NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

Program Evaluation Unit

Program Evaluation: Childcare Assistance Effectiveness

December 10, 2019

Report #19-06

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December 10, 2019

Brian Blalock, Secretary
New Mexico Children, Youth and Families Department
1120 Paseo De Peralta,
Santa Fe, NM 87501

Dear Secretary Blalock:

On behalf of the Legislative Finance Committee, I am pleased to transmit the program evaluation, *Childcare Assistance Effectiveness.* The evaluation analyzed the various outcomes of childcare assistance, and examined the current quality rating system, coordination with other early childhood programs and the childcare workforce.

The report will be presented to the Legislative Finance Committee and public on December 10, 2019. An exit conference was held on December 4, 2019, with Children, Youth and Families Department representatives to discuss the contents of this report. The Committee would like a plan to address recommendations in this report within 30 days of the release of the report.

I believe this report addresses issues the Committee asked us to review and hope your organization will benefit from our efforts. We appreciate the cooperation and assistance we received from your staff.

Sincerely,

David Abbey, Director

Cc: Senator John Arthur Smith, Chair, Legislative Finance Committee
        Representative Patricia Lundstrom, Vice-Chair, Legislative Finance Committee
        Olivia Padilla-Jackson, Secretary, Department of Finance and Administration
        John Bingaman, Chief of Staff, Office of the Governor
        Dominic Gabello, Senior Advisor for Policy and Strategy, Office of the Governor
        Mariana Padilla, Director, New Mexico Children's Cabinet
        Elizabeth Groginsky, Secretary Designate Early Childhood Education and Care Department

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Evaluation Objectives

- Determine the outcomes of the current childcare quality rating system and performance oversight

- Examine program rating and quality

- Examine coordination and capacity of childcare

- Analyze New Mexico's childcare workforce needs

Chart 1. CYFD Childcare Funding Sources by Fiscal Year
(in millions)
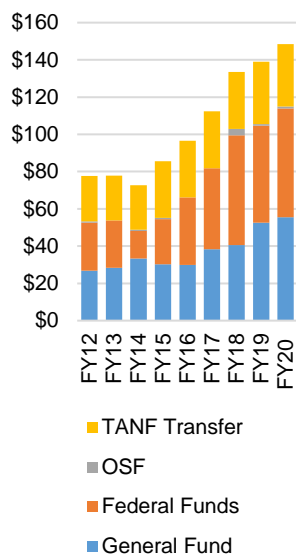
Source: LFC Files

Significant Investments in Childcare Quality Have Minimal Impacts on Outcomes

The mission of childcare assistance has grown since the early 1990's to include not only family income support and safety, but also child well-being and school readiness. New Mexico recently implemented a third-generation quality rating system to improve such outcomes. Of the $139 million spent on childcare assistance in FY19 $64.5 million was dedicated to differential reimbursements to support the implementation of this quality ratings system. However, there is little evidence that childcare assistance leads to improved educational outcomes and while participation in childcare assistance increased family income and improved some child health outcomes, these impacts occurred regardless of the program's quality rating. (Family income analysis did not look at the impact of providers' quality rating.) Important elements of a quality ratings system proven to impact outcomes such as teacher-child interactions are not being tracked. Coordination is also lacking resulting in loss of federal dollars but recent investments into programs to extend the school year will need to be considered given that 40 percent of childcare participants are school aged. Additionally, New Mexico has seen a 20 percent decline in births since 2010, which will impact future need and capacity. New Mexico has made significant investments in childcare more than doubling funding since FY14 from $72 million to $149 million in FY20, and although childcare assistance reimbursement rates are relatively high compared to the rest of the nation, average childcare worker wages are relatively low signaling that this investment is not being passed along to childcare workers. This evaluation report includes recommendations to improve the current quality rating system, increase coordination with early childhood programs, and increase reporting and monitoring of childcare programs.

Key Findings

- Childcare assistance did not lead to measurable improvement in educational outcomes. The program did lead to positive impacts for family income and child well-being, but these effects occurred regardless of the ranking of the program. The specific effects found were:
    - No educational impact in either Kindergarten or 3rd grade and no impact of quality on school readiness;
    - Some providers did have higher educational outcomes;
    - Increased family income; and
    - Increased utilization of well-child checks and dental visits

- The state's current childcare provider rating system does not quantify teacher child interactions, which have been shown to lead to improved outcomes for children and to increase the validity of quality rating systems in other states which may help explain the lack of impact on school readiness.

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- Many children in childcare assistance are school aged and could be served through afterschool and extended learning programs although these programs are not all day or all year. Furthermore, coordination of childcare assistance with other early childhood programs can allow for care of children throughout the workday.

- The state's childcare assistance reimbursement rates are among the highest in the nation but childcare workers have lower wages than the national average.

Key Recommendations

The Legislature should consider

- Amending the Early Childhood Care Accountability Act to include measures of child health and social-emotional development, family economic improvement, and parental employment, and to create an evaluation plan focused on examining the various outcomes of childcare;
- Amending state law to allow the Taxation and Revenue Department to share tax return information with appropriate agency and legislative economists; and
- Providing funding to incentivize early childhood partnerships with Head Start agencies.

The Children, Youth and Families Department and the Early Childhood Education and Care Department should:

- Regularly track and report outcomes related to child social emotional and physical health as well as parental employment;
- Study amending administrative rule to include outcomes for childcare assistance as a metric of quality to allow high performing childcare providers to receive higher reimbursement rates up to a 5-star rate;
- Incorporate quantitative assessments of teacher-child interactions and classroom environment into the state's quality rating system using validated measures such as the Classroom Assessment Scoring System (CLASS) and Early Childhood Environment Rating Scale (ECERS);
- Partner with UNM's Early Childhood Services Center to design professional development training activities that are active, collaborative, and embedded within a classroom context where teachers can receive consistent, non-evaluative feedback about their interactions with children;
- Ensure parents of school age children are informed of all relevant programs, including public education department programs available to their child prior to childcare assistance enrollment;
- Study optimizing funding to children under preschool age to avoid duplication of services with early childhood education programs and school extended learning programs;
- Invest in a workforce registry to track the childcare workforce. Specifically, place of employment, years of experience, training completed, certificate or degree attainment, wages and turnover; and
- Monitor retention and turnover of the childcare workforce to determine the effects of the scholarship, wage supplement and other incentive programs.

Childcare Assistance

Originally established to help families enter the workforce, childcare assistance now has added missions including child educational outcomes.

In the 1930s, Works Progress Administration (WPA) funds were dedicated to emergency nursery schools with the primary purpose of providing government-paid jobs for thousands of unemployed teachers, nurses, and cooks. The demand for childcare surged during World War II, as women worked in factories to replace men heading to war. As women's' entry into the workforce accelerated between 1950 and 1970, childcare centers became a necessity. Between 1947 and 1970, the labor force participation rate for women with children under 18 more than doubled rising to 42 percent. By 1986, 63 percent of women with children under 18 worked outside the home.

The federal government also recognized the need for addressing educational outcomes and based on the latest research at the time on the effects poverty play on education, Head Start, a program targeted towards low-income children, was established in 1964. Head Start's goals were to break the cycle of poverty and provide preschool children of low-income families with a comprehensive program to meet their emotional, social, health, nutritional and psychological needs.

In 1990, Congress established the Child Care and Development Block Grant (CCDBG), to provide direct assistance to low-income families to help them afford childcare. Since the establishment of the CCDBG, this mission of child care assistance has grown.

The quality rating system movement started in the 1990s after national research into regulated childcare settings were found to be low in quality when measured by validated scales such as the Early Childhood Environment Rating Scale (ECERS). There was an identified quality gap between state-licensed childcare programs, which focused primarily on health and safety standards, and programs which sought voluntary national accreditation. The early quality rating systems were designed to encourage providers to work toward higher quality levels in steps by providing financial incentives and technical assistance. Features of early quality rating systems included tiered reimbursement for achieving different quality standard levels, degree and certificate requirements for educators, training requirements, and ultimately accreditation by a recognized national organization.[i]

New Mexico piloted the first quality ratings system in the country and recently fully implemented its newest quality ratings system Focus. The quality rating system movement was stimulated by the federal Race to the Top Early Learning Challenge (RTT-ELC) grants under President Obama's administration, in which many states developed quality rating systems or improved their current systems.[ii] The federal government also highlighted the

benefits of a quality rating system in the 2014 reauthorization of the CCDBG, tying quality to enhancing family and child outcomes such as school readiness.[iii] The state has also enhanced the mission of childcare through state law.

The Early Childhood Care Accountability Act calls for standards to promote child well-being, social-emotional support, early education, and an emphasis on school readiness for early childhood programs. In 2018, the state enacted the Early Childhood Care Accountability Act, which requires monitoring and reporting of key childcare performance outcomes including social-emotional health, immunizations, and school readiness. This act requires state standards to promote child well-being, early education, social-emotional support and focus on school readiness. Furthermore, the act also states Children, Youth, and Families Department (CYFD) and childcare providers should allow for the collection, aggregation, and analysis of common data. CYFD is required to report on some of these measures by the end of the calendar year.

According to the children's code, New Mexico's early care and education system should prepare students for success in school and later in life. The children's code is a section of state law (Chapter 32A NMSA 1978) that requires CYFD to monitor and report childcare assistance outcomes around school readiness and health. The children's code specifies New Mexico's early education and care programs should prepare children for success in school and later in life. The code also outlines that the purpose of the state's early childhood programs, including childcare, is to help children enter school ready for success. Additionally, the statute also includes specific factors that early childhood programs should adhere to ensure success: being data-driven, accountable, of high quality, and aligned with the community.

According to the Children's Code, early childhood care and education programs should be:

(1) Developmentally, culturally and linguistically appropriate and include the implementation of program models, standards and curriculum based on research and best practices;
(2) Data-driven, including the identification and prioritization of communities most at risk while striving to make the system universally available to all those who wish to participate;
(3) Accountable through developmentally appropriate methods of measuring, reporting and tracking a child's growth and development and the improvement of the system's programs;
(4) Accessible, especially to those children most at risk for school failure;
(5) Of the highest possible quality through the use of qualified practitioners who have completed specialized training in early childhood growth, development and learning specific to the practitioner's role in the system and the maintenance of quality rating methods for the programs in the system;
(6) Fully aligned within each community to ensure the most efficient and effective use of resources by combining funding sources and supporting seamless transitions for children within the system and for children transitioning into kindergarten;
(7) Family-centered by recognizing parents are the first and most important teachers of their children and providing the support and referrals necessary for parents to assume this critical role in their child's development; and
(8) A partnership between the state and private individuals or institutions with an interest or expertise in early childhood care and education.

Source: NMSA 1987, 32A-23A-3

The Early Learning Advisory Council's Priority Goals
1. Accessibility to High Quality Early Childhood Programs
2. *Improve School Readiness (now and at 3rd grade)*
3. High Quality Early Childhood Workforce

The Early Learning Advisory Council (ELAC) includes school readiness as one of its main strategic goals. ELAC was established in 2011, as a way to ensure state agency accountability with the federal Early Childhood Care and Education Act. The mission of the council is to create a quality, sustainable, and responsive early care and learning system, for children birth to age 5 and their families by building partnerships, integrating systems, and making strategic, research-based, and data-driven recommendations to policy makers and stakeholders. To accomplish this mission, ELAC creates priority goals, one of which is to ensure school readiness for all children in New Mexico.

Table 1. Childcare Mission in 1990 and 2019 (Source)

1990	2019
Income support (CCDBG)	Income support (CCDBG)
Health and safety (CCDBG)	Health and safety (CCDBG)
Parental choice and access (CCDBG)	Parental choice and access (CCDBG)
	School readiness (CCDBG, ELAC, ECCAA, Children's Code)
	Social-emotional support (ECCAA)
	Staff qualifications (ECCAA, ELAC)
	Culturally and linguistically appropriate (ECCAA, ELAC)

Note: CCDBG is the Childcare Development Block Grant, ELAC is the Early Learning Advisory Council, and ECCAA is the Early Childhood Care Accountability Act.

The Childcare Services Bureau within the Early Childhood Services Program of Children, Youth and Families Department (CYFD) administers the Childcare Assistance Program. The childcare program has a budget of $149 million dollars in FY20. Childcare assistance is a federally funded subsidy program for families with children between the ages of 6 weeks and 13 years whose families make less than 200 percent of the federal poverty level, or $41.5 thousand a year for a family of three (although families can stay enrolled in the program up to 250 percent of the federal poverty level) and who work or attend training and education programs.

Head Start is another early childhood program that is fully federally funded at $70 million in FY19. Funding for Head Start has increased since FY13 by $8.5 million while enrollment has decreased by about 30 percent. This decrease might be due to the increased slots in programs such as childcare assistance and prekindergarten, which create potential competition for childcare services.

Funding and Enrollment Trends

Childcare is mostly federally funded through block grants. Childcare is funded through a combination of federal block grants (Childcare Development Fund, and Temporary Assistance for Needy Families) and state appropriations (general fund). Specifically, childcare is funded through a combination of federal block grants (Child Care and Development Fund (CCDF), and Temporary Assistance for Needy Families (TANF) and state appropriations (general fund).[iv]

The total budget for childcare has more than doubled since FY14 from $72 million to $149 million in FY20. Both state general fund and federal CCDF money have more than doubled. The state general fund appropriation for the childcare subsidy program has increased from $26 million in FY12, to $56 million in FY20. The CCDF fund allocation increased from $26 million in FY12 to $58 million in FY20. The majority of the increase has gone to attempting to improve and incentivize providers to improve quality through increased subsidy rates.

Chart 2. CYFD Childcare Funding Sources by Fiscal Year
(in millions)

■ General Fund ■ Federal Funds
■ OSF ■ TANF Transfer
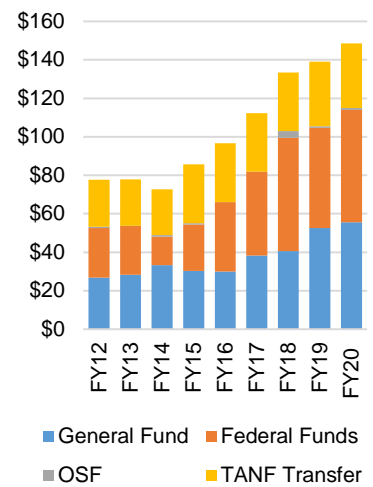
Source: CYFD

Chart 3. Average Number of Children Served per Month in Childcare Assistance, FY12-FY19
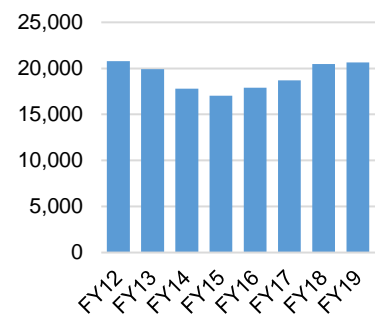
Source: CYFD

Both Aim High and Focus ranked providers from 2 to 5 STARS.

- 5 star providers are the highest ranked.
- 2 star providers are not actively participating in the rating system.
- Registered homes are licensed only and do not participate in the rating system.
- Nationally accredited centers receive the 5 star or highest ranking.

Table 2. Childcare Provider Ratios for Aim High and Focus

Aim High (4 and 5 star)		Focus (5 star)	
Age (months)	Ratio	Age (months)	Ratio
0-24	5 t0 1	0-28	4 to 1
24- 35	8 to 1	21-36	6 to 1
36- 59	10 to 1	30-48	9 to 1
60 - 83	12 to 1	48- 60	10 to 1

Source: NMAC

Chart 4. Maximum Monthly Reimbursement Rates for 5-Star Childcare by Age for Aim High and FOCUS
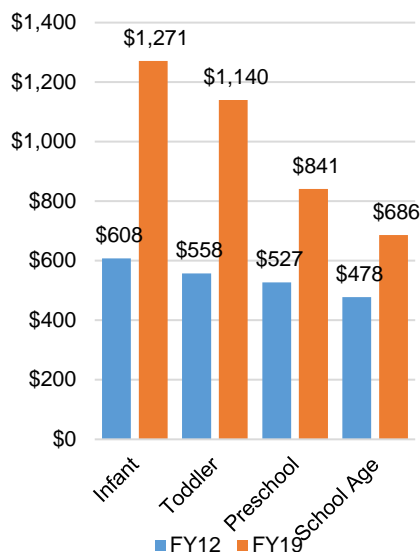
Note: FY12 rate is for licensed metro childcare center childcare.

Source: CYFD

New Mexico recently changed its quality rating system, which increased the cost of childcare assistance. With the intention of improving quality, New Mexico adopted the first quality rating system in the nation in 1997. These systems designate ratings to childcare providers and ratings are accompanied by differential reimbursement rates. The state transitioned to the Aim High system in 1999, awarding programs between two and five stars based on various quality standards, with nationally accredited programs receiving the highest five-star rating. The state implemented its third-generation tiered quality rating improvement system (TQRIS), Focus On Young Children's Learning (hereafter, Focus) in 2012, fully adopting the system by 2018. Focus mirrors many of the standards and practices established by New Mexico's prekindergarten programs for 3- and 4-year-olds, with Focus 4 and 5 star standards similar to the standards set for CYFD New Mexico prekindergarten. Differences includes prekindergarten programs having a stronger emphasis on assessment of children and the classroom environment including teacher preparation.

During Focus implementation between 2012 and 2018, childcare providers began working to meet the new standards outlined in Focus, which include lower staff-to-child ratios, and practices related to assessing and documenting children's learning and development. In recognition of the expenses associated with these efforts, reimbursement rates for Focus are substantially higher than they were under Aim High.[v]

Essential Elements of FOCUS

1. Authentic Observation Documentation and Curriculum Planning
2. Family Engagement
3. Inclusive Practices for Children with Developmental Delays or Disabilities
4. Culture and Language Support
5. Promoting Social Relationships
6. Health Promotion and Developmental Screenings
7. Professional Qualifications
8. Staff :Child Ratios
9. Environment
10. Program Administration and Intentional Leadership Continuous Quality Improvement

Source: CYFD

Prekindergarten Program Standards

1. Health Safety and Nutrition
2. Full Participation of Each Child
3. Developmentally Appropriate content, environment and curriculum
4. Assessment of Children
5. Evaluation and Continual Improvement of Programs
6. Professionalism
7. Administration of New Mexico Preschool Programs

Source: CYFD

Rate increases have driven increased childcare costs as opposed to changes in enrollment. From FY13 to FY19 cost per child rose by 72 percent. This increase in cost is likely due to rate increases rather than enrollment increases. In FY19, childcare assistance average monthly enrollment was 19,977, an increase of 4 percent since FY13 and a 10 percent increase from FY17. However, the average monthly cost per child of $565 for FY19 is $68 more per child per month than FY17, and $15 more than in FY18 and 72 percent more than in FY13. At $565 per child per month, it will cost an additional $6.8 million for every 1,000 additional children served in 12 months of childcare. The cost of childcare for children who are school age is less at $368 per month. Total direct spending for childcare assistance in FY19 was $139 million. In FY19, childcare assistance received an additional $22 million in general fund and $3 million from TANF to close a budget deficit and funding increased close to $150 million in FY20.

New Mexico has the most generous eligibility criteria and highest childcare participation rates in the nation. In 2008, CYFD received additional funding to expand childcare assistance subsidies to families making up to 200 percent of the federal poverty level. As a result, a 2016 U.S. Government Accountability Office report[vi] on access to childcare subsidies found New Mexico had the most liberal eligibility criteria and highest participation rates in the nation compared with other states. Of eligible New Mexico children, 21 percent received subsidies for childcare, above the national average of 11 percent. In 2019, CYFD expanded eligibility further by promulgating new rules to move the exit criteria from 200 percent of the federal poverty level to 250 percent of the federal poverty level for those currently on childcare assistance.[vii]

Providers may be incentivized to move up star levels by higher reimbursement rates. In FY18, 60 percent of children attended "high quality", 3, 4, and 5 star programs (Appendix C). This shift of providers from lower to higher star levels, increases the provider reimbursement rate, which in turn increases the cost of childcare assistance. The reimbursement rates are set by CYFD based on biennial market rate studies. The setting of reimbursement rates can incentivize or disincentivize providers to enroll children on childcare assistance because providers will favor families who can pay them the most.[viii] During the Early Childhood Care and Education Department's budget preview in October 2019, the new department estimated that by expanding childcare assistance exit eligibility requirements from 200 to 250 percent of the federal poverty level, 4,000 additional children are expected to stay enrolled, at a cost of around $26 million.

What we know from previous research.

Childcare helps support the economy in New Mexico. There is a growing body of research on the value of early-childhood programs for at-risk children. One study estimated that the life-cycle benefits of an influential early childhood program targeted at disadvantaged children, and monetized the benefits and cost across multiple domains (health, parental labor income, crime, and program cost). estimated an internal baseline rate of return of 13.7

Chart 5. Childcare Assistance Enrollment and Monthly Cost Per Child
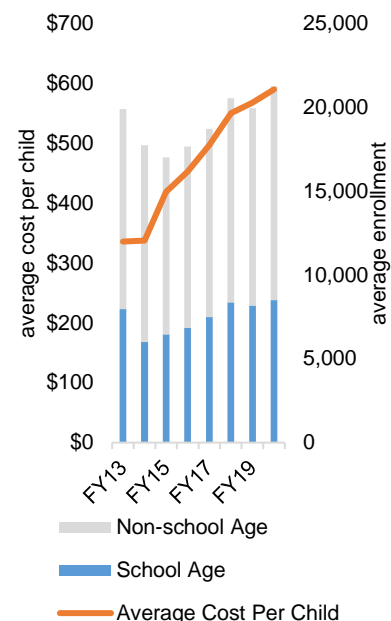
Note: FY20 data is projected.
Source: LFC analysis of CYFD data

Figure 1. Percent of Children meeting Federal and State Childcare Assistance requirements who Received Subsidy
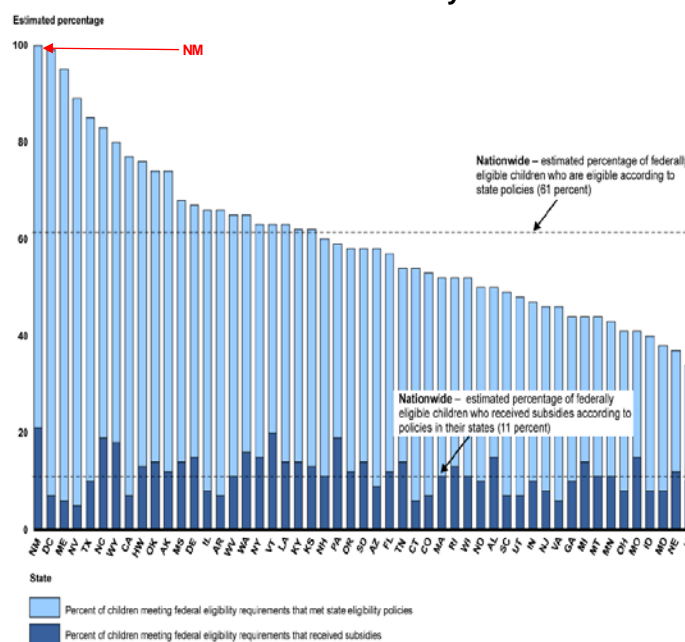
Source: Government Accountability Office 2016

percent per year and concluded that investing in high-quality early childhood programs is highly socially profitable.[ix] However, this research usually examined prekindergarten type programs rather than childcare.

A 2016 University of New Mexico report of childcare highlighted national research shows families with access to childcare subsidies are more likely to be employed or in school and experience fewer work disruptions related to childcare.[x] This can allow parents to advance in their jobs, increase their earnings, and create stable, predictable homes for their children. New Mexico's childcare system, and childcare assistance in particular, seeks to make these two-generation benefits available to families who might otherwise not be able to afford high-quality care.

This same report also points out childcare assistance plays a key role in the childcare sector for the state due to the high number of low-income families in New Mexico. [xi] According to a national business-led nonprofit, the Committee for Economic Development, 65,653 New Mexico children are enrolled in childcare during any given week. There are 2,682 childcare providers with revenue of $244 million in the state. This includes 2,304 home-based providers and 378 childcare centers.[xii] The total estimated economic impact to the state in 2016, based on the size of the market-based childcare industry, was $434 million. The childcare industry accounts for 10,172 jobs, 7,918 business owners and employees, and 2,255 spillover jobs in other industries.

Figure 2. Childcare Impact on New Mexico's Economy

SIZE OF THE MARKET-BASED CHILD CARE INDUSTRY IN NEW MEXICO

Total ECONOMIC impact (2016)
$434 million
$244 million
child care revenue
PLUS
$190 million spillover
in other industries

Total EARNINGS impact (2016)
$182.1 million
$123 million
employee compensation and
sole proprietors' earnings
PLUS
$58.9 million spillover
earnings in other industries

Total JOBS impact (2016)
10,172 jobs
7,918
sole proprietors and wage
and salaried employees
PLUS
2,255 spillover
jobs in other industries

Source: Committee for Economic Development, Child Care in State Economies: 2019 update

Previous reports found little evidence of childcare assistance in New Mexico affecting educational outcomes, a component of school readiness. Despite New Mexico making school readiness one of the goals of childcare participation, previous investigations of New Mexico's previous quality rating system failed to find childcare positively impacting educational performance, a component of school readiness.

- A 2009 LFC report suggested CYFD perform an evaluation to assess child outcome differences among different types of childcare providers, in various levels of quality center-based care with Aim High.
- A 2013 LFC report found small effects in kindergarten that dissipate by third grade. The report found that participating in childcare is not associated with better outcomes on third grade reading or math scores compared with non-participant peers, regardless of the childcare provider's quality rating, duration of attendance, or type of care.
- A 2015 LFC report found, despite significant investments, childcare assistance for low-income children fails to improve school readiness and early literacy.
- Similar to the 2013 LFC study, a 2018 University of New Mexico Cradle to Career Policy Institute report found small educational gains for students in the lowest quality of care (registered homes) and the highest quality of care(4 or 5 star centers). These differences were found on the previous tool used to measure school readiness in kindergarten (DIBELS) and were not pronounced unless individuals were in childcare assistance for a long time.

