and universities, and licensed home-based care.

Program Owners and Directors: Supply

Type of Child Care Setting	Description
Licensed Child Care Centers	Licensed non-residential child care, rated through the state quality system, and eligible to participate in child care and food assistance.
Licensed Family Homes	Care in private homes for up to six children, or up to four children who are under age two. Licensed by ECECD, rated through the state quality system, and eligible to participate in child care and food assistance.
Licensed Family Group Homes	Care in private homes for seven to 12 children. Licensed by ECECD, rated through the state quality system, and eligible to participate in child care and food assistance.
Registered Homes	Care in private homes for up to four children. Registered with ECECD, requires annual training and CPR/first aid. Eligible to participate in child care and food assistance, but not rated through the state quality rating system.

Licensed Child Care Supply.



Program Owners and Directors: Payment Rates.

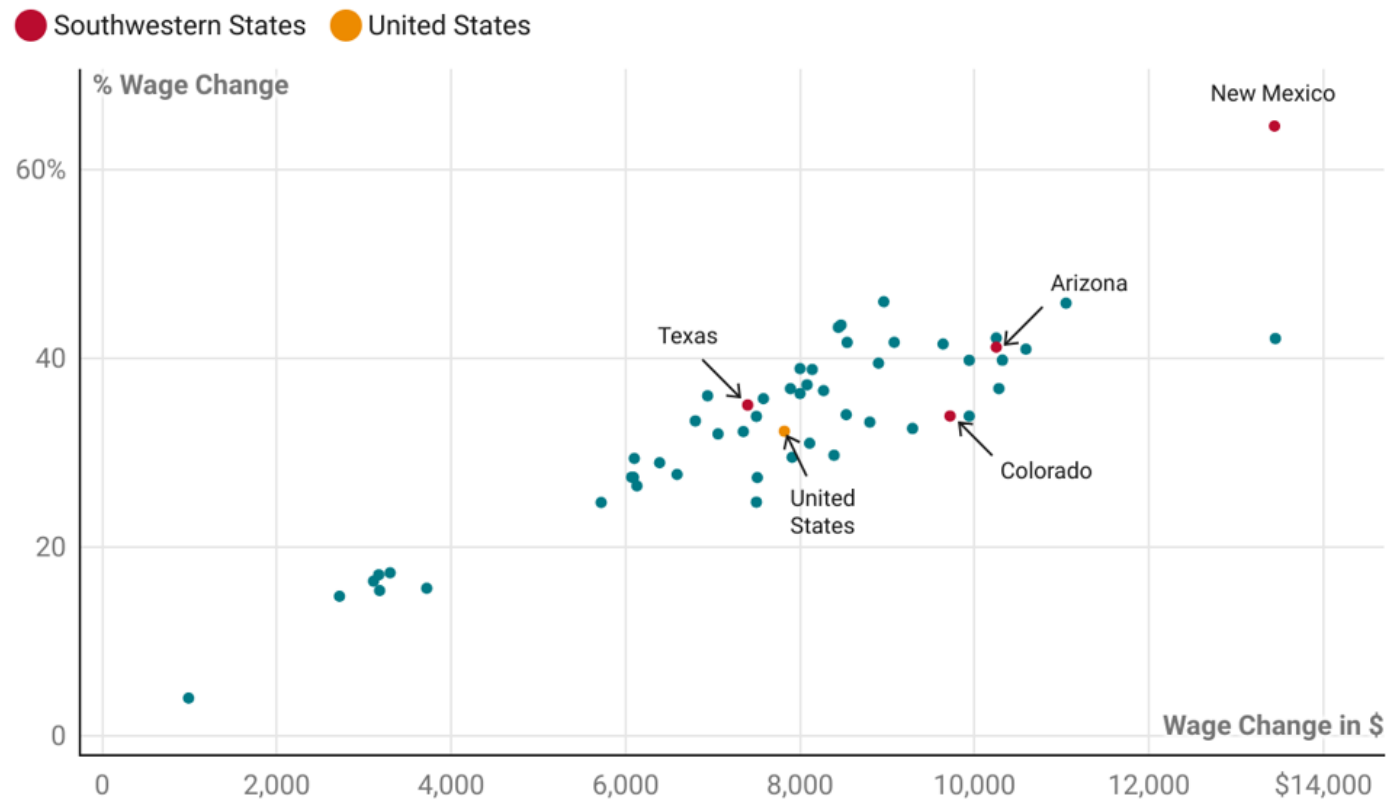
- Payment rates have increased for all age groups and in all care settings since FY18.
- Percent increase in payment rates varies by age and setting type, but the largest increases were for younger children.
- From 2018 to 2026, rates for infants and toddlers increased by an average of 106% for the standard rate and by an average of 129% for the enhanced rates.
- For all ages, rates during the same period increased by an average of 76% for standard rates and 94% for enhanced rates.

