



# NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

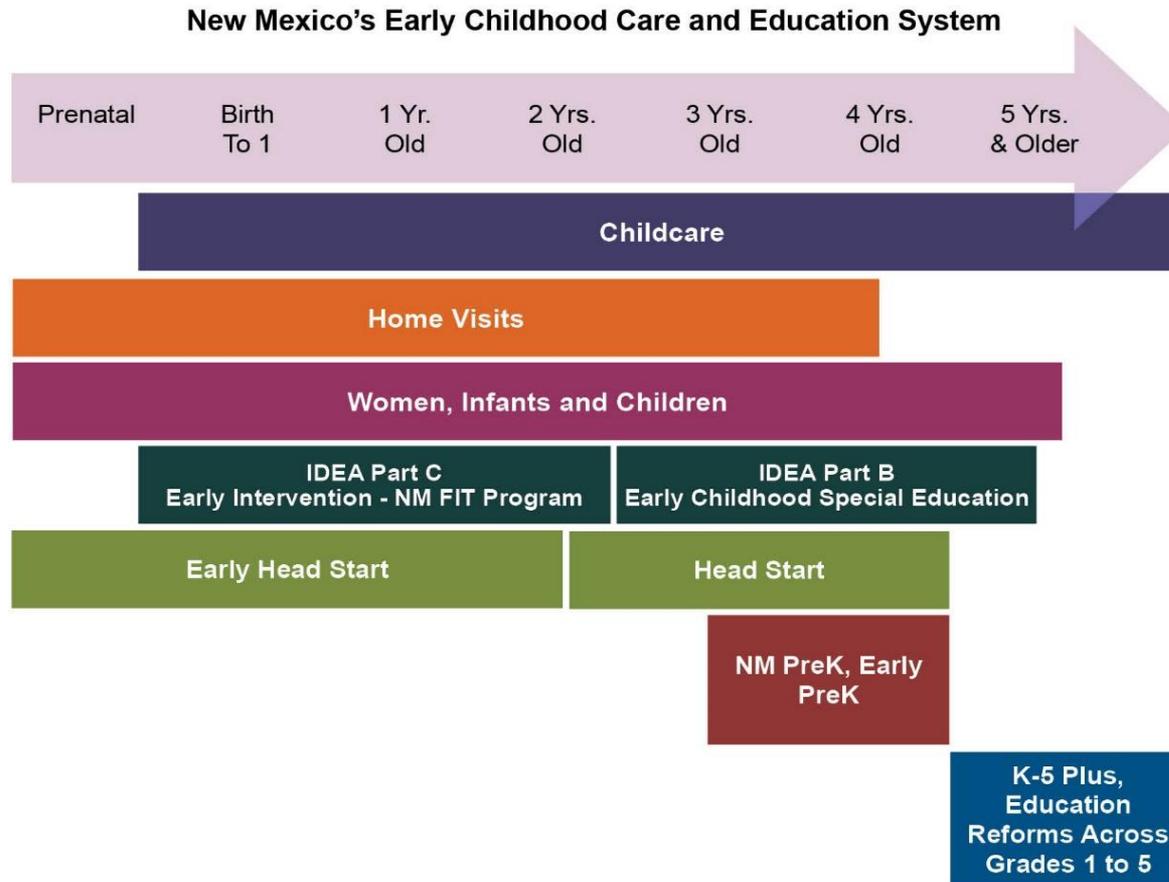
## Early Childhood Education and Care Funding and Performance Update

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Legislative Finance Committee  
September 22, 2020