Chart 6. Average SBA Reading Scaled Scores SY11 & SY12 Cohort
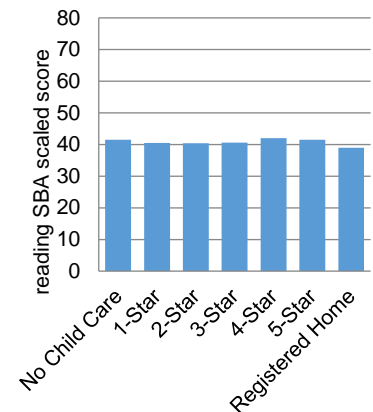
Source: LFC 2913 evaluation report

New Mexico has lost federal dollars due to a lack of program coordination. Multiple reports over the last several years identified the problem of increasing supply of 3- and 4-year-old services from state-funded prekindergarten, childcare assistance, and Head Start. A 2013 LFC report stated the lack of Head Start cooperation and coordination resulted in inefficient resource allocation and potentially hindered school readiness. Due to unnecessary competition and lack of collaboration between Head Start and prekindergarten providers, the state lost roughly $1 million in federal Head Start funds. The report went on to state poor coordination and bifurcated funding hampers Head Start accountability and complicates the expansion of New Mexico prekindergarten. Furthermore, Head Start enrollment for 3-5-year-olds has declined from over 9,000 slots in federal FY12 to 6,500 in federal FY18, with many slots moving to Early Head Start.[1]

Figure 3 Percentage of 4-Year-Olds Served in Head Start, Childcare and Prekindergarten Programs by School District, 2018-2020
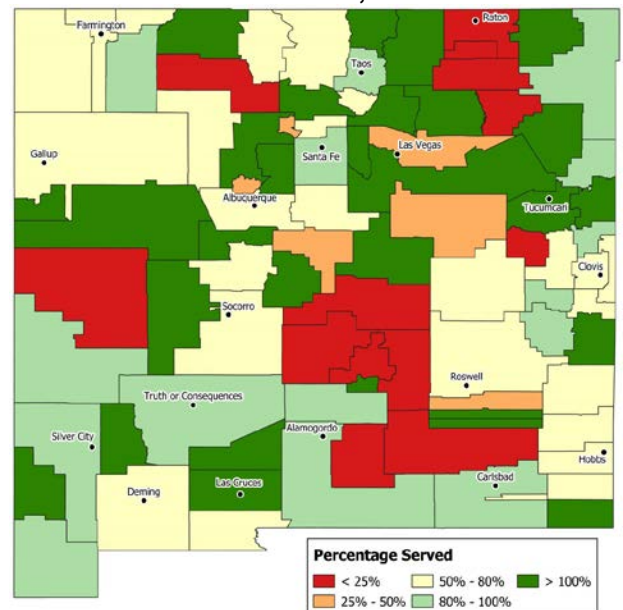
Note: Analysis assumes each slot is for a unique child. However, previous LFC analysis highlighted there are at least 1,1000 duplicate slots.

Source: LFC analysis of PED, CYFD and Head Start data

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[1] These numbers look at enrollment rather than slots. If slots are examined, the total number of combined Head Start and Early Head Start slots has not significantly changed since 2014.

Chart 7. Number of New Mexico Live Births

Year	Births
2014	25,982
2015	25,730
2016	24,503
2017	23,708
2018	22,249
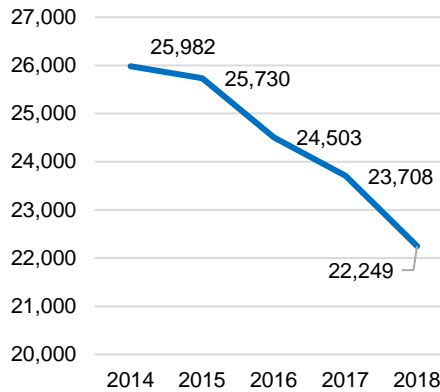
Source: HSD and DOH

Programs Moving to the Early Childhood Education and Care Department:

- Childcare
- Prekindergarten
- Early intervention services (FIT)
- Home visiting (parental supports for new families)
- Head Start

If the state and Head Start providers do not coordinate early childhood programs more closely, New Mexico will be at continued risk of declining federal funds. Previous LFC estimates show when comparing available slots for childcare assistance, Head Start, and prekindergarten enrollment to kindergarten enrollment by school district, almost a third of school districts have above 100 percent capacity to serve 4-year-olds in their community, while 12 school districts have capacity to serve 25 percent or less of 4-year-olds. Furthermore, the birth rate in New Mexico declined 19.6 percent between 2010 and 2018. This decline in birth rates will need to be considered when projecting service need in the coming years. The declining births, as mentioned in the 2019 LFC Northern School District evaluation, is already impacting K-12 enrollment.

To improve coordination, the Legislature created the Early Childhood Care and Education Department and the childcare program will transfer to this department July 1, 2020. During the 2019 session, the Legislature approved and governor signed a bill to create a new Early Childhood Education and Care Department (ECECD), which will house home visiting (including Families FIRST), early intervention (Families, Infants, Toddlers), prekindergarten, childcare, and Head Start. The intent of combining these programs under one agency is to, in part, improve communication and help remove duplication of services among the programs newly housed there. However, without close attention to each program's current service structure, goals, and needs, the new agency might not lead to any substantive outcome changes for the state or families in need. Data-sharing agreements, co-location, and clearly stated plans for collaboration should make it so programs offer their services in a strategic and coordinated way.

Childcare Participants are not More School-Ready Than Their Peers

CYFD has not defined or measured educational success for childcare programs.

Childcare assistance, similar to other early childhood programs, might have a variety of impacts, but many have not previously been measured in New Mexico. Early experiences that help children thrive include stable and nurturing relationships with caregivers, language-rich environments, and encouragement to explore through movement and the senses.[xiii] In a systematic review of the literature on the effects of early childhood development programs,[xiv] early childhood programs can have a number of positive effects. Specifically, early childhood programs might lead to improved school readiness, social emotional behavior, physical health, and family factors. Early childhood programs cover various services for young children and their families, and it is important to determine which services provide which benefit. This importance is increased because both federal and state government have prioritized school readiness as part of the mission of childcare programs. In theory, improved inputs ensured through the implementation of the state's quality ratings improvement system Focus, should lead to improved school readiness.

Other states define school readiness and define associated measureable outcomes. Legislature in other states have defined school readiness as well as identified tools to measure components of school readiness. For instance, in 2008 Colorado passed Colorado's Achievement Plan for Kids, which required the state Board of Education to define school readiness and adopt at least one assessment aligned with the definition of school readiness.[xv] Currently Colorado uses the Istation as one approved measure of the literacy component of school readiness. Additionally, in Texas there is a school readiness certification system as part of the state's quality ratings system which gathers information on prekindergarten activities along with measures of school readiness at kindergarten entry, including Istation. New Mexico, along with 14 other states already use Istation and could identify it as a metric in a suite of tools to measure school readiness. In New Mexcio, the legislature should consider defining school readiness in statute and identify measure and reporting requirements for the new department.

Childcare Assistance does not Improve Child Educational Outcomes.

The significant investment in Focus has not resulted in measurable improvements in school readiness. As further discussed later, the state's differential reimbursement rates cost the state up to $64.5 million a year and CYFD continues to invest heavily in its quality rating system. The highest quality level is reimbursed up to 338 percent more than the lowest quality level, depending upon age group.

Federal and State Efforts that Propose Education and School Readiness as a Goal of Childcare:

- Child care Development Block Grant
- Children's Code
- Early Child Care Accountability Act
- Early Learning Advisory Council
- FOCUS childcare standards

The highest quality level is reimbursed up to 338 percent more than the lowest quality level, depending upon age group.

Istation:
Used in 15 states, Istation is a nationally normed computer-based assessment of reading proficiency among students from kindergarten to third grade. Kindergarten beginning-of-year Istation scores were used by LFC as a measure of school readiness.

Source: Isation

TAMELA (Transition Assessment for Mathematics and English Language Arts):
New Mexico's official student assessment for third through 11th graders of reading and math in 2019. This test has set proficiency levels that indicate students are able to meet grade level competencies.

Source; PED

LFC analysis indicates childcare assistance participation did not improve student educational outcomes for 3 and 4 year old participants in kindergarten (similar effects were also found for third grade)[2]. The population evaluated does not constitute all children in childcare or childcare assistance. The evaluation focused on children who participated in childcare assistance from FY15 to FY18 who were 3 or 4 years old. To ensure the childcare assistance children and comparison groups were as equal as possible, LFC ran numerous types of analyses and matched the groups in regards to income status, school district, special education status, and English proficiency.

Chart 8. Effect of Childcare Assistance on Low-Income 2018-19 Beginning-of-Year Istation Proficiency Rates
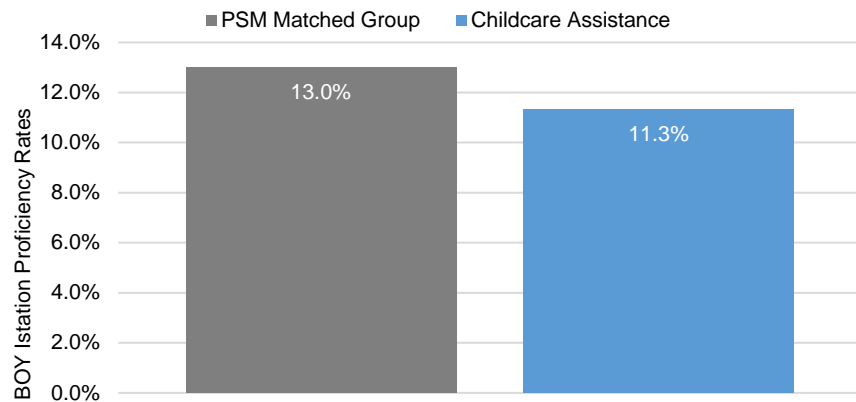
Source: LFC analysis of CYFD and PED data

Participation in higher rated childcare does not result in measurable educational benefits despite 5 star providers costing 171 percent more than home-based care. LFC staff found no significant effects on school readiness regardless of FOCUS rating, even for children who received childcare services from highly rated childcare providers (5 star).

Because the state is investing in quality childcare through differential reimbursements and its quality rating system, higher-rated childcare providers should be expected to produce better outcomes. However, when examining educational performance, a provider's quality rating does not produce significantly different educational outcomes. In terms of school readiness, children who attended a 2 to 5 star childcare provider or a registered home did not have significantly different outcomes as measured by kindergarten beginning-of-year Istation results. Children who attended 5 star childcare providers, the highest-rated providers, did not have significantly better educational outcomes than children who attended lower-rated childcare providers.

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[2] Data for the third grade analysis examined children in childcare in 2015, before FOCUS was fully implemented. Therefore many of these children were enrolled in programs using the last quality rating system, AIM HIGH. For more information regarding the analyses performed see Appendix B.

Chart 9. Average Kindergarten Beginning-of-Year Istation Proficiency Rates SY17, SY18, & SY19 by Focus Star Level

Istation proficiency rates

- No Childcare: All — 30%
- No Childcare: FRL — 23%
- Registered Home — 19%
- 2-Star — 22%
- 3-Star — 20%
- 4-Star — 25%
- 5-Star — 22%

Source: LFC analysis of CYFD and PED data

Chart 10. Average SY 19 3rd Grade TAMELA Reading Proficiency Rates by Focus Star Level

3rd grade TAMELA reading proficiency rates

- No Childcare: All — 28%
- No Childcare: FRL — 21%
- Registered Home — 18%
- 2-Star — 21%
- 3-Star — 17%
- 4-Star — 25%
- 5-Star — 21%

Source: LFC analysis of CYFD and PED data

Prekindergarten continues to be associated with significantly higher scores on both reading and math through third grade compared with children enrolled in childcare assistance. LFC staff also analyzed the 2018-19 third grade cohort who participated in CYFD childcare or New Mexico prekindergarten, or had no record of participating in early childhood services and compared their reading and math scores. The results showed those enrolled in prekindergarten had higher test scores than individuals in childcare assistance or those who did not participate in either program. Several other factors were also predictors of third-grade performance, including the school composition (percentage of students qualifying for free or reduced-price meals and minority enrollment) and individual student differences (minority status, income, English-learner status, gifted status, and ethnicity).

The observed outcomes support previous findings by LFC staff in 2013 and national research[xvi] that there are few associations of quality rating systems with outcomes and programs with high-quality ratings do not produce better outcomes than programs wit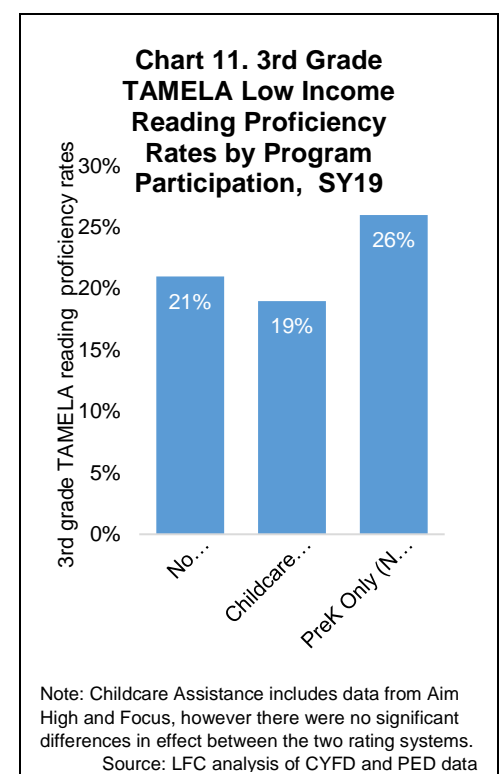h low ratings. One reason prekindergarten might have better educational outcomes than childcare could be the differences in standards. Prekindergartens are required to use a curriculum that focuses on the comprehensive needs of the child, cap class sizes at 20 students, and employ a consistent assessment framework monitoring student learning outcomes. Importantly, while the state is paying for and focusing on school readiness and educational outcomes for childcare assistance as per the Early Child Care Accountability Act,[xvii] there are no educational outcomes for childcare assistance.

Some select childcare providers do see impacts on education regardless of Focus quality level. Eleven providers had students with higher test scores than children who did not participate in childcare assistance. This indicates some childcare centers are beating the odds with higher kindergarten reading assessment scores than children not participating in childcare assistance. These providers may structure their program differently than other childcare centers such as administrative support and low teacher turnover. At one of these centers the provider monitored the classroom environment with evidence based tools, used this data for program feedback, and coordinated services for children that needed them. The program employed a number of approaches considered evidence-based or best practices, including assessing the classroom environment, using an evidence-based curriculum, encouraging professional

Chart 11. 3rd Grade TAMELA Low Income Reading Proficiency Rates by Program Participation, SY19

3rd grade TAMELA reading proficiency rates

- No... — 21%
- Childcare... — 19%
- PreK Only (N... — 26%

Note: Childcare Assistance includes data from Aim High and Focus, however there were no significant differences in effect between the two rating systems.
Source: LFC analysis of CYFD and PED data

development and parental engagement, and focusing on social-emotional health. The impacts of quality and coordination will be further discussed later in this evaluation, but it is important to note these factors could potentially improve child outcomes. Furthermore, these centers vary in their Focus quality ratings, from 2 to 5 stars.

Table 3. Kindergarten Reading Proficiency Rates for Children in Childcare Assistance by Childcare Provider, FY18/FY19

Center	City	Number of Students	Star Level	Proficiency Rate
A	Las Cruces	16	3 Star	31.3%
B	Albuquerque	14	5 Star (COA)	28.6%
C	Las Cruces	11	5 Star (NECPA)	27.3%
D	Las Cruces	15	4 Star	26.7%
E	Albuquerque	20	5 Star (COA)	20.0%
F	Rio Rancho	10	3 Star	20.0%
G	Albuquerque	10	5 Star (NECPA)	20.0%
H	Roswell	10	4 Star	20.0%
I	Farmington	10	2+ Star	20.0%
J	Las Cruces	20	5 Star (NECPA)	20.0%
K	Las Cruces	21	5 Star (COA)	19.0%
No Childcare Assistance		**20,563**		**18.7%**

Note: If the provider was nationally accredited, the accrediting body is included in parentheses.
Source: LFC analysis of PED and CYFD data

In 2015, the Center for Education Policy Research at the University of New Mexico conducted a review of high performing providers in New Mexico to evaluate best practices. The review found high performing providers prioritized the workforce and leadership, used or developed a curriculum focused on children's interests, created learning environments and classroom spaces to enhance teaching and student engagement, prioritized family engagement, offered some kind of dual language instruction, and emphasized social-emotional learning. CYFD and ECECD should review research on effective childcare and early childhood learning practices that lead to improved outcomes and promote best practices through differential reimbursement and the Focus standards.

Recommendations

The Legislature should consider:
- Defining school readiness in statute and identifying measures and reporting requirements for the new department.

The Children, Youth and Families Department and the Early Childhood Education and Care Department should:
- Track educational outcomes of childcare by star level and provider; and
- Review research on effective childcare and early childhood learning practices that lead to improved outcomes and incentivize providers to employ best practices through differential reimbursement and the Focus standards.

Childcare Has Some Positive Impacts on Child Well-Being

Enrollment in childcare assistance is associated with an increase in income for participating families. On average, family income increased by $3,500 during their enrollment in childcare assistance for families enrolled in childcare assistance between 2013 and 2017 and who filed taxes in New Mexico. This positive change in family income was statistically significant and the income growth was above what might be expected from inflation, although less than is spent on average for a child in childcare assistance totaling around $6,500 annually. Note that this analysis does not examine all potential economic benefits of childcare assistance such as a decrease in using other forms of public assistance and increased economic stimulus and focused on one year after exit from childcare assistance and benefits may change over time. The majority of families enrolled saw their incomes increase. However income decreased for a sizeable minority of families and relatively few families had no income change. Length of stay in childcare affects this relationship slightly as those families enrolled in childcare assistance had a slight increase to their income compared with those enrolled for a shorter time. The average length of stay in childcare was approximately 15 months. The Taxation and Revenue Department (TRD) conducted these analyses, because TRD cannot share tax return information even for evaluative purposes with the Legislature or other state agencies. The Legislature should consider requiring TRD to provide access by staff economists at LFC, TRD, the Department of Finance and Administration (DFA), and the Economic Development Department (EDD) to certain confidential taxpayer and business information held by TRD, EDD, and the Workforce Solutions Department (WSD). (See Appendix B for more details).

CYFD should work with TRD to regularly examine the effect of childcare assistance on family income, as well as to monitor the program for fraud, especially because families with relatively high incomes were enrolled in childcare assistance. (The maximum income reported at both entry and exit was above $100 thousand.) The federal government created a public assistance reporting information system (PARIS) in 1993 to monitor fraud in a number of public assistance programs, including childcare. States can enroll to use the system for any or all of their state programs. In the 2013 evaluation examining childcare, it was recommended CYFD begin using PARIS, but to date it has not. Other states currently use the PARIS program to monitor childcare assistance program integrity, potentially saving these states a large amount of federal funds. For example, New York provides data to PARIS and runs the system to check for any errors or potential fraud. Furthermore, TRD can also help the childcare program monitor program integrity by comparing reported family income reported for childcare assistance versus their reported adjusted gross income reported to TRD through tax returns.

Chart 12. Average Adjusted Gross Income At Entry and Exit of Childcare Assistance, 2013-2017
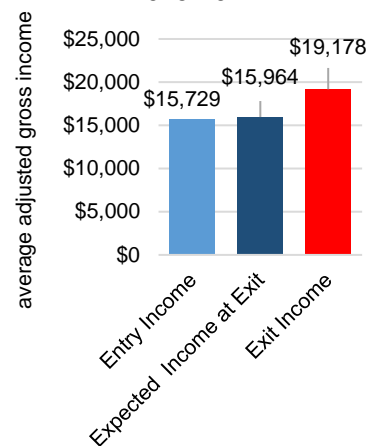
Source: TRD Analysis of CYFD data

Chart 13. Changes in Family Income While on Childcare Assistance, 2013-2017
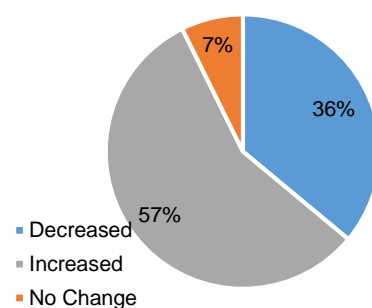
Source: TRD analysis of CYFD data

Chart 14. Percent of Children Under 6 Receiving Recommended Well Child Visits Using Administrative Data Only By Star Level, 2017
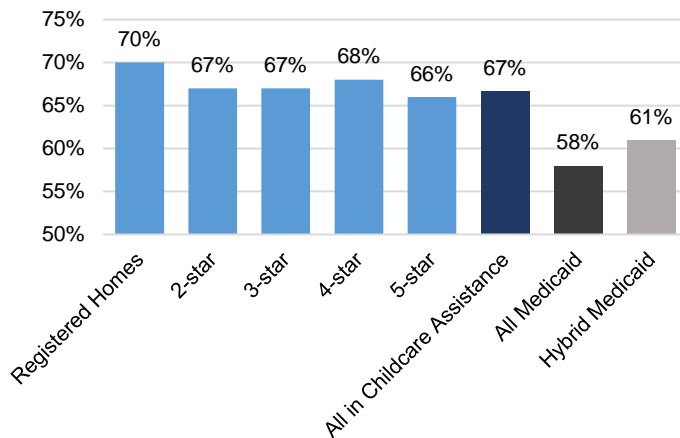
Note: All but the last column's rates are calculated from administrative data only and do not reflect the HEDIS published statewide rate, which uses a hybrid methodology (last column). Combining medical records and administrative data, the published rate is higher. The hybrid rate shown is the weighted average of the two hybrid HEDIS rates for children up to 15 months and 3-6 year olds.
Source: LFC analysis of HSD claims data with HEDIS technical specifications

Chart 15. Children Between Ages 2-6 Receiving a Dental Visit, 2017

Source: LFC analysis of HSD claims data with HEDIS technical specifications.

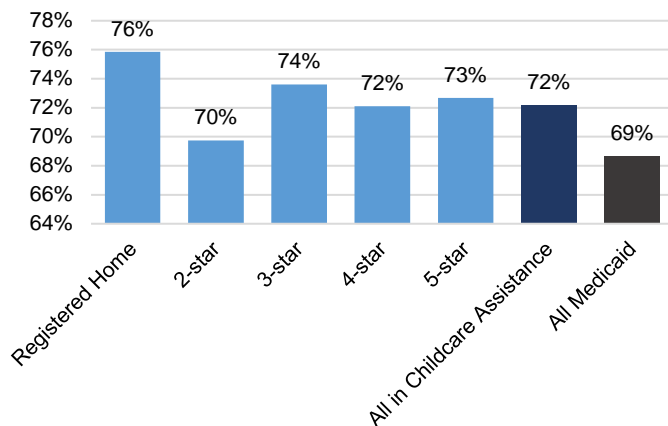*Enrollment in childcare assistance regardless of provider rating level is associated with increased likelihood of well-child health care visits.* Children in childcare assistance had an almost 10 percent higher rate of well-child visits than children not enrolled in childcare assistance and on Medicaid. This increase in well-child visits might lead to improved physical health outcomes. According to a 2001 Pediatrics article, an increased number of well-child visits during the first three years of life is associated with a decrease in hospitalization rates.[xviii] One reason children in childcare assistance might have increased well-child checks could be CYFD requires licensed providers to check whether children have well-child checks. However, the quality rating of childcare center had no effect on well child checks. ECECD should work with the Human Services Department (HSD) to monitor these outcomes and get individual level data to examine if effects overall are statistically significant or associated with star level.

Enrollment in childcare assistance regardless of star level also led to increased dental visits, but had no clear impact on immunizations. For dental visits, children participating in childcare assistance had slightly higher utilization rates, with childcare assistance increasing dental visits by 3 percent. Registered homes and 3 star providers had the highest rates.

Conversely, immunization rates were slightly lower for children enrolled in childcare assistance. However, only administrative data could be used to make the comparison, and administrative data is not as reliable for immunizations, according to HSD, given that immunization information might not be included in these types of records because vaccinations might not be paid with Medicaid funds. Additionally, for the current analysis, LFC staff was required to average across multiple immunization types, and this slight effect might not be meaningful. CYFD and ECECD should work with HSD and DOH to determine how to best measure immunization rates for children on childcare assistance and report these rates regularly. CYFD and ECECD should also regularly track and report rates of well-child checks and dental visits to determine the impact of childcare assistance on child physical health. (Appendix B).

Because star level did not correspond to an increase in utilization rates for either dental visits or well-child checks, ECECD should examine how programs are monitored to increase utilization across star levels.

Parents perceived positive child and family outcomes from childcare assistance despite evidence to the contrary for educational outcomes. A survey of 1 percent of parents in families exiting the Childcare Assistance Program in FY19 found almost all parents reported childcare assistance helped their families, largely by allowing their children to attend licensed or registered childcare. Specifically, 92 percent of parents surveyed stated they would have used informal childcare if they had not had access to childcare assistance.

According to the majority of parents surveyed, parents perceived that childcare assistance helped their child with school readiness (92 percent) and social-emotional well-being (88 percent). Parents also believe childcare assistance helped them in regards to employment (98 percent) and perceived it allowed the parent or parents to work longer hours (65 percent) which might be why the majority of parents also reported that childcare assistance helped make their family more financially sufficient (88 percent). Furthermore, the majority of parents also perceived childcare assistance helped the family improve their interactions.

Some of these qualitative factors can be quantitatively measured and show differences between parental perception and the reality of the program. Specifically, LFC staff did not overall see childcare assistance impact student test scores in third grade or kindergarten however, for a small number of providers, childcare assistance was shown to lead to improved test scores. However, TRD data found the majority of parents on childcare assistance receive a financial benefit from the program. Some of the factors parents mentioned cannot be measured with the current information collected by CYFD and other state agencies. These parental reports further highlight the need for CYFD to quantitatively measure child social-emotional well-being as well as family engagement to determine if these factors are actually impacted by childcare assistance.

Quality Does not Seem to Impact Frequency of Serious Noncompliance Incidents.

CYFD should track and monitor rates of reported serious noncompliance incidents across the state. These rates can provide important monitoring information for CYFD to establish acceptable benchmarks to plan efforts to reduce rates. Furthermore, data from reported incidents of serious noncompliance and noncompliance sanctions can be analyzed for trends to inform planning efforts to direct resources.

