



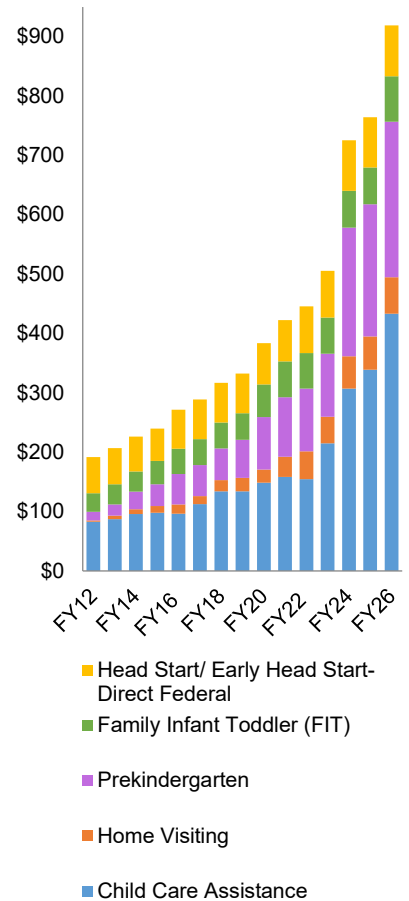
## 2025 Accountability Report Early Childhood

LFC’s biennial Early Childhood Accountability Report is intended to provide a systemwide look at key early childhood indicators across state agencies and consolidate information on expenditures and outcomes. The report provides trend data indicating mixed performance results on measures reported two years ago.

Over the last 15 years, the Legislature has made unprecedented investments to childcare and prekindergarten. Funding for early childhood programs increased from less than \$200 million in FY12 to \$918 million in FY26, with the bulk of increases allocated to childcare assistance and prekindergarten. Investments by the Legislature into early childhood programs has created access for children in New Mexico to enroll in programs. In the 2024-2025 school year, almost 15 thousand children were enrolled in state-funded prekindergarten, about 10 times as many children as the inaugural class. The number of children enrolled in state funded childcare assistance increased from a little over 19 thousand in 2019 to almost 27 thousand in 2023.

Current funding levels are sufficient to ensure all low-income 3- and 4-year-olds in New Mexico have access to early childhood programs through childcare assistance, prekindergarten, or Head Start.

**Chart 1. Recurring Early Childhood Funding History FY12-FY26 (in millions)**



**Table 1. Early Childhood Trust Fund Forecast**

| Early Childhood Trust Fund<br>Forecast - House Bill 71 Estimated Change<br>(in millions)                                                 |                |                |                  |                  |                  |                  |                   |                   |                   |                   |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Calendar Year                                                                                                                            | 2020           | 2021           | 2022             | 2023             | 2024             | 2025             | 2026              | 2027              | 2028              | 2029              |
|                                                                                                                                          | Actual         | Actual         | Actual           | Actual           | Estimated        | Estimated        | Estimated         | Estimated         | Estimated         | Estimated         |
| Beginning Balance                                                                                                                        | \$300.0        | \$300.0        | \$314.1          | \$3,462.0        | \$5,721.2        | \$8,752.0        | \$9,435.0         | \$10,030.9        | \$10,317.4        | \$10,555.2        |
| Gains & Losses                                                                                                                           | \$6.1          | \$34.1         | (\$6.4)          | \$336.1          | \$286.1          | \$437.6          | \$471.8           | \$501.5           | \$515.9           | \$527.8           |
| Excess Federal Mineral Leasing                                                                                                           | \$0.0          | \$0.0          | \$1,501.5        | \$2,073.0        | \$1,179.8        | \$745.4          | \$241.6           | \$143.8           | \$125.7           | \$319.9           |
| Excess OGAS School Tax*                                                                                                                  | \$0.0          | \$0.0          | \$1,682.80       | \$0.0            | \$0.0            | \$0.0            | \$382.6           | \$141.2           | \$96.2            | \$109.1           |
| Distribution to ECE Program Fund                                                                                                         | \$0.0          | (\$20.0)       | (\$30.0)         | (\$150.0)        | (\$250.0)        | (\$500.0)        | (\$500.0)         | (\$500.0)         | (\$500.0)         | (\$515.1)         |
| <b>Ending Balance</b>                                                                                                                    | <b>\$306.1</b> | <b>\$314.1</b> | <b>\$3,462.0</b> | <b>\$5,721.2</b> | <b>\$8,752.0</b> | <b>\$9,435.0</b> | <b>\$10,030.9</b> | <b>\$10,317.4</b> | <b>\$10,555.2</b> | <b>\$10,996.9</b> |
| <small>Note: Investment return assumed at 5% and distributions occur on July 1, based on previous calendar year -ending balance.</small> |                |                |                  |                  |                  |                  |                   |                   |                   |                   |
|                                                                                                                                          |                | FY21           | FY22             | FY23             | FY24             | FY25             | FY26              | FY27              | FY28              | FY29              |
| Distribution to ECE Program Fund                                                                                                         | \$0.00         | \$20.00        | \$30.00          | \$150.00         | \$250.00         | \$500.00         | \$500.00          | \$500.00          | \$500.00          | \$500.00          |

Source: LFC files

As access to early childhood programs continues to expand, the need for strategic implementation and effective data tracking becomes more pertinent. Rapid expansion of public prekindergarten without strategic planning can have unintended negative consequences on childcare access for younger children. While New Mexico continues to have high saturation in prekindergarten access for 4-year-olds and the Early Childhood Education and Care Department continues to expand access for 3-year-olds, the agency will need to think strategically about