# New Mexico's Early Childhood System

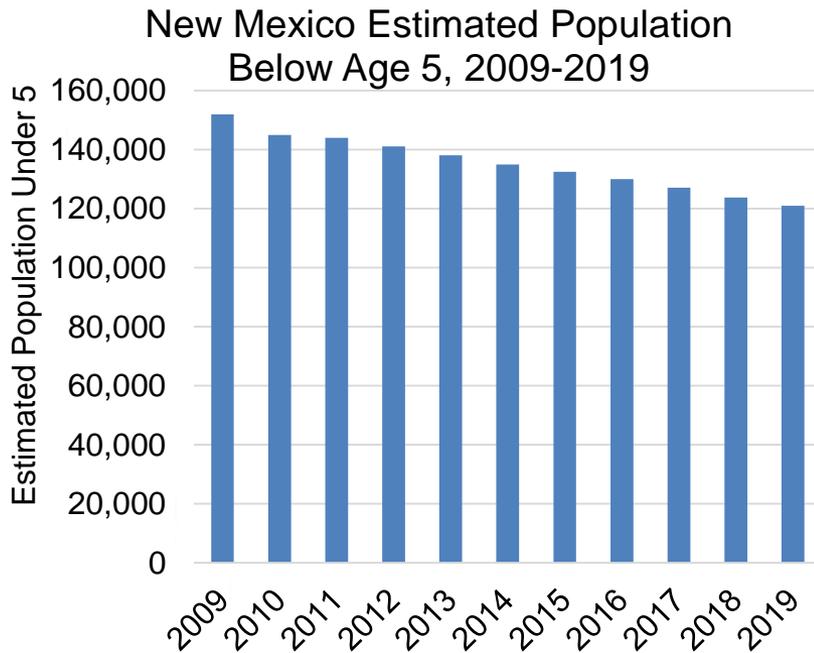


Source: LFC Files

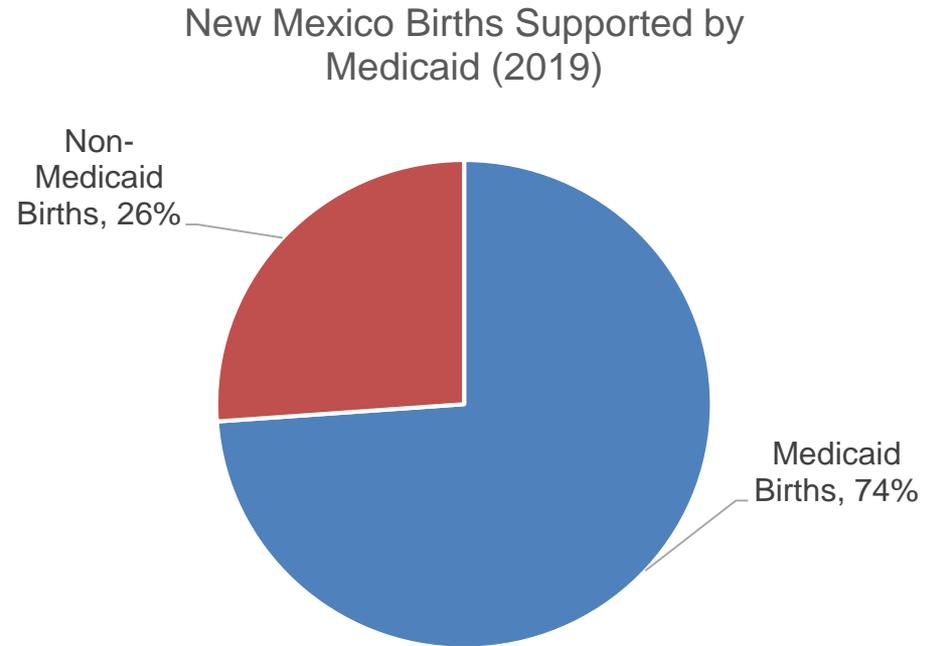


# New Mexico's Early Childhood Population

- The 0-5 population has declined 20% over the last decade
- In 2019, 3 of every 4 births in NM were supported by Medicaid



Source: LFC analysis of U.S. Census Bureau data.



Source: DOH



# Child Outcomes

	Child Death Rate: Abuse or Neglect		Rate of Child Maltreatment		Rate of Foster Care Placement		Repeat Maltreatment	
<b>SAFE</b>	2018		2018		2018		2020	
	<b>2.49</b>		<b>16.6</b>		<b>3.2</b>		<b>10%</b>	
	Per 100,000 children		Per 1,000 children		Per 1,000 children			
	U.S. 2.39		U.S. – 9.1				U.S. Std– 5.4%	
	Better		Better		Lower		Better	
	2017	3.28	2017	17.6	2017	3.9	2019	10.4%
<b>Source:</b>		ACF		ACF		ACF	CYFD/NCANDS	
	Infant Mortality		Low Birth Weight		Immunization Rate		Early Access to Prenatal Care	
<b>HEALTHY</b>	2018		2018		2018		2018	
	<b>6.0</b>		<b>9.1%</b>		<b>76.7%</b>		<b>64%</b>	
	Per 1,000 children U.S. – 6.4 (2018)		2,088 children U.S. – 8.3% (2018)		U.S. – 70.4% (2018)		23,708 children U.S. – 77.5% (2018)	
	Better		Better		Better		No Change	
	2017	6.2	2017	9.5%	2017	72%	2017	64%
<b>Source:</b>		CDC		DOH		DOH	DOH	



