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State Capitol North, 325 Don Gaspar, Suite 200  
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Phone: (505) 986-4591 Fax: (505) 986-4338  
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December 17, 2012 (revised January 4, 2013)

**MEMORANDUM**

**TO:** Legislative Education Study Committee

**FR:** LaNysha Adams

**RE: STAFF REPORT: *EARLY CHILDHOOD CARE AND EDUCATION ACT*  
(LAWS 2011)**

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**Introduction**

Legislation enacted in 2011 created the *Early Childhood Care and Education Act* (ECCEA), whose purpose is "to establish a comprehensive early childhood care and education system through an aligned continuum of state and private programs, including home visitation, early intervention, child care, Early Head Start, Head Start, early childhood special education, family support and pre-K, and to maintain or establish the infrastructure necessary to support quality in the system's programs."

During the 2011 interim, the Legislative Education Study Committee (LESC) heard a report from several members of the State Early Learning Advisory Council (ELAC) created by the act (see "Background," below). Included in the testimony was a history of legislative interest in early childhood that preceded the enactment of ECCEA and targeted efforts by New Mexico First, New Mexico Business Roundtable (NMBR), and the New Mexico Early Childhood Development Partnership (NMECDP) efforts to provide early childhood services (see Attachment 1).

Of particular interest was a meeting co-hosted by the NMBR and NMECDP, which resulted in an agreement on seven principles addressing learning and development, standards, teachers,

and providers, parents, accountability, partnerships, and evaluation and return on investment. According to the NMECDP, these principles formed the core of ECCEA (see Attachment 2).

Finally, the committee was apprised of efforts to obtain federal funding by applying for a \$50 million Race to the Top-Early Learning Challenge (RTT-ELC) grant. Subsequent to the LESC meeting, however, it was announced that while New Mexico received the 10<sup>th</sup> highest score on the RTT-ELC grant application, the state was not awarded funds for FY 11.

As informational items, this staff report includes:

- a summary of the provisions of the *Early Childhood Care and Education Act*;
- an overview of the Race to the Top-Early Learning Challenge (RTT-ELC) Grant; and
- background.

### **Presenters**

For this committee presentation, Ms. Lillian Montoya-Rael, Program, Director, New Mexico Early Childhood Development Partnership (NMECDP); and Ms. Katherine Freeman, CEO, NMECDP, will provide an update on the implementation of ECCEA and present recommendations for funding early childhood education services across the state.

### **Summary of the Provisions of the *Early Childhood Care and Education Act***

Provisions in the ECCEA create the State Early Learning Advisory Council (ELAC), which is attached to the Children, Youth and Families Department (CYFD) and comprised of 15 members, as follows:

- three *ex officio* members:
  - the Secretary of Public Education or designee;
  - the Secretary of CYFD or designee; and
  - the director of the Head Start State Collaboration office within CYFD; and
- twelve other members, most of them appointed by the Governor for staggered terms, no more than five of whom may be from the same political party:
  - one representative from an institution of higher education;
  - one representative of a local educational agency;
  - one representative from a Head Start or Early Head Start organization;
  - two providers of early care and education services, at least one of whom represents a privately owned provider;
  - one representative from the state agency responsible for programs under Section 619 or Part C of the federal *Individuals with Disabilities Education Act (IDEA)*;
  - one representative from the state agency responsible for children's health or mental health care issues;

- two public members with knowledge and experience in early childhood care and education programs; and
- three members of the NMBR appointed by and with terms set by the Board of Directors.

Among its other provisions, the ECCEA:

- designates ELAC as the required federal Head Start program council<sup>1</sup>;
- creates the Early Childhood Care and Education Fund, a non-reverting fund administered by CYFD for carrying out the provisions of the act;
- allows ELAC to apply for grants and funds from any source, and to contract with any federal or state agency or private organization, to further the purposes of the act;
- requires ELAC to make recommendations to CYFD and the Legislature on the most efficient and effective way to leverage state and federal early childhood program funds, including grant applications by CYFD;
- requires ELAC to terminate on July 1, 2017 pursuant to the provisions of the *Sunset Act*; and
- requires ELAC to make recommendations to CYFD and the Legislature on the coordination and alignment of an early childhood care and education system – recommendations that take a number of factors into consideration, among them:
  - the consolidation and coordination of funding streams;
  - a seamless transition from prenatal to early childhood programs to kindergarten;
  - the parent’s “decisive role in the planning, operation and evaluation of programs that aid families in the care and education of children”;
  - the development and management of effective data collection systems;
  - the diversity and cultural heritage of families and communities;
  - professional development for providers; and
  - the establishment of an effective administrative framework.