Frontline Educators

- Recent research from the UNM Cradle to Career Policy Institute (CCPI) shows increases in both compensation and the size of the early childhood workforce.
- Based on federal and state data from the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) and Unemployment Insurance (UI) Wage Data from the New Mexico Department of Workforce Solutions.

Child Care Wages in NM Grew More than in Any Other State

Relative and Absolute Wage Change for Child Care Workers by State, 2019-2024.

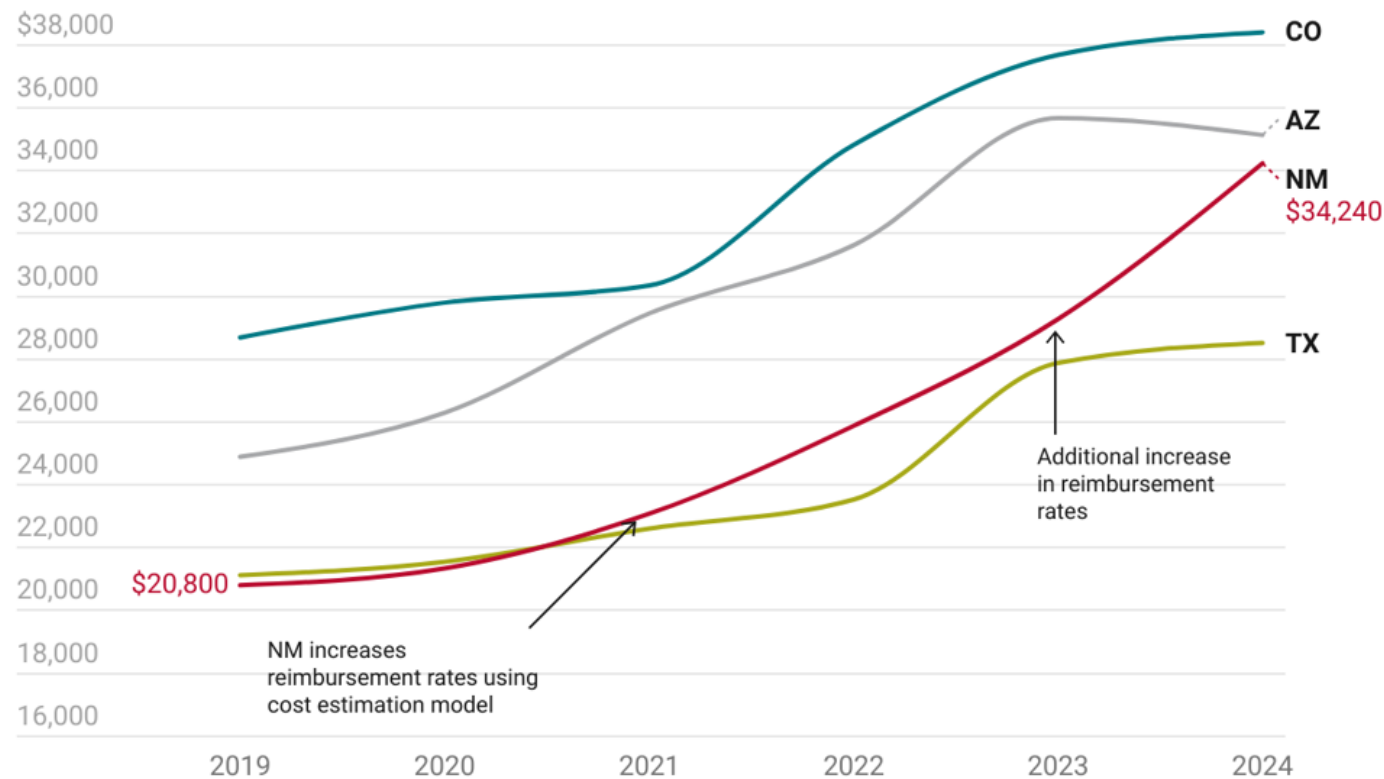