Rates of serious noncompliance ranged from 2.8 percent to 5.9 percent from FY14 to FY18, when there was a slight uptick from the previous year, from 4.2 percent to 5.9 percent. The types of serious incidents reported included enrollment over capacity, not completing background checks, unattended children, a child left in a van alone for more than 30 minutes, suspected abuse and neglect, and the presence of drug paraphernalia. Serious sanctions are just as likely for high quality providers as they are for lower quality providers. For 2 star providers, rates of serious sanctions ranged from 3.3 percent to 6.7 percent from FY14 to FY18. Serious sanctions for nationally accredited 5 star providers ranged from 1.1 percent to 5.3 percent from FY14 to FY18. In FY18, CYFD 5 star providers had a serious sanction rate of 9.1 percent. If centers rated as having higher quality are more likely to

Chart 16. Parent Reported Result of Accessing Care

Parent stated childcare assistance allowed family to use formal care
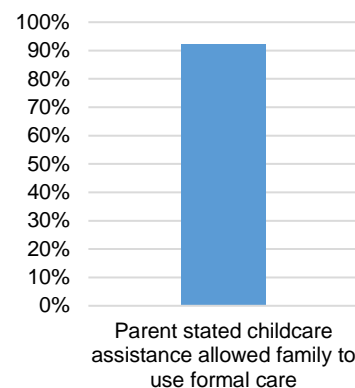
Source: LFC

Serious noncompliance is any noncompliant incident resulting in a sanction such as a fine, suspension or revocation or licensure, or condition or operation

Chart 17. Rate of Serious Noncompliance Sanctions by Number of Providers in Star Level, FY14-FY18

■ 2 STAR
■ 3 STAR
■ 4 STAR
■ National Accred 5 STAR
■ CYFD 5 STAR

Source: LFC analysis of CYFD data.

have problems with safety, this could impede their ability to reliably maintain quality. ECECD should monitor rates of serious incidents and establish benchmarks for acceptable rates. Additionally, ECECD should analyze trends in the types of serious sanctions reported. Monitoring and reporting to providers the rates and trends in reports of serious incidents can help inform project planning to direct resources and technical assistance to the field to reduce serious sanctions.

The State Needs to Improve Monitoring of Outcomes for Childcare Assistance

CYFD has not reported childcare assistance outcomes including school readiness. To date, CYFD has not reported outcomes of the Childcare Assistance Program in New Mexico, even though approximately 20 thousand children participate in the program annually and the current program cost is around $150 million of combined state and federal funds. CYFD only reports the proportion of children enrolled in four or five star care as well as the proportion of providers who have 4 or 5 stars. As statutorily required by the Early Child Care Accountability Act, CYFD should be reporting some childcare outputs to the Legislature by the end of 2019.

The Early Child Care Accountability Act requires annual reporting by CYFD regarding childcare, starting December 2019. In 2018, the Legislature passed and the governor signed the Early Child Care Accountability Act. This legislation requires CYFD to report annually to the Legislature on the state of early childcare starting in December 2019. Specifically, the act requires the state to report safety information, reasons for enrollment and family income, any evidence of improved school readiness, and the percent of children receiving developmental or health screenings. Requiring CYFD to report to the Legislature about childcare is a good first step; however, more information might need to be included. In light of the above findings, the Legislature might want to consider requiring additional measures including family income, rates of immunizations, well-child visits, and measures of child social-emotional health and family engagement (such as parent attendance at parent-teacher conferences and family-focused events). The Legislature should consider amending the act to require an evaluation plan. Furthermore, LFC, the Department of Finance and Administration, and either CYFD or ECECD should work together to determine performance measures focused on childcare assistance outcomes.

The ECECD may need to begin collecting additional information to more comprehensively examine childcare assistance. This information should include childcare attendance (rather than length of stay in childcare assistance), teacher turnover, and childcare provider director turnover. This information would be able to help determine what factors affect childcare assistance outcomes. Note that CYFD planned to implement an automated attendance system, but cut out the plan due to receiving less federal monies for development than anticipated.

New Mexico does not have a functional integrated data system for early childhood despite reports to the contrary, hindering analysis of current programs. Since 2015, the Department of Health (DOH), PED, and CYFD have dedicated staff and contractors to develop an early childhood integrated data system (ECIDS). The goal of creating ECIDS was to assist staff across agencies in making policy decisions and to track the effectiveness of early

childhood programs. As stated in a 2016 UNM report, "ECIDS is needed to examine school readiness outcomes which are important for assessing whether FOCUS is having desired effects." Despite a 2017 publication by the ECIDS contractor eScholar that "New Mexico now has a system that promotes accountability, tracks early learner outcomes, and analyzes efficacy of early learning program," ECIDS has yet to be completed or used by staff. Until the system is able to provide this type of information, it is difficult to answer many policy questions.

Construction of a collaborative project of the Public Education Department (PED), DOH, and CYFD, was originally funded at $8.5 million through the federal Race to the Top grant. Data validation has been ongoing at least since 2018. Current project status is further complicated by different reports by multiple agencies on Department of Information Technology's (DoIT's) project details dashboard. DOH states automated file transmissions are not in place; however, PED states it is determining how to dedicate resources to release the data to internal clients and build a dashboard for outside clients.

As of November 2019, PED spent over $1 million through a contract with eScholar, an education-focused IT company that also built and maintains the department's kindergarten-12 data system, to create the database and the unique ID necessary to connect children across different systems. For FY20-FY24, PED awarded a sole source contract to eScholar for $360 thousand to continue work on ECIDS to include a risk reduction strategy for the data warehouse and unique identification application. In the first contract with eScholar awarded in 2016, the scope of work required the contractor to create the database and integrate data from all three agencies. In summer 2019, eScholar published a case study of New Mexico highlighting that ECIDS was completed in 2017 (see Appendix D) and able to answer complex questions across agencies.

In 2017, PED reported the project was scheduled for completion in September 2017. Subsequently, PED stated the project would be completed by January 2019. However, now PED states data is being validated and there is no specific timeframe for completion. The Project Certification Committee, a DoIT project oversight committee, that provides strategic planning and independent oversight, has not closed-out the ECIDS IT project pending a demonstration of the database. The contractor was not able to complete the scope of work of its first contract, even after an extension. This is another potential example of the state not obtaining value in contracts, an issue discussed in the 2019 LFC procurement evaluation. ECECD should report to the legislature the status of ECIDS and request a demonstration of the system upon completion.

Georgia and several other states have cross-agency child data systems used by stakeholders to develop policy and research questions. Georgia's data system, similar to New Mexico's ECIDS intended design, connected Head Start, prekindergarten, early intervention, home visiting, and childcare data with the state's education and workforce systems. Georgia took five years to develop a list of specific reports and policy questions the database would be able to address, including outcome measures for the programs in question. Wisconsin's system monitors data from 11 different state programs and uses this information to engage in an inclusive planning process to ensure data sharing among relevant agencies. Both Mississippi and Minnesota integrate early childhood data with workforce and higher education data,

In the summer of 2019, eScholar stated that ECIDS was completed in 2017 stating:

"With ECIDS, New Mexico now has a system that promotes accountability, tracks early learner outcomes, and analyzes efficacy of early learning programs."

However, in November 2018, PED stated data validation was ongoing, indicating the system is not fully implemented.

New Mexico recently entered into another contract with eScholar for development of ECIDS

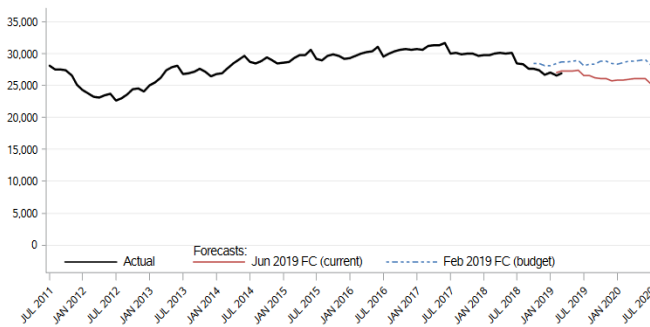Source: eScholar 2019 report and LFC analysis

allowing for long-term evaluation of programs. ECECD should prioritize completion of ECIDS so New Mexico can also address questions regarding early childhood program effectiveness.

To better examine need for childcare and other early childhood services, information should be integrated from multiple state agencies, and other entitites. Currently, information relevant to who might need to access childcare assistance services is spread across a number of agencies. Further, relevant information is also maintained by programs run by entities not affiliated with state agencies, such as Head Start, city funded early childhood programming, and tribal early childhood services. Of note, the Department of Health collects childbirth information, the Human Services and Taxation and Revenue departments collect income information, and current programmatic information about prekindergarten and childcare assistance is housed within CYFD and PED. When ECECD begins administering early childhood programs, some data will be housed within the same agency. However, the state will still need to examine information across agencies to determine service need. To better determine what services are needed in each region of the state, CYFD or the ECED should regularly collect data from the multiple agencies and meet with these agencies and other stakeholders to determine how to best ensure all areas of the state have access to needed services. CYFD and ECECD should work with DOH to determine projected births and connect this with data from other agencies to project demand.

Washington State uses a caseload forecasting council to help determine expected enrollment for programs, including childcare assistance and prekindergarten. The forecasting council reports highlight current enrollment over the last several years, current (and sometimes past) projections of enrollment, and funded enrollment levels[xix]. In addition to releasing these forecasts, the state releases short reports explaining the forecasts, which might aid policy makers and legislators in interpreting the results. In addition, for prekindergarten, those children enrolled in Head Start are not counted as children who might potentially need a prekindergarten slot. By including Head Start slots, the state can help decrease duplication of slots for its programs, potentially saving money while making better use of federal funds. CYFD currently does not publish any projections, so it is unknown how it determines the number of slots needed for childcare, prekindergarten, and other services. ECECD should project early childhood programming needs for each program to understand how different policies might affect enrollment and to accurately predict enrollment in state and federal programs.

Chart 18. Washington State Forecast of Childcare Assistance Slots

Source: Washington State Forecasting Council

Different early childhood programs show different types of benefits that shoud be considered in funding prioritization. Previous LFC reports have recommended the state promote the use of blended and braided funding to maximize resources and provide wraparound services for families similar to Educare models in other states. This will be discussed further in upcoming chapters. Childcare assistance allows low-income families to enroll their child in licensed or registered care and improves child health, but does not lead to improved school readiness in New Mexico. To increase school readiness, children should enroll in programs shown to lead to this outcome such as

prekindergarten, K-5 Plus, or Head Start. Childcare may be used as a wraparound service for prekindergarten, K-5 Plus, or Head Start to assist families in having full day care for their children. The Legislature should examine program outcomes and fund programs based on which outcomes the state is prioritizing. For the early childhood system, to provide a variety of benefits to the state, a number of different programs should be implemented. However, we should not expect any program to deliver outcomes it has not been shown to impact.

Table 4. List of Expected Outcomes and Effects found from Childcare Assistance

Type of Outcome	Expected Effect	Effect Found In this Evaluation	Does CYFD Measure and Report Annually
Child Cognition/School Readiness	⬆	No Effect	No*
Child Social/Emotional	⬆	Not Able to Measure	No
Child Physical Health	⬆	⬆	No*
Family Engagement	⬆	Not Able to Measure	No
Family Income/Employment	⬆	⬆	No

Note: CYFD is required to report by December 31, 2019 both school readiness and developmental screening data to the legislature.
Source: LFC Analysis and Early Childhood Care Accountability Act

Figure 4. Links between Early Childhood Programs and Outcomes
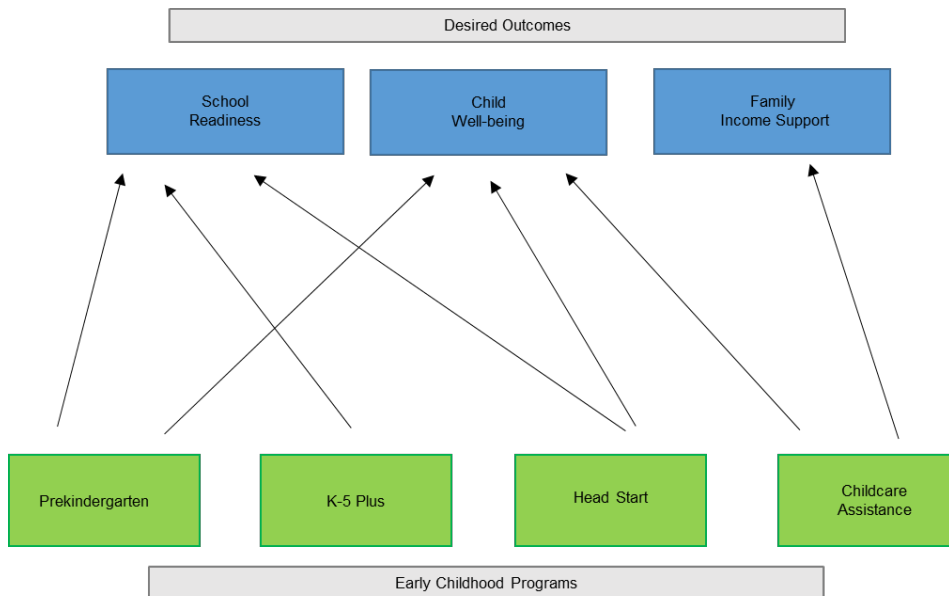
* Arrow indicates effect shown in research literature or in NM specific analyses.

Source: LFC analysis

Recommendations

The Legislature should consider:

- Amending the Early Childhood Care Accountability Act to include measures of child health, social-emotional development, family economic improvement, abuse and neglect, and parental employment and education and to create an evaluation plan focused on examining outcomes of childcare; and

- Requiring the Taxation and Revenue, Economic Development, and Workforce Solutions departments to provide access to certain confidential taxpayer and business information to staff economists within their agencies and at the Legislative Finance Committee and Department of Finance and Administration.

The Children, Youth and Families Department and the Early Childhood Care and Education Department should:

- Regularly track and report outcomes related to child social-emotional health, physical health, and parental employment and education;

- Work with the Taxation and Revenue Department to regularly examine the effect of childcare assistance of family income, as well as monitor the program for fraud;

- Work with the Human Services Department and the Department of Health to determine how to best measure child health measures including immunizations, well-child checks, and social-emotional screens;

- Establish benchmarks for rates of serious noncompliance and noncompliance sanctions, track serious noncompliance and noncompliance sanctions, monitor incidents for trends, and use information from serious noncompliance and noncompliance sanctions data to inform technical assistance and training development;

- Work with the Department of Finance and Administration and the Legislative Finance Committee to create performance measures for childcare assistance focused on outcomes;

- Study amending administrative rule to include outcomes for childcare assistance as a metric of quality to allow high performing childcare providers to receive higher reimbursement rates up to a 5 star rate;

- Report to the Legislature the status of ECIDS, and request a demonstration of the system on completion;

- Prioritize the completion of ECIDS to more efficiently track program utilization and determine program impact; and

- Prioritize early age childcare to avoid duplication with extended learning, prekindergarten, and K-5 Plus.

New Mexico's Quality Rating System Lacks Important Elements Related to Better Outcomes

A quality rating system for childcare providers aims to improve child development during a critical time before entering school, move more children obtaining subsidy assistance into higher quality care, incentivize providers to provide higher quality through differential reimbursement, and provide an easily understandable childcare rating system for the public. New Mexico was the first state to pilot a quality ratings system in 1997. Since then, CYFD has provided differential incentives to childcare providers to upgrade service standards through its tiered quality rating improvement systems (TQRIS). In 2012, New Mexico began transitioning to Focus, its third-generation quality rating system. The system designates ratings to childcare centers and these ratings are accompanied by differential reimbursement rates with the goal of improving quality that would lead to improved child outcomes. In recognition of the expenses associated with these efforts, reimbursement rates for Focus are substantially higher than they were under Aim High.

The state's differential reimbursement rates cost the state up to $64.5 million in FY19. CYFD continues to invest heavily in its quality rating system. In its Federal FY18 Quality Progress Report, CYFD reported it spent 100 percent of its child care development fund (CCDF) set aside funds to support quality improvement efforts, which went towards rate increases and quality differential rates. While New Mexico focused on its quality rating system, it might not be investing in other factors that could be important in a successful childcare assistance program. In a U.S. Government Accountability Office survey of Child Care and Development Fund (CCDF) administrators regarding how their states planned to spend 2018 Child Care and Development Block Grant (CCDBG) discretionary funds,[xx] New Mexico, like half of the states, invested in tiered quality rating systems. However, other states also reported investing in childcare resource and referral systems, quality set-aside beyond required minimum, high-quality program standards related to physical and behavioral health, wage support for providers, and support for providers seeking accreditation.

Since the implementation of Focus, more children are served in higher quality care. In 2019, 72.5 percent of children enrolled in childcare assistance were enrolled in 3 through 5 star quality rated providers. This is significantly higher than than when Focus was first implemented in FY13 when only 39.5 percent of children were enrolled in 3 through 5 star programs. As more children are being served in higher rated programs, the cost for childcare in increasing.

Figure 5. Activities Related to CCDBG Act Requirements States Plan to Fund with New CCDF Funds
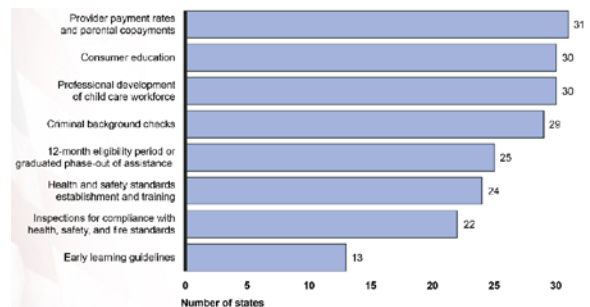
Source: US Government Accountability Office

Figure 6. Additional State Child Care Activities States Plan to Fund with New CCDF Funds
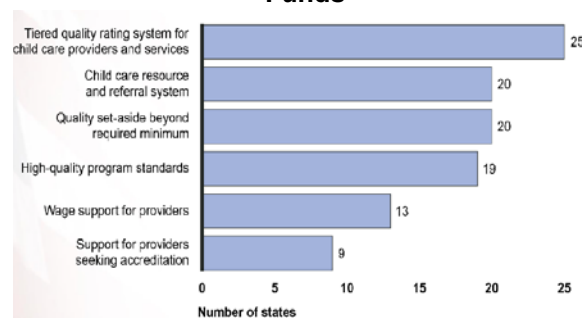
Source: US Government Accountability Office

The cost for quality childcare and early childhood education is increasing with little return on investment in terms of educational outcomes. This is in line with previous research that found programs that are rated high by quality rating systems do not produce significantly better educational outcomes than programs that are rated low.[xxi] Some research argues there are diminishing returns on investing in higher quality and that the focus should be on programs that increase families' income, stability, and employment opportunities.[xxii] While quality rating systems can be important for establishing minimum quality and licensing standards,[xxiii] they might not capture inputs shown to affect children's educational outcomes unless they measure teacher child interactions.

Figure 7. Quality Rating Systems Intended to Rate the Quality of Early Education Programs Might Not Actually Reflect Impacts on Learning

Source: Sabol, T. J., Soliday Hong, S. L., Rianta, R. C., Burchinal, M. R. (2013, August 23). Can rating pre-k programs predict children's learning? *Science, 341*, 845-846.

CYFD measures of quality have deteriorated under FOCUS.

Aspects found to be effective at leading to school readiness, such as teacher-child interactions, learning environment, and social-emotional learning, are no longer measured by CYFD as part of the state's quality rating system. Under CYFD's previous quality rating system, Aim High, the evidence-based Environment Rating Scale, ECERS, was used for verification of 3-5 star quality ratings. Under CYFD's third generation quality rating system, FOCUS, the process of using a validated Environment Rating Scale to verify quality ratings was discontinued. Currently, the ECERS, and other Environment Rating Scales, are used voluntarily by providers as part of the self-assessment process and training. CYFD is currently looking into including tools to validate programs using both ECERS and CLASS. At this time, CYFD assesses timelines and sustainability, gathers information regarding cost from vendors, and assesses which consultants and staff will be trained and certified. According to CYFD, the inclusion of validated measures of environment and teacher-child interactions could start in FY21 to verify 5 star providers.

Childcare rating systems, as currently configured, do not necessarily capture differences in program quality that are predictive of gains in key developmental domains. A 2014 report by RAND[xxiv] reviewed a set of studies that seek to validate quality rating systems. Fourteen validation studies

were reviewed that covered 12 quality rating systems in 11 states or counties: Colorado, Florida (two counties), Indiana, Maine, Minnesota, Missouri, North Carolina, Oklahoma, Pennsylvania, Tennessee, and Virginia. The review highlighted that when environment rating scale scores were included in a state's quality rating system they were associated with provider's quality ratings. Independent measures of quality have not always shown the expected positive relationship with quality. Studies that examined how ratings change over time generally show that programs participating a quality rating system improved their quality or quality ratings. RAND reviewed seven studies that examined the relationship between quality ratings and child development. Among the four studies with stronger designs, only two found the expected relationship between quality rating and child developmental gains for social and behavioral development as well as pre-literacy. Currently, without the use of validated measures, the state cannot know if New Mexico's quality rating system captures elements related to changes in development.

New Mexico does not include validated measures as criteria for quality ratings in its quality rating system. Validation studies indicate which measures are useful for early childhood systems. A review of validation studies by the federal Office of Planning, Research and Evaluation[xxv] found validated observational measures were often associated with state's quality ratings when included in their rating systems. Some states provide validated measures for program improvement purposes only (e.g. Maryland). Other states only include validated measures to verify the highest quality levels (e.g., Oregon). Other states (e.g. Arizona, Massachusetts) include minimum thresholds on validated measures of quality to progress through their state's quality rating system.

Figure 8. Associations between quality ratings and observed quality, by state and observational measure

State	CLASS Pre-K			CLASS Toddler		ERS			Other Quality Measures	
	Instructional Support	Emotional Support	Classroom Org	Emotional and Behavior Support	Engaged Support for Learning	ECERS-R	ITERS-R	FCCERS-R	PQA	CIS
Arizona	√	√	√			√		√		
California	√	ns	ns						√	
Delaware	√	ns	ns	ns	ns				√	ns
Maryland	ns	ns	ns			√		√		
Massachusetts						√	√			
Minnesota	ns	ns	ns			√		ns		
Oregon	√	√	√	ns	√					
Rhode Island	√	√	√	√	√					
Wisconsin						√		ns		
New Mexico										

Source: OPRE

Figure 9. Florida Teacher's CLASS Emotional and Behavioral Support Scores Improved from Pre to Post Training
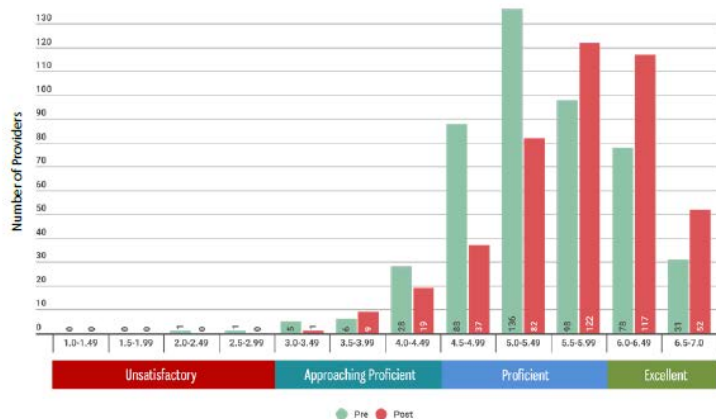
Source: Florida Office of Early Learning

Florida administers an early learning performance funding project which improves teacher quality and student outcomes at childcare centers. For teachers to be eligible they need to be teaching at a center where at least 20 percent of students are enrolled in the school readiness program. When teachers enter the program, their teacher-child interactions are assessed using CLASS (the same instrument used by Head Starts) and given a ranking from 1-3. Based on the ranking, the teachers then complete a tailored 20-hour online trainings. These trainings focus on student-teacher interactions where the teacher observes exemplary interactions. Based on a 2017 state evaluation,[xxvi] by a team of researchers from University of Florida and Yale, these trainings lead to improved teacher interactions and higher CLASS scores post training. In the same 2017 evaluation, they also saw improved student outcomes at the end of a three-year period. Specifically, students whose teams participated had significantly higher scores on an observation-based teacher rating tool than the control group for social-emotional, physical, language, and cognitive development. These differences were most significant for social-emotional and language development. New Mexico may consider examining how to administer a similar program, as it allows teachers to improve their skills regardless of the quality rating of the provider and leads to improved child development.

Policy regarding New Mexico's childcare rating system should be aligned to focus on measures of meaningful quality, such as teacher-child interactions, which research indicates is more likely to lead to improved child outcomes. While New Mexico's quality rating system provides licensing standards and incentives for increasing quality, many key factors found to lead to educational gains are not being measured. In a review of high-quality prekindergarten programs by the Bill & Melinda Gates Foundation[xxvii], factors that led to school readiness included:
- frequency, quality, and content focus of teacher-child interactions;
- proven, well-implemented curriculum;
- structural aspects such as group size;
- teacher-child ratios, teacher and staff education/training/certification;
- length of the early learning day;
- early learning standards;
- professional development;
- quality improvement through assessments and independent program evaluation, and
- use of data systems for program monitoring and feedback.

A 2015 study by University of New Mexico's Center for Education Policy Research of top-performing prekindergarten and childcare providers found that common characteristics included: strong site-based leadership; stability of core teaching staff; following children's interests; rich classroom environments; intentional family involvement; dual language instruction; social-emotional learning.[xxviii]

New Mexico's rating system tends to focus on structural aspects of quality (e.g., teacher to child ratios, class sizes, and teacher credentials) which can be easily regulated through licensing.[xxix] While structural aspects of quality in New Mexico are most likely important factors when considering the health and safety of a child, research indicates that they likely only have indirect effects in regards to educational outcomes of children.[xxx] Research indicates that aspects of process quality (e.g., teacher-child interactions) are more likely to lead to child outcomes compared to structural aspects. In a large scale research study[xxxi] with nearly 2,500 children in over 600 prekindergarten classrooms across 11 states, aspects of program adherence to quality standards, classroom environments, and teachers' emotional and instructional interactions were observed and evaluated on which aspects of quality measures affected child outcomes. After adjusting for factors including child and family characteristics, program characteristics, and state, only teachers' instructional interactions predicted academic and language skills and teachers' emotional interactions predicted child's social skills. Results from research on childcare and early childhood education indicate that regulating minimum program standards focused on structural aspects of quality like requiring teacher educational credentials, teacher-to-child ratios, and group sizes is unlikely to be sufficient to ensure positive educational attainment for children. Rather, research indicates that high-quality emotional and instructional interactions are the crucial mechanisms through which early childhood education programs transmit academic, language, and social learning to young children.

Research suggests teacher professional development and program monitoring systems can directly improve childcare and early childhood education programs. In-service professional development interventions could be an effective method to improve the quality of interactions among providers. ECECD should consider partnering with an entity to design professional development training activities that are active, collaborative, and embedded within a classroom context where teachers can receive consistent, non-evaluative feedback about their interactions with children. In regards to program monitoring, observational data should be used to provide feedback to providers about their areas of strength and weakness, and to direct resources and offer changes to improve emotional and instructional interactions with children. Consultants within University of New Mexico's Early Childhood Services Center should be trained in valid assessments such as ECERS and CLASS to annually rate providers and to offer support and resources to providers on ways to improve learning environments and teacher's emotional and instructional interactions.

New Mexico should incentivize best practices in childcare and early childhood education programs. While New Mexico's rating system provides licensing standards and incentives for increasing ratings, many key aspects of quality linked with educational benefits, such as teacher-child interactions, are not being measured. Furthermore, New Mexico can incentivize best practices among childcare and early childhood learning providers. New Mexico's prekindergarten has additional requirements that might lead to improved school readiness outcomes. These additional requirements include use of a standardized observation tool, a curriculum, increased data reporting for program monitoring, and increased family engagement activities. As mentioned previously, in 2015, the Center for Education Policy Research at the University of New Mexico (now the Cradle to Career Policy Institute) conducted a review of high performing providers within the state to evaluate best practices among them. Some of the key

While structural aspects of quality focused on in New Mexico are most likely important factors when considering the health and safety of a child, research indicates that they likely only have indirect affects in regards to educational outcomes of children.

Structural Measures of Quality
- *Teacher-child ratios*
- *Group size*
- *Caregiver formal education*
- *Caregiver specialized training*
- *Space and furnishings*
- *Materials and equipment*
- *Curriculum*
- *Meals*
- *Health services*
- *Family support services*

Versus

Process Measures of Quality
- *Teacher-child interactions*
  - *Instructional support*
  - *Emotional support*
- *Social-emotional instruction and support*
- *Language stimulation*
- *Programming and activities that encourage engagement*

Source: Cassidy et. Al (2005), Pianta et.al, (2009), & Mashburn, et. al (2008)

findings were that high performing providers prioritized the workforce and leadership, utilized a standard curriculum or developed curriculum that followed children's interests, created learning environments and classroom spaces that enhanced teaching and engaged children, engaged families, provided some kind of dual language instruction, and emphasized social-emotional learning. CYFD and ECECD should review research on effective childcare and early childhood learning practices that leads to improved outcomes and incentive best practices through differential reimbursement and the FOCUS standards.

Table 5. Comparison of FOCUS Standards and Recommended Best Practices

Input	FOCUS Measure	Recommended Measure
Teacher-Child Interactions	• None	• CLASS • ECERS
Leadership and Teaching Staff	• New Mexico Child Development Certificate • Continuous Quality Improvement process	• Provide training and professional development focused on teacher-child interactions • Monitor staff stability • Coaching and Mentorship Programs
Proven Curriculum	• New Mexico Authentic Observation Documentation Curriculum Development Process as defined using the New Mexico Early Learning Guidelines: Birth through Kindergarten; • NM Portfolio Collection Forms; • NM Weekly Lesson Plan Form; • NM Quick Look Recording Sheets; • Family Handbook • Continuous Quality Improvement process;	• Structured curriculum that follows children's interests
Classroom Environments	• NM Weekly Lesson Plan Form	• ERS (e.g., ECERS-R)
Family Engagement	• Family Handbook	• Home visits • Parent conferences • Other parent interactions and events • Transportation for children
Dual Language Instruction	• New Mexico Early Learning Guidelines: Birth through Kindergarten and New Mexico Authentic Observation Documentation Curriculum Development Process provides criteria-based observations to plan developmentally appropriate curriculum that acknowledges each child's culture, language, and ability.	• Staff that can speak the child's language • Instruction and interactions in multiple languages
Social-Emotional Learning	• ASQ-SE	• Research-based social-emotional learning curriculum (e.g., Conscious Discipline)

Source: LFC analysis of FOCUS on Young Children's Learning. New Mexico FOCUS: Essential Elements of Quality for Center-Based Early Care and Education Programs (January 2015), Children, Youth, and Families Department. For additional information see Appendix E.

CYFD reimbursement rates for quality vary widely from market rates, despite a lack of evidence that quality impacts outcomes.

Chart 20. Differential Reimbursement Rates for an Infant in a Childcare Center by Star Level

Monthly Reimbursement Rate

- Registered Home: $290
- 2-star center: $809
- 3-star center: $821
- 4-star center: $1,001
- 5-star center: $1,271

Source: CYFD

Reimbursement rates vary widely from the market rate, with the highest rates for 4 star infant and the lowest for registered homes school age care. CYFD's 2018 market rate study[xxxii] shows reimbursement rates vary widely from the recommended rate of 75 percent of the market rate. This has consequences for both the public and private market. For example, if a family chooses to send their infant to a 5 star center rather than a registered home, the state will pay $981 more per month for that child. In some markets, CYFD is reimbursing providers at almost double the average market rate for 5 star care, while for registered homes in particular, CYFD is consistently reimbursing below half the market rate. Specifically, the market rate study found. This variance in reimbursement affects both the public and private markets. These lopsided rates might unintentionally affect rural communities more as there are more registered homes outside the metro area, which is particularly alarming because, generally, rural New Mexico has higher rates of child poverty. (The current rates are shown in Appendix F.)
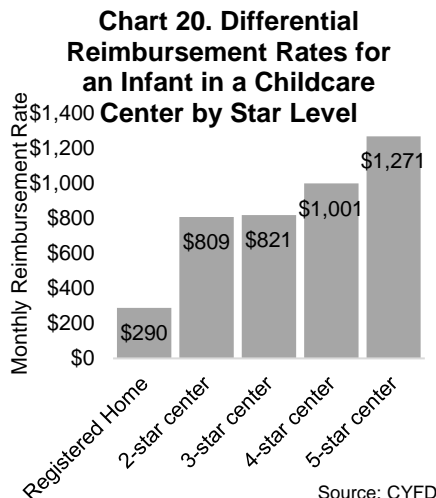
**Chart 21. CYFD Reimbursement Rates Percent
Difference for 75 Percent of the Market Rate**
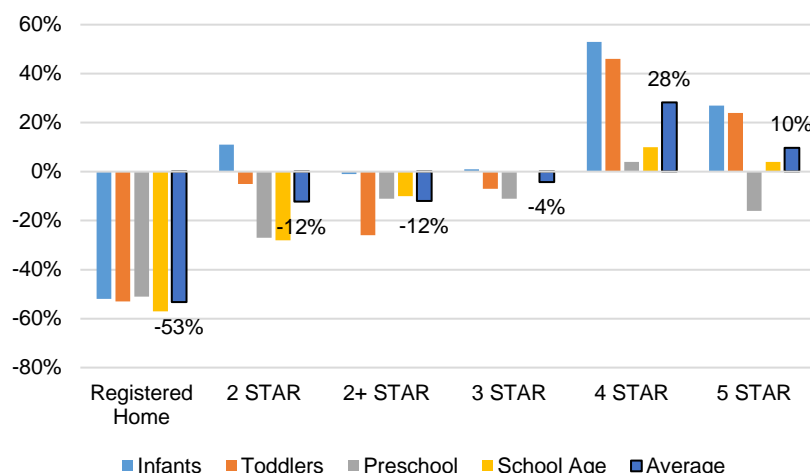
Source: CYFD 2018 market rate study

CYFD should examine their reimbursement rates closely and work with providers to correctly set rates. One way to determine if rates are set at correct levels is to follow federal guidelines of setting rates near 75 percent of the market rate. If rates are set too high, private pay client rates might increase or slots for these children might decrease. If rates are set too low, then there might be fewer available slots for individuals on childcare assistance because the providers will make less by serving these clients. As an example, in Wisconsin childcare assistance rates were too low, leading to a disincentive for providers to accept children using childcare assistance. [xxxiii]

Recommendations

The Children, Youth and Families Department and the Early Childhood Education and Care Department should:

- Incorporate quantitative assessments of teacher-child interactions and classroom environment into the state's quality rating system using validated measures such as the CLASS and ECERS.
- Partner with an entity to design professional development training activities that are active, collaborative, and embedded within a classroom context where teachers can receive consistent, non-evaluative feedback about their interactions with children.
- Review evidenced-based, effective childcare and early childhood learning practices that lead to improved outcomes and incentive best practices through differential reimbursement and the FOCUS standards.
- Ensure consultants within UNM's Early Childhood Services Center are trained in ECERS-R and CLASS, annually rate providers, and offer support and resources to providers on ways to improve learning environments and teacher's emotional and instructional interactions; and
- Examine changing the market rate structure to more closely align with federal recommendations while considering variations in regional cost of living.

The State's Significant Investments in Extended Learning Opportunities Should Improve Educational Outcomes and Reduce the Need for Childcare for School-Age Children

Chart 22. Childcare Assistance Enrollment by Age Group, FY19
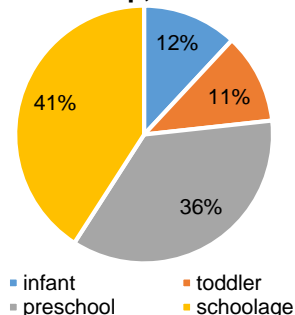
Source: LFC analysis of ACF data

Chart 23. Childcare Assistance Spending by Age Group, FY19
(in millions)
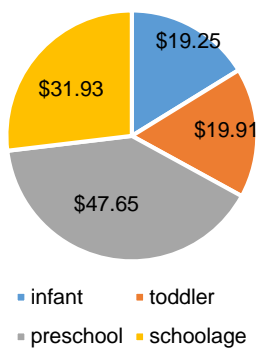
Source: LFC analysis of ACF data

School-Age Children Could be Served in Evidence-Based Programs, Potentially Allowing for Redistribution of Childcare Assistance Funds to Younger Children.

In FY19, 12 thousand school-age children participated in childcare at a cost of $32 million. Forty-one percent of children enrolled in childcare assistance were school age, and could potentially receive afterschool care and extended learning programs run by a public school with funding from PED rather than using childcare assistance. CYFD spent an average of $368 per school age child per month in FY19 for childcare assistance, or around $4,400 per year, totaling $32 million for the fiscal year. This total expense has increased since FY16 when 10,816 school-age children participated in childcare at a cost of $24 million.

School districts are expanding extended learning time through K-5 Plus and extended school year programs, which should be attended by school-age children previously using childcare assistance. In FY19, through federal 21st Century grants and through the state's after school and summer enrichment program, 11.4 thousand students were served at a total cost of $9.2 million. These services are cheaper than childcare assistance, at an average annual cost of just over $800 per child. In FY19, these programs were only available in 16 of the 89 school districts, or 18 percent (Appendix G). The state could save up to $3,400 for each student who switches from childcare assistance to PED. As previously discussed, different programs lead to different outcomes and given the lack of evidence of childcare assistance impacting educational performance, the state will need to consider matching programs that affect differing outcomes with current need.

In FY20, the state significantly grew its appropriations for K-5 Plus as well as extended learning time programs. These, along with after school care programs (also expanded under extended learning time), should serve many school-age children using childcare assistance. Specifically, districts budgeted to serve and additional 3 thousand students in K-5 Plus in FY20, and extended learning programs were added to the budget for the first time, with districts budgeting enough slots to serve an estimated 84 thousand students. However, in FY20, extended learning time programs are expected be at 30 percent of the school districts, and K-5 Plus is expected to be 45 percent of school districts, while less than half the districts (44 of 89) will not have either program (Appendix H). PED expects these numbers budgeted by school districts will grow by around 200 percent in FY21. However, PED programs are not all day or year-round. Family choice is an important part of childcare assistance which includes expanding before and after school programming to support continuity of care and enhance collaboration and coordination through braided funding, an important strategy to support communities. To that end, ECECD should ensure parents of school age children are informed of all relevant programs, including PED programs available to their child prior to childcare assistance enrollment. Through the parent survey, parents reported to LFc staff that

oftentimes they did not know what options were available for their children. ECECD and PED should coordinate where extended learning and afterschool care programs are implemented to improve convenience for students and families and decrease costs of childcare for the state. These cost savings could be used to increase services for infants, toddlers, and young children who live in high-risk areas.

Evidence-Based Early Childhood Programming Could Use Childcare as a Wraparound Service.

A Tale of Two Cities:

Poor Coordination in Los Lunas. Jimmy lives in Los Lunas and his parents want to send him to prekindergarten. His parents learn all of the elementary schools in Los Lunas offer prekindergarten and the childcare center where he was previously does not. Jimmy's parents enroll him in prekindergarten at Sundance elementary; however, Jimmy could only get into half day prekindergarten. Additionally, the school will only drop Jimmy off at a childcare center that is within the school zone. Because Jimmy attends a childcare center near his Dad's job, Jimmy's dad has to use his lunch break to drive Jimmy from prekindergarten at the elementary school to childcare across town.

Integration in Las Cruces. Maria is 6 months old and is about to enter childcare because her mother is returning to the workforce. Their Chi St. Joseph's home visitor, a paraprofessional who helps new families learn new skills and connect to services, referred the family to Early Head Start, based at Charlotte's Place, a childcare center working with La Clinica de la Familia to implement Head Start standards. In addition to childcare, Maria's family benefits from additional services provided through Early Head Start. The home visitor found out about the Early Head Start program through the coordinator position at La Clinica whose job it is to coordinate early childhood programs throughout Doña Ana county.

Source: LFC composite

In New Mexico, the primary, publicly funded early childhood programs – prekindergarten, Head Start, and childcare assistance – serve similar populations and purposes. If too many slots across these programs are allocated in the same area, an area can become oversaturated. The *2019 LFC Early Childhood Accountability* report highlights areas of over- and under-saturation for 4-year-olds. However, having enough slots in an area does not mean children receive services in a coordinated manner. Most areas of the state lack service coordination, although some pockets are exceptions. When these programs work together, children are provided care throughout the workday through a combination of services; When these programs do not work together, families are inconvenienced and poorly serviced. In addition, enrollment can drop, creating issues such as loss of federal Head Start monies.

Currently 82 percent of PED prekindergarten sites and 46 percent of Head Start sites do not offer wraparound childcare services. Without providing childcare before and after these programs, parents might need to find other care for their children during the day or might need to work fewer hours. Childcare services offered at the same site as prekindergarten or Head Start resolves this issue. For example, one high-performing center adheres to New Mexico prekindgergarten standards for all classrooms that serve 3- and 4-year-olds, even though three of its 11 classrooms are not state-funded prekindergarten and not required to meet those

Table 6. Percent of Early Head Start/ Head Start Provider Locations Offering Childcare, FY19

Provider	Percent of Centers with Childcare
Child & Family Services of Lea County	100%
City of Albuquerque	23%
Dona Ana County Head Start	67%
Eastern Plains Community Action Association	83%
El Grito Head Start	75%
HELP-New Mexico, Inc.	29%
La Clinica De Familia	67%
Las Cruces Public Schools Head Start	0%
Mid-West NM Community Action Program	50%
Mora/Colfax County Head Start	0%
NAPPR, Inc.	50%
New Mexico State University Education Research	60%
PMS Head Start	68%
Region IX Head Start	75%
Southeast New Mexico Community Action Corporation	100%
West Las Vegas Head Start	0%
YDI Head Start	66%
TOTAL	**54%**

Source: LFC analysis of CYFD data and LFC files

standards. Holding all childcare assistance providers with 3- and 4-year-old children to prekindergarten standards would likely help with school readiness and literacy, and should lead to the coordination of prekindergarten or Head Start and wraparound care. In turn, the programs would better serve families, especially the approximately 70 percent of households that need some type of childcare, and more children could access these programs (Prekindergarten site analysis is in Appendix I).

A Continued Lack of Coordination has led to a Loss of Federal Resources

Enrollment in Head Start has decreased 30 percent since 2012. Head Start enrollment went from 9,000 at its height in 2012 to 6,500 in 2018. This is in part due to a lack of coordination during the implementation of prekindergarten expansion, which increased by 250 percent between 2010 and 2019. In response to the competition, many Head Start programs are shifting funded slots to Early Head Start, which serves birth to 3-year-olds. However, the state has also been increasing funding for 3-year-old early prekindergarten, and the coordination problem has the potential to expand from being a problem for programs serving 4-year olds to a problem for providers serving 3-year-olds as well. For example, Youth Development Incorporated (YDI), based in Albuquerque and serving children in three counties, was under-enrolled in most of its Albuquerque sites in FY19. YDI's solution to the under enrollment issue for Head Start is to shift more slots to Early Head Start. They plan to create 40 more Early Head Start slots, which might contribute to a saturation issue for 3-year-olds in coming years. A 2013 LFC program evaluation also tied a lack of coordination to loss of federal Head Start slots.

A federal grant of $3.7 million allows for improved coordination between two large early childhood programs in the state, Head Start and childcare. Early Head Start Childcare Partnerships are supported by federal grants awarded from 2015-2019 to strengthen both Early Head Start and Childcare. The goal of these partnerships is to increase quality in childcare by having childcare adhere to nationwide Head Start standards, allow childcare partners to access additional funds to improve their facilities, and provide full-day services for children enrolled in Early Head Start. There are three such current partnerships in New Mexico. These partnerships also seem to assist with enrollment levels; the only YDI sites that were not designated as under-enrolled were partnership sites. These sites exceeded enrollment requirements. Because YDI is not the only Head Start provider struggling with enrollment, the state should consider creating additional funds for Head Start and childcare providers modeling the Early Head Start Childcare partnership.

In New Mexico, Early Head Start Child Care Partnerships might help improve the standard of services for both Early Head Start and childcare programs. In 2015, the federal government awarded specific Head Start programs grants to increase collaboration between Early Head Start and childcare. The grants were awarded in all states across the country. Four New Mexico providers received a total of $3.7 million of additional federal funds. One of the goals of these grants was to increase quality across settings. Previous national studies have shown these partnerships might increase providers' credentials and enhance the care environment.[xxxiv] In New Mexico, Early Head Start and Head Start providers have a lower rate of teacher degree

Chart 24. Head Start and Early Head Start Enrollment, FY12-FY18
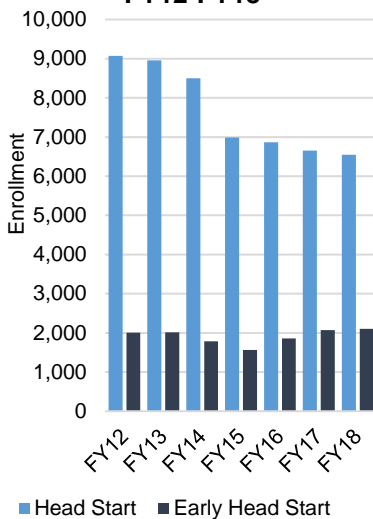
Source: ACF

completion than the rest of the country. Looking at the most recent year of data available, the four providers awarded these Early Head Start Child Care Partnership grants had a higher percentage of teachers with bachelor and associate degrees compared with the other providers in the state. However, other factors inherent to the programs themselves might have led to these differences between the partnership sites and the state average. At the time, the award was received, only one of the awarded providers had an Early Head Start program. Therefore, these grants helped to expand Early Head Start in New Mexico, creating more slots for children from birth to age 3 in early childhood services.

Chart 25. Teachers With Degrees at an Early Head Start Childcare Partnership Provider, 2018

Source: Head Start PIR Report 2018

Colorado uses Early Head Start Childcare Partnerships to ensure compliance with Early Head Start program standards at childcare centers. These partnership improve teacher-child interactions, which are related to improved child outcomes. Early Learning Ventures, a Colorado-based non-profit, partners with 32 childcare centers in four counties in Colorado to operate Early Head Start using the Early Head Start Childcare partnership model. Early Learning Ventures used an enhanced version of shared services administrative software (discussed in the next chapter and Appendix J), combining business consulting, technology, coaching, professional development, and other supports to assist childcare providers in meeting Head Start program performance standards. In an independent evaluation of its partnerships, Early Learning Ventures found that over the 10-month study period, providers improved business practices and operations and increased the number of collaborative partnerships with local social services agencies, allowing them to offer better services to children and families that meet Head Start standards. Furthermore, teacher compensation, professional development support, and classroom quality improved.

Classroom quality improved specifically in teacher–child interactions, a factor correlated with improved child learning and development. Because improved teacher child interactions lead to positive outcomes for students, and these partnerships improve quality for Early Head Start and childcare, New Mexico should create incentives for Early Head Start and Head Start providers to work with childcare providers to provide wraparound care.
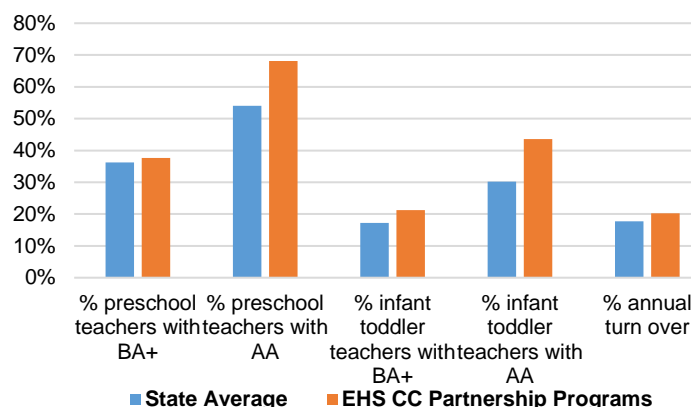
Figure 10. Teacher Assessment Scores Before and After Early Learning Ventures Model
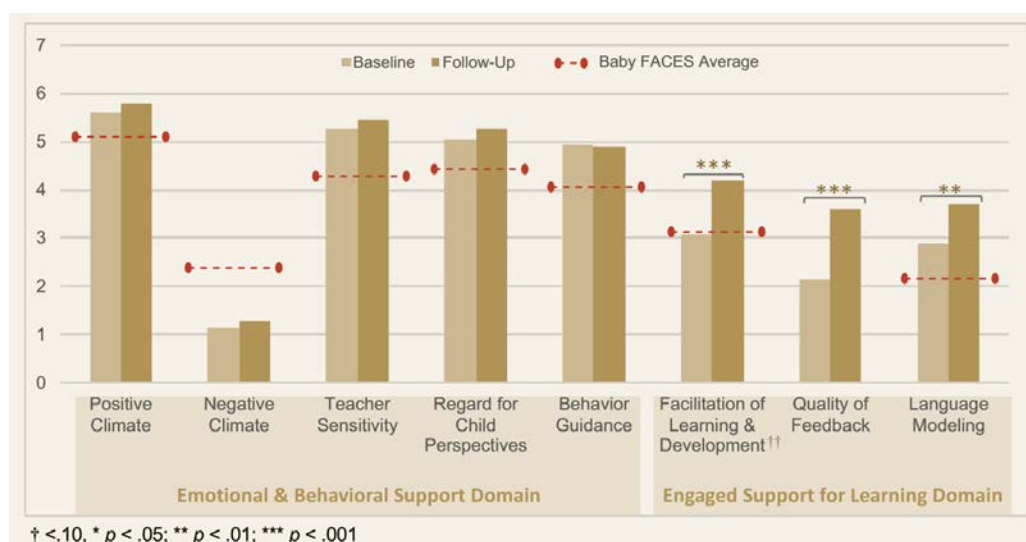
† <.10, * p < .05; ** p < .01; *** p < .001

Source: Etter, K. & Capizzano, J. Early Learning Ventures Early Head Start-Child Care Partnership Model: Final Evaluation Report. The Policy Equity Group

Other states have integrated early childhood services focused on coordination across programs. In 1987, Oregon integrated its Head Start and prekindergarten programs, under Oregon Prekindergarten, to serve low-income families and continues to see positive outcomes from this program. In New Mexico, prekindergarten and Head Start operate separately. The state should examine whether New Mexico could expect these same benefits by integrating New Mexico prekindergarten and Head Start.

To improve Head Start accountability and quality, New Mexico should monitor Head Start outcomes. One way to increase accountability of Head Start program is to integrate Head Start and prekindergarten funding similar to Oregon. Oregon also uses the federal monitoring system for Head Start to monitor that state's prekindergarten program. By using the same monitoring system for both programs, Oregon can understand the strengths and challenges of each program and make direct comparisons. ECECD should model the collaboration between Head Start and prekindergarten, especially in regards to program monitoring and funding. A 2013 LFC report also highlighted that Oregon and Illinois increase their administrative role in regards to Head Start by linking the award of state early childhood funds to Head Start agencies that provide information about their programs, outcomes, and participation. Similarly, New Mexico could statutorily require Head Start agencies seeking childcare licenses to provide information about Head Start participation and outcomes.

Figure 11. Integrated Head Start and Prekindergarten Program Performance

OPK children participating in 2015–16 made strong gains in school readiness from fall to spring.

Source: 2017 Oregon Preschool Legislative Report
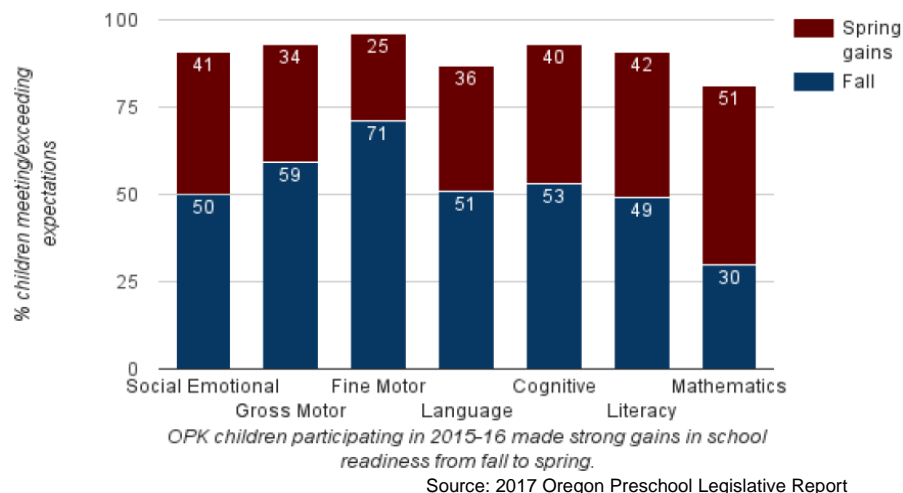
The State Does not Have a Strategic Plan for Early Childhood Programming and can Improve Coordination by Using Resources Across Agencies and Programs.

The state does not have an early childhood strategic plan. New Mexico does not have a strategic plan for how to coordinate programming and funding for early childhood. Without a strategic plan, prioritization of similar goals across agencies and programs is difficult. An early childhood statewide needs assessment was recently completed using a federal preschool development grant. The assessment highlighted a number of issues for early childhood programs, including the need for improved coordination, better data, and increased local determination. In addition to the needs assessment, the state is

currently working on an early childhood strategic plan to be submitted by April 2020.

Other states use early childhood strategic plans to lay out programming priorities and maximize different program missions. As previously stated, different early childhood programs lead to different outcomes, and ensuring that programs are being implemented to achieve desired goals is important for New Mexico. Early childhood strategic plans should set goals of value to New Mexico. For example, Washington state has a 10-year early learning plan that highlights how to bring together programs targeted to families from prenatal care through third grade. Included in this plan is a list of measures or "vital signs" to assess the status and progress in the five main categories of interest (children, families, professionals, schools, and communities). This list of "vital signs" is essential to determine the success of the strategic plan. Michigan has a detailed strategic plan that focuses on six goals needed for a successful early childhood system. Within the plan, Michigan highlights the steps each agency should take to meet its intended goals. Using information provided in this evaluation and the preschool development grant needs assessment, ECECD should develop a five-year plan to improve coordination of the early childhood service array ensuring maximum outcomes and efficiencies including specific performance measures to help the agency measure progress.

Regional hubs or county early childhood coordinators can help to increase communication and coordination among early childhood providers. Oregon created 16 regional early learning hubs focused on working together to create aligned, family-centered systems, coordinated on a local level. Each hub focuses on the same goals of coordination, supporting children to enter school ready to learn, and ensuring families are healthy, stable, and attached. Requiring a local entity to oversee collaboration might help ensure early childhood programs are working together rather than in competition. Local entities might be better than a statewide agency at addressing any regionally specific challenges. Oregon's hubs report to the state Early Learning Division on outcomes including kindergarten readiness, stable and attached families, and system coordination and efficiency.

Evidence suggests some local communities, such as Las Cruces are doing a better job with coordination. Las Cruces has an early childhood coordinator who works with early childhood service providers to strengthen collaboration. According to community members, this local connection for Doña Ana County was crucial for building trust among providers. In 2014, the non-profit Ngage New Mexico began building a network of committed leaders to ensure children in Doña Ana County had full access to education and health resources in the region. In fall 2017, members of the network participated in a survey to examine the depth of relationships between early childhood organizations and measure the growth in partnerships and collaborations from 2014 to 2017. Results show the number of partnerships increased by 48 percent and the number of collaborations increased by 72 percent. Expanded statewide, hubs or coordinators could focus on issues of regional importance, such as creating and keeping substitute teacher pools or ensuring documents are translated into commonly used regional languages. ECECD should consider creating either county or regional early childhood hubs or coordinators to facilitate collaboration and coordination between all early childhood programs, especially childcare, prekindergarten, and Head Start.

Six Main Goals Highlighted in Michigan's Strategic Plan

- Build leadership within the system
- Assure quality and accountability
- Ensure coordination and collaboration
- Use cunding efficiently to maximize impact
- Support parents' critical role in their children's early learning and development
- Expand access to quality programs

Source: Michigan Plan for Early Learning and Development, 2013

Figure 12. How Hubs restructured Early Childhood Programs in Oregon

Source: Oregon Early Learning Hub FAQs

Figure 13. Growth in Partnerships and Collaborations in Doña Ana County
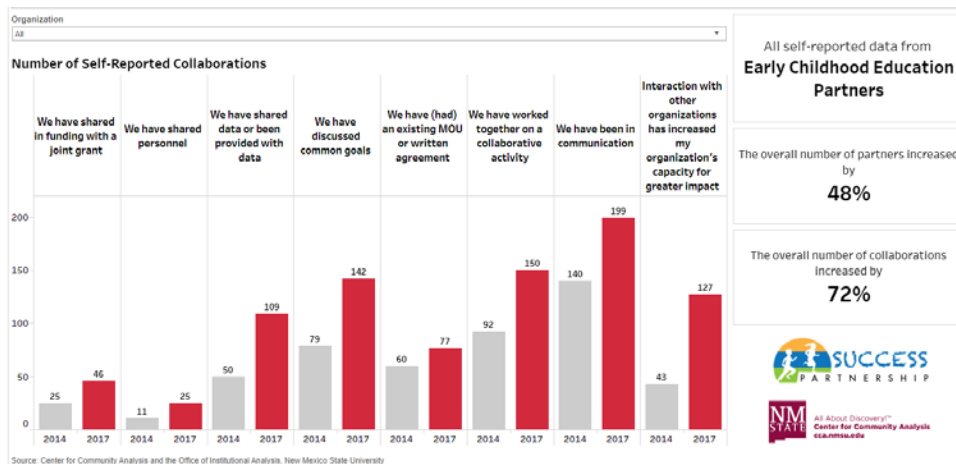
Source: New Mexico State University Center for Community Analysis, https://cca.nmsu.edu/interactive-data-dashboards/depths-of-relationships-survey/

Chart 26. High Performing Childcare Centers by Location
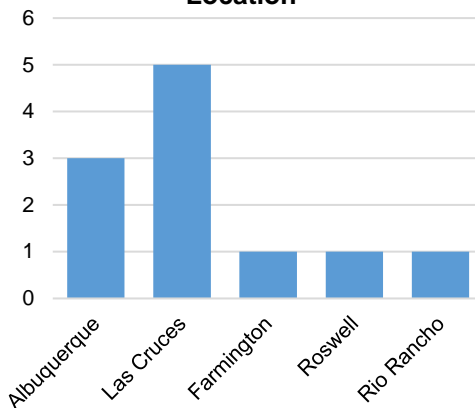
Source: LFC analysis of PED and CYFD data

Childcare providers whose students had higher than average test scores in kindergarten may prioritize coordination. Of the 11 providers that had students with test scores above the average for children not enrolled in childcare assistance, five were in Las Cruces, and Las Cruces accounted for three of the top four providers. As described above, Las Cruces and Doña Ana County emphasize coordination for their early childhood programs. One reason centers that coordinate with other early childhood programs might have higher test scores could be increased referrals to other needed services.

An example of community coordination from these high performing centers is to ensure family engagement. A higher-performing center LFC visited provided information on anger, separation anxiety, and positive discipline in multiple languages to reflect the backgrounds of those children attending the center. Given that high-performing centers are disproportionately located in a city that is increasing its coordination efforts and that the other high-performing center LFC staff visited is also focused on coordination, this might be a key to increased outcomes. Using hubs or coordinators, the state should dedicate funds to improving coordination and ensure childcare providers increase their community engagement by helping centers find opportunities to act as a resource for their community.

Referral databases might help connect children to needed services. Doña Ana County piloted a referral database to help connect families with children under age 9 to needed services. The piloted database was operational for four months during spring 2019 and had 259 unique children referred to services. Through this database, 10 early childhood providers delivering early intervention, prekindergarten, childcare, supplemental food assistance, and Head Start and other services could see which families needed services and reach out to those families. Most of these providers were public agencies. However, few referrals were accepted, potentially due to issues within the system. Some improvements highlighted in the referral system evaluation report included ensuring families are aware of being referred; ensuring providers close the referral in the database rather than contacting families

outside of the database and increasing outreach to private providers. In addition to this referral database; previously in Las Cruces in 2000, La Vida institute had a childcare referral database to help families find available, convenient care. The state, using local hubs or consultants, should work to develop an early childhood database that allows families to determine which home-visiting providers, childcare centers, Head Start programs, early intervention services or prekindergarten may have open slots as well as get referrals to other services. Food assistance and other ancillary programs should be included as a way to increase enrollment in all programs families might need. By creating these databases, more families that need services could receive them.

Recommendations

The Legislature should consider:
- Creating in statute early childhood hubs to improve communication and coordination statewide,
- Statutorily requiring Head Start agencies seeking childcare licenses to provide information about Head Start participation and outcomes, and
- Providing funding to promote early childhood partnerships with Head Start agencies.

The Children, Youth and Families Department and the Early Childhood Education and Care Department should:
- Ensure parents of school age children are informed of all relevant programs, including PED programs available to their child prior to childcare assistance enrollment;
- Work with PED to coordinate childcare with extended learning and afterschool programs and track where additional slots need to be added to ensure school-age children have programs to attend at or close to their school,
- Regularly collect these data from the multiple agencies and meet with these agencies and other stakeholders to determine how to best ensure all areas of the state have access to needed services, and
- Consider creating a referral database to help families determine which childcare centers have openings in their area.

Despite Having one of the Highest Childcare Assistance Reimbursement Rates in the Country, New Mexico Early Childhood Educators are Paid Below National Rates

Chart 27. New Mexico and United States Maximum Reimbursement Rates for Childcare Care Subsidy, 2017
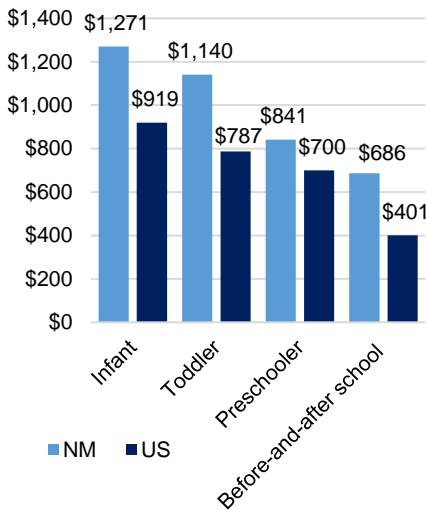
Note: School age data for New Mexico changed to reflect current rates.
Source: Early Childhood Workforce Index

Chart 28. Median Childcare Worker Wages in New Mexico Compared With Nation, 2016
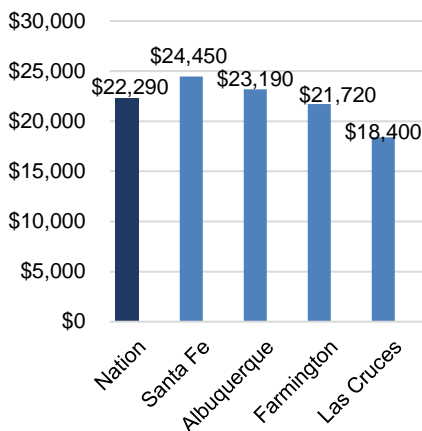
Source: U.S. Bureau of Labor Statistics (2016)

New Mexico reimbursement rates are above the national average ranging from being 20 percent above the national average for preschooler care, to 40 percent above the national average for toddler care. According to the federal Administration for Children and Families[xxxv] New Mexico ranks 13th in the nation for maximum reimbursements rates for infants, ninth for toddlers, 18th for preschoolers, and 14th for after school care. However, early childcare teachers have low wages nationally and in New Mexico.[xxxvi]

The annual median wage for childcare teachers in New Mexico is $19,740, 13 percent below the national average of $22,290. Wages vary regionally according to the 2018 Childhood Workforce Index. The highest childcare worker wages are in the Santa Fe area ($11.76 per hour), while the lowest wages are in the Las Cruces area, ($8.85 per hour). New Mexico ranks 35th out of the states (including Washington, D.C. and Puerto Rico) for median wage for childcare workers. Twenty-six percent of childcare workers in New Mexico used Medicaid and 28 percent spent over $250 on their classroom without being reimbursed according to a workforce survey conducted in October 2019 as part of the preschool development grant needs assessment.

CYFD started a salary supplement pilot in Las Cruces in spring 2019 to boost childcare worker salaries. CYFD increased the participating workers' salaries by $2 per hour. For FY20, CYFD allocated $1.5 million for the pilot. In its FY21 budget request, ECECD added $19 million for wage supplements to expand the pilot program to serve up to 3,700 workers (30 percent of the workforce) for about $5,000 a year per worker. With just one year of operation, CYFD has not reported any outcomes from this program at the time of this report.

Nationwide, some states are making progress in paying higher wages with moderate reimbursement rates. New Mexico, similar to some other states, has relatively high reimbursement rates and low average hourly wages, while Vermont, Alaska, Rhode Island and other states have more moderate reimbursement rates, but pay their teachers a relatively high wage. Furthermore, Vermont, Wyoming, Arizona and Colorado have an average childcare worker wage higher than the state's living wage. According to Bureau of Labor Statistics, in Vermont, Washington D.C., and Rhode Island average childcare worker wages increased by more than 10 percent between 2015 and 2017.

Chart 29. State Average Childcare Worker Hourly Wage by Average Reimbursement Ranking
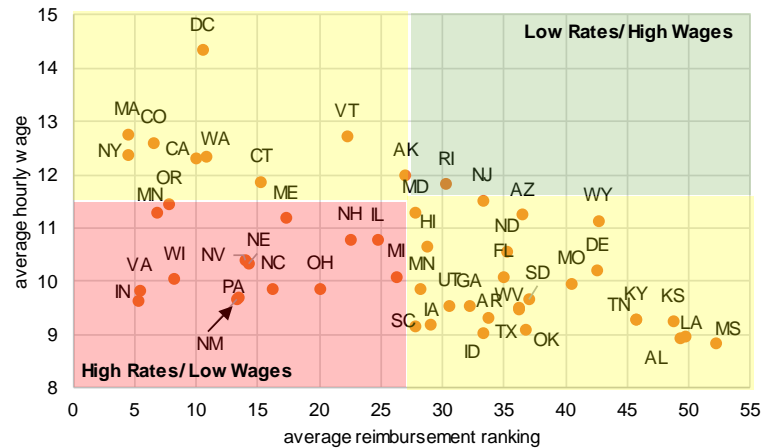
Source: LFC adaptation of Early Childhood Workforce Index 2018 report and OPRE data

Vermont has the ninth highest childcare worker wages in the country. One potential reason for higher wages could be part of their quality rating system focuses on provider wages. Vermont has a 5 level quality rating system based on points. To be a 5 star provider, the programs needs to obtain a total of 12 to 14 points out of a possible 17 spread over 6 categories. Licensed programs can earn 3 points if the median adjusted pay for all employees is at least 85 percent of the state's livable wage. New Mexico should study how to include minimum teacher salaries as part of our quality rating system.

Colorado has one of the highest childcare worker wages in the country (even accounting for the cost of living), and has many childcare centers in a few counties that employ shared services, a recommendation from the 2018 Early Childhood Workforce Index. Shared services allow childcare providers to create economies of scale, which can decrease business costs and these cost savings can be used to increase compensation. An independent evaluation of Colorado's shared services model showed significant improvement on several indicators of business capacity and provider quality including improved business practices and operations, increased collaborative partnerships, higher parent satisfaction, increased teacher compensation and professional development, and improved classroom quality and teacher-child interactions. CYFD should consider improving and expanding the shared services system in New Mexico. This could help improve business administration in the state's childcare and early childhood education providers, prevent overpayments by the state, and improve compensation for childcare workers. However, shared services are likely only part of the answer as Colorado has some of the highest reimbursement rates in the country.

Figure 14. Colorado Evaluation of Shared Services Impact on Salaries
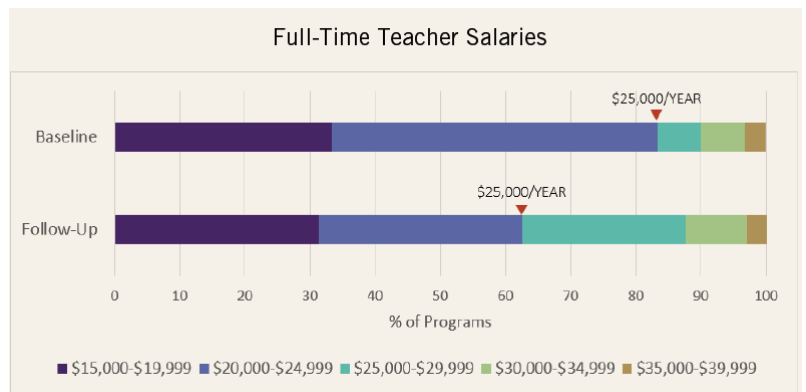
Source: Etter, K. & Capizzano, J. Early Learning Ventures Early Head Start-Child Care Partnership Model: Final Evaluation Report. The Policy Equity Group.

As part of the Preschool Development Grant's needs assessment, the state recently examined early childhood workforce needs including childcare. This report should be released in December 2019. The state will use data from the needs assessment to establish the early childhood strategic plan to be released in spring 2020. Within the strategic plan, the state should discuss potential ways to increase childcare worker wages, without increasing current childcare reimbursement rates.

Childcare Programs Struggle to Retain Qualified Employees; However, New Mexico has Higher Retention Rates than the National Average.

Frequent staff turnover is associated with negative outcomes, not only for programs but also for remaining staff and the children in their care. Research shows when children attend centers where there is lower staff turnover, and where providers earn higher wages, they spend more time engaged in positive interactions and developmentally appropriate activities with peers and teachers, which contributes to healthy development and school readiness.[xxxvii] According to the U.S. Census Bureau, New Mexico's turnover rate is 25 percent, below the national average between 30 percent and 40 percent.

Table 7. Review of State Child Care Workforce Retention Programs

State	Program	Average Stipend/Scholarship
Arizona	Professional Reward$ Program First Things First College Scholarships Professional Career Pathways Project	$1,100 Tuition, fees, & textbooks Tuition & Textbooks (up to 18 credit hours/year)
California	AB 212 Stipend Program	Tuition & Textbooks (up to $2400/year)
Delaware	WAGE$ Delaware	$2000
Florida	WAGE$ Florida	$1200
Illinois	Great START Gateways Scholarship	$800 Tuition supplement (based on hourly wage)
Iowa	WAGE$ Iowa	$1800
Louisiana	Louisiana's School Readiness Tax Credit for Staff & Directors	$2798 (refundable tax credit)
Maryland	Child Care Credential Program Training Vouchers & Reimbursements Family Child Care Provider Grant	$720 (one-time bonus) $400/year (reimbursement)
Minnesota	R.E.E.T.A.I.N.	$2357
New Mexico	**Salary Supplement**	**$2200**
North Carolina	WAGE$ North Carolina	$1400
Wisconsin	REWARD Wisconsin	$200/6 month stipend

Source: Evaluation of R.E.E.T.A.I.N: Minnesota's Child Care Workforce Retention Program (2019

Several states try to address recruitment and retention issues through programs designed to enhance wages for childcare professionals. A review of other state incentive programs indicates New Mexico has one of the highest stipends in the country. While the intent of these programs is to retain the early childcare workforce, they do not provide a mechanism for preventing individuals from leaving the workforce, and the state does not have data to determine the impact of these programs compared with those not participating.

From FY04 through FY18 New Mexico participated in a research-based program shown to lower turnover and improve teacher education. In FY19, CYFD stopped participating in the WAGE$ program, and started providing scholarship funds through a different mechanism. The WAGE$ program is a national program operated by Child Care Services Association in Chapel Hill, North Carolina. WAGE$ was created in response to research finding that the quality of care children receive is lowered by high turnover rates and low teacher education. WAGE$ consists of two different programs, INCENTIVE$ and T.E.A.C.H., that pay supplements or scholarships to childcare workers, directors, and family childcare home professionals. Research on these programs show decreased worker turnover and increased teacher education. New Mexico's participated in the WAGE$ program from FY04 to FY18, when it left reportedly due to limited funding. New Mexico moved away from the evidence-based program and is not currently reporting on the impact of a replacement initiative.

National data collected over the last 23 years, show T.E.A.C.H. scholarships increased teacher education, boosted teacher compensation and reduced teacher turnover.[xxxviii] The program's turnover rate for childcare workers participating in both the wage supplement (INCENTIVE$) and scholarship (T.E.A.C.H.) programs was lower than both the national average as well as the state. Although requestsed, CYFD did not provide any historical data regarding the wage supplement or scholarship programs. An early childcare workforce database would remedy this issue in the future.

The Comprehensive Early Childhood Scholarship Program replaced T.E.A.C.H. in 2018. This scholarship program is a cost-share model for New Mexico's early childhood educators, administrators, and program directors. To qualify, an applicant must work in a CYFD licensed or registered childcare program, CYFD state-funded prekindergarten or early prekindergarten program, or CYFD-funded home-visiting program. Applicants must enroll in a New Mexico college or university, work a minimum of 20 hours per week, and confirm completion of the Federal Application for Student Aid (FAFSA). The sponsor's responsibility is to work with the applicant to allow a weekly release time that benefits both parties.

Data from the first year of the CYFD Early Childhood Scholarship Program indicate 1,078 early childhood professionals applied for the scholarship and there were 872 active scholars as of June 30, 2019, with Central New Mexico Community College having the largest number of scholars attending (at 379). While CYFD tracks enrollment and degrees sought, it does not track if the program is leading to improved outcomes for teachers or students, compared with those not enrolled in the program. CYFD should collect performance data on all scholarship programs and report this information to the Legislature annually.

Chart 30. T.E.A.C.H. Participant Enrollment and Turnover Rates, 2009-2016
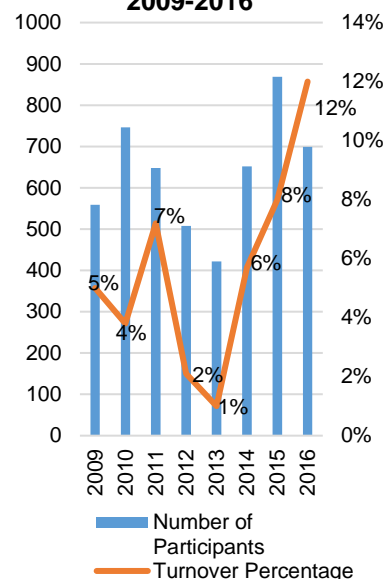
Source: Child Care Services Association

Chart 31. Degrees Sought by Active Scholars, CYFD Scholarship, 2019

- Associate
- Bachelor
- CDC
- Other (Mentorship)
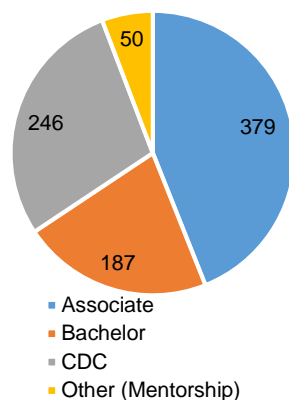
Source: Region IX

Table 8. CYFD Comprehensive Early Childhood Scholarship Information

DEGREE	SCHOLARSHIP AMOUNT
Associate's Degree/Child Development Certificate	100% Tuition & Books
Bachelor's Degree	100% Tuition, 50% Books
Master's Degree	Dependent on availability of funds
Doctorate Degree	Dependent on availability of funds

Note: Minimum 6 credit hours per calendar year; commit to say with sponsoring childcare provider for one year after completion of scholarship agreement.

Source: CYFD

New Mexico is the Only State Without a Childcare Workforce Database.

Every state except New Mexico currently has a formal data collection mechanism. The vast majority of states (48) use registries. More than half (27) of the states have published workforce survey reports at some point within the past five years (2013-2018).

Source: Early Childhood Workforce Index, 2018

Key Workforce Questions

- *Are at risk children matched with the most qualified childcare teachers?*
- *What are the current education levels of early childcare teachers?*
- *What are the current compensation levels of the workforce?*
- *What type of professional development is needed and where?*
- *What percent of the workforce has participated in scholarship initiatives?*
- *How do scholarship recipients differ from those who have not received scholarships?*
- *Are there disparities in early educator access to education and training opportunities?*

Source: Center for the Study of Childcare Employment

New Mexico is unable to track the childcare workforce, where they work, and what education, training, and experience they have. New Mexico does not have a database or registry that collects demographic, educational, and experience information for one of the most impactful workforces in the state. According to the National Workforce Registry Alliance, Inc., a state workforce registry should have demographic information for professionals who provide direct care to children, administrators of early childcare programs, and trainers who provide professional development training and guidance to the workforce. New Mexico is the only state in the nation that does not collect any information on this segment of the workforce.

Without the data that a statewide workforce registry provides, it is impossible to answer key policy questions pertaining to the early childhood workforce in New Mexico. In New Mexico, the state cannot answer many crucial workforce questions. Efforts to improve state-level workforce data have increased for some programs because New Mexico collects administrative-specific aggregate records for prekindergarten and Head Start, but not for childcare. Therefore, the data cannot be used to inform critical statewide childcare workforce policies.

According to the Early Childhood Data Collaborative's 2018 early childhood data systems survey, only 15 states (30 percent) reported linking individual workforce-level data across programs. Linking discrete administrative data sets could reduce knowledge gaps about career pathways and provide information on staff turnover and other early childhood workforce trends. Without collecting and connecting data across all sources, policy makers and other stakeholders are unable to inform critical early childhood workforce policies.

Oklahoma has a robust early childcare workforce registry. The Oklahoma Professional Development |Registry (OPDR) is a system for approved trainers and organizations to share professional development opportunities with the early care and education field and for childcare providers to monitor their professional development. By providing these services, OPDR provides critical data for assessing the status of Oklahoma's early childhood workforce and developing a high-quality, consistent workforce. To date, OPDR includes close to 15 thousand active participants. Additionally, the OPDR exists to recognize achievement and dedication in the early care and education field and assists the state licensing and quality rating system with documentation of professional development. New Mexico's early childcare workforce might benefit from a similar database. ECECD should build a workforce registry that tracks employment, training, and turnover and could partner with UNM Early Childhood Services Center to build on the current training database.

Nationally, the Quality of Early Learning Settings Relates Directly to the Quality of Staff.

Caregiver education and quality can affect child outcomes. The interactions between caregivers and children affect child development and have longer-term effects on later schooling and social-emotional adjustment. The importance of childcare teacher educational attainment increases for children ages 3 to 5. For infants, teacher qualifications matter less than

caregiving quality, while for toddlers and 3-year-olds, the importance of caregiver education can be a predictor of school readiness[xxxix].

The National Institute of Child Health and Human Development (NICHD) longitudinal *Study of Early Child Care and Youth Development (1991-1995)* examined the effects of the workforce on child and found positive caregiving quality had a stronger correlation to outcomes than caregivers' experience, training, and formal education for infants. For 3- and 4-year-olds, caregiver education and training predicted number of functional outcomes including school readiness, language comprehension, and social competencies. New Mexico should ensure the state provides effective higher education and professional development opportunities, while encouraging the early childcare workforce to further their early childhood education, particularly for those working with 3- to 5-year-olds.

Central New Mexico Community College (CNM) created an early childhood mentor network to strengthen the early childhood workforce. The CNM mentor network consists of childcare professionals who mentor upcoming teachers. The college used private funding at the inception of the program, and CYFD provided CNM with funding for FY20. The mentor teachers are selected based on their teaching skills, leadership qualities, and commitment to the profession. All mentor teachers must have an associate's degree or higher in early childhood or a related field. Mentors attend monthly reflective meetings to support the coursework and mentoring of adult students in their classrooms. Three cohorts completed the mentor network cycle, and CNM is piloting the mentor network at San Juan College, Eastern New Mexico University, and Doña Ana Community College. Over 60 childcare centers are participating in the network. Santa Fe Community College, Western New Mexico University, and UNM-Taos participated in 2018-2019. Participants reported a greater sense of satisfaction in their role as teachers compared with those not in the network.

The Early Childhood Services Center (ECSC), at the University of New Mexico, provides training, certification, and consultation for New Mexico's early childhood workforce but does not assess teacher quality. ECSC works at the local, regional and state levels to support the early care community. The center is composed of five regional consultation hubs that provide training and consultation to licensed and registered CYFD childcare programs. The regional hubs are in Albuquerque, Clovis, Española, Gallup, and Las Cruces. The center coordinates professional development services for early childhood professionals (in both English and Spanish). Additional ECSC services include the design of online and face-to-face training, support and training for facilitators, and maintenance of a statewide New Mexico trainer registry.

As of June 2019, ECSC had 47 full-time consultants who provide services to 979 childcare programs statewide, an average of 20 centers per consultant. Each regional hub employs a consultation team that provides technical assistance, coaching, consultation, mentoring, and guidance based on the early care program's goals, needs, and strengths. However, these teams generally do not provide competence-based approaches that focus on current staff knowledge prior to training. If training is not based on staff knowledge, it might not be appropriate or improve staff's day-to-day skills.[xl] Competence-based approaches can include different training for different experience levels or more individualized approaches. CYFD and UNM should work together to

ensure staff receive appropriate training based on current staff knowledge and monitor and report training impacts.

Table 9. Consultation Visits to Providers, January 1, 2019-June 30, 2019

ECSC Area	Consultants	Sites Served	Total Sites	Total Site Visits	Total Service Hours
Albuquerque	20	203	212	4055	5919
Clovis	5	44	48	980	1343
Española	4	39	42	507	1129
Gallup	5	35	35	1274	1570
Las Cruces	17	101	103	2727	4903
TOTAL	**51**	**422**	**440**	**9543**	**14,864**

Source: UNM Early Childhood Services Center

Recommendations

The Children, Youth, and Families Department and the Early Childhood Education and Care Department should;

- Consider improving and expanding the shared services system in New Mexico which might help increase administrative efficiencies and improve teacher compensation;
- Study how to include minimum teacher salaries as part of our quality rating system;
- Invest in a workforce registry to track the childcare workforce. Specifically capturing information on place of employment, years of experience, training completed, certificate, degree attainment, and wages;
- Track the Comprehensive Early Childhood Scholarship Program data and whether the program is leading to improved outcomes for teachers or students. It would be helpful for CYFD to collect performance data on this program and report to the Legislature annually;
- Work collaboratively with state institutions of higher education to ensure training for all childcare workers focuses specifically on child and caregiver interaction;
- Monitor retention and turnover of the childcare workforce to determine the effects of the CYFD scholarship, wage supplement, and other incentive programs;
- Ensure trainings assess prior knowledge to tailor training to needed support; and
- Monitor and report the effect of the training done by the Early Childhood Services Center (ECSC) and the CNM mentor program.

Appendix A. Evaluation Scope and Methodology

Evaluation Objectives.
- Determine the outcomes of the current childcare quality rating system and performance oversight
- Examine program rating and quality,
- Examine coordination and capacity of childcare and
- Analyze New Mexico's childcare workforce needs

Scope and Methodology.
- Reviewed:
  - Applicable laws and regulations
  - LFC file documents
  - Agency policies and procedures and data for the childcare assistance program
- Analyzed data from CYFD and other agencies to determine the effect of childcare
  - Obtained pertinent data from PED, HSD, and TRD
- Conducted childcare site visits and interviewed appropriate staff
  - The evaluation team met with 12 childcare providers and 3 Head Start providers located in 8 cities
  - The evaluation team also interviewed a home based provider
- Reviewed relevant performance measures, administrative data, and related documents
- Researched childcare reports from other states and national groups as well as academic literature.

Evaluation Team.
Sarah Dinces, PhD., Lead Program Evaluator
Ryan Tolman, PhD., Program Evaluator
Janelle Taylor Garcia, PhD., Program Evaluator

Authority for Evaluation. LFC is authorized under the provisions of Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies, and institutions of New Mexico and all of its political subdivisions; the effects of laws on the proper functioning of these governmental units; and the policies and costs. LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state laws.

Exit Conferences. The contents of this report were discussed with the Secretary of the Department of Finance and Administration and her staff on December 4, 2019.

Report Distribution. This report is intended for the information of the Office of the Governor, Department of Finance and Administration, Office of the State Auditor, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Jon Courtney
Deputy Director for Program Evaluation

Appendix B. Detailed Methodology for Outcome Analyses

Education Analysis

Developing the Early Childhood Data Set.
1. Merged CYFD ACF childcare monthly files 2016-2019, STARS provider monthly files, and demographic data, producing roughly 43 thousand individual children receiving childcare during this period.
2. Merged ACF childcare files with PED student datasets for 2016-2018, using the developed unique identifier.
3. Merged files with kindergarten Istation and 3rd grade TAMELA data sets for SY16-19.
4. Merged files with prekindergarten data sets from PED and CYFD for SY15-18. Among the third grade dataset, 5,730 students attended prekindergarten and in the kindergarten data files, a total of 20,727 students attended prekindergarten.

Two final data sets were created: a 3rd grade dataset and a prekindergarten dataset. Each dataset includes the following information for 22,554 thousand and 64,147 thousand students, respectively:

- Name, date of birth, child care participation, school and school district, demographic information (e.g. race, ethnicity, FRL level), program name and location, type, star level, prekindergarten participation data, including administering agency, third grade TAMELA scores for math and reading or beginning-of-year Istation scores, and school level data

Cohort Development

LFC staff developed the cohorts from the described data sets. Through the merging of data described above, LFC staff were able to identify cohorts of three and four-year old children who participated in child care between 2015 and 2018 and follow these students over a six year period, including participating in childcare, prekindergarten, Istation, TAMELA, and K through third grade.

3rd grade SY19	→	Prekindergarten SY15	→	Childcare 2015

K SY19 (Istation)	→	Prekindergarten SY18 & SY17	→	Childcare 2015-2018
K SY18 (Istation)	→	Prekindergarten SY17 & SY16	→	Childcare 2015-2017
K SY17 (Istation)	→	Prekindergarten SY16 & SY15	→	Childcare 2015-2016
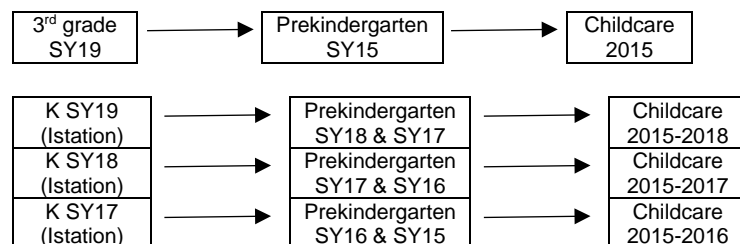
For the kindergarten analysis, the three identified cohorts of students of students were merged to ensure adequate N sizes for analysis among star levels. Cohort analysis was limited to the following years because PED student assessment data prior to 2017 included DIBELS assessment, preventing comparable analysis. Forty-three thousand children with birthdates between January 2016 and June 2019 participated in childcare subsidy. Roughly, 1,852 third grade students could be matched to TAMELA scores in SY19. Roughly 5,860 kindergarten students could be matched to beginning-of-year Istation scores in SY19, SY18, and SY17. The third grade cohort included roughly 22,554 third grade students, 1,852 of which received childcare, and 5,730 of which received prekindergarten. The merged kindergarten cohorts included roughly 64,147 kindergarten students, 5,860 of which received child care and 20,727 of which received prekindergarten.

TAMELA and Istation Analysis

LFC staff analyzed the cohorts of New Mexico children who participated in CYFD childcare, participated in NM prekindergarten, or had no record of participating in early childhood services and compared their third grade reading and math TAMELA or beginning-of-year Istation scores. Multiple approaches were taken in analyzing the cohort

data, including multilevel modeling and creating comparison groups through propensity score matching, both yielding similar results. The procedure reported for third grade TAMELA and beginning-of-year kindergarten outcomes used in the report was considered by researchers to be the most rigorous of these approaches, multilevel modeling also known as hierarchical linear modeling (HLM). The description below outlines the building of models from null, through individual-level to group-level, and final results as reported in the program evaluation. Special education students were not included in the third grade TAMELA analysis as special education students take a different standardized test and the scores might not be comparable with non-special education students.

Null model. A null model was developed to examine variability in intercepts between school districts for each individual i in school district j where γ equals the average slope coefficient and ε_{ij} represents the variation in individual scores within school districts. Due to concerns regarding small n-size, an initial null linear mixed model was not run between child care providers. A linear mixed model was run excluding predictor variables to determine the total variability in test scores between schools. The null model is summarized by equation 1.1.

$$Y_{i,} = \beta_{0j} + \varepsilon_{ij}$$

For the third grade cohort, the intra class correlation suggests that about 8 percent of the total variability in reading scores lies between school districts. Additionally intercepts vary significantly across schools (Wald Z=5.12, $p<.001$). There is also significant variance to be explained within groups (Wald Z=105.9, $p<.001$). Similarly, for the kindergarten cohort, the intra class correlation suggests that about 8 percent of the total variability in reading scores lies between school districts. Additionally intercepts vary significantly across schools (Wald Z=5.28, $p<.001$). There is also significant variance to be explained within groups (Wald Z=100.89, $p<.001$). Based on the variability existing due to school district, a multilevel model was developed first to explain the variability in intercepts within and between school districts for both cohorts.

Individual-Level Random Intercept Model. A random intercept model was developed to examine variability in intercepts between school districts for each individual i in school district j where γ equals the average slope coefficient and u equals the individual school districts coefficients.

$$Y_{ij} = \gamma_{00j} + u_{0j} + \gamma_{10} FRL_{ij} + \varepsilon_{ij}$$

As expected, FRL was significantly related to third grade student TAMELA reading scores (t (111,22553)=-40.79, $p>001$). Additionally the addition of the within-group predictor, FRL, reduced the residual variability from 1414.7 in the null model to 1317.8 in the random intercept model with differences in within-district variability accounting for 6.8 percent of variance in the scores. Similarly, FRL was significantly related to kindergarten student Istation scores (t (111,21078)=-32.04, $p>001$). Additionally the addition of the within-group predictor, FRL, reduced the residual variability from 175.8 in the null model to 167.5 in the random intercept model with differences in within-district variability accounting for 4.7 percent of variance in the scores.

Group-Level Random Intercept Model. Using a group-level random based intercept model, group level and individual level variables were controlled for as covariates as measures of interest including type of care (registered home, 2-star, 3-star, 4-star, 5-star) and prekindergarten participation were entered as factors into the model. Based on exploratory data analysis and provided the thesis from previous research that district-level variables explains variability in intercepts across districts, district context variables ((e.g. the composition of districts based on free/reduced price lunch participation (FRL), and percentage of minority children)) were included in the model, additionally individual level variables were included in the model (e.g. FRL status, English language learner (ELL) eligibility, and gifted status).

$$Y_{ij} = \gamma_{00j} + \gamma_{01} FRL\_mean_j + \gamma_{02} MinorityStatus\_mean_j + \gamma_{03} GiftedStatus_{ij} + \gamma_{04} Hispanic_{ij} + \gamma_{05} ChildCareType_{ij} + \gamma_{06} PreKParticipation_{ij} + \gamma_{10} FRL_{ij} + \gamma_{11} MinorityStatus_{ij} + u_{0j} + \varepsilon_{ij}$$

Findings from the final group level model showed that several factors affect how a child does on third grade reading and math TAMELA tests including differences in school composition (percentage of free/reduced price lunch (FRL) ($p<.05$) and minority children) ($p<.05$)) and individual differences (minority status ($p<.001$), FRL status ($p<.001$), participation in prekindergarten ($p<.001$), gifted status ($p<.001$) and ethnicity ($p<.05$)). Childcare provider star level

was associated with math scores ($p<.05$). For the kindergarten cohort, factors that affected how a child does on beginning-of-year Istation included gifted status ($p<.001$), ethnicity ($p<.001$), participation in prekindergarten ($p<.001$), FRL status ($p<.001$), and minority status ($p<.001$).

Overall, participating in child care is not associated with better outcomes on third grade reading or math scores or beginning-of-year kindergarten Istation scores compared with non-participant peers regardless of program star level and duration of childcare assistance enrollment. Participation in prekindergarten was a significant predictor ($p<.001$) of third grade reading and math TAMELA scores when controlling for factors listed above with a mean difference of approximately 2.5 points and kindergarten beginning-of-year Istation scores when controlling for factors listed above with a mean difference of almost 1 point.

Propensity Score Matching Analysis. In a separate analysis, a comparison sample of kindergarten children who had not received childcare assistance was developed such that the sample was demographically similar to the cohort of kindergarten children who had participated in childcare assistance. The comparison group was matched on factors including school district, FRL, English Language Learner, and SWD status. An analysis of variance (ANOVA) revealed no significant differences between kindergarten beginning-of-year Istation scores among the two groups of students. Additional analyses indicated that there were no significant differences between FOCUS star level and beginning-of-year Istation scores. Although LFC created a statistically equivalent comparison group, other factors for which were not measured, such as family engagement and family income, could partially explain why there was no positive effect of childcare assistance found even with a matched comparison group.

The observed findings from all analyses converge with results from previous LFC analysis and research[xli] showing few associations of QRISs with better outcomes and overall mixed support for QRIS systems as measures of quality.

Potential Limitations and Future Directions

The study reported in the December 2019 program evaluation has several limitations. Group selection for the no intervention group was limited by the data available. For example, since Head Start data was not available, researchers were not able to determine potential impact of this program. Additionally, the only children tracked for childcare are those receiving childcare subsidy, meaning that the comparison group that did not have any record of early childhood services being delivered could have participated in either Head Start or private pay childcare. Nevertheless, 76 percent of third grade children and 62 percent of kindergarteners not receiving any intervention were classified as children in poverty based on FRL participation, and it is possible that these children might have received another early childhood intervention aimed at children in poverty such as Head Start. The lack of early childhood service participation data represent potentially influential variables that could affect third grade and kindergarten outcomes negatively or positively, along with other contextual and individual level variables that are not available to researchers. Upon completion, the ECIDS data system should address many of these problems as the system will connect student records from multiple early childhood programs.

Selection bias is also of some concern, however controlling for district and individual level variables through multilevel modeling alleviates this concern to some extent, as did other methods used by researchers including propensity score matching, none of which showed a positive impact of child care on third grade or kindergarten test scores. Nevertheless, prekindergarten participants tend to score significantly higher on tests. These significant effects likely speak to the strength of the prekindergarten program rather than the shortcomings of childcare programs.

Percent of Low Income Students Proficient in Math by Childcare Assistance Star Level, 2019
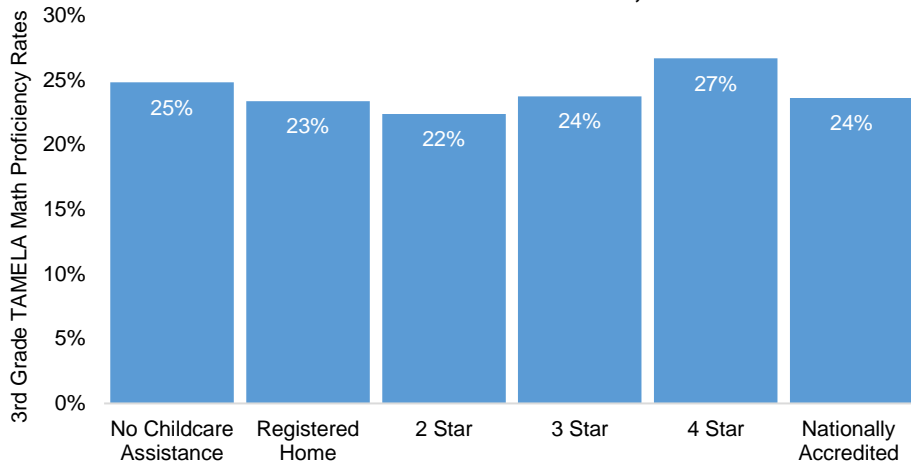
Source: LFC analysis of CYFD and PED data

Percent of Low Income Students Proficient in English by Childcare Assistance Star Level, 2019
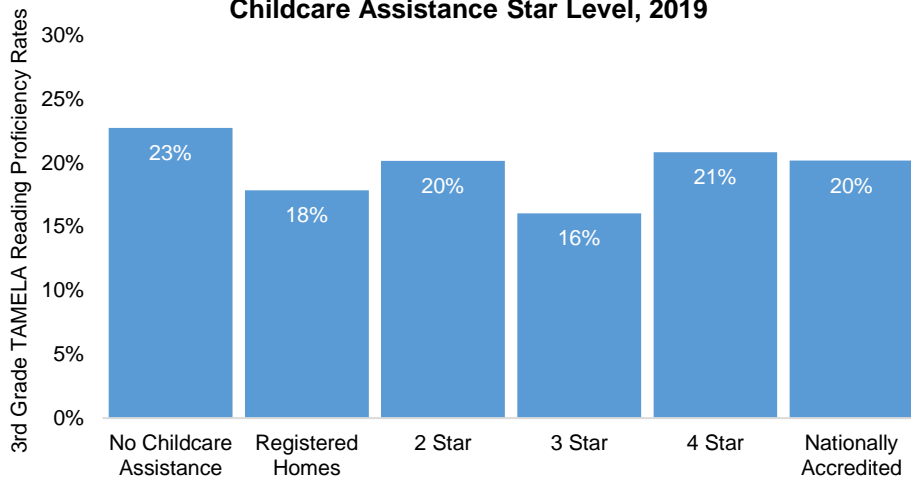
Source: LFC analysis of CYFD and PED data

No Significant Effect of Childcare Assistance TQRIS type on Low-Income 3rd Grade Reading Proficiency Rates

No Significant Effect of Childcare Assistance TQRIS type on Low-Income 3rd Grade Math Proficiency Rates

No Effect of High Quality Childcare on Low-Income 3rd Grade Reading Proficiency Rates

No CCA	4 or 5 STAR	All others
23%	20%	19%

No Effect of HIgh Quality Childcare on Low-Income 3rd Grade Math Proficiency Rates

No CCA	4 or 5 STAR	All others
25%	24%	23%
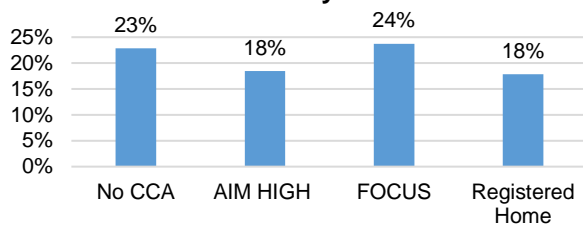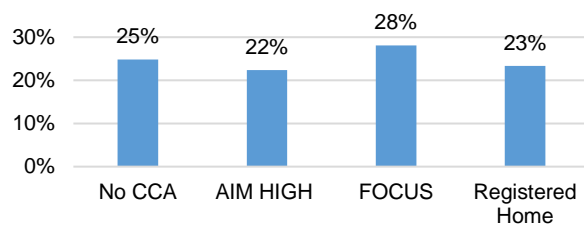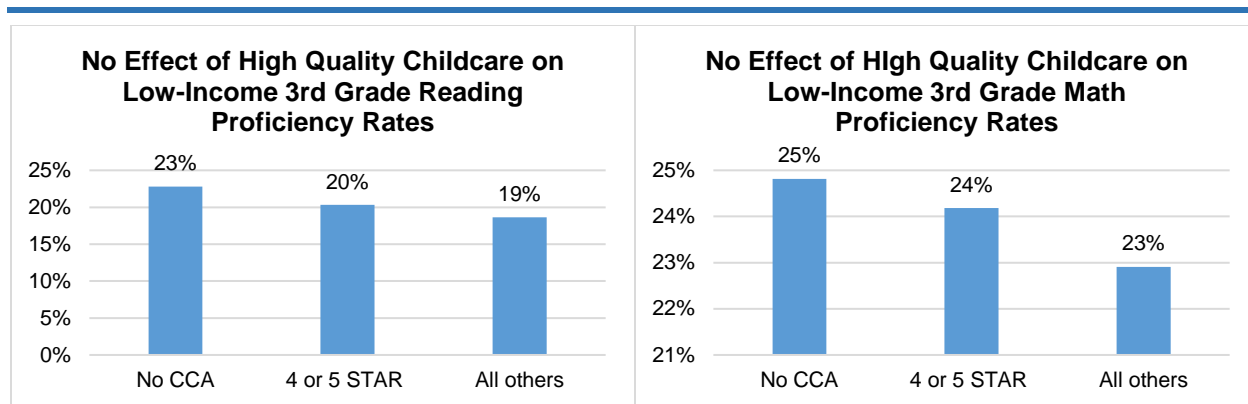
Family Income Analyses:

To examine whether childcare assistance led to increased family income, LFC worked with the tax and revenue department (TRD). TRD was asked to match a group of childcare assistance families who had exited childcare in or before 2017 and to collect their adjusted gross income before and after they participated in childcare assistance. Tax data from the year they entered and the year after they exited childcare assistance was used. Data from the year after exit was sued as this should give a comprehensive income picture because a full year of income data would be available post exit of childcare assistance. In addition to examining the effect of childcare assistance enrollment on income, LFC asked TRD to control for length of time enrolled in childcare assistance as well as the number of entries and exits through the system. Research highlights there might be a negative effect for families who have higher churn rates. Due to confidentiality issues, TRD completed the analyses and only provided LFC with aggregated data, descriptive statistics, and output from statistical analyses. LFC requested TRD examine eight specific questions focused on the impact of childcare assistance on a family's adjusted gross income.

CYFD provided TRD with a data set of program participants that included case id, social security number, case entry date, case exit date, counts of entries into the program, counts of exits out of the program, case closure reason, and other variables. TRD linked the CYFD data set with TRD data, which included adjusted gross income and other variables.

Length of stay (either measured in days or years) is a statistically significant predictor of income, however its explanatory power is extremely weak. Tables 4 and A1, both show the estimated effect of length of stay to be positive $5.8 per day and $1,842 per year, respectively. However, the adjusted r square, which measures the variation in income explained by length of stay, is less than 1% in each case.

Average Change in Income by Number of Years Enrolled in Childcare Assistance, 2013-2017

Number of Years In Childcare Assistance	Change In Income
0	$1,092
1	$2,890
2	$4,937
3	$5,956
4	$10,015
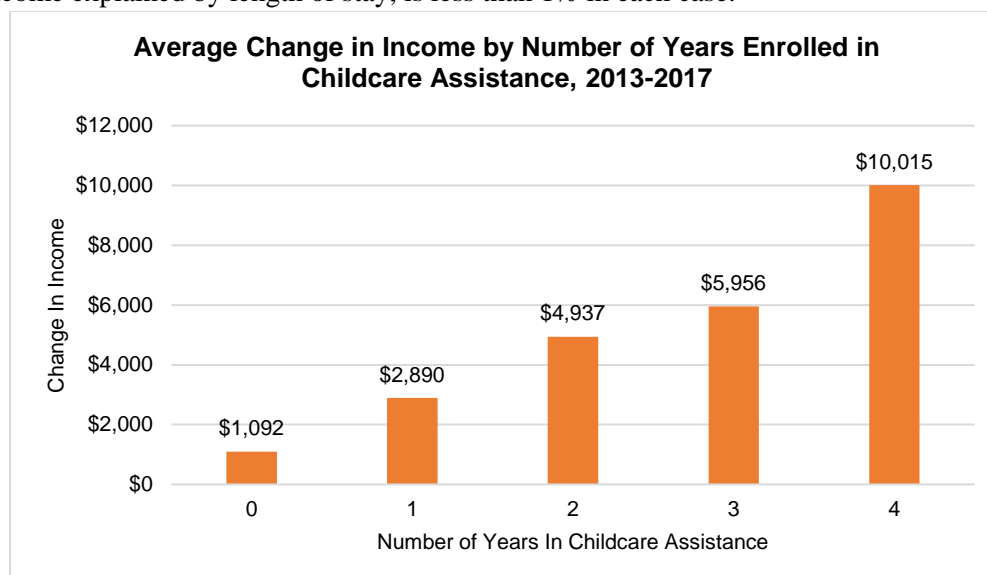
Source: TRD analysis of CYFD data

Closure reason is a statistically significant predictor of income; however, its explanatory power is extremely weak. Table 7 displays that the source of variation between groups is statistically significant with a p-value of .00. However, Table 8 displays that the adjusted r square is only 1%.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.13
R Square	0.02
Adjusted R Square	0.01
Standard Error	18,209
Observations	6,153

ANOVA

	df	SS	MS	F	Significance F
Regression	16	35,728,173,866	2,233,010,867	7	0.00
Residual	6,136	2,034,511,524,826	331,569,675		
Total	6,152	2,070,239,698,692			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	2,731	305	9.0	0.0	2,133	3,328
Adult Died	-17,142	10,517	-1.6	0.1	-37,760	3,475
Incarceration/Detention	-9,130	10,517	-0.9	0.4	-29,748	11,488
Services To Be Provided By Other Agency	-5,994	10,517	-0.6	0.6	-26,612	14,624
Ineligible For Services	-4,134	2,296	-1.8	0.1	-8,635	368
Client No Longer In Service Area	-4,050	2,452	-1.7	0.1	-8,858	757
Reopen Not Valid	-2,874	6,889	-0.4	0.7	-16,379	10,631
Insufficient Grounds To Proceed	-2,008	12,879	-0.2	0.9	-27,256	23,240
Closing Not According To Plan	-1,011	7,440	-0.1	0.9	-15,596	13,575
Child Care - No Activity	-512	756	-0.7	0.5	-1,995	970
Child Died	-461	12,879	0.0	1.0	-25,709	24,787
Child Care - Non-Compliance With Policy	882	946	0.9	0.4	-973	2,738
Child Care Timeframe Expired	1,319	1,903	0.7	0.5	-2,411	5,049
Administrative Closing	1,341	1,429	0.9	0.3	-1,461	4,143
Client Requested Closure	2,113	722	2.9	0.0	698	3,529
Withdrawn Application	7,191	12,879	0.6	0.6	-18,057	32,439
Income Exceeds Guidelines	10,259	1,103	9.3	0.0	8,096	12,421

The assumptions TRD used in there analysis are as follows: The original file had 12,575 cases in source data set. TRD removed 3,106 cases because they did not link to TRD data and removed another 3,316 cases because case opened and closed in the same year, resulting in no change in income.

Child Health Analyses:

To determine if enrollment in childcare assistance impacts child physical health, LFC staff examined Medicaid data for children under age 6 enrolled in childcare assistance and those enrolled in Medicaid in 2017. LFC staff examined data on well child visits, dental checks (for children between ages 2-6), and immunizations. Of the almost 16 thousand children under age 6 enrolled in childcare assistance in 2017, HSD was able to link over 12 thousand with Medicaid data. Those who were not linked to Medicaid records may be due to parental income, as Medicaid only covers families up to 185 percent of the federal poverty level while childcare assistance eligibility in 2017 at that time covered families until 200 percent of the federal poverty level. Specifically, these families had higher incomes and higher copayments, but were enrolled at a similar rate in high quality childcare programs.

Data was examined through use of descriptive statistics. No inferential statistics were used because we did not have individual level data for the control groups. All analyses used weighted averages. Hybrid methodology was used for the immunization comparison group, and as a second comparison group for well child visits.

One reason there might not be a meaningful difference in immunizations could be the way immunizations are recorded administratively by some providers. MCOs report immunizations using the Hybrid Methodology which is inclusive of the medical record review and which identifies the actual vaccine administered by the providers' office. Often providers will only bill for the administration of the vaccine if they participate in the state's vaccines for children program that provides the vaccines free of charge to the participating provider. The provider office does

not bill for the actual vaccine since they are not reimbursed for the actual vaccine and the administrative data provided is what was billed.

Parental Survey:

LFC staff conducted a survey of parents who exited childcare to understand what parents who left the program thought the impact of the program was for their family. LFC created a survey to focus on the outcome of childcare, and asked providers, policy makers and other stakeholders for feedback on the survey questions. LFC staff examined exit data for FY19, contacting over 200 families. Of these families, 50 agreed to complete the survey, giving LFC responses from roughly 1 percent of the population exiting childcare assistance in FY19.

Appendix C. Percent of Total Capacity of early childcare Providers by Quality Rating from 2010-2019

As CYFD has increased childcare subsidy rates especially for higher level providers, childcare capacity has decreased by 16 percent. The capacity for 5 star centers almost doubled, while the capacity for registered homes declined by 73 percent. The total capacity for childcare centers decreased from 82.5 thousand in FY10 to 69.3 thousand in FY19.

While childcare capacity has declined 16 percent, birthrates declined even further, down by almost 20 percent since 2010. Birthrates decreased from almost 28 thousand in FY10 to 22 thousand in FY18.

Total Capacity of Childcare Providers by Focus Star Level

Source: LFC analysis of CYFD data

Number of Early Childcare Providers by Focus Star Level

Source: LFC analysis of CYFD data

Percent of total capacity of early childcare providers by quality rating
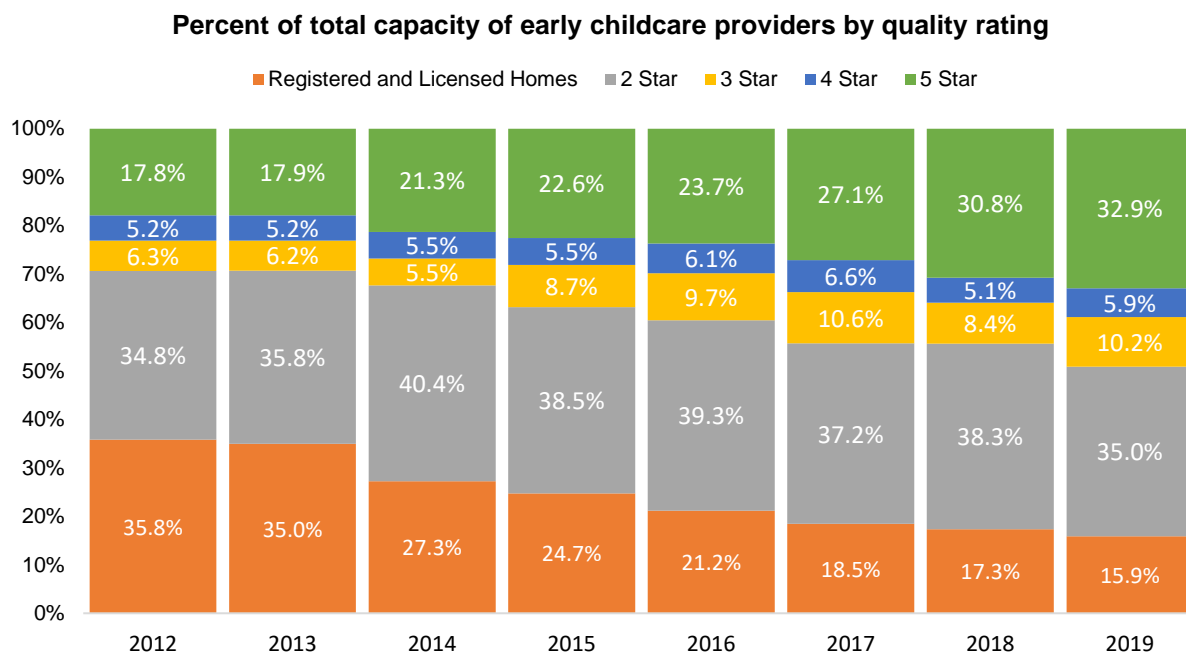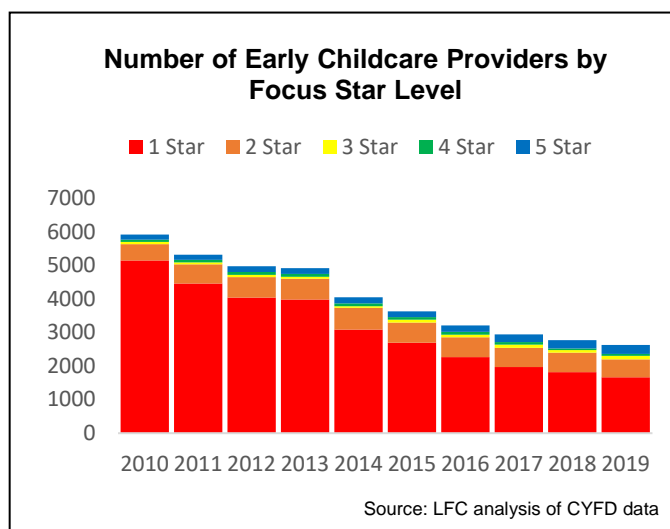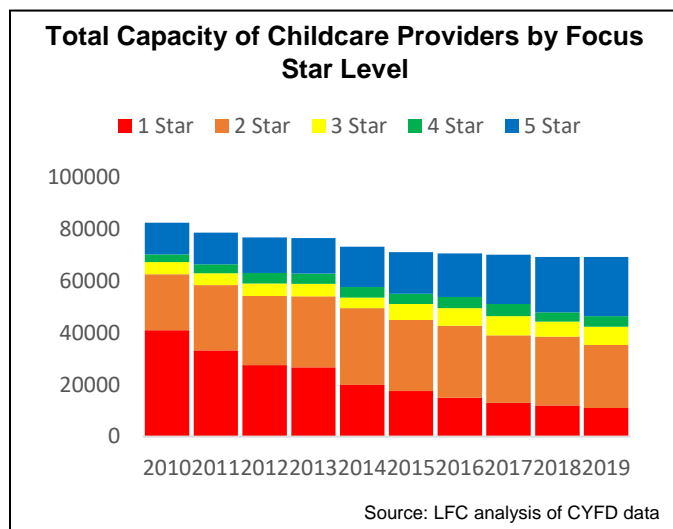
The New Mexico Early Childhood Integrated Data System (ECIDS): An Overview of the Project

Executive Summary

The New Mexico Public Education Department (NMPED) had a grand vision: Give every child in New Mexico an equal opportunity for success by building an integrated data system that would enable policy makers to make informed decisions about early childhood programs and policies.

In partnership with eScholar, led by NMPED, and funded by a Race to the Top – Early Learning Challenge (RTT-ELC) grant, just such an integrated data system became possible. In 2017, NMPED implemented the Early Childhood Integrated Data System (ECIDS), created in genuine collaboration among NMPED; Child, Youth, and Families Department (CYFD); and the New Mexico Department of Health (DOH).

By partnering with eScholar, the leading provider of longitudinal data warehouses to education, NMPED created an integrated data system that allows data to flow into a single repository. The ECIDS project also provided a unique identifier for every child in the system, which while protecting each child's data, enables accurate data analysis. With ECIDS, New Mexico now has a system that promotes accountability, tracks early learner outcomes, and analyzes efficacy of early learning programs.

This overview will provide an overview on the project milestones and learning experiences of the ECIDS development and implementation.

Getting Better Answers through ECIDS

In October 2015, the State of New Mexico issued a request for proposal for the ECIDS, which had the following stated goals:

1) Expand and align data systems across agencies;

2) Inform early childhood policy and outcomes;

3) Support an early childhood workforce development plan;

4) Create a data warehouse and reporting mechanisms to make policy decisions and;

5) Track the efficacy of early learning programs as evidenced by the longitudinal tracking of child outcomes.

After a competitive evaluation, eScholar was awarded the contract for this project in February 2016. The ECIDS project team, including eScholar, held its project kick-off in March 2016. While PED led the effort, all three agencies were involved in the system design. From the beginning, the team envisioned a cross-agency system that was able to scale up both horizontally and vertically, as well as be searchable by families to find appropriate early learning programs. The system needed to provide answers to complex questions, which would require data from multiple agencies. These questions could be answered through a reporting system or by querying the system. Examples of questions included in the beginning of the project:

Child-level Policy Questions:

- What are the unduplicated counts of children by program?

- How are children doing on assessments?

- Are children on track to be successful in kindergarten?

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- Are children identified as at-risk accessing recommended services or programs?

Program-level Policy Questions:

- Are the programs offered of high quality?

- Where are the high-quality programs located?

- Are programs available for at-risk children?

- What are the patterns of participation?

Workforce-level Policy Questions:

- What are the characteristics of the workforce across sectors (education, credentials, experience)?

- What is the mobility of the workforce in the state?

- Where are the most qualified staff persons employed?

- Do at-risk children have access to qualified staff?

The eScholar ECIDS Solution: Starting with a Unique Identifier for All Persons

One of the first milestones achieved following project kick off was the implementation of the eScholar Uniq-ID® as the ECIDS identifier (ID). Traditionally, information about early childhood participants and staff are maintained by separate agency systems, where they are assigned identification numbers. These data must be integrated and linked to analyze and understand program participation and outcomes. At the same time, it is most important not to use meaningful identifiers, such as Social Security numbers, which introduce privacy and security issues. The ECIDS unique ID solved both problems.

eScholar implemented Uniq-ID to provide a single, non-duplicated identifier for each child, and staff person. This unique identifier system

eliminates manual matching, while enabling accurate data analysis, pulling data from the integrated system across all source programs. The ECIDS ID is not created based on any personally identifiable information, which protects the privacy of the individual. The ID also remains with the person throughout their participation in the early learning programs, whether it is the child in the program, or the staff member providing the services. It can be used to track each child's progress over time as the student moves programs, to grade school, and different locations within the state.

The eScholar Uniq-ID component runs a database separate from the data warehouse component, ensuring that all incoming ECIDS records are correctly associated with the appropriate ECIDS ID as well as preventing the duplication of data before the records are loaded into the data warehouse. This robust solution enables the analysis and reporting of the ECIDS data, empowering the Early Childhood programs to answer crucial questions about programs and policies.

An Integrated Data System with the eScholar Complete Data Warehouse® for Early Childhood

ECIDS also utilizes the eScholar Complete Data Warehouse (eScholar CDW) for Early Childhood, which allows data to flow from the early childhood agencies to the highly scalable eScholar CDW in an automated and secure manner. After initial mapping meetings, the eScholar team recognized there was a need for a new data model. While the eScholar Complete Data Warehouse for PK-12 supported many early childhood data categories, a new model was required to support the integration of data from several distinct agencies. The ECIDS data model is compliant with the Common Education Data Standards in seven data domains, across about 300 data elements. It utilizes existing

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data elements used by the agencies, which was done by conducting an extensive gap analysis with the agencies.

To integrate data from the various agencies, eScholar and the ECIDS project team worked together to determine the best method for the extraction, transformation, and loading (ETL) procedures for each source system. With three different agencies and six different source systems, the eScholar team created a new connector for each one, as shown in the table below. Each system is set up to automatically load new data into the ECIDS data warehouse.

Agency	Source System	Extract Method	Description
Public Education Department (PED)	Student Teacher Accountability Reporting System (STARS)	eScholar direct data extracts with Java extractor	The connector extracts data, which is encrypted and moved into a folder for the eScholar Data Manager
PED	Kindergarten Observation Tool Application (KOTA then ECOT)	eScholar direct data extracts with Java extractor	The connector extracts data, which is encrypted and moved into a folder for the eScholar Data Manager
Children, Youth, and Families Department (CYFD)	Family and Child Tracking System (FACTS)	Database views with custom SQL extractor	The connector extracts data, and encrypted and moved into a folder for eScholar Data Manager
CYFD	Home Visiting System	File generated in eScholar format	System creates extract in eScholar template format and then eScholar Direct Data Extracts with Java Extractor, extracts data, and encrypted and moved into a folder eScholar Data Manager
CYFD	UNM/Pre-K	File generated in eScholar format by UNM	System creates extract in eScholar template format and then eScholar Direct Data Extracts with Java Extractor, extracts data, and encrypted and moved into a folder eScholar Data Manager
Department of Health (DOH)	Family Infant Toddler Program (FIT-KIDS)	File generated in eScholar format	System creates extract in eScholar template format and then eScholar Direct Data Extracts with Java Extractor, extracts data, and encrypted and moved into a folder eScholar Data Manager

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Key Lessons Learned

As with most projects of this scope and level of complexity, there were challenges to overcome.

The first challenge: gaining access to each of the systems from each agency. This required communication and collaboration led by the project leader, as well as attaining signed agreements from all agencies. This was an essential step, as data mapping to ECIDS could not proceed without access to the source systems. Reported Figen Bilir, eScholar's technical project manager, "We needed to assign unique IDs for each source system and we needed access to their systems to do this. When we began to integrate the data from the various systems into the data model, we realized each integration would be different. Accessing some databases proved more difficult than we had anticipated. Ultimately, we depended on weekly status meetings with all agencies and midweek and end-of-week status meetings with the PED project manager to move the project forward."

A series of data mapping meetings were - initiated among the database architects and source data agencies to begin mapping Essential Data Elements to the Common Education Data Standards (CEDS) version 5 data dictionary. This was expanded to include DOH-required data fields that are not education related.

While the project formally closed at the end of 2017, the multi-agency effort continued throughout 2018 - 2019 into its next phase as additional agency programs and their respective data were integrated, loaded, and verified; further building their longitudinal data set and populating and laying the foundation for reporting.

ECIDS is now a reporting-ready solution and can report across multiple learning programs crossing three agencies and five early learning programs. ECIDS can set up both authorized and public reports and can analyze outcomes for children and program efficacy. Previously, to analyze data across agencies relied on manual data pulls and matching processes.

Accomplishments, Achievements, and Technical Successes

With ECIDS, policymakers, parents, researchers, and early childhood providers – all important members of a child's education support system – will be able to measure child outcomes over time.

Two key elements of this project were eScholar Uniq-ID and the eScholar CDW solutions. ECIDS Project Manager Kathryn Cleary explained, "Through a single identifier assigned to each child, the integrated system will pull data across all early learning programs to identify short- and long-term outcomes of early learning interventions for continuous improvement in programs and to ultimately achieve positive outcomes for each child from preschool through high school and beyond."

She also stated that the unique identifier will not track an individual child and does not rate or evaluate the performance or development of young children. Through the unique identifier, Cleary added, "ECIDS will provide population-level outcomes on how children are faring throughout New Mexico."

Implementing the eScholar CDW, ECIDS integrated data from the three distinct agencies to create a data warehouse that integrates data sets across these agencies. This allows users of the data to identify how early childhood interventions support and improve well-being and education outcomes.

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Personalized education starts at eScholar

With ECIDS, policy makers will be able to make informed decisions about programs and policies that promote positive outcomes in the following ways:

- Measure early childhood program impacts on kindergarten readiness
- Help stakeholders identify short and long-term outcomes for continuous program improvement
- Count the number of children served by multiple early learning programs
- Assess the impact of qualifications and training of early learning program staff
- Allow parents to make informed decisions about quality programs in their area
- Evaluate program alignment across departments serving children ages 0 through 10 or grade 3

ECIDS met the project goal of assisting agency staff in making policy decisions and tracking the efficacy of early learning programs by:

- Creating a data collection system to record information related to the administration of the Kindergarten Observation Tool (KOT) as a part of the RTT-ELC grant.

- Creating reporting readiness that will provide meaningful access to the combined data, including displays based on geographic locations (geocoding).

Conclusion: Data-Driven, Data-Informed, Data-Powered Decision Making

Through the RTT-LC grant, New Mexico, in partnership with eScholar, designed a "system of systems" for the purpose of leveraging data for informed strategic and day-to-day decision making at the child, parent, teacher, administration, and agency levels. By creating an environment that allows young children to build a strong foundation for learning, New Mexico is successfully:

- **Raising Quality:** Ensuring a highly qualified and skilled workforce to best support children's optimal development; and implementing FOCUS, a rating system that allows parents to identify high quality programs.
- **Promoting Accountability:** Developing a system that integrates data from across programs serving young children to measure child outcomes over time and to enable planning for early learning investments.
- **Supporting Schools in Meeting Each Child's Needs:** Through the Early Childhood Observation Tool (ECOT or formerly known KOTA), assessing school readiness to understand individual child needs at the beginning of school and provide early interventions for positive learning outcomes.
- **Investing in Communities:** Identifying where children are at the greatest risk and prioritizing services to meet needs in designated areas.

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ECIDS: QUICK FACTS

Project Name: Early Childhood Integrated Data System (ECIDS)

Project Funding: Race to the Top – Early Learning Challenge (RTT-ELC) grant

Data Integrated: 5 Major NM agencies' data systems

Agencies Involved: 3

NMPED: New Mexico Public Education Dept

CYFD: Children, Youth, and Families Dept

NMDOH: New Mexico Dept of Health

Timeline

Project Kickoff: March 2016

Initial ID assignments: July 2016

Data Warehouse installation: December 2016

Data Integration: January 2017 – December 2017

Project Close: December 2017

Success factors and lessons learned:
- Buy-in from each agency is essential.
- Committed participation by agency leads is essential.
- Determining the right attendees for training is essential.
- eScholar also highlights the importance of developing a sustainability plan.

VISION: A SYSTEM OF SYSTEMS

NMPED's vision was large scale, as all great visions should be. It envisioned building a unified early learning data system that would provide educators, families, and policymakers with the information needed to:

- Provide the most current information educators need to nurture and teach the children in their programs
- Provide families with the information they need in order to make informed choices about which programs are best for their young children
- Track young children's development and progress as they are increasingly ready for school
- Measure the quality of and improvement in all of New Mexico's early learning and development programs
- Assess the status of young children as they enter kindergarten
- Follow students from their earliest enrollment in early childhood programs through entrance into kindergarten; elementary, middle, and high school; higher education; and the workforce.

New Mexico based their plan on the commitment to create an early care, health, and education "system of systems" that transformed disconnected, siloed programs into a coordinated system with a common focus—to ensure every child has equitable access to appropriate services, acknowledging their uniqueness and enabling them to reach their full potential.

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Appendix E. Detailed Description of Focus components and related Measurement

10 Essential Elements of Program Quality	Measurement
1. Authentic Observation Documentation and Curriculum Planning	- New Mexico Early Learning Guidelines: Birth through Kindergarten. - New Mexico Authentic Observation Documentation Curriculum Development Process - Guiding Principles for the Full Participation of Young Children, Birth through Age Eight, in New Mexico's Early Learning System. - Leadership and Continuous Quality Improvement process.
2. Family Engagement	- Continuous Quality Improvement (CQI) Process - Family Handbook
3. Inclusive Practices for Children with Developmental Delays or Disabilities	- Continuous Quality Improvement (CQI) Process - IFSP/IEP - New Mexico Early Learning Guidelines: Birth through Kindergarten and New Mexico Authentic Observation Documentation Curriculum Development Process provides criteria-based observations to plan developmentally appropriate curriculum that acknowledges each child's culture, language, and ability.
4. Culture and Language Including the Support of Dual Language Learners (DLL)	- Continuous Quality Improvement (CQI) Process - Enrollment information includes languages spoken in the home, socioeconomic, linguistic, racial, religious, and cultural backgrounds. - New Mexico Early Learning Guidelines: Birth through Kindergarten and New Mexico Authentic Observation Documentation Curriculum Development Process provides criteria-based observations to plan developmentally appropriate curriculum that acknowledges each child's culture, language, and ability. - Essential Indicator 6.1 (Converses in Home Language); 17.4 (Expresses Cultural Influences).
5. Promoting Social Relationships	- Continuous Quality Improvement (CQI) Process - ASQ-SE
6. Health Promotion and Developmental Screenings	- Well-child checks (2 months) - Age-specific developmental screening (e.g., the Ages and Stages 3rd Edition [ASQ-3] and Social Emotional [ASQ-SE] (4 months). - Dental, vision, and hearing screenings (6 months)
7. Professional Qualifications: Site Directors/Education Coordinators; Educators	- Director/Education Coordinator - New Mexico Child Development Certificate (or higher early childhood degree with corresponding certificate or license). - Specific Training Courses - Professional Development Plan - Educator - New Mexico Child Development Certificate for the age(s) assigned. - Specific Training Courses - Professional Development Plan
8. Ratios and Group Size	- Ratios (5-star) 6 weeks through 24 months................. 1:4 2 years... 1:6 3 years... 1:9 4 years... 1:10 5 years... 1:10 - Group Sizes 6 weeks through 15 months.....................8 12 through 24 months........................... 12 2 years... 12 3 years... 18 4 years... 20 5 years... 20
9. Environments	- NM Weekly Lesson Plan Form: - Formally reflect on classroom practices weekly - Incorporate reflections into lesson plans to document planned changes in practices and/or the physical environment.
10. Program Administration and Leadership	- Leadership and Continuous Quality Improvement process - CQI Strengths and Needs Survey - New Mexico Early Learning Guidelines: Birth through Kindergarten - Guiding Principles for the Full Participation of Young Children, Birth through Age Eight, in New Mexico's Early Learning System - NM Weekly Lesson Plan Form - Essential Elements of Program Quality in their Program Improvement Plan.

Appendix F. Childcare Assistance Provider Rates

Childcare Assistance Provider Rates 8.15.2.17 NMAC

Formula: (Base Rate + Quality Differential) x Units of Service = Provider Rate*

Base Rates

Childcare Assistance Base Provider Rate

Licensed Child Care Centers

Infant	Toddler	Pre-School	School-age
$ 720.64	$ 589.55	$ 490.61	$ 436.27

Licensed Group Homes (capacity: 7-12)

Infant	Toddler	Pre-School	School-age
$ 586.07	$ 487.11	$ 427.13	$ 422.74

Licensed Family Homes (capacity: 6 or less)

Infant	Toddler	Pre-School	School-age
$ 566.98	$ 463.50	$ 411.62	$ 406.83

Registered Homes and In-home Child Care

Infant	Toddler	Pre-School	School-age
$ 289.89	$ 274.56	$ 251.68	$ 251.68

Age Range Definitions

Infant	Zero - 23 months
Toddler	24 -35 months
Pre-school	Three to five year olds
School-age	Six-years and older

Quality Differential

Childcare Assistance Monthly Quality Differential Provider Rate

2+ Star Focus Childcare Centers, Licensed Family, and Group Homes

Infant	Toddler	Pre-School	School-age
$ 88.00	$ 88.00	$ 88.00	$ 88.00

3 Star Focus Child Care Centers, Licensed Family, and Group Homes

Infant	Toddler	Pre-School	School-age
$ 100.00	$ 100.00	$ 100.00	$ 100.00

4 Star Focus Licensed Family and Group Homes

Infant	Toddler	Pre-School	School-age
$ 180.00	$ 180.00	$ 180.00	$ 180.00

5 Star Focus or CYFD approved National Accreditation Licensed Family and Group Homes

Infant	Toddler	Pre-School	School-age
$ 250.00	$ 250.00	$ 250.00	$ 250.00

4 Star Focus Child Care Centers

Infant	Toddler	Pre-School	School-age
$ 280.00	$ 280.00	$ 250.00	$ 180.00

5 Star Focus or CYFD Approved National Accreditation Child Care Centers

Infant	Toddler	Pre-School	School-age
$ 550.00	$ 550.00	$ 350.00	$ 250.00

Units of Service

Full time	Part time 1	Part time (split custody or in cases of two providers)	Part time 3
Care provided for an average of 30 or more hours per week per month	Care provided for an average of 8-29 hours per week per month	Care provided for an average of 6-19 hours per week per month	Care provided for an average of 7 or less hours per week per month
Pay at 100% of full time rate	Pay at 75 % of full time rate	Pay at 50 % of full time rate	Pay at 25% of full time rate

*Non-traditional Hours Differential (not included in above formula)

	1-10 hrs/wk	11-20 hrs/wk	21 or more hrs/wk
After hours	5%	10%	15%
Weekend hours	5%	10%	15%

Appendix G. PED Afterschool and Summer Program by Grantee, FY19

21st Century Grantees, FY19

Grantee	School District	Total Sub-Grantee Award	Site	Regular(21 APR) 30 Days or More	Total Students Attended
AppleTree Educational Center	T or C	$279,718.10	AppleTree Educational Center	63	87
AppleTree Educational Center	T or C		Arrey Elementary	50	55
AppleTree Educational Center	T or C		T or C Elementary	72	130
AppleTree Educational Center	T or C		The Club	54	167
Central Consolidated Schools	Central	$553,410.00	Eva B. Stokely Elementary	46	55
Central Consolidated Schools	Central		Kirtland Elementary School	71	98
Central Consolidated Schools	Central		Mesa Elementary	57	76
Central Consolidated Schools	Central		Newcomb Elementary School	50	107
Central Consolidated Schools	Central		Nizhoni Elementary	48	75
Central Consolidated Schools	Central		Ojo Amarillo Elementary	92	134
Chama	Chama	$187,404.00	Chama Elementary School	18	62
Chama	Chama		Tierra Amarilla Elementary	64	95
Community for Learning	Albuquerque Public Schools	$416,918.00	Albuquerque Sign Language Academy	31	32
Community for Learning	Albuquerque Public Schools		Bel-Air Elementary School	74	89
Community for Learning	Albuquerque Public Schools		Chelwood Elementary School	114	130
Community for Learning	Albuquerque Public Schools		Painted Sky Elementary School	66	96
Española Public Schools	Espanola Public Schools	$942,849.00	Abiquiu Elementary	20	46
Española Public Schools	Espanola Public Schools		Alcalde Elementary	50	93
Española Public Schools	Espanola Public Schools		Carlos Vigil Middle School	252	272
Española Public Schools	Espanola Public Schools		Chimayo Elementary	22	42
Española Public Schools	Espanola Public Schools		Eutimio T. Salazar Elementary	114	141
Española Public Schools	Espanola Public Schools		Hernandez Elementary	49	70
Española Public Schools	Espanola Public Schools		James H. Rodriguez	159	232
Española Public Schools	Espanola Public Schools		San Juan Elementary	56	100
Española Public Schools	Espanola Public Schools		Tony E. Quintana	101	150
Española Public Schools	Espanola Public Schools		Velarde Elementary	46	49
Farmington Municipal Schools	Farmington Municipal Schools	$189,807.00	Apache Elementary	38	72
Farmington Municipal Schools	Farmington Municipal Schools		Bluffview Elementary	38	61

Farmington Municipal Schools	Farmington Municipal Schools		McCormick Elementary	39	60
Hatch	Hatch	$402,262.00	Garfield ES	42	67
Hatch	Hatch		Hatch Valley High School	21	55
Hatch	Hatch		Hatch Valley MS	42	98
Hatch	Hatch		Rio Grande Elementary	60	158
Hobbs Municipal Schools	Hobbs Municipal Schools	$1,263,879.00	Boys and Girls Club Central	63	81
Hobbs Municipal Schools	Hobbs Municipal Schools		Boys and Girls Club CLE	104	136
Hobbs Municipal Schools	Hobbs Municipal Schools		Boys and Girls Club TAY	83	90
Hobbs Municipal Schools	Hobbs Municipal Schools		Coronado Elementary School	102	120
Hobbs Municipal Schools	Hobbs Municipal Schools		Heizer Middle School	44	100
Hobbs Municipal Schools	Hobbs Municipal Schools		Highland Middle School	16	38
Hobbs Municipal Schools	Hobbs Municipal Schools		Houston Middle School	84	211
Hobbs Municipal Schools	Hobbs Municipal Schools		Jefferson Elementary Hobbs	96	110
Hobbs Municipal Schools	Hobbs Municipal Schools		Southern Heights Elementary	64	99
NMSU - STEM Outreach Center	Las Cruces	$2,387,379.00	Alameda Elementary	98	158
NMSU - STEM Outreach Center	Las Cruces		Anthony Elementary	132	206
NMSU - STEM Outreach Center	Las Cruces		Cesar Chavez Elementary	105	186
NMSU - STEM Outreach Center	Las Cruces		Chaparral Elementary	88	229
NMSU - STEM Outreach Center	Las Cruces		Columbia Elementary	20	138
NMSU - STEM Outreach Center	Las Cruces		Conlee Elementary	126	209
NMSU - STEM Outreach Center	Las Cruces		Desert Trail Elementary	90	210
NMSU - STEM Outreach Center	Las Cruces		Desert View Elementary	141	258
NMSU - STEM Outreach Center	Las Cruces		Dona Ana Elementary	103	149
NMSU - STEM Outreach Center	Las Cruces		Loma Heights Elementary	107	179
NMSU - STEM Outreach Center	Las Cruces		Loma Linda Elementary	96	206
NMSU - STEM Outreach Center	Las Cruces		Riverside Elementary	152	243
NMSU - STEM Outreach Center	Las Cruces		Santa Teresa Elementary	115	240
NMSU - STEM Outreach Center	Las Cruces		Sunrise Elementary GISD	129	264
NMSU - STEM Outreach Center	Las Cruces		Sunrise Elementary LCPS	97	195
NMSU - STEM Outreach Center	Las Cruces		Tombaugh Elementary	145	244
NMSU - STEM Outreach Center	Las Cruces		University Hills Elementary	98	161
NMSU - STEM Outreach Center	Las Cruces		Vado Elementary	141	256
NMSU - STEM Outreach Center	Las Cruces		Valley View Elementary	59	103
Rio Grande Educational Collaborative	Albuquerque Public Schools	$846,517.92	Central ES	36	52
Rio Grande Educational Collaborative	Albuquerque Public Schools		Christine Duncan Charter School	82	132

Rio Grande Educational Collaborative	Albuquerque Public Schools		Dennis Chavez ES	62	119
Rio Grande Educational Collaborative	Albuquerque Public Schools		East San Jose ES	18	18
Rio Grande Educational Collaborative	Albuquerque Public Schools		George I. Sanchez	223	283
Rio Grande Educational Collaborative	Albuquerque Public Schools		Gil Sanchez ES	41	87
Rio Grande Educational Collaborative	Albuquerque Public Schools		H T Jaramillo C S	53	72
Rio Grande Educational Collaborative	Albuquerque Public Schools		Hawthorne ES	108	135
Rio Grande Educational Collaborative	Albuquerque Public Schools		Janet Kahn Elementary	83	113
Rio Grande Educational Collaborative	Albuquerque Public Schools		La Merced ES	43	82
Rio Grande Educational Collaborative	Albuquerque Public Schools		La Promesa ES	56	82
Rio Grande Educational Collaborative	Albuquerque Public Schools		Los Puentes Charter	27	28
Rio Grande Educational Collaborative	Albuquerque Public Schools		Pajarito Mesa	44	59
Rio Grande Educational Collaborative	Albuquerque Public Schools		Rio Grande ES	61	69
Santa Fe Public Schools	Santa Fe Public Schools	$1,100,991.00	Amy Biehl Elementary	57	68
Santa Fe Public Schools	Santa Fe Public Schools		Aspen Community Schools	83	100
Santa Fe Public Schools	Santa Fe Public Schools		Cesar Chavez Elementary School	72	105
Santa Fe Public Schools	Santa Fe Public Schools		Chaparral Elementary School	51	60
Santa Fe Public Schools	Santa Fe Public Schools		EJ Martinez	68	74
Santa Fe Public Schools	Santa Fe Public Schools		El Camino Real Community School	57	81
Santa Fe Public Schools	Santa Fe Public Schools		Gonzales Community School	77	80
Santa Fe Public Schools	Santa Fe Public Schools		Kearny Elementary School	54	66
Santa Fe Public Schools	Santa Fe Public Schools		Milagro Middle School	48	88
Santa Fe Public Schools	Santa Fe Public Schools		Nava Elementary School	76	77
Santa Fe Public Schools	Santa Fe Public Schools		Nina Otero Community School	125	142
Santa Fe Public Schools	Santa Fe Public Schools		Ortiz Middle School	56	84
Santa Fe Public Schools	Santa Fe Public Schools		Ramirez Thomas	91	127
Santa Fe Public Schools	Santa Fe Public Schools		Salazar Elementary School	76	123
Working Classroom		$111,826.00	21st Century Working Classroom	5	99
YMCA of CNM	Albuquerque Public Schools	$167,189.00	Jefferson Middle School	75	79
YMCA of CNM	Albuquerque Public Schools		Montezuma Elementary School	58	58
Total:				**$8,850,150.02**	**6883**	**10915**

Source: PED

After School and Summer Enrichment Program, FY19

School Awardees	School District	Award Amount	Enrolled Students
Van Buren MS	Albuquerque Public Schools	$43,465.00	50
McCoy, Rippey, Park Ave	Aztec	$45,000.00	70
Chee Dodge Elem and Thoreau Elem	Gallup McKinley	$50,944.00	88
Penasco Elem	Penasco	$45,000.00	50
JR/SR High	Questa	$30,591.00	80
Parkview	Socorro	$45,000.00	60
Enos Garcia	Taos	$45,000.00	75
Totals:		**$305,000**	**473**

Source: PED

Appendix H. Districts with K-5 Plus and Extended Learning Time Funding and Slots Appropriated FY20

District/ Charter	K-5 Plus Actual Students (FY19)	K-5 Plus Students Budgeted by Districts (FY20)	Est. Appropriation for K-5 Plus Students (FY20)	K-5 Total[1] Students	Percent Appropriated Students Budgeted	ELTP Students Budgeted by Districts (FY20)	Est. Appropriation for ELTP Students (FY20)	K-12 Total[1] Students	Percent Appropriated Students Budgeted
Alamogordo	218	-	925	2,948	0%	-	2,245	5,829	0%
Albuquerque	3,796	1,896	26,071	38,773	7%	8,489	30,568	79,363	28%
Animas				64	0%	-	63	165	0%
Artesia	360	475	514	1,883	92%	1,907	1,475	3,828	129%
Aztec		20	1,184	1,184	2%	419	1,038	2,694	40%
Belen	159	171	1,776	1,848	10%	520	1,484	3,854	35%
Bernalillo	236	492	1,356	1,432	36%	492	1,078	2,798	46%
Bloomfield	174	238	1,120	1,243	21%	-	1,015	2,636	0%
Capitan		-	-	213	0%	-	193	501	0%
Carlsbad	322	642	642	3,461	100%	-	2,573	6,680	0%
Carrizozo	39	40	57	60	70%	-	55	143	0%
Central Cons.		-	1,682	2,522	0%	-	2,172	5,640	0%
Chama Valley	26	82	175	187	47%	-	151	391	0%
Cimarron		-	12	172	0%	-	136	354	0%
Clayton		-	-	198	0%	435	170	442	256%
Cloudcroft		-	-	157	0%	-	153	399	0%
Clovis	268	-	2,637	3,915	0%	-	3,010	7,816	0%
Cobre Cons.	211	251	547	553	46%	904	442	1,147	205%
Corona		-	-	27	0%	-	25	65	0%
Cuba	33	75	172	172	44%	215	199	518	108%
Deming	1,071	2,274	2,401	2,452	95%	4,488	1,959	5,087	229%
Des Moines		-	-	37	0%	-	34	89	0%
Dexter	141	170	387	387	44%	-	343	889	0%
Dora		-	-	102	0%	-	90	233	0%
Dulce	88	95	286	286	33%	-	229	594	0%
Elida		-	-	74	0%	-	61	159	0%
Española	404	-	1,727	1,727	0%	-	1,299	3,372	0%
Estancia		-	258	258	0%	-	219	570	0%
Eunice	96	115	353	398	33%	-	322	836	0%
Farmington		200	1,705	5,134	12%	-	4,223	10,964	0%
Floyd		-	18	113	0%	-	87	226	0%
Ft. Sumner	41	73	73	146	100%	166	112	291	148%
Gadsden	1,513	1,960	5,201	5,934	38%	12,967	5,008	13,003	259%
Gallup	880	1,044	3,579	4,860	29%	11,067	4,187	10,872	264%
Grady		-	-	72	0%	-	58	150	0%
Grants	206	341	1,595	1,601	21%	-	1,298	3,370	0%
Hagerman	80	86	86	182	100%	-	162	421	0%
Hatch	450	511	551	558	93%	210	466	1,210	45%
Hobbs	202	346	987	4,922	35%	-	3,844	9,979	0%
Hondo		-	51	64	0%	-	54	140	0%
House		-	-	20	0%	-	23	60	0%
Jal		-	214	242	0%	-	195	506	0%
Jemez Mountain	26	50	86	86	58%	-	70	181	0%
Jemez Valley	35	58	109	109	53%	-	99	256	0%
Lake Arthur		-	-	36	0%	-	32	84	0%

Las Cruces	2,140	3,287	7,246	11,198	45%	10,284	9,213	23,918	112%
Las Vegas City	132	170	372	699	46%	-	580	1,506	0%
Logan		-	-	113	0%	-	123	319	0%
Lordsburg	84	78	226	250	35%	-	186	484	0%
Los Alamos		-	-	1,633	0%	140	1,421	3,689	10%
Los Lunas	408	418	2,164	3,883	19%	8,567	3,200	8,308	268%
Loving	98	85	232	270	37%	-	226	588	0%
Lovington	98	177	177	1,753	100%	1,865	1,402	3,640	133%
Magdalena		-	131	135	0%	-	122	317	0%
Maxwell	11	-	51	60	0%	-	52	136	0%
Melrose		-	-	124	0%	-	100	261	0%
Mesa Vista		-	38	89	0%	-	92	238	0%
Mora	20	-	173	189	0%	-	156	406	0%
Moriarty		-	406	1,062	0%	-	913	2,370	0%
Mosquero		-	-	11	0%	-	11	28	0%
Mountainair		-	88	89	0%	110	82	4	133%
Pecos	76	87	254	254	34%	-	222	576	0%
Peñasco		= -		144	158	0%	-	134	348	0%
Pojoaque	77	185	273	746	68%	790	735	1,907	107%
Portales		-	219	1,277	0%	-	1,016	2,637	0%
Quemado		-	49	63	0%	-	63	163	0%
Questa	38	72	149	149	48%	258	125	324	207%
Raton		-	439	439	0%	-	344	893	0%
Reserve		-	40	53	0%	-	51	133	0%
Rio Rancho		-	837	7,705	0%	2,979	6,534	16,965	46%
Roswell	1,941	2,122	3,534	5,021	60%	6,779	3,881	10,077	175%
Roy		-	-	32	0%	-	19	49	0%
Ruidoso	102	-	901	968	0%	146	771	2,002	19%
San Jon		-	-	78	0%	-	49	129	0%
Santa Fe	839	1,345	4,173	6,165	32%	4,027	4,741	12,310	85%
Santa Rosa		-	300	300	0%	-	243	631	0%
Silver City Cons.	61	-	497	1,201	0%	-	943	2,448	0%
Socorro	82	146	612	625	24%	-	548	1,423	0%
Springer		-	27	64	0%	-	50	130	0%
Taos	189	64	896	896	7%	160	829	2,153	19%
Tatum		-	-	148	0%	-	127	331	0%
Texico		-	-	248	0%	-	213	554	0%
Truth Or Conseq.	150	-	571	586	0%	-	478	1,242	0%
Tucumcari		-	446	446	0%	-	357	928	0%
Tularosa		-	379	395	0%	-	317	824	0%
Vaughn		-	22	27	0%	-	27	71	0%
Wagon Mound	24	24	33	33	74%	-	21	56	0%
West Las Vegas	89	220	654	654	34%	-	552	1,432	0%
Zuni		-	614	614	0%	-	475	1,234	0%
Statewide[2]	18,227	21,139	87,243	149,632	24%	84,152	124,449	323,101	68%

1. Total Student estimate based on FY20 student membership in the preliminary funding formula. 2. Statewide totals include state-chartered charter schools, not shown. 3. Data are estimates as of fall 2019 and may not reflect the actual number of slots or funding used by a particular school district.

Source: LFC Analysis of PED data

Appendix I. Percent of Schools with Prekindergarten offering Afterschool Care by District, FY18/F19

Albuquerque	11%	Questa	0%
Animas	0%	Reserve	0%
Aztec	100%	Roswell	0%
Belen	0%	Ruidoso	0%
Bernalillo	0%	San Jon	0%
Bloomfield	0%	Santa Fe	54%
Central	83%	Santa Rosa	0%
Chama Valley	100%	Socorro	0%
Cimarron	0%	Taos	50%
Clovis	0%	Tatum	0%
Cobre	0%	Texico	0%
Cuba	0%	Truth or Consequences	100%
Deming	0%	Tucumcari	0%
Dexter	0%	Vaughn	0%
Dora	0%	Wagon Mound	0%
Elida	0%	West Las Vegas	0%
Espanola	67%	**PED Average**	**18%**
Eunice	0%		
Farmington	0%		
Floyd	0%		
Fort Sumner	0%		
Gallup McKinley	17%		
Grady	0%		
Grants Cibola	0%		
Hagerman	0%		
Hatch valley	100%		
Hobbs	40%		
Jal	0%		
Jemez Valley	0%		
Las cruces	29%		
Logan	0%		
Lordsburg	0%		
Los Alamos	0%		
Los Lunas	0%		
Loving	0%		
Magdalena	0%		
Melrose	0%		
Mesa Vista	0%		
Mountainair	0%		
Pecos	0%		
Penasco	0%		
Pojoaque valley	0%		
Portales	0%		
Questa	0%		

Source: LFC Analysis of PED and CYD data

Appendix J. Shared Services Information

A shared services system can monitor overpayments and late payments. In addition, a shared service system could help reduce administrative costs to providers, which would allow providers to invest more in quality of care.

From July, 2015 to July, 2019, the state made $5,068,311 in overpayments in childcare assistance reimbursements to providers. Approximately 10 percent of the providers accounted for 63.7 percent of the total of overpayments Late payments are also an issue for providers as they can affect staffing and operations. Late payments are defined as payments made greater than 45 days from invoice date to service begin date. In FY19, a total of $4,063,284 was made in late payments to providers.

New Mexico currently supports the New Mexico Early Childhood Alliance (ECA), a shared services alliance focused on supporting quality initiatives. The New Mexico Association for the Education of Young Children is the lead partner and maintains the national ECE Shared Resources web-based platform to support quality initiatives. CYFD provides $25 thousand a year in public funding to maintain the site and keep the resources current. Although much of the focus of the ECE Shared Resources is focused sharing quality rating system resources and materials to support New Mexico's quality initiatives, regional alliances have formed to explore cost-sharing strategies and support staff.[xlii] New Mexico's shared services model could be improved and expanded to include business and administrative support, such as common software for tracking child enrollment and attendance for service reimbursement.

Colorado adopted a shared services model that provides resources as well as administrative supports, which has led to improved child outcomes. Early Learning Ventures (ELV) is a Colorado-based not-for-profit organization that supplements the ECE Shared Resources platform with a web-based child management system, called Alliance CORE, which supports childcare and early childhood education program administration. The ELV approach was initially designed to help providers meet child care licensing regulations by creating an online management system for completing the intensive paperwork reporting and monitoring requirements of licensing. Among other services, the platform also provides service delivery tools that allow members to manage enrollment, referrals, registration and waiting lists.[xliii] An independent evaluation conducted of Colorado's shared services model showed significant improvement on several indicators of business capacity and provider quality including improved business practices and operations, increased collaborative partnerships, higher parent satisfaction, increased teacher compensation and professional development, and improved classroom quality and teacher-child interactions. As part of the evaluation, a Business Administration Scale (BAS) was administered at baseline and 10 month follow-up. Key indicators of the BAS indicated significant improvement in key indicators of business administration and operations among childcare providers participating in Colorado's shared services alliance. The evaluation also found that following the implementation of the partnership with Early Learning Ventures, which the quality of service improved through better teacher-child interactions.[xliv]

Appendix K. CYFD Early Childhood Scholarship Program Demographics
7/1/2018-6/30/2019

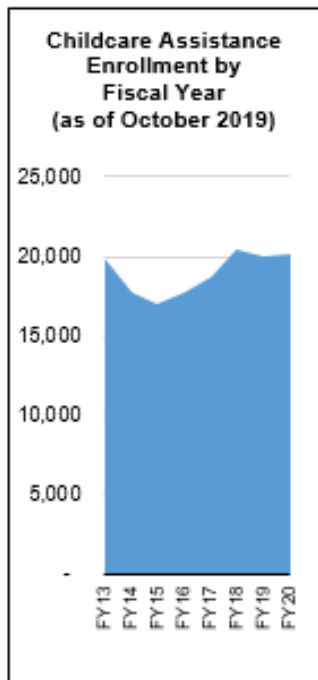|			
Number of Applicants	1078		Source: Region IX
Total Number of Active Scholars	872		
Pending Scholars *	55	*Awaiting supporting documents*	
Non-Active Scholars*	67	*No response or dropped program*	
Ineligible Scholars*	84	*Do not meet qualifications*	
Program Type	25Early Pre K 114Pre K 112Head Start 402Licensed Child Care 33Registered Child Care 33Home Visiting		

Appendix L. CYFD Early Childhood Services FY20 Q1 Report Card

PERFORMANCE·REPORT·CARD¶
Children,·Youth·and·Families·Department¶
First·Quarter,·Fiscal·Year·2020¶

ACTION·PLAN¶

Submitted·by·agency? → ·Yes¶

Timeline·assigned? → ··No¶

Responsibility·assigned?→ ··Yes¶

Childcare Assistance Enrollment by Fiscal Year (as of October 2019)

Childcare Assistance Average Monthly Cost per Child

Source: CYFD
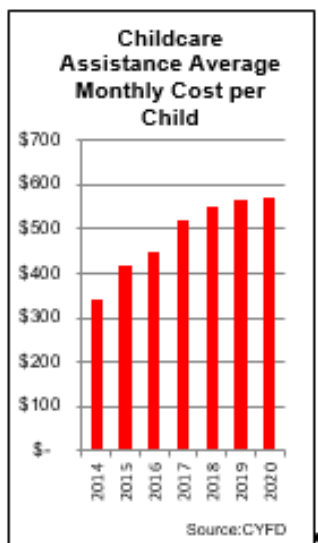
Children,·Youth·and·Families·Department·¶

The·Early·Childhood·and·Behavior·Health·Services·programs·met·or·exceeded·a·majority· of· their· performance· measures,· but· both· Juvenile· Justice· and· Protective· Services· struggled·this·quarter.··Juvenile·Justice·fell·short·on·its·targets·related·to·recidivism·and· the·Protective·Services·was·unsuccessful·across·all·of·its·performance·measures.·Despite· significant· state· investments· in· personnel,· staff· turnover,· caseloads,· and· repeat· maltreatment·rates·continue·to·be·a·concern.·································¶

Early·Childhood·Services·¶

The·Early·Childhood·Services·Program·met·a·majority·of·performance·targets·in·the·first· quarter·of·FY20.·Childcare·assistance·costs·have·continued·growing·over·FY19,·to·a·new· monthly·average·of·$572·per·child,·but·met·agency·projections.·Enrollment·in·childcare· assistance·is·flat,·following·three·years·of·rising·enrollment,·despite·increase·income· eligibility· implemented· by· the· state· in· December· of· 2018.· Childcare· assistance· enrollment· during· the· first· quarter· of· FY20· averaged· close· to· 20.1· thousand,· 1.1· thousand· below· the· average· projected· enrollment.· Due· to· the· slowed· enrollment,· childcare·assistance·funding·in·FY20·is·less·strained·than·recent·years.··LFC·will·release· a·report·on·the·effectiveness·of·childcare·on·improving·education,·health·and·economic· outcomes·in·December·2019.¶

Budget:··$255,804.4·FTE:··186.5

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	Q2	Q3	Rating
Children·receiving·subsidy·in·high-·quality·programs	59.9%	72.5%	60%	69.5%			G
Licensed·childcare·providers·participating·in·high-quality·programs	38.2%	43.3%	39%	44.4%			G
Parents·who·demonstrate·progress·in·practicing·positive·parent-child·interactions	47.9%	45.5%	45%	44.8%			G
Children·receiving·state·childcare·subsidy,·excluding·child·protective·services·childcare,·who·have·one·or·more·protective·services·substantiated·abuse·or·neglect·referrals	1.2%	1.3%	·1.3%	0.4%			G
Families·receiving·home-visiting·services·that·have·one·or·more·protective-·services·substantiated·abuse·or·neglect·referrals	1.9%	1.1%	5%	0.2%			G
Children·in·state-funded·pre-kindergarten·showing·measurable·progress·on·the·preschool·readiness·for·kindergarten·tool	94.9%	94.9%	94%	Reported·Annually			
Program·Rating							G

Appendix M. Glossary of Selected Terms

AIM HIGH-The quality rating and improvement system used by early childhood programs in New Mexico from 1999 through 2012

CLASS- Classroom Assessment Scoring System, a validated assessment for observing and measuring the effectiveness of interactions among teachers and students in classrooms. Is the current tool used by Head Start

CCDBG- Child Care and Development Block Grant

CYFD-Children Youth and Families Department

DIBELS-Dynamic Indicators of Basic Early Literacy Skills are a set of procedures and measures for assessing the acquisitions of early literacy skills. They are designed to be short (one minute) fluency measures used to regularly monitor the development of early literacy and reading skills.

DOH- Department of Health

DoIT-Department of Information Technology

Early Childhood Accountability Act-Passed during the 2018 regular session of the New Mexico legislature, and signed by the governor. Also known as HB193, requires the Children, Youth and Families Department to establish early childhood program standards.

Early Head Start-a federally funded community-based program for low-income families with pregnant women, infants, and toddlers up through age 3

EDD-Economic Development Department

ECERS- A 43-item rating scale organized into seven environmental subscales used as a classroom assessment tool designed to measure the quality of group programs for infants and toddlers (birth to age 3) by collecting data through classroom observations and a staff interview.

ECIDS-Early Childhood Integrated Data System

ELAC- Early Learning Advisory Council- Established in 2011 as a way to ensure state agency accountability with the Early Childhood Care and Education Act.

ERS-Environmental Rating Scales. Validated measures used to assess process quality in early childhood group care.

FAFSA-Federal Application for Federal Student Aid. Form completed by current and prospective college students in the United States to determine their eligibility for student financial aid.

FIT-Family Infant and Toddler Program. Program administered by the NM Department of Health that provides early intervention services to infants and toddlers, up to age three, who have or are at risk for developmental delays.

Focus-New Mexico's tiered quality rating and improvement system.

FPL-Federal Poverty Level. Measure of income used to determine eligibility for Medicaid, Children's Health Insurance Program (CHIP), as well as subsidies and cost-sharing reductions in exchange for other federal programs.

FRL- Free/Reduced price lunch. A term used to describe a federally reimbursable meal, or snack, served to a qualified child when the family of the child's income is between 130 and 185 percent of the US federal poverty threshold.

HSD-Human Services Department

INCENTIVE$- National program operated by the Child Care Services Association in North Carolina. Used by some states to offer monetary incentives to early childcare workers to assist them in obtaining higher education degrees

K-5 Plus- A 25-day summer learning program of which participating schools are required to keep students with the same teacher for the summer program into the school year and implement the program for all grades.

PCC-Project Certification Committee

PED-Public Education Department

RTT-ELC Race to the Top-Early Learning Challenge-A $4.3 billion US Department of Education competitive grant created to spur and reward innovation and reforms in state and local district K-12 education.

TAMELA-Transition Assessment for Mathematics and English Language Arts. Used state-wide to assess what students know and are able to do at each grade level.

TANF –Temporary Assistance for Needy Families. Assists families with children when the parents or other responsible relatives cannot provide for the family's basic needs. The Federal government provides grants to States to run the TANF program.

T.E.A.C.H.- National program operated by the Child Care Services Association in North Carolina. Used by some states to offer monetary incentives to early childcare workers to supplement their income.

TRD-Taxation and Revenue Department

TQRIS- Tiered Quality Rating Improvement System

WSD- Workforce Solutions Department

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