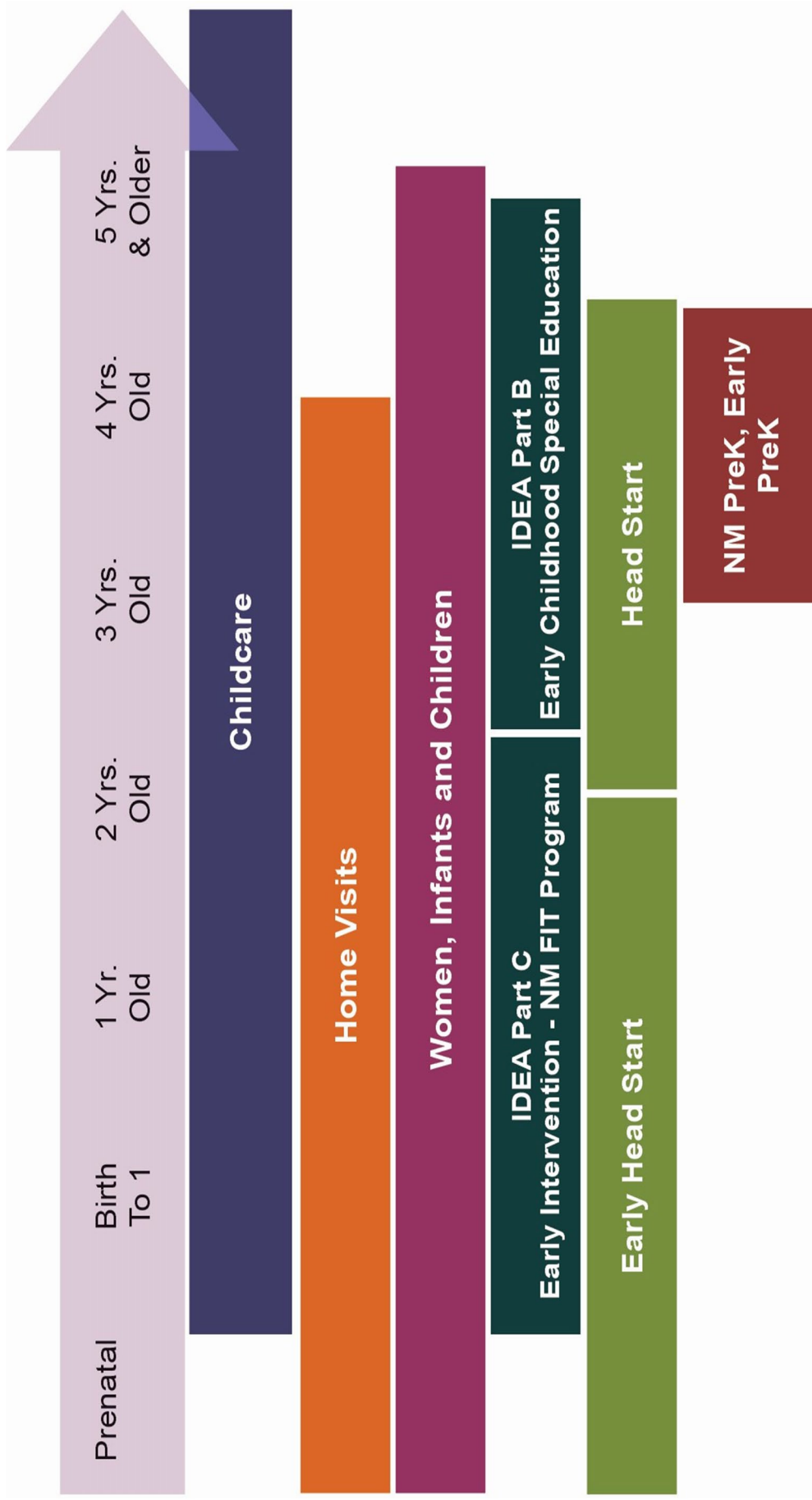
Source: LFC files

## Early Childhood Program Issues and Impact

- **Childcare Assistance** – Participation of low-income families, as defined as those with incomes at 100 percent of the federal poverty level or less, declined from 2019 along with capacity following significant investments. Additionally, LFC analysis of educational outcomes for children in childcare assistance slots echo previous findings.
- **Prekindergarten** – Twenty percent of school districts are serving less than half of eligible children. These districts are primarily rural. Prior to further expansion, prioritization should focus on serving these children.
- **Family, Infant, Toddler** – New Mexico is identifying and enrolling high rates of the children at-risk of developmental and medical issues the program is intended to serve.
- **Home Visiting** – Completion rates for the new families enrolled in the parental education and supports program called Home Visiting doubled between FY23 and FY24.
- **Child Welfare** – New Mexico's child maltreatment rate is 70 percent higher than the national average, despite declines in recent years. Additionally, the FY25 repeat maltreatment rate within twelve months of an initial incident is 14.7 percent.

where new slots are added. By conducting a childcare supply and demand study, the agency hopes to identify remaining childcare deserts in New Mexico, which LFC staff analysis found gaps remain in rural school districts.

Importantly, as LFC analysis previously found, and continues to find, childcare assistance does not result in kindergarten readiness the same way that prekindergarten does. Although enrollment and slots in the state-funded Childcare Assistance Program has increased, expansion of eligibility to higher income families means total slots used by the families with incomes at or below 100 percent of the federal poverty level decreased. ECECD currently reserves 2,000 infant and toddler contracted slots for families with incomes at or below 200 percent of the federal poverty level. However, the state should continue monitoring enrollment to ensure program eligibility expansion does not crowd out those most needing the service.



Source: LFC Files

|                |                                                 |                             |                                                                          |                                      |
|----------------|-------------------------------------------------|-----------------------------|--------------------------------------------------------------------------|--------------------------------------|
| <b>HEALTHY</b> | <b>Infant Mortality</b><br>(per 1,000 children) | <b>Low Birth Weight</b>     | <b>Rate of Babies Born Substance Exposed (NAS)</b><br>(per 1,000 births) | <b>Early Access to Prenatal Care</b> |
|                | 2023                                            | 2023                        | 2023                                                                     | 2023                                 |
|                | <b>5.9</b>                                      | <b>9.7%</b>                 | <b>31</b>                                                                | <b>67.3%</b>                         |
|                | 2020 – 5.3<br><b>Worse</b>                      | 2021 – 9.4%<br><b>Worse</b> | 2021 – 13<br><b>Worse</b>                                                | 2021 – 67.8%<br><b>Same</b>          |
|                | U.S. – 5.6 (2023)                               | U.S. – 8.6% (2023)          | U.S. – 6.3 (2020)                                                        | U.S. – 75.2% (2023)                  |

|             |                                                          |                                                           |                                                              |                                               |
|-------------|----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------|
| <b>SAFE</b> | <b>Abuse or Neglect Deaths</b><br>(per 100,000 children) | <b>Rate of Child Maltreatment</b><br>(per 1,000 children) | <b>Rate of Foster Care Placement</b><br>(per 1,000 children) | <b>Repeat Maltreatment</b><br>(12 month rate) |
|             | 2023                                                     | 2023                                                      | 2023                                                         | FY24                                          |
|             | <b>3.54</b>                                              | <b>12.6</b>                                               | <b>2.9</b>                                                   | <b>15%</b>                                    |
|             | 2021 – 2.11<br><b>Worse</b>                              | 2021 – 12.7<br><b>Same</b>                                | 2022 – 2.0<br><b>Worse</b>                                   | FY23 – 13%<br><b>Worse</b>                    |
|             | U.S. – 2.73                                              | U.S. – 7.4                                                | U.S. – 3.0 (2020)                                            |                                               |

|                                       |                                                |                                            |                                                               |                                                                    |
|---------------------------------------|------------------------------------------------|--------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------|
| <b>READY TO LEARN BY KINDERGARTEN</b> | <b>K Reading Proficiency Beginning of Year</b> | <b>Rate of Children Under 5 in Poverty</b> | <b>Funded Slots for Kids Age 0-4 Early Childhood Programs</b> | <b>Low Income 4-Year-Olds in PreK, Child Care, and Head Start*</b> |
|                                       | FY24                                           | 2023                                       | FY24                                                          | FY23/FY24                                                          |
|                                       | <b>41%</b>                                     | <b>27%</b>                                 | <b>68,782</b>                                                 | <b>90%</b>                                                         |
|                                       | <b>Better</b><br>FY20 – 17%                    | <b>Worse</b><br>2022 – 23%                 | <b>Baseline</b>                                               | <b>Better</b><br>FY22/23 – 63%                                     |
|                                       | U.S. – 17%                                     |                                            | *Estimate as PED data unavailable.                            |                                                                    |

|                                          |                             |                                  |                               |                               |
|------------------------------------------|-----------------------------|----------------------------------|-------------------------------|-------------------------------|
| <b>EDUCATED</b><br>3 <sup>rd</sup> Grade | <b>Reading – All Kids</b>   | <b>Reading – Low-Income Kids</b> | <b>Math – All Kids</b>        | <b>Math – Low-Income Kids</b> |
|                                          | 23-24 SY                    | 23-24 SY                         | 23-24 SY                      | 23-24 SY                      |
|                                          | <b>32.5%</b>                | <b>30.48%</b>                    | <b>24.08%</b>                 | <b>22.18%</b>                 |
|                                          | <b>Better</b><br>2022 – 32% | <b>Better</b><br>2022 – 26%      | <b>Better</b><br>2022 – 22.8% | <b>Worse</b><br>2022 – 26%    |

| CHILDCARE ASSISTANCE |               | Percent Licensed Child Care Providers<br>4 or 5 Stars | 4-Year-Olds Attending Childcare | Infant Care Capacity<br>(total infant slots / children under 2) | Lower Income Childcare Participants Kindergarten Ready – Literacy |
|----------------------|---------------|-------------------------------------------------------|---------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|
| FY25                 | FY26          | FY24                                                  | FY24                            | FY24                                                            | 2024                                                              |
| \$331                | \$346         | 42%                                                   | 3,862                           | 32%                                                             | 52%                                                               |
| Million Children     | Million Slots | Higher                                                | Higher                          | Better                                                          | Baseline                                                          |
| 30,000               | 35,900        | FY23 39%                                              | FY22 2,038                      | FY23 31%                                                        |                                                                   |
| Source:              |               | ECECD                                                 | ECECD                           | ECECD                                                           | ECIDS                                                             |