Occupational Employment and Wage Statistics (OEWS) program data from the Bureau of Labor Statistics. Annual estimates of employment and wage levels for over 800 occupations, including the childcare workers occupation (39-9011).

Chart: UNM CCPI • Source: Bureau of Labor Statistics • Created with Datawrapper

When Reimbursement Rates Increase, So Do Wages

Median Annual Wages, Child Care Workers, Southwest Region, 2019-2024.

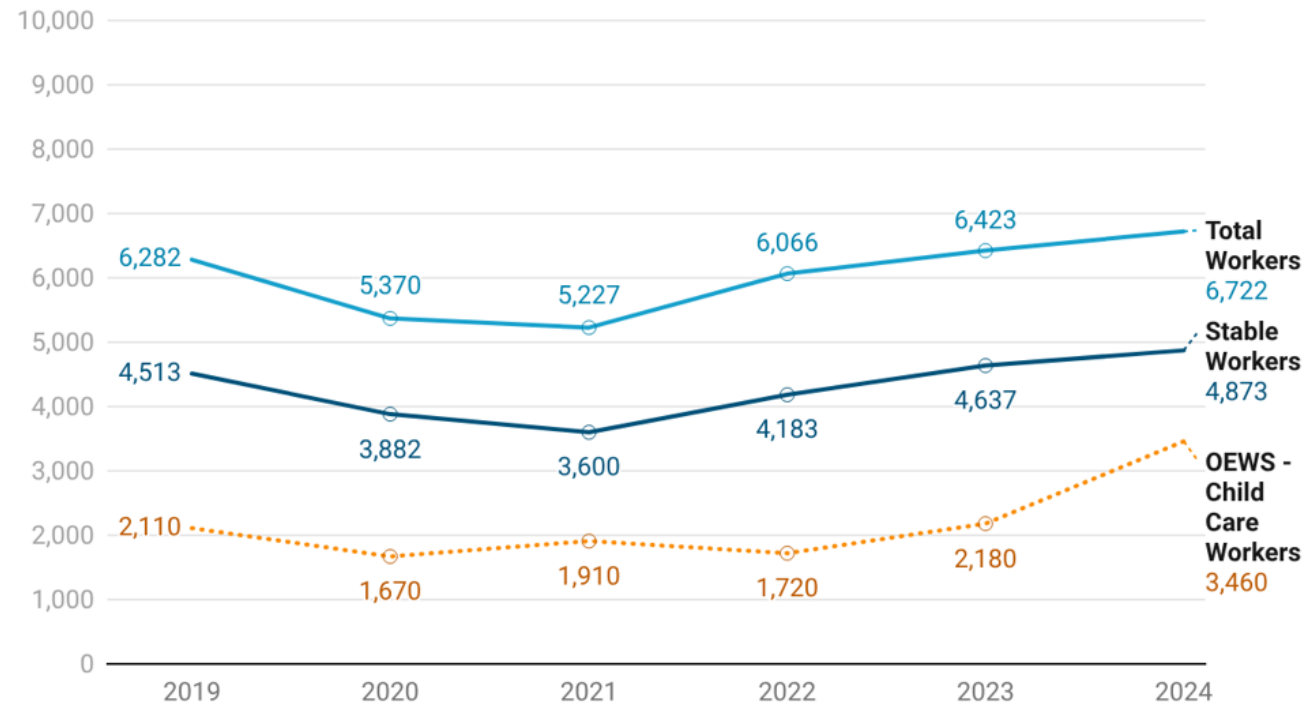


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The Child Care Workforce Grew More than Other NM Sectors

Child Care Industry Workforce Growth, New Mexico 2019-2024.