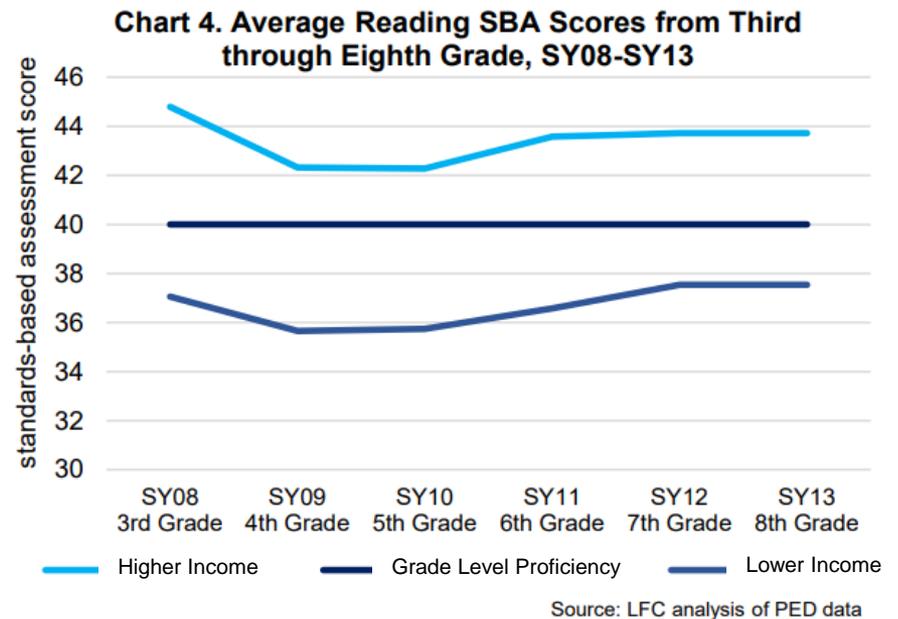
Other outcomes related to education and school readiness available on the LFC website at

[https://www.nmlegis.gov/Entity/LFC/Documents/Early\\_Childhood\\_And\\_Education/2019%20Accountability%20Report%20-%20Early%20Childhood.pdf](https://www.nmlegis.gov/Entity/LFC/Documents/Early_Childhood_And_Education/2019%20Accountability%20Report%20-%20Early%20Childhood.pdf)

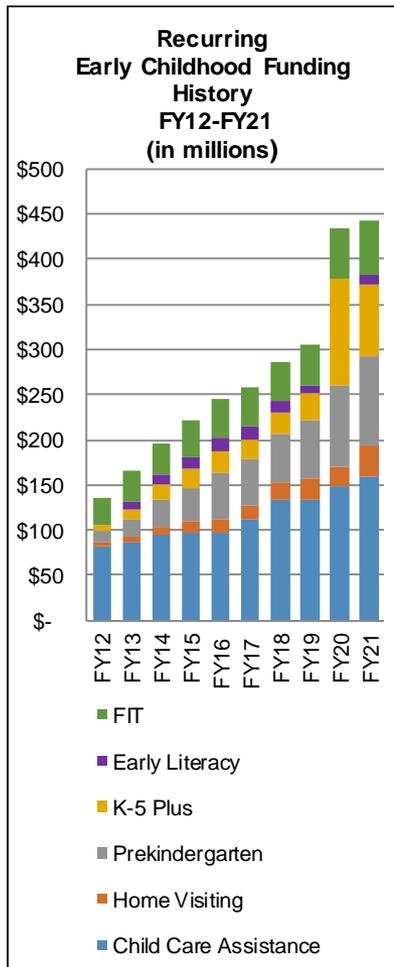
# Education Outcomes: New Mexico At-Risk Children Start Behind And Often Stay Behind Their Peers

## Past LFC Report Findings: Summary

- Most NM schools provide one year of academic growth.
- However, 80 percent of at-risk children start school behind their peers.
- Many children do not make that lost ground.
- COVID is expected to exacerbate the achievement gap by up to a year impacting youngest children the most.



# New Mexico Early Childhood Education and Care Funding



- The New Mexico Legislature has significantly increased early childhood education and care funding since state fiscal year 2012.
- Childcare Assistance, Early Prekindergarten, Prekindergarten, and Home-Visiting have been particular focuses of the Legislature for increased funding, even in years of financial constraint.
- Since FY15 early childhood funding has increased 103 percent. This is not including increases to other related early care support programs such as Early Head Start, Head Start, and WIC.
- Early Head Start and Head Start include an additional estimated \$72.6 million and WIC \$43 million in addition to the funding shown chart to the left.



## New Mexico's Early Childhood System

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- Funding, Capacity, Performance of
  - PreK
  - Childcare Assistance
  - Home Visiting
  - Early Head Start and Head Start
  - K-5 Plus
- Much of this research was done pre-COVID.



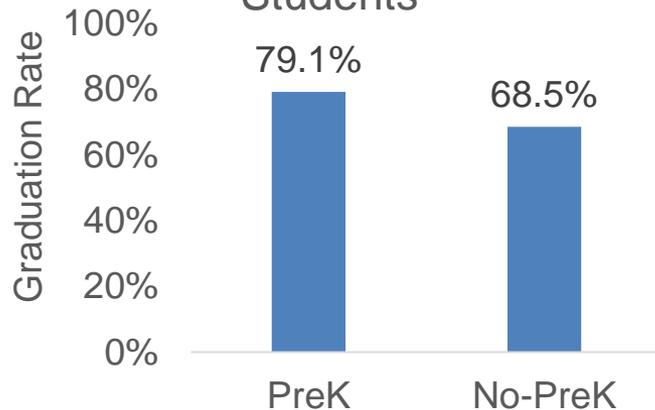
# Prekindergarten

Early education program for 3- and 4-year-olds

FY21 Operating Budget: \$100 million

FY21 Estimated Capacity: 13,386

New Mexico 2019 High School Graduation Rate For Lower-Income Students



Source: Courtney et al. (in preparation)

- NIEER: Four year study found impact on language, literacy, & math estimating a \$6 to 1 ROI.
- LFC: Numerous studies have found benefits associated with participation including
  - 11 percent increase in graduation rate for English learners and lower-income participants
  - Improved reading and math scores from K through 11<sup>th</sup> grades
  - 50 percent reduction in grade retention
  - 25 percent reduction in chronic absenteeism
  - Higher rate of exiting special education
  - \$6 to 1 ROI using the NM Results First Model
- During school closures PreK instruction was limited to 30 minutes and national research on remote learning shows it is not as effective.