## Childcare Assistance

The Childcare Assistance Program provides a childcare subsidy for families working or going to school with children between six weeks and 13 years of age. Families are required at program entry to have an income of less than 400 percent of the federal poverty level (\$106.6 thousand for a family of three) and to work or attend training or education programs. Childcare assistance is not an entitlement program. Two federal block grants—Child Care and Development and Temporary Assistance for Needy Families—and state general fund appropriations fund Childcare Assistance. LFC analysis frequently finds benefits to childcare assistance, including allowing parents to reenter the workforce after having children. Importantly, between fall 2019 and spring 2023, enrollment in childcare assistance increased by about 7,000 children. Past LFC reports found parent income increases when children are enrolled in childcare assistance; however, the children enrolled are not necessarily better prepared for school.

### Impact

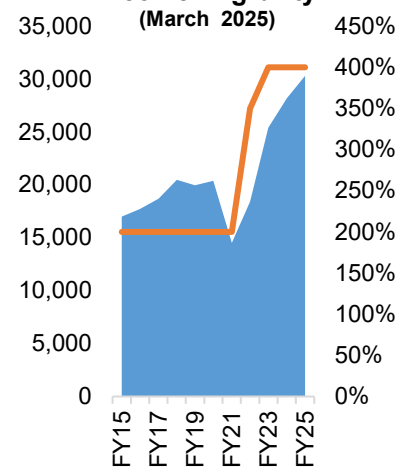
LFC analysis continues to find that children enrolled in childcare assistance do not see the same academic gains as children enrolled in prekindergarten. A match groups analysis of proficiency rates found students enrolled in prekindergarten were one standard deviation more likely to pass an Istation language arts exam than those students who only utilized childcare assistance. Istation is a commonly used tool by the Public Education Department and public schools across the state to assess if students are proficient in learning. As ECECD redesigns the quality and improvement system, which will include a research-based measure of teacher child interactions and increased teacher credential requirements, the state should continue to look for improved academic outcomes.

Moreover, the analysis controlled for star level ratings of childcare centers—which indicate the quality of the center—suggesting, while childcare may serve an important need, it does not have a meaningful impact on educational outcomes. Subsequent analysis found childcare center star level ratings do not contribute to a child’s likelihood of being determined proficient when testing for kindergarten language arts abilities.

### Issues

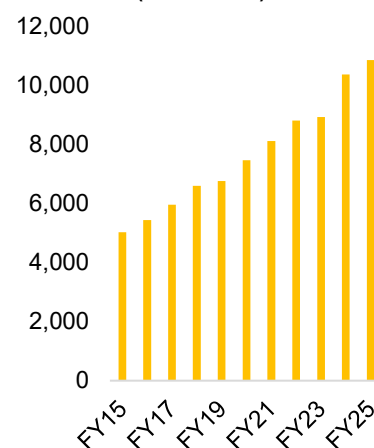
Despite significant investments in childcare assistance over the past five years, the New Mexico childcare system has less capacity—both generally and for low income families—and wages for administrators still outperform those for teachers when examining national rankings using U.S. Census data. While the precise

**Chart 2. Childcare Assistance Enrollment by Fiscal Year and Income Eligibility**  
(March 2025)



Source: ECECD and LFC files

**Chart 3. Childcare Assistance Annual Cost per Child**  
(March 2025)



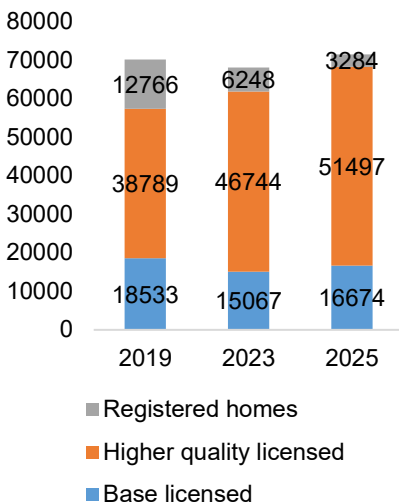
Source: ECECD

**Table 1. Ratio of Infant Slots to Children Under Two by County**

| County     | Births Per Two Years from Census | Infant Slots | Ratio |
|------------|----------------------------------|--------------|-------|
| Bernalillo | 13090                            | 5222         | 0.40  |
| Catron     | 8                                | 2            | 0.26  |
| Chaves     | 1451                             | 444          | 0.31  |
| Cibola     | 554                              | 103          | 0.19  |
| Colfax     | 208                              | 14           | 0.07  |
| Curry      | 1474                             | 501          | 0.34  |
| De Baca    | 53                               | 2            | 0.04  |
| Dona Ana   | 4898                             | 2341         | 0.48  |
| Eddy       | 1636                             | 191          | 0.12  |
| Grant      | 483                              | 195          | 0.40  |
| Guadalupe  | 86                               | 28           | 0.32  |
| Harding    | 8                                | 0            | 0.00  |
| Hidalgo    | 94                               | 24           | 0.25  |
| Lea        | 2216                             | 465          | 0.21  |
| Lincoln    | 313                              | 68           | 0.22  |
| Los Alamos | 348                              | 223          | 0.64  |
| Luna       | 703                              | 128          | 0.18  |
| McKinley   | 1654                             | 337          | 0.20  |
| Mora       | 38                               | 16           | 0.42  |
| Otero      | 1678                             | 421          | 0.25  |
| Quay       | 93                               | 48           | 0.52  |
| Rio Arriba | 713                              | 139          | 0.20  |
| Roosevelt  | 463                              | 167          | 0.36  |
| San Juan   | 2878                             | 689          | 0.24  |
| San Miguel | 2677                             | 122          | 0.05  |
| Sandoval   | 449                              | 660          | 1.47  |
| Santa Fe   | 2330                             | 408          | 0.18  |
| Sierra     | 146                              | 39           | 0.27  |
| Socorro    | 269                              | 93           | 0.35  |
| Taos       |                                  |              |       |
| Toas       | 438                              | 134          | 0.31  |
| Torrance   | 285                              | 67           | 0.23  |
| Union      | 133                              | 0            | 0.00  |
| Valencia   | 1806                             | 459          | 0.25  |

Source: LFC files

**Chart 4. Change in Provider Type between 2019 and 2023**



Source: CCPI and ECECD Files

number of needed childcare slots for all age groups is unknown, current demand likely remains unmet. In particular, capacity for children under the age of 2 continues to fall short of need, with only 32 childcare slots for every 100 children under the age of two in New Mexico. The ratio of infant slots at childcare providers to the estimated number of children under 2 years old in each county highlights the disparity in availability of infant care. Sandoval County, with 660 slots for 449 children, has the largest ratio at 1.47 (a ratio over 1 indicates a surplus of slots). The extra slots suggest childcare providers in the county are accommodating families who cannot get access to childcare in Bernalillo County. Bernalillo County has a ratio of 0.4—40 slots for every 100 children under the age of 2—while Doña Ana and Santa Fe counties, the other two large population centers in New Mexico, have ratios of 0.48 and 0.18, respectively.