Unemployment Insurance (UI) wage data from the New Mexico Department of Workforce Solutions. State laws mandate quarterly reporting of employees earnings by employers. This shows the quarterly average number of individuals employed in the child care services NAICS code by year and the subset of those who were considered stable employment. Stable employment occurs when someone is employed in the prior and subsequent quarters to the one observed. Occupational Employment and Wage Statistics (OEWS) program data from the Bureau of Labor Statistics. Annual estimates of employment and wage levels for over 800 occupations, including the child care workers occupation (39-9011).

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Child Care Assistance Program Act (SB 241)

- Data collection requirements.
- Mandatory wage and benefit spending.



Data Collection (1/2)

- SB 241 requires ECECD to collect certain business and program information from child care programs. Per NMSA 1978 Section 32A-32-6:
- “A child care facility that participates in the child care assistance program shall:
 - (7) report to the department program participation, daily hours of operation, days of care provided annually, professional qualifications of staff members, including staff members' roles and levels as established in the department's wage scale and career ladder framework, salaries and benefits for each employee and the employee benefit structure;

Data Collection (2/2)

(8) Submit an annual report to the department by July 1 of each year in a manner prescribed by the department that contains the following child care facility business information:

- a) the legal name and address of the business;
- b) the legal name and address of any management company, owner or entity with a direct or indirect ownership interest in the business;
- c) the name and address, if applicable, of any members of a board of directors of the business;
- d) the legal structure of the business, including its form of organization;
- e) the legal structure of any owner or ownership entity of the business;
- f) each investment in the business by any person or entity comprising a ten percent equity stake or greater;
- g) each debt or lien against the business comprising at least ten percent of the annual revenue of the business;
- h) all documentation of any changes in ownership of the business in the past five years, including sales, transfers, mergers or acquisitions; and
- i) all details of any out-of-state sources of funding or investment for the business.”

Mandatory Wage and Benefit Spending (1/2)

- SB 241 requires ECECD to determine what percentage of child care assistance revenue providers must use for employee wages and benefits. Per NMSA 1978 Section 32A-32-5:
- “C. The portion of the rates set pursuant to this section that are used for salaries and benefits and toward the wage scale and career ladder shall be determined by rule of the department, with a report submitted to the legislature within two weeks of making a determination pursuant to this subsection.”

Mandatory Wage and Benefit Spending (2/2)

- Effective September 9, 2026, ECECD required providers to use at least 50% of payment rates paid by the department for wages, mandatory taxes, and benefits for certain staff positions.
- Included positions:
 - Director;
 - Assistant director;
 - Teacher;
 - Substitute teacher;
 - Floater;
 - Administrative support;
 - Cooking personnel;
 - Transportation staff;
 - Custodial staff;
 - Other staff who provide daily, on-site operational support and for whom the department has granted a waiver to be included.

What's Coming Next

- Study of economic indicators, implementation evaluation, impacts on the workforce, and a survey of families on child care experiences and preferences – funded through private philanthropy.
- Journey mapping to improve family and provider experiences.
- Ongoing supply building initiatives:
 - Child Care Facility Revolving Loan Fund now open for loan applications for projects that will expand supply and increase child care quality.
 - Implementing SB 96 by working with cities and municipalities to clarify new laws for zoning child care homes and centers.

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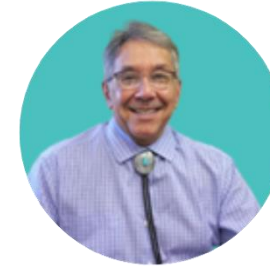
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