# Childcare Assistance

A subsidy program implemented for families with children 6 weeks to 13 whose families up to 200 percent of the federal poverty level and who work or attend training and education programs

FY21 Operating Budget: \$158.4 million

FY21 Estimated Capacity: 22,000 per month

**Chart 4. Maximum Monthly Reimbursement Rates for 5-Star Childcare by Age for Aim High and FOCUS**



Note: FY12 rate is for licensed metro childcare center childcare.

Source: CYFD

- 2019 LFC evaluation found childcare participants saw the following benefits:
  - Increased family income (\$3,500)
  - Increased well-child visits
  - Increased dental visits
- Some evidence of impact on school readiness in Kindergarten (CCPI, LFC studies)
- Significant investments in quality (\$65m):
  - Over a 100% increase in reimbursement rates for some age groups (infants) since 2012
  - However, to date no research has found evidence of better outcomes with higher quality in NM.
- Childcare is also supporting hybrid learning for working parents

# Home Visiting

Multiple programs (e.g. Nurse Family Partnerships, Parents as Teachers) dedicated to intensive parent education

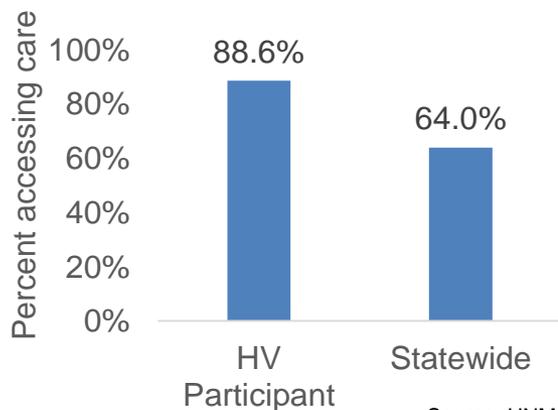
**FY21 Operating Budget: \$34.2\* million**

\*up to \$9 million could be leveraged from Medicaid home visiting pilot

**FY21 Estimated Capacity: 3,887 not including Medicaid pilot**

- NM has several evidence-based/promising HV models including Nurse Family Partnership, Parents as Teachers, and First Born
- Generally speaking home visiting programs have positive impacts although type and magnitude of impact vary by program.
- Nationally home visiting programs have demonstrated impacts of improved child development, health, reduced child maltreatment among others.
- UNM's CCPI has found home visiting participation is associated with improved well-child visits and access to prenatal care

NM Mothers Accessing Prenatal Care In 1st Trimester



Source: UNM CCPI



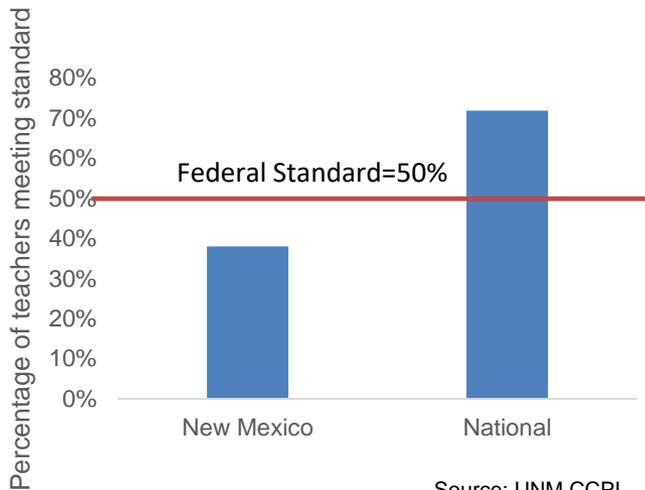
# Early Head Start (EHS) and Head Start (HS)

Federally funded programs to promote school readiness of children under the age of 5 by enhancing their cognitive, social, and emotional development.

FY20 Operating Budget: \$72.6 million

FY20 Estimated Capacity: 7,390 slots

Percentage of Head Start classroom teachers meeting federal credential requirements (2019)



- The What Works Clearinghouse (WWC) rates EHS and HS as promising.
- Research indicates that EHS can impact safety and child well being outcomes (22 NM programs)
- Research indicates HS can impact student achievement and development (29 NM programs)
- Federal requirements call for 50% of HS teachers to have a relevant BA degree.