Moreover, according to the Cradle to Career Policy Institute (CCPI) at the University of New Mexico, between fall 2019 and spring 2023, childcare system capacity declined by 3 percent, mostly through the loss in registered childcare homes, which saw a 51 percent reduction during the four-year period. As the CCPI report points out, “home-based providers are more likely than centers to offer flexible, nontraditional care hours, and may offer families a closer match to their cultural and linguistic preferences ... [P]revious research with families from less prevalent racial and ethnic groups has found that lack of care offered during nontraditional hours and from providers who share language and culture are key.” ECECD data indicates the number of registered homes further decreased to 3,284 in FY25.

In addition, LFC analysis of the CCPI report examining 2023 data on capacity and families served found a 2.9 percent reduction since 2019 in the number of childcare assistance slots being used by families with incomes at or below 100 percent of the federal poverty level (FPL). In fall 2019, 10,091 families who were at or below 100 percent FPL were served. In spring 2023, 9,402 families who were at or below 100 percent FPL were served by the childcare assistance program. Significantly, in FY23, families earning up to 400 percent of the FPL became eligible for childcare assistance—which significantly broadened the eligibility pool. While this means that more families have access to childcare assistance than ever before, the additional capacity disproportionately serves higher income families. This indicates the Legislature may want to focus policies towards low-income, high-risk families.

Notably, even though the investment in early childcare has included efforts to improve pay for teachers, the national ranking of New Mexico childcare teacher wages remain below that for administrator wages. In U.S. Census data, administrator wages are ranked second in the country, while childcare workers’ wages are ranked 15th. This disparity was first noted in LFC’s *2019 Early Childhood Accountability Report*, and while the rankings improved some, further work is needed.

**Table 2. Federal Poverty Levels (2025)**

| Household Size | 100%     | 200%     | 300%      | 400%      |
|----------------|----------|----------|-----------|-----------|
| 1              | \$15,650 | \$31,300 | \$46,950  | \$62,600  |
| 2              | \$21,150 | \$42,300 | \$63,450  | \$84,600  |
| 3              | \$26,650 | \$53,300 | \$79,950  | \$106,600 |
| 4              | \$32,150 | \$64,300 | \$96,450  | \$128,600 |
| 5              | \$37,650 | \$75,300 | \$112,950 | \$150,600 |
| 6              | \$43,150 | \$86,300 | \$129,450 | \$172,600 |

Source: LFC Files

| PREKINDERGARTEN                 |                                 | Total CLASS Scores<br>FY24                   | PreK Students Istation Proficiency                          | Total Enrollment                       | Students using Supplemental Literacy & Math Programs |
|---------------------------------|---------------------------------|----------------------------------------------|-------------------------------------------------------------|----------------------------------------|------------------------------------------------------|
| <b>FY25</b><br>\$223<br>Million | <b>FY26</b><br>\$272<br>Million | School Based<br><b>5.30</b>                  | SY24:<br><b>PreK: 28%</b>                                   | FY25<br><b>14,902</b>                  | SY24<br><b>29.82%</b>                                |
| 14,902<br>Children              | 20,163<br>Slots                 | Community Based<br><b>4.85</b>               | Non-PreK: 24%                                               |                                        |                                                      |
|                                 |                                 | US Average<br><b>4.92</b><br><b>Baseline</b> | SY22:<br><b>PreK: 17%</b><br>Non-PreK: 15%<br><b>Better</b> | FY23<br><b>13,790</b><br><b>Better</b> | <b>Baseline</b>                                      |
| Source:                         |                                 | LFC Files                                    | LFC Files                                                   | LFC Files                              | LFC Files                                            |

\*Note: Public school prekindergarten scores. Private prekindergarten scores are generally similar or slightly higher.

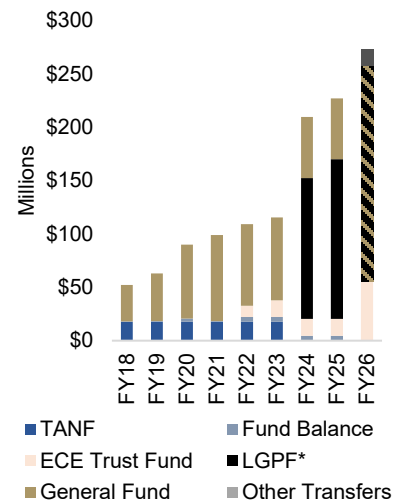
## Prekindergarten

State-funded prekindergarten in New Mexico, created in 2005 through the Prekindergarten Act (Section 32A-23 NMSA 1978), serves 3- and 4-year-old children and is managed by the Early Childhood Education and Care Department (ECECD) as of July 2020. Prekindergarten is offered through local public schools and community-based organizations, including home-based childcare, childcare centers, and Head Starts. In the 2024-2025 school year, almost 15 thousand children were enrolled in state-funded prekindergarten, about 10 times as many children as enrolled in the inaugural class. Moreover, since FY18, total prekindergarten funding has grown from \$52.3 million to \$272 million. Previous LFC research found that students who enrolled in state-funded prekindergarten had better assessment scores, higher high-school graduation rates, were held back from early grades less frequently, were less likely to be referred to special education services, and had fewer disciplinary issues than their peers who did not attend prekindergarten.

### Impact

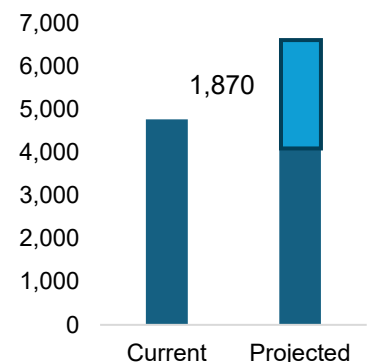
The 2025 LFC progress report *Prekindergarten Quality and Educational Outcomes* found prekindergarten in New Mexico continues to produce positive outcomes—including higher Istation rates for participants—especially for lower-income students who qualify for free and reduced-priced meals in the National School Lunch Program—and leads to higher high school graduation rates. Twenty-eight percent of prekindergarten students were proficient in the beginning-of-year Istation test, whereas 24 percent of students who did not participate in prekindergarten were proficient. Low-income students experienced the largest academic gains in prekindergarten. Prekindergarten students that qualify for free and reduced-price meals saw a 10 percent jump between the end of kindergarten and third grade in reading scores while nonqualifying students that attended prekindergarten saw a 4 percent growth in reading during the same period. LFC staff estimates that if 5,000 more low-income students participated in the highest performing prekindergarten, approximately 1,870 more students would enter kindergarten proficient in reading.

Chart 5. Prekindergarten Funding by Source



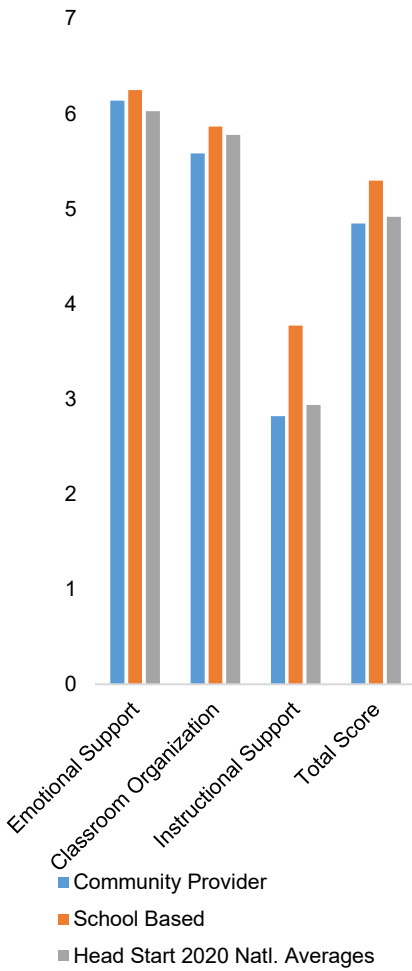
Source: General Appropriation Act and LFC Post Session Reviews

Chart 6. Estimate of Additional Proficient Kindergarteners if 5,000 High-Quality Slots were Added



Source: LFC files  
Source: LFC files

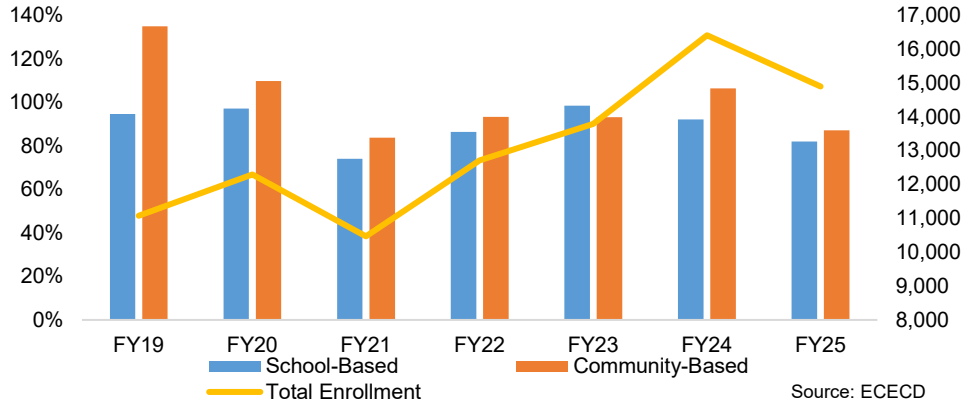
**Chart 7. 2023-24 New Mexico CLASS Scores by Domains versus National Benchmarks**



Note: Teachstone, the maker of CLASS, does not provide national average scores. Instead, the company recommends using national Head Start averages as a rough benchmark.

Source: LFC files

**Chart 8. Percentage of NM Prekindergarten Slots Enrolled**



Source: ECECD

**Issues**

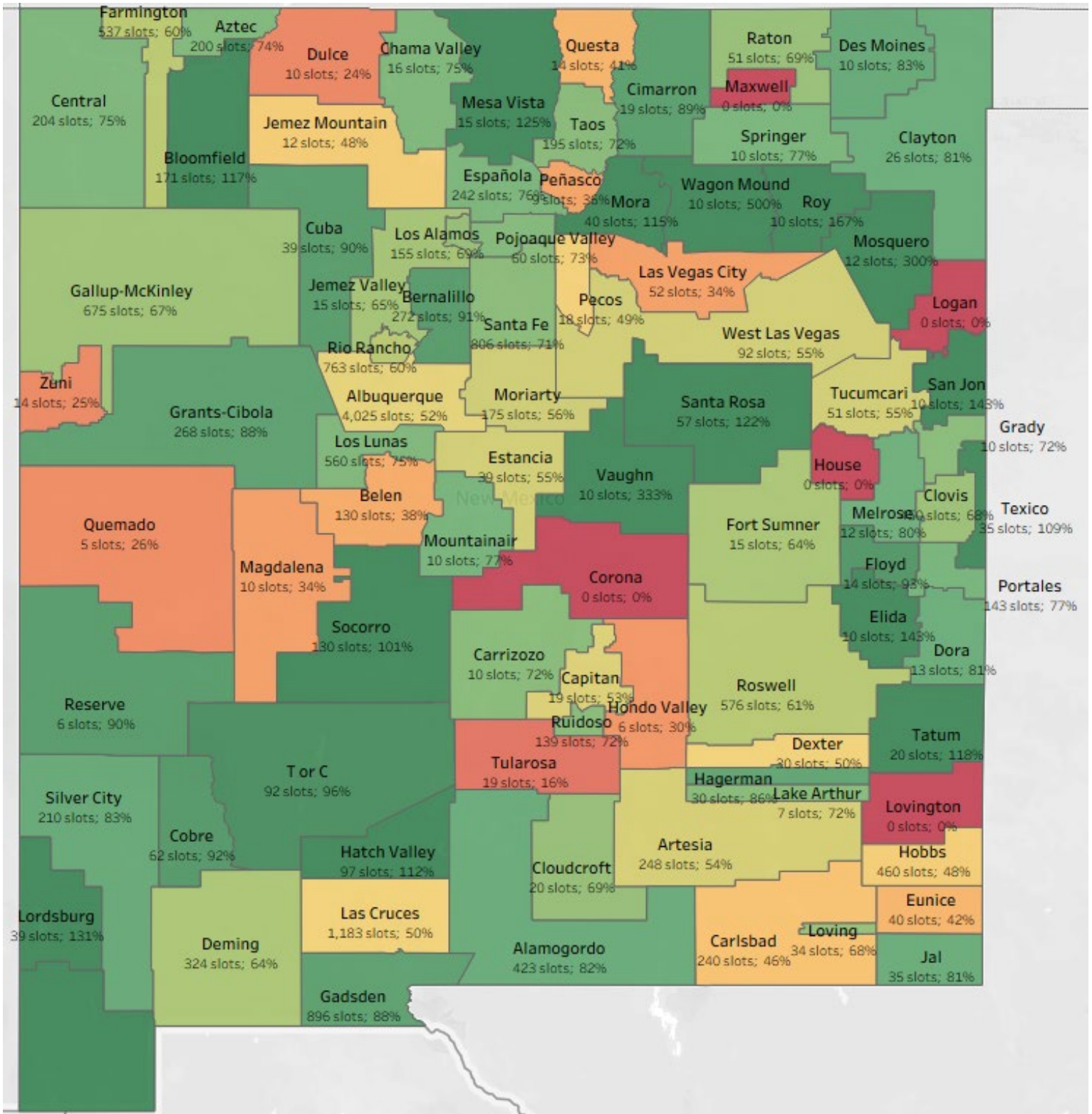
Disparities in teacher preparation contribute to gaps in instructional support for students. School- and community-based prekindergarten providers employ vastly different rates of teachers with bachelor’s degrees or higher levels of training. In the 2022-2023 school year, 96 percent of school-based prekindergarten teachers held a bachelor’s degree or higher while only 31percent of community-based teachers did. As community-based programs expanded in the past five years—the number of prekindergarten teachers at community providers has grown from 160 to 816 since 2017—the percentage of community provider teachers holding a bachelor’s degree or higher declined. Peer-reviewed studies indicate teacher education level matters when it comes to early childhood educational outcomes. The 2020 LFC prekindergarten evaluation found that students taught by an educator with a bachelor’s degree on average scored four points higher on the beginning-of-year-kindergarten observation tool.

During FY25, 85 percent of funded New Mexico prekindergarten slots were enrolled. While about 80 percent of the state’s 89 school districts serve more than half of the 4-year-olds within that district, roughly 20 percent, mostly rural districts, serve less than 50. In FY25, 82 percent of 4-year-olds and 35 percent of 3-year-olds had access to prekindergarten or Head Start programs. As ECECD approaches universal prekindergarten access for the state’s 4-year-olds and continues to add 3-year-old slots, the agency will need to think strategically about where new slots are added. ECECD’s FY26 funding priorities are first to shore up 4-year-old services in underserved areas and then expand early prekindergarten capacity in areas of the state with the most need.

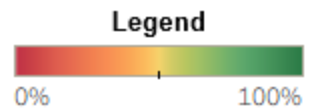
With new efforts to factor saturation into funding decisions, ECECD is taking steps to address these concerns. For the FY26 funding cycle, ECECD will use a four-tier method to help allocate grant funding to new and expanding programs. The addition of a unified NM PreK application portal and better coordination between school districts and community providers could improve access at current funding levels.



**Figure 1. 4-Year-Old Slots for New Mexico Prekindergarten  
Highlighting Low Slots for 1/5 of Districts**



\*Hidalgo county does not have prekindergarten



| FAMILY INFANT TODDLER PROGRAM (FIT)   |                                       | Percent of Population Birth to 3 in FIT                  | Number at Risk of Delay In FIT**                               | Percent Exiting from FIT to Part B                     | Children who Demonstrate Substantial Increase in Development |
|---------------------------------------|---------------------------------------|----------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|
| <b>FY25</b><br><b>\$62</b><br>Million | <b>FY26</b><br><b>\$76</b><br>Million | 2022/2023<br><b>11.2%</b>                                | 2022/2023<br><b>1,616</b>                                      | 2021/2022<br><b>24.6%</b>                              | FY24<br><b>78%</b>                                           |
| <b>15,552</b><br>Children             | <b>16,995*</b><br>Projected           | 2021/2022<br><b>7.86%</b><br><b>Higher</b><br>U.S. 4.01% | 2021/2022<br><b>1,456</b><br><b>Higher</b><br>U.S. Total 5,730 | 2020/2021<br><b>29%</b><br><b>Lower</b><br>U.S. 34.51% | FY23 75%<br><b>Higher</b>                                    |
| Source:                               |                                       | U.S. Dept Education                                      | U.S. Dept Education                                            | U.S. Dept Education                                    | ECECD                                                        |

\*Note: Estimate from ECECD  
\*\* Note: Only seven states and territories participate

## Family, Infant, Toddler Program

### FIT at Risk Program

States have the option of adding an eligibility category for children “at risk” for developmental delays due to low birth weight, prenatal drug exposure, other biological factors, a history of abuse or neglect, or other environmental factors. Seven states participate, and New Mexico has the highest identification rate per capita.

The Family, Infant, Toddler Program (FIT) is a statewide program that provides early intervention services for children from birth to age 3 who have or may be at risk for developmental delays, disabilities, and serious medical conditions. The program works to limit future intervention required based on a child’s delays. FIT operates at no cost to families regardless of income level because services are provided through insurance, federal Medicaid, and state funding.

### Impact

FIT consistently serves over 15 thousand children in New Mexico each year. Most children who participate in FIT do not require services after completing the program, which limits further intervention by the school system. Between July 2024 and May 2025, 70 percent of participants received Medicaid. However, the state may be slightly underbilling for Medicaid—meaning the state is losing out on crucial federal dollars. During this time, the total expenditure on direct services was \$61.8 million; of that, Medicaid expenses totaled \$2 million less than expected. Additionally, ECECD requested a supplemental appropriation for FY25 to cover an enrollment increase, indicating ECECD is serving a larger population with FIT than previously projected. Further research is needed to understand why more children than projected are enrolled in FIT services.

### Issues

The percentage of New Mexico children birth through 3 enrolled in FIT grew from 7.9 percent in 2022 to 11.2 percent in 2023. ECECD projected the number of enrollees would once again increase in FY26. The increase in enrollment may indicate New Mexico’s under-3 population is becoming more at risk of or having developmental delays, that ECECD is enrolling children who are not in need of services, or that ECECD’s enrolling eligible children who had not been previously enrolled. Further monitoring is needed to better understand what population should be served by FIT within the state.

**Table 3. Number of Children Enrolled in FIT at Risk for a Delay Under 3 Enrolled in Early Intervention**

| State | Number of at-risk children in FIT |
|-------|-----------------------------------|
| CA    | 2,847                             |
| NM    | 1,616                             |
| MA    | 1,066                             |
| NH    | 61                                |
| WV    | 95                                |
| Guam  | 20                                |
| FL    | 25                                |

Source: U.S. Dept of Education

| HOME VISITING                               |                | Families Receiving 5 or More Visits                   | Percent of Families Completing Home Visiting* | Substantiated Maltreatment Referrals During Participation** | Percent of Referrals to Other Services Leading to Engagement |
|---------------------------------------------|----------------|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------|
| FY25                                        | FY26           | FY25                                                  | FY25                                          | FY24                                                        | FY22                                                         |
| \$51.1 Million                              | \$64.1 Million | 66%                                                   | 13%                                           | 1.0%                                                        | 41%                                                          |
| FY23                                        | FY24           | *Families receiving HV services for at least 6 months |                                               | **Families receiving HV services for at least 6 months      |                                                              |
| 11,208 Children                             | 7,775 Children | Unchanged                                             | Higher                                        | Higher                                                      | Lower                                                        |
| *Note: Includes potential Medicaid funding. |                | FY23                                                  | FY23                                          | FY23                                                        | FY21                                                         |
| Source:                                     |                | 67%                                                   | 7%                                            | 0.87%                                                       | 46%                                                          |
|                                             |                | ECECD                                                 | ECECD                                         | ECECD                                                       | ECECD                                                        |

## Home Visiting

Home visiting is an educational program for expecting families and families with children under 5. ECECD offers seven program types, each with a different completion timeline, depending on family need and interest. The main intent of home visiting is to support families in learning about child development and developing parenting skills. Depending on the program, benefits include improving maternal and child health, school readiness, economic self-sufficiency, positive parenting practices, and a reduction in child maltreatment.

### Impact

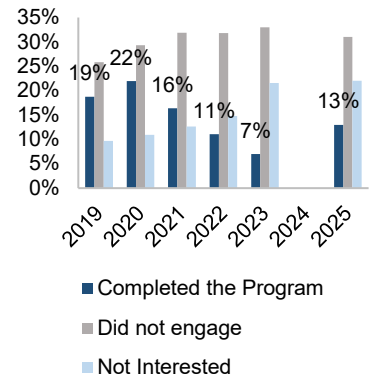
As reported in the 2023 LFC *Home Visiting* evaluation, New Mexico’s rates of completion were significantly lower when compared to national rates. While low completion and duration rates are a problem nationwide, national research shows that when families stay in home visiting for the expected length, they are more likely to get greater benefits. Families who engaged in home visiting for a longer duration had positive longer-term outcomes. Completion rates—reported by the home visitor—almost doubled in FY24 compared to FY23. However, child maltreatment rates for families enrolled in home visiting increased, rising from 0.62 percent in FY21 to 1 percent in FY24. Many factors may contribute to this increase, including enrolling more families at risk of child maltreatment. The state will need to continue monitoring how providers deliver home visiting to ensure it is delivered as intended.

First Born, the state’s homegrown home-visiting model, is among the programs currently ineligible for Medicaid funding despite research that shows a positive impact. The Legislature appropriated funding for a multi-year evaluation of the First Born model that is expected to run through FY29. The evaluation is being led by the University of New Mexico. The initial appropriation for the evaluation from the Legislature will end at the close of FY26. It is likely additional appropriations will be necessary to complete the evaluation through FY29.

### Issues

As highlighted in a 2023 LFC program evaluation, home visiting has persistently struggled to keep families enrolled for the full duration of the program. In the most recent fiscal year, only 13 percent of the families who left indicated they had completed the program. Some families may not fully benefit from the service unless they utilize it for the expected duration. Recent research has found promising impacts for virtual home visiting sessions. However, more research is necessary to fully determine the positive effects and trade-offs of virtual home visiting sessions prior to further expansion.

**Chart 9. Top Reasons for Leaving Home Visiting, FY19-FY25**



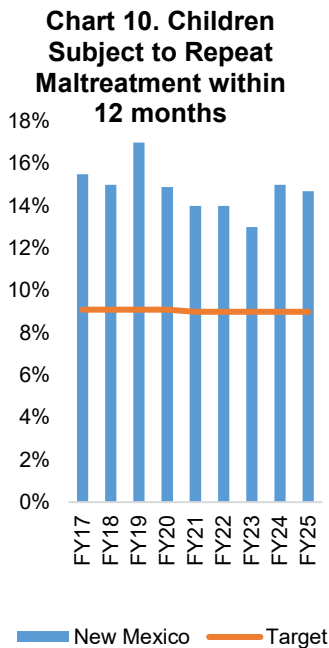
**Table 4. Estimated ROI from Potential Home Visiting Programs in New Mexico**

| Program Name                              | Benefit to Cost Ratio (rounded to nearest dollar) | Effect Size (ES) Cost Matrix |
|-------------------------------------------|---------------------------------------------------|------------------------------|
| Nurse Family Partnership                  | \$5-\$10                                          | Large ES/ High Cost          |
| Triple P*                                 | \$9-\$14                                          | Small ES/ Low Cost           |
| Other Home Visiting for At-Risk Families^ | \$2-\$4                                           | Medium ES/ High Cost         |
| Parents as Teachers                       | \$1-\$2                                           | Medium ES/ Moderate Cost     |
| Healthy Families America                  | \$1                                               | Medium ES/ High Cost         |
| Family Connects                           | \$1                                               | Small ES/ Low Cost           |
| Early Head Start                          | \$0                                               | Minimal ES/ High Cost        |

Source: LFC Analysis Using Pew Results First Analysis with New Mexico Data Where Possible

## SAFE UNDER 5 YEARS OLD

| Rate of Infant Maltreatment<br>(per 1,000) | Number of Victims Under 5<br>(per 1,000) | Percent of Kids in Foster Care Younger Than 5 | Child Maltreatment Death Rate<br>(per 100,000) |
|--------------------------------------------|------------------------------------------|-----------------------------------------------|------------------------------------------------|
| 2023<br><b>30.9</b>                        | 2023<br><b>16.8</b>                      | 2022<br><b>32.9%</b>                          | 2023<br><b>3.5</b>                             |
| U.S. 21.0                                  | U.S. 11.2                                | U.S. 33.7%                                    | U.S. 2.7                                       |
| <b>Worse</b><br>2021 30                    | <b>Better</b><br>2021 17.3               | <b>Lower</b><br>2021 34%                      | <b>Worse</b><br>2021 2.1                       |
| Source: ACF                                | ACF                                      | ACF                                           | ACF                                            |



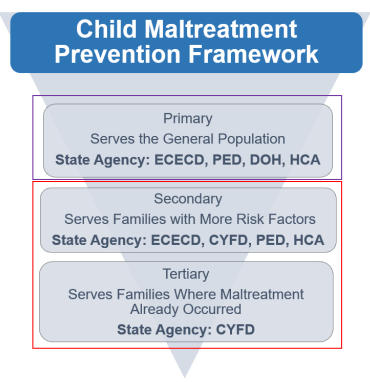
## Child Welfare

New Mexico consistently ranks worse than the national average in key child safety statistics, in some cases by significant margins. Infant maltreatment in the state is 47 percent higher than the national average, and the child maltreatment rate is 70 percent higher than the national average. Despite lagging the national average, New Mexico’s child maltreatment rate has dropped by 25 percent since 2019. The Children, Youth, and Families Department (CYFD) is primarily responsible for child welfare—and continues to face obstacles toward implementation and improving outcomes.

### Impact

Over the long-term, child maltreatment causes physical, psychological, and behavioral consequences. The federal Centers for Disease Control and Prevention estimate the lifetime cost of nonfatal child maltreatment at \$831 thousand. In recent years, New Mexico has made significant investments to deliver programs to support families living in poverty, including expanding Medicaid and childcare assistance. Leading risk factors of child maltreatment include parental substance abuse, poverty, domestic violence, parental history of trauma, and other behavioral health issues.

**Figure 2. Child Maltreatment Prevention Framework**



The federal Comprehensive Addiction and Recovery Act (CARA) of 2016 required states to develop local policies on plans of safe care for substance-exposed newborns. To comply with federal law, New Mexico enacted amendments to the Children’s Code and Public Assistance Act in 2019. Implementation of the amendments may have contributed to the increase in documented cases of babies born substance exposed from 13 per 1,000 in 2021 to 31 per 1,000 in 2023. In 2025, New Mexico made further changes to the CARA program by shifting responsibility for the program from CYFD to the Health Care Authority (HCA) and imposing new requirements. HCA must develop rules related to the care of substance-exposed newborns by July 1, 2026, including guidance for providers regarding the development and reporting of mandatory plans of safe care.

Within child maltreatment prevention, secondary and tertiary prevention strategies—such as safe care plans, targeted home visiting programs, and intensive family preservation and behavioral health services—are aimed at families with greater risk factors. These strategies are fundamental to improving child well-being and fall within the purview of CYFD. Yet, New Mexico experiences significant gaps in the service array of programs within the secondary and tertiary prevention

levels. The state has been slow to adopt these prevention and early intervention services within the child-welfare system and will need a greater sense of urgency to tackle repeat maltreatment and help families better care for children safely.

## Issues

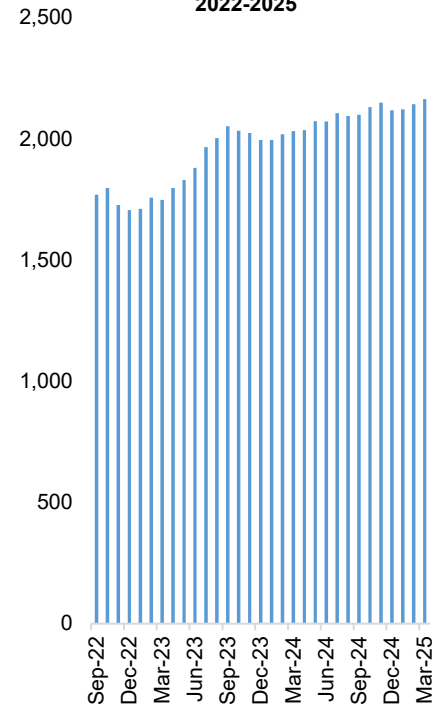
New Mexico does not have an approved Family First Prevention Services Act (FFPSA) plan, despite CYFD initially submitting a FFPSA in September 2022. Absence of an approved plan by the federal government makes New Mexico ineligible to receive federal funding to implement evidence-based programs identified in the federal Title IV-E clearinghouse. An approved FFPSA plan would allow New Mexico to draw down federal Title IV-E funding at the state’s Medicaid match rate, roughly 75 percent. In FY25, the Legislature made a \$9 million appropriation to CYFD through the Government Results and Opportunity (GRO) fund to pilot evidence-based prevention and intervention programs. As of July 2025, only 2 percent, or \$300 thousand, of the available \$3 million from GRO was expended.

New Mexico faces significant challenges in turnover and inability to recruit workers, including social workers, caseworkers, and investigators at CYFD, hindering the state’s ability to address childhood maltreatment. The workforce shortage has resulted in high caseloads and potential missed opportunities to prevent repeat maltreatment. In 2023, the Legislature appropriated \$3 million to CYFD to implement a workforce development plan in response to the *Kevin. S* settlement agreement. As of June 2025, CYFD has encumbered or spent \$2.9 million of this appropriation. The results of these efforts are unknown, raising concerns about CYFD’s ability to collect, track, and analyze data.

New Mexico struggles to ensure appropriate placements for youth in CYFD custody. As of March 2025, CYFD had a little over 2,000 children in protective services custody, an increase of 6.5 percent from March 2024. Children in foster care have steadily increased since September 2022. In June 2024, CYFD reported the state’s 1,013 resource (foster care) homes were insufficient for the 2,013 children in protective services custody. As of May 2025, there are 1,062 homes and 2,121 children in protective services custody. Lack of resource homes and community-based behavioral health centers leads to higher placement in congregate (group) care facilities. According to FY24 performance data, 73 percent of youth over age 12 in Protective Services custody were placed in the least restrictive, community-based environment, a decline in performance compared to FY23, when the rate was 91 percent. CYFD has not reported more recent data.

National research, federal guidance, and clinical research recommend against placing children in congregate care facilities except for short-term treatment of children with acute behavioral health needs. Additionally, federal revenues will only cover medically necessary stays in accredited residential treatment centers. Children with prolonged exposure to congregate care face greater risk for homelessness, incarceration, substance use, and other negative outcomes. CYFD opened two new congregate care facilities in FY25, using funds the Legislature intended be used for startup costs for behavioral health providers—a violation of legislative intent.

**Chart 11. Children in Foster Care 2022-2025**



Source: CYFD

### **Congregate Care Best Practices**

According to Chapin Hall, a child welfare research institute at the University of Chicago, states rely on congregate care settings to address two challenges: the need for emergency or first placements for youth in custody, and the need to find placements for youth with complex behavioral or other clinical needs who are otherwise hard to place. Chapin Hall recommends a variety of evidence-based strategies to address these two needs and reduce the reliance on congregate care: build capacity of resource homes (foster families) for first-time placements to reduce the need for congregate care in emergency situations and build capacity to deliver clinically effective alternatives in home-based settings for youth with clinical and behavioral health needs.

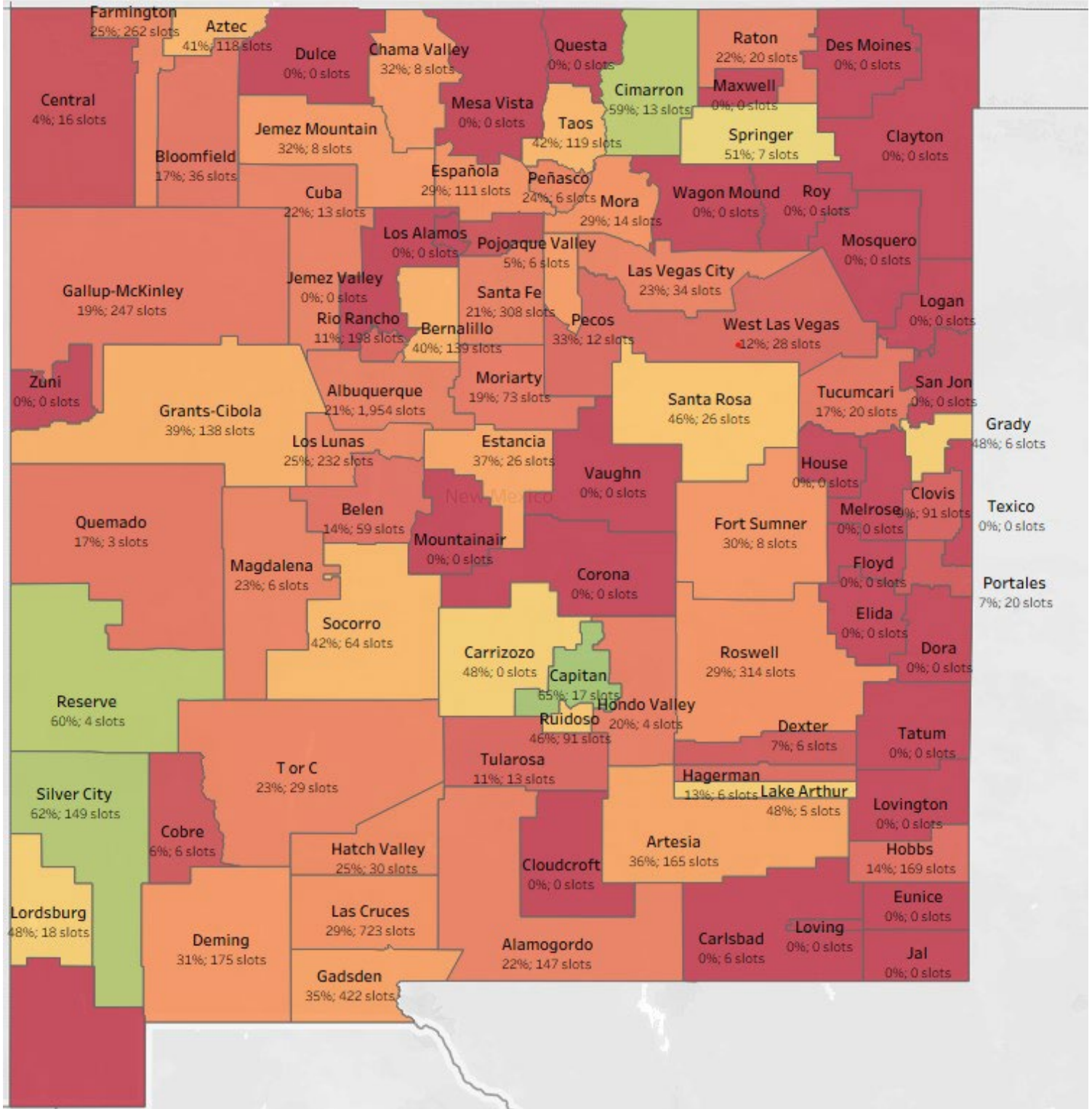
## Recent LFC Reports and Briefs on Early Childhood

Over the last three years, LFC has produced a number of reports on early childhood topics covering prekindergarten, child welfare, and home visiting, as well as LegisStat briefs on childcare, prekindergarten, and home visiting.

ECECD and CYFD should review and implement the relevant recommendations from these previous LFC reports. These reports include:

- [Progress Report: Kindergarten Quality, June 2023](#)
- [LegisStat: Child Welfare, June 2025](#)
- [LegisStat: Children, Youth, and Families Department, September 2024](#)
- [LegisStat: Early Childhood Education and Care Department, August 2024](#)
- [LegisStat: Child Welfare, June 2024](#)
- [LegisStat: Child Maltreatment, May 2023](#)
- [Policy Spotlight: Stacking of Income Supports](#)
- [Progress Report: Addressing Substance Use Disorders](#)
- [Accountability Report: Early Childhood 2021](#)

## Appendix A. 3-Year-Old Slots including only NM PreK, FY25



\*Hidalgo county does not have prekindergarten. Between FY25 and FY26, ECECD increased 3-year old contracted slots by 160 slots.