### **An Overview of the Race to The Top-Early Learning Challenge (RTT-ELC) Grant**

In September 2012, the US Department of Education (USDE) published a notice inviting applications for Phase 2 of the Race to the Top program, and reserved \$133 million for five states that were high-scoring in Phase 1 of the application process: Colorado, Illinois, New Mexico, Oregon, and Wisconsin. In Phase 2, these five states were eligible to receive up to 50 percent of what was requested in their Phase 1 applications.

On December 6, 2012, the USDE announced that these five states received RTT-ELC grants (see Attachment 3). New Mexico received \$25 million to be paid out over four years. In the budget narrative in the Phase 2 RTT-ELC grant application (Attachment 4), New Mexico described an overall statewide budget of \$53,388,910 and requested \$25 million to support:

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<sup>1</sup> The Early Learning Advisory Council (ELAC) is mandated through the federal *Improving Head Start for School Readiness Act of 2007*. According to a 2011 Legislative Finance Committee fiscal impact report on ECCEA, the council was funded through the *American Recovery and Reinvestment Act* and ELAC may require funds from the Head Start collaboration grant to carry out its activities.

- \$3,440,566 to PED for managing in grant funds of the overall statewide budget for its share of the Data Project, Kindergarten Entry Assessment Project, and Tiered Quality Rating and Improvement System (TQRIS) Project;
- \$20,187,034 to CYFD for managing in grant funds of the overall statewide budget for its share of the TQRIS Project, Data Project, Investment Zones Project, Evaluation Project, Professional Development Project, and Grantee Technical Assistance Project; and
- \$1,372,400 to the New Mexico Department of Health (DOH) for managing in grant funds of the overall statewide budget for a portion of the Data Systems Project.

### **Background**

During almost every interim from the early 1990s to this presentation in December 2012, the LESC has heard testimony about the value of early childhood care and education. Over the last five years, the Legislature has made significant investments in early childhood services by funding Pre-K, home visiting, and other initiatives. Additionally, the LESC has heard testimony about childhood programs existing in several state agencies, creating problems with coordination and duplication of services.



new mexico early childhood development partnership

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The **New Mexico Early Childhood Development Partnership** (NMECDP), a public- the result is a lack of readiness for school and life, depriving our state of its most precious "potential" resource. The NMECDP is on a mission to create the public awareness and political will for early childhood investment in New Mexico. Funded by the Kellogg Foundation, United Way of Santa Fe County has been tasked with leading the NMECDP multi year effort.

Core Features of Our Work

1. Long-term policy vision while pursuing short-term agendas
  - Have a long- policies simultaneously targeted to at-risk infants, toddlers and preschoolers that
    - Advance funding for infants, toddlers and preschoolers
    - Implements high- quality and evidenced- based practices
    - Includes necessary investments in infrastructure along with program costs
    - Allows children to access high quality practice in a range of settings
    - Addresses at- risk children's comprehensive needs
  - Take action on an agenda of short term proposals that moves toward our vision
  - Utilizes the wisdom of two Advisory Councils of experts from the early childhood and business community to further realization of our vision and to live our mission
2. Commitment to and expertise in early childhood
  - Early childhood is our multi- year strategic plan
  - NMECDP has, and secures when necessary, content knowledge (child development, key research studies, etc.); program and policy knowledge at state and federal levels; uses analysis (demographic & service data, program and infrastructure inventories, and provider and family input) to identify utilization, gaps and barriers, and successes.
  - We inform, participate in, and monitor state policy design and implementation (i.e. NM Early Care and Education Act)
  - We use policy analysis to communicate good results and justify public investment
  - Always working towards stable funding to support the staffing of our early childhood advocacy and policy development
3. A leader among advocates and decision- makers
  - NMECDP endeavors to be seen as a leader and expert among colleagues and decision- makers
  - We have a proactive approach to participation in policy venues (e.g. Early Learning Advisory Council, NM Business Roundtable) when it provides a place to influence investments and public policies and/or have access to key decision- makers
  - Have expertise and staff capacity in communications; strategically use multiple forms of communications to frame and advance early childhood and to reach stakeholders and policymakers
4. Advance policy advocacy at multiple levels using legislative, executive and administrative strategies
  - Seize planned and unanticipated opportunities, making adjustments along the way
  - Have access and influence with governor, legislative and administrative leaders
  - Have strategy and resources to educate elected officials and candidates
  - Partners with government agencies including the Children, Youth and Families Department, the Public Education Department, and the Department of Health.