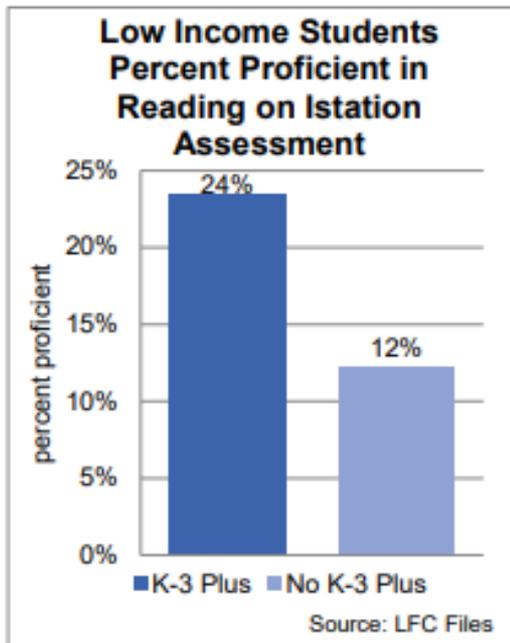
# K-5 Plus Extended Year

An extended school year program for kindergarten through 5<sup>th</sup> grade students aimed at improving time on task which has been shown to impact student learning

FY21 Operating Budget: \$79.9 million

FY21 Estimated Capacity: 64,000

\*However only 16,000 slots applied for

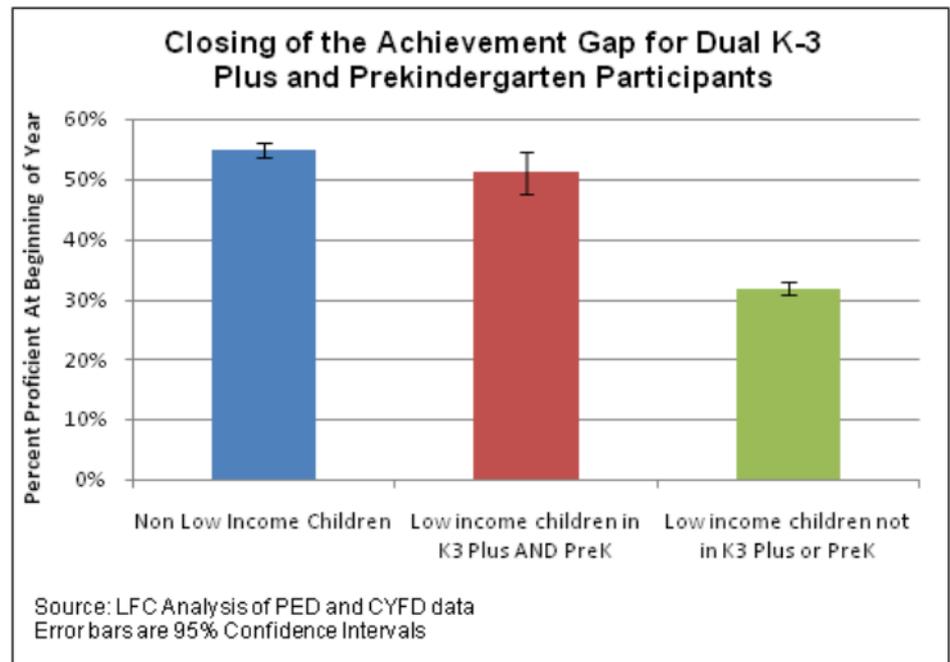


- Utah State showed a significant impact of K-3 Plus on student achievement when the program was run to fidelity.
- LFC research confirms Utah State findings regarding impact and importance of fidelity.
- A 2020 LFC Policy Spotlight reported that PED cancelled 2020 summer K-5 plus programs despite some districts (including APS) having plans in place to deliver content remotely.



# Stacking of Programs

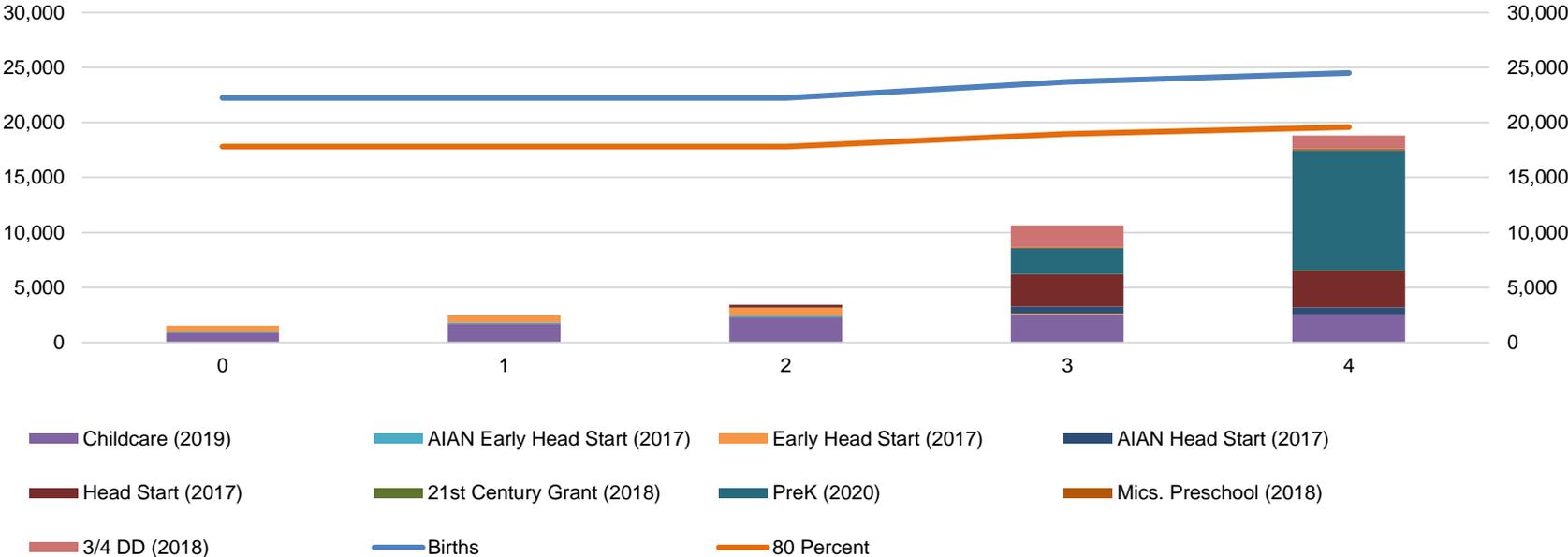
- It is unlikely that one program alone can close the achievement gap.
- Promising outcomes from stacking of programs but more research is needed.
  - 2017 Early Childhood Accountability Report: Showed a narrowing of achievement gap for PreK AND K3 Plus participants
  - 2020 PreK Report: Better outcomes for children who participated in 3yo PreK AND 4yo PreK



# Early Childhood Education and Care Capacity

Estimated NM Care and Education Funded Services By Age (FY21)

Total cohort population



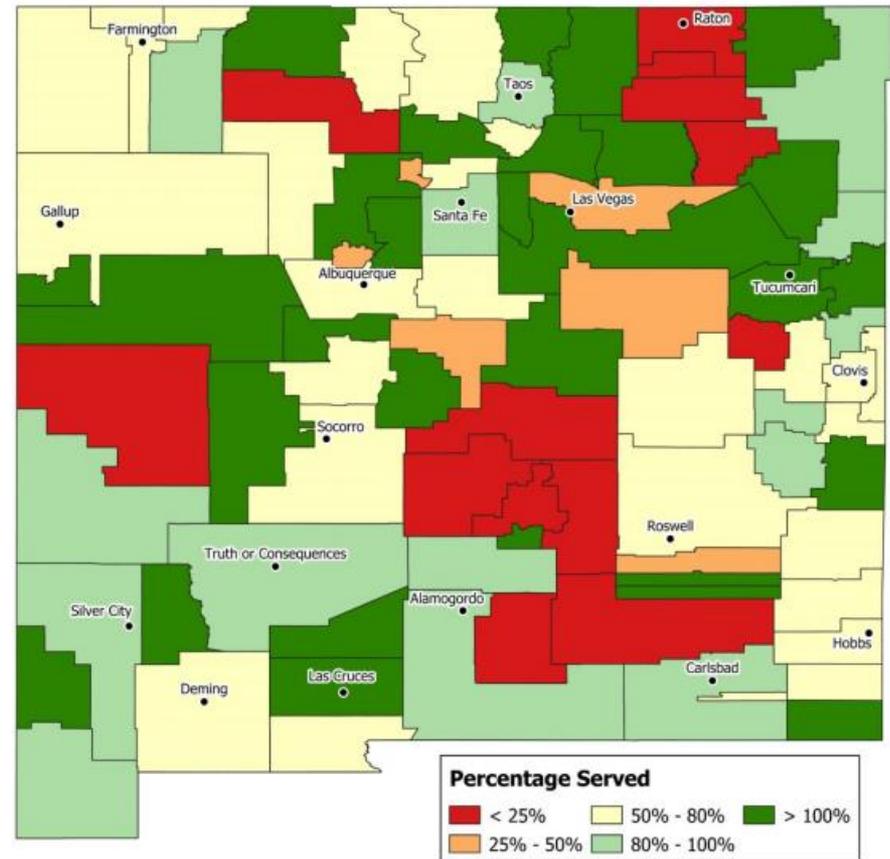
Figures include 2021 funded slots where possible, otherwise most recent data available used.  
 Sources: Early Head Start, Head Start: ECLCK PIR report; Others: LFC



# Capacity and Coordination

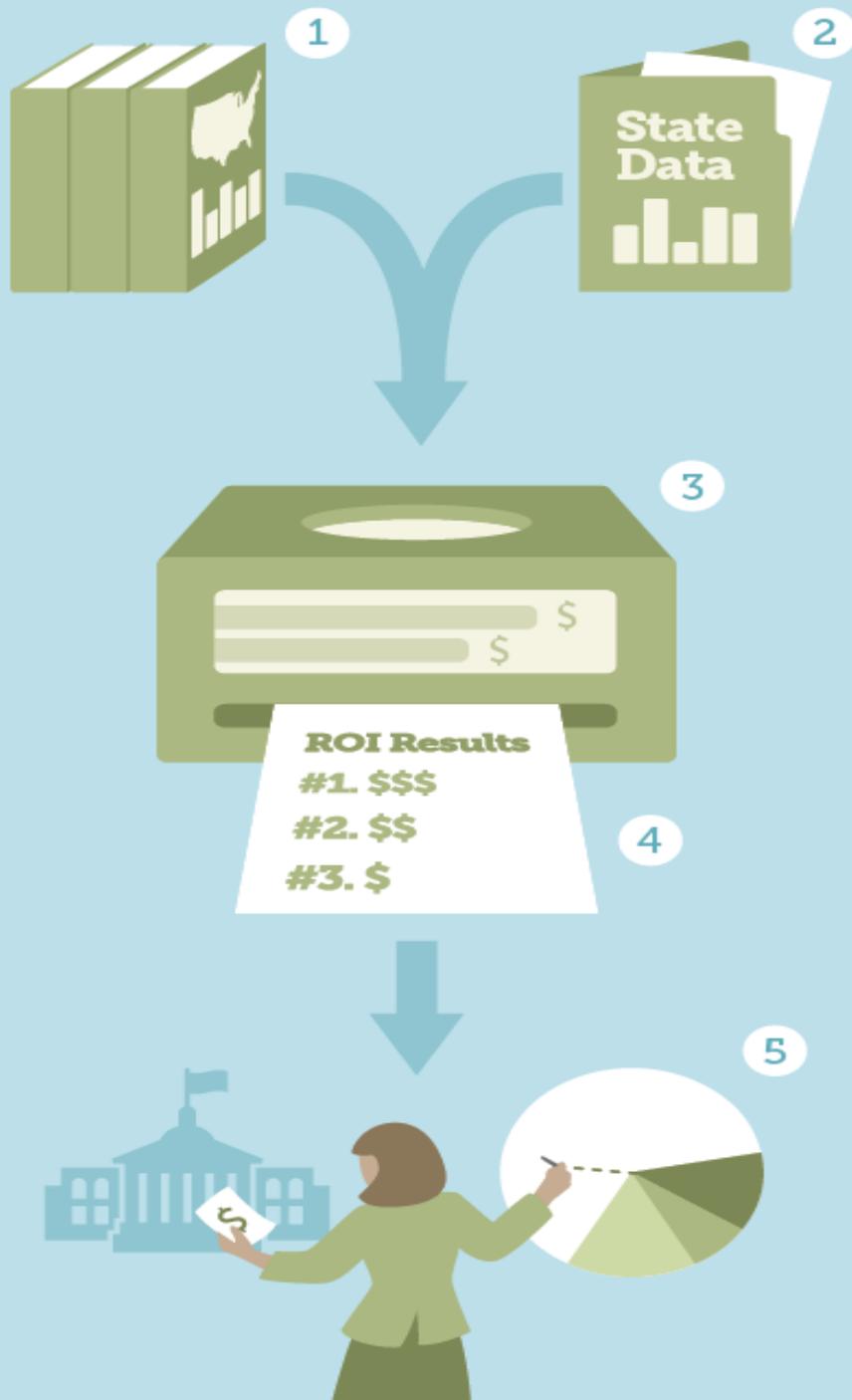
- Significant issues:
  - LFC found continued evidence of competition among 4 year old programs such that some markets become oversaturated and programs potentially lose funding.

Percentage of 4-Year-Olds Served in Head Start, Childcare and Prekindergarten Programs by School District, 2018-2020



\*Note: Analysis assumes each slot is for a unique child. However, previous LFC analysis highlighted there are at least 1,100 duplicate slots.  
Source: LFC analysis of CYFD, PED, ACF Files





- 1 Results First provides a national database of evidence on program effectiveness.
- 2 The state adds and analyzes their own state-specific population and cost data.
- 3 The model calculates long-term costs and benefits for each program.
- 4 The model ranks programs according to their return on investment.
- 5 Policymakers consider the information during the budget process.

**For further information,  
please visit:**

[pewstates.org/resultsfirst](http://pewstates.org/resultsfirst)



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# LFC's *Legislating for Results* Framework: Evidence-Based Policy and Budgeting

	<b>Benefits to Tax Payers</b>	<b>Total Benefits</b>	<b>Total Costs</b>	<b>Benefits – Costs</b>	<b>Benefit to Cost Ratio (Return on Investment)</b>
<b>Home Visiting: Nurse Family Partnership</b>	\$9,868	\$28,789	\$2,967	\$25,822	\$9.70
<b>Prekindergarten</b>	\$16,362	\$40,743	\$7,000	\$33,743	\$5.82
<b>Head Start</b>	\$7,167	\$22,452	\$8,564	\$13,888	\$2.62
<b>Home Visiting: Parents as Teachers</b>	\$2,282	\$4,561	\$3,137	\$1,595	\$1.54
<b>Home Visiting: Other</b>	\$2,210	\$4,419	\$2,970	\$1,449	\$1.49
<b>K3 Plus</b>	\$1,535	\$6,122	\$4,562	\$1,560	\$1.34
<b>Childcare*</b>	\$683	\$3,092	\$6,532	\$3,441	\$0.47
<b>Early Head Start</b>	\$2,844	\$2,375	\$12,042	\$9,667	\$0.20

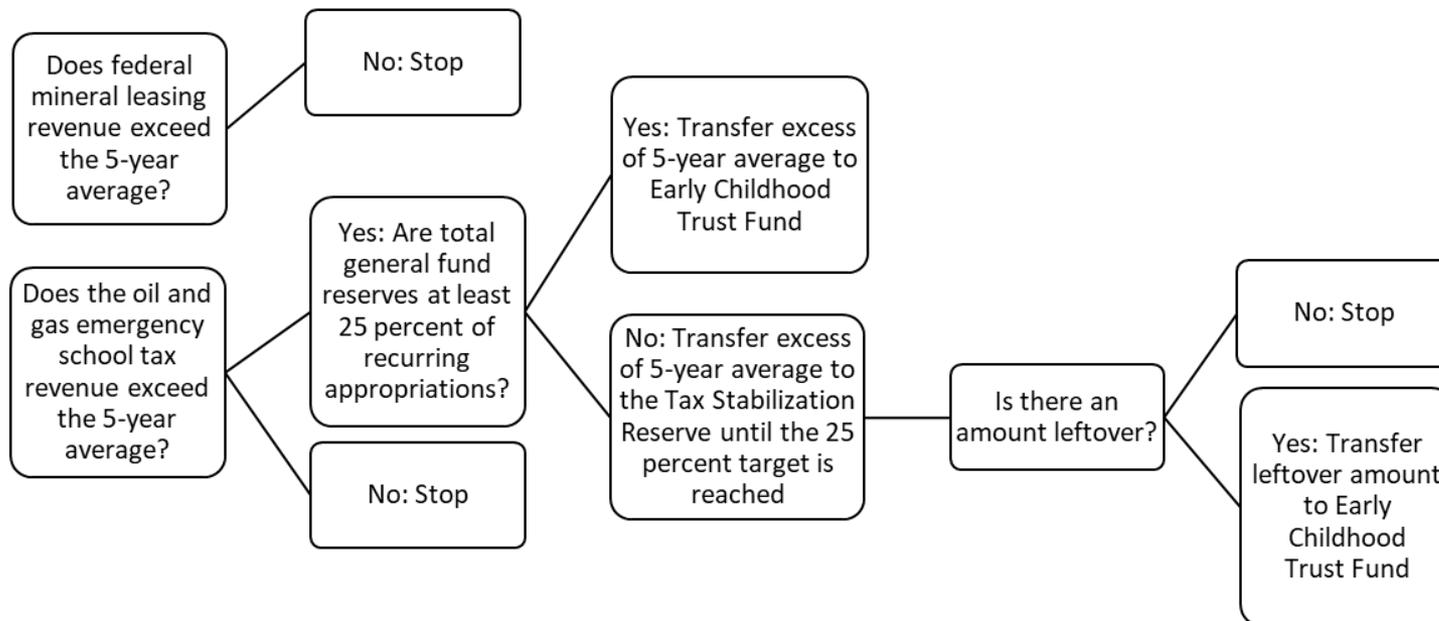
\*Childcare return on investment can be lower depending upon the star level.

Source: LFC analysis using the Pew MacArthur Results First Model.

New Mexico Results First: <https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2014/05/20/the-pewmacarthur-results-first-initiative-in-new-mexico>

# Early Childhood Education and Care Trust Fund

- House Bill 83 in the 2020 session created an early childhood trust fund to capture volatile windfall oil and gas revenues
- Simultaneously provides a stable source of funding for early childhood programs and increases general fund revenue stability
- At the end of FY20, the trust was endowed with \$300 million
- The trust fund has two potential revenue streams to capture windfall oil and gas revenues:
  - Bonus and royalty payments for production on federal lands (federal mineral leasing payments)
  - Oil and gas emergency school tax (when reserves exceed 25% of recurring appropriations)
- Based on the December 2019 revenue estimate, the fund had the potential to receive over \$575 million in distributions from FY21-FY24; however, after the recent oil price collapse, oil and gas revenue distributions to the fund in the next few years appears unlikely.





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## For More Information

- <http://www.nmlegis.gov/lcs/lfc/lfcdefault.aspx>

