



Legislative Finance Committee

FINANCE

FACTS

Understanding State Financial Policy

Child Care

Among the state's early childhood services are programs managed by the Child Care Services Bureau of the Children, Youth and Families Department. Through subsidies and licensing standards, the assistance and certification programs work hand-in-hand in an attempt to ensure lower-income families have access to quality child care.

Assistance

The Child Care Assistance Program, supported mostly with the federal child development and Temporary Assistance for Needy Families grants but also with state general fund appropriations, subsidizes care for lower-income families by directly paying a set amount to licensed childcare centers and registered childcare homes for each qualifying child. Families sometimes are required to also pay an amount.

New Mexico uses a set of guidelines to establish the eligibility requirements to target at-risk and low-income families. Assistance is available to parents, grandparents, or legal guardians who are working, in school, or in a job training program and need assistance with a child between the ages of 6 weeks and 13 years old. Families must reapply every six months.

A significant factor in whether a family qualifies for the subsidy is income. While the limit varies, generally a family cannot get the subsidy unless their income is below 150 percent of the federal poverty level, a figure that generally grows slightly every year but in 2018 was \$37,650 a year for a family of four. This income cutoff is sometimes adjusted based on available funds. The amount available is divided by the provider per-child rate to establish the number of "slots" available. The income limit might then be raised or lowered to bring the number of slots in line with an estimate of how many families will be eligible.

The state will only pay the subsidy to childcare providers licensed or registered by the Children, Youth and Families Department. Licensed centers must meet minimal licensing standards and have a two- to five-star rating under the state's "tiered quality rating improvement system," or TQRIS. Registered homes, limited to four non-resident children, are more likely to be run by family members or caregivers with little formal training or education in early childhood development and do not participate in the quality-improvement system. Most children receiving state child care assistance are cared for in registered homes or licensed centers with two or three stars.

Aim High and Focus

While an LFC evaluation found the state's subsidized child care and the federally funded Head Start program have no impact on academic success, LFC and numerous other studies have shown high-quality early childhood programs have a significant effect on a child's future well-being, including in school. The LFC evaluation noted "mission confusion" in the state's childcare program over whether assistance is intended to make it easier for poor parents to work or to help children prepare for school. The state's TQRIS is an attempt to create high-quality childcare programs.

Through Focus, the state's existing TQRIS, the Children, Youth and Families Department assesses licensed childcare centers and awards two through five stars based on quality. Centers with national accreditation automatically receive a five-star rating. Focus includes common program standards, a common, comprehensive assessment system, and curriculum planning.

A Training and Technical Assistance Program contractor helps the department rate programs and provide training to early childcare and education staff and parents and interested community members. The contractor also works directly with a provider on program quality.

For More Information:

- For childcare assistance and licensing and registration regulations, visit <https://cyfd.org/child-care-services>.
- For the current federal poverty guidelines, see <https://aspe.hhs.gov/poverty-guidelines>.
- The statutes governing the Children, Youth and Families Department include Chapter 9, Article 2A NMSA 1978.