

A Business Plan for Early Childhood in New Mexico: Executive Summary



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Executive Summary

The 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. Experiences in the earliest years of life form the basis for language and literacy, the ability to form positive relationships, and health and well-being. Early childhood experiences have consequences not only for individual children and their families, but for New Mexico: Children whose early experiences and relationships support healthy development are more likely to become successful students, adults, parents, employees, and citizens.ⁱ Supporting parents to foster their children's healthy development and learning and ensuring access to high-quality early childhood education, care, health and family supports is far more cost-effective than waiting to address problems when children are older.

Yet too many young children in New Mexico do not have the types of early childhood experiences that build a strong foundation for future success. New Mexico has the nation's highest child poverty rate: More than one in three children under age 6 lives in poverty.ⁱⁱ Poverty rates within New Mexico's diverse racial and ethnic subgroups can be even more acute — over 57 percent of Native American children under age 5 live in poverty.ⁱⁱⁱ Further, children in the state experience three or more Adverse Childhood Experiences (or ACEs) — a strong risk factor for future educational, health, and mental health problems — at nearly twice the national average rate.^{iv} Fortunately, many New Mexico parents, voters, and policymakers already recognize the crucial importance of early childhood development. Over the past decade, state policymakers more than doubled investments in early childhood programs. But there is more to do — fragmentation and gaps in service persist. Enabling all New Mexico's young children to realize their potential requires strengthening the systems that support New Mexico families and children's early learning and development.

Realizing the potential of New Mexico's children requires shifting from the state's current program-based approach to a systemic approach that places the needs of families and children at the center and builds capacity of local providers and communities to match service offerings to local and family needs. Such an approach will better meet the needs of families, improve the efficiency and results of existing early childhood investments, and ensure that future increases in funding are used wisely to maximize benefits for the state and its children.

Recognizing the opportunity to build on the state's commitment and prior investments, the New Mexico Early Childhood Funders Group sponsored the development of a strategic vision and business plan for early childhood in New Mexico. This plan charts a path forward to harness the state's existing assets and address its challenges through strategic, high-impact investments that meet the needs of young children and their families across New Mexico's diverse communities. The plan lays out a vision for a future in which:

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

To realize this vision, it identifies a set of levers and strategies that state policymakers and partners across the state's early childhood system could employ to build New Mexico's early childhood system. Supporting child development requires a holistic approach that recognizes the vital importance of parents and families as the primary nurturers of children's development and extends to experiences and supports beyond what publicly funded service expansions address. These levers integrate to create an early childhood ecosystem supporting positive outcomes for all children:

- **Coordinate state and tribal systems to be greater than the sum of their parts**
Key Activities: Cultivate state-level and tribal leadership and support for coordinated early childhood systems and establish a senior executive level early childhood leadership position with responsibility and authority to coordinate across early childhood programs; Design and build a truly integrated data system that supports strong state and local coordination and meets the needs of multiple stakeholders
- **Leverage local community capacity to improve program implementation**
Key Activities: Cultivate local lead agencies to coordinate early childhood outreach and services at the local level, assess local needs, and collaborate with the state to allocate funding and resources to ensure the mix of supports and services meets the needs of families and communities
- **Build and support a highly effective early childhood workforce**
Key Activities: Adopt statewide goals and priorities for the 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 to reduce barriers to degrees, enhance wages for early childhood workers, and create incentives linked to state priorities for credentials and quality initiatives
- **Conduct outreach and engagement to provide families with tools and information**
Key Activities: Create flexible and adaptable materials and resources that can be customized locally to educate families about the importance of early childhood development and how families can support it, build awareness of early childhood supports, and connect families to programs; Streamline enrollment processes for families with multiple entry points to a range of services
- **Expand programs with quality to increase access for young children**
Key Activities: Build system capacity for quality in childcare; Strategically allocate any increases in childcare funding through contracts that emphasize high quality and strong workforce supports and in communities and areas of the state where the need is greatest; Expand funding for pre-k and home visiting over time, but allow local flexibility in determining how funds are allocated based on local needs

These system improvements and programmatic expansions will have real benefits for New Mexico children, families, and New Mexico as a whole. High-quality early childhood programs have been shown to produce a myriad of benefits for children, parents, and society at large. If New Mexico makes these investments in building the capacity of its early childhood system to support children’s development in the first five years of life and in expanding access to quality early childhood programs, it should expect to reap significant benefits, including:

- Increased rates of school readiness for New Mexico children and narrowing of gaps in school readiness among low-income, Hispanic, and Native American children
- Improved rates of third-grade reading and math proficiency and narrowing of gaps in achievement among low-income, Hispanic, and Native American children
- Reductions in grade retention and special education placements
- Reduced rates of child maltreatment
- Economic multiplier effects of childcare spending
- Increased rates of high school graduation and postsecondary attainment and narrowing of gaps among low-income, Hispanic, and Native American young people

- Economic benefits from a better prepared workforce and increased employment
- Savings to taxpayers due to reduced rates of special education placement, grade retention, child maltreatment, crime, and public dependency and increased tax revenues due to increased economic activity and earnings

Some policymakers and stakeholders in New Mexico have questioned whether additional state funding is needed or whether the state can achieve its goals for young children through improved coordination or better leveraging existing funds. There are, indeed, opportunities for improved coordination of early childhood services in New Mexico, and this plan offers recommendations for strategies and policies to improve coordination and efficiency within the system. That said, any meaningful and sustainable increase in access to publicly funded services will require a meaningful increase in state funds.

However, as the systems investments that this plan proposes improve the efficiency and effectiveness of existing programs, the state will get more return on both current and increased spending. Additionally, not all costs must be publicly funded. There are multiple opportunities for the philanthropic community to play a significant role as a partner to the state in strengthening the early childhood system for the long-term benefit of New Mexico.

The plan presents a cost analysis based on one set of assumptions and targets based in research and tied to the goals and priorities reflected in the structure of the plan itself. While this plan provides an informed blueprint for how the state should move forward, the cost model on which the analysis is built is flexible and designed to enable adjustments to reflect changing circumstances, new information, and additional perspectives.

As modeled, the plan assumes a five-year phased-in implementation timeline that spreads increased investments over time (Figures 1 and 2).

Figure 1. Year-Over-Year Increases in Investment to Fund Plan Implementation

2020	2021	2022	2023	2024
\$19,793,838	\$15,090,561	\$16,052,547	\$16,019,452	\$16,305,647

Figure 2. Total Implementation Cost Compared to Current (FY2019) State Early Childhood Funding

2020	2021	2022	2023	2024
\$19,793,838	\$34,884,399	\$50,936,947	\$66,956,399	\$83,262,046

In addition to improved education and health and wellness measures for New Mexico’s young children, state leaders can expect these investments in early childhood programs to generate economic activity and multiplier effects that benefit the state’s economy; contribute to improving school readiness and third-grade reading outcomes; and, over time, contribute to economic growth that will help the state sustain these investments.

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.

ⁱ The Heckman Equation, “Research Summary: The Lifecycle Benefits of an Influential Early Childhood Program,” <https://heckmanequation.org/resource/research-summary-lifecycle-benefits-influential-early-childhood-program/>;

David Deming, “Early Childhood Intervention and Life-cycle Skill Development: Evidence from Head Start,” *American Economic Journal: Applied Economics* 1, no. 3 (July 2009): 111–34,

<https://www.aeaweb.org/articles?id=10.1257/app.1.3.111>; “About the Chicago Longitudinal Study,” University of Minnesota, <http://www.cehd.umn.edu/icd/research/cls/docs/Science2011accepted.pdf>.

ⁱⁱ National Center for Children in Poverty, “New Mexico Early Childhood Profile,” last updated March 29, 2018, http://www.nccp.org/profiles/NM_profile_16.html.

ⁱⁱⁱ Kids Count Data Center, “New Mexico: Poverty Rate of Children, Ages 0-4, by Race and Ethnicity,” updated October 2017, [https://datacenter.kidscount.org/data/tables/5607-poverty-rate-of-children-ages-0-4-by-race-and-](https://datacenter.kidscount.org/data/tables/5607-poverty-rate-of-children-ages-0-4-by-race-and-ethnicity?loc=33&loct=2#detailed/2/any/false/870,573,869,36,868/4862,4827,4828,4887,4888,4900,4901,4902,4903/12198)

[ethnicity?loc=33&loct=2#detailed/2/any/false/870,573,869,36,868/4862,4827,4828,4887,4888,4900,4901,4902,4903/12198](https://datacenter.kidscount.org/data/tables/5607-poverty-rate-of-children-ages-0-4-by-race-and-ethnicity?loc=33&loct=2#detailed/2/any/false/870,573,869,36,868/4862,4827,4828,4887,4888,4900,4901,4902,4903/12198).

^{iv} Vanessa Sacks and David Murphey, “The Prevalence of Adverse Childhood Experiences, Nationally, by State, and by Race or Ethnicity,” brief, Child Trends, <https://www.childtrends.org/publications/prevalence-adverse-childhood-experiences-nationally-state-race-ethnicity/>.