5. Cultivate, engage and align multiple champions

- We always work to create a big tent of support among early childhood stakeholders recognizing that, while there may not always be agreement, a sense of "one-ness" on the issue of early childhood is the prevailing purpose
- Understand and support a broad base coalition that has relevant advocacy members with identified roles, niche and skills and a process for decision- making and communication developed
- Cultivate, engage and align multiple champions who can carry the short- term agenda message to key decision- (ACI), philanthropic, K-12 and health leaders
- When necessary, will engage partners (i.e. NMAEYC) to mobilize grassroots early childhood constituencies

"IF WE COULD HAVE BUT ONE GENERATION OF PROPERLY BORN, TRAINED, EDUCATED AND HEALTHY CHILDREN, A THOUSAND OTHER PROBLEMS OF GOVERNMENT WOULD VANISH..."

- HERBERT HOOVER

## Statement of Principles: Investments in the First Five Years Yield High Returns

Co-hosted by the New Mexico Business Roundtable (NMBR) and the New Mexico Early Childhood Development Partnership (NMECDP), business leaders came together in May 2010 to develop Strategic Principles for their engagement in early childhood in our State. It was an ideal convening of aligned interests. The NMBR works closely with education stakeholders and policy leaders to promote and sustain federal and state education reform efforts that focus on the system-wide changes needed to help all New Mexico's students graduate from high school with the foundation skills and knowledge that prepare them to succeed in college, in the workplace and in life. The NMECDP, a public-private partnership, recognizes that when our young children are deprived of quality early life experiences the result is a lack of readiness for school and life, depriving our state of its most precious "potential" resource. As such, they are on a mission to create the public awareness and political will for early childhood in New Mexico.

In recognition of the thoughtful early childhood work and the research conducted by the national Business Roundtable (BR) (<http://www.businessroundtable.org/>), New Mexico business leaders adopted the BR's "Statement of Principles" and modified them, as appropriate, to address New Mexico-specific opportunities. The principles reflect a collective long-term commitment to improving the performance of the New Mexico education system and raising student achievement, both increasingly important for both U.S. competitiveness and for individuals to succeed in our rapidly changing world.

### Statement of Principles

These Principles draw on current early childhood research, lessons from K–12 education reform efforts, and applicable lessons from the nation's experience in building a voluntary system of higher education. The seven Principles are interconnected; they are not listed in priority order. **These Principles will be used to assess existing early childhood programs; consider philanthropic priorities; evaluate policy proposals on prekindergarten, Head Start and other programs; and formulate policy positions.**

1. **LEARNING & DEVELOPMENT. A successful early childhood system views children's learning as the central mission. It should:**
  - a. Provide positive learning experiences that foster the interconnections among children's social, emotional, cognitive and physical development; nurture children's strong inborn drive to learn and find joy in learning; and develop learning related skills that help children succeed in school, at work and in life;
  - b. Engage children in developmentally appropriate experiences that reflect New Mexico's established guidelines and standards for quality (e.g. Early Care, Education and Family Support: New Mexico's Best Practices - Essential Elements of Quality; Reach for the STARS: Quality Rating System)
  - c. Hold the same high expectations for success for all children while also respecting and supporting the diversity of children's families, cultures, races and socioeconomic backgrounds, as well as the different ways that young children learn and the rates at which they progress; and

- d. Promote regular medical check-ups, healthy nutrition, safe environments, facilities conducive to learning, and developmental screening with effective follow-up services to treat disabilities or health problems that might affect children's ability to learn.

**2. STANDARDS. A successful early childhood system articulates standards for children's learning and program quality that align with state K-12 academic standards. It should:**

- a. Align the objectives of the early childhood system and the State's standards in the early grades of school;
- b. Require quality transition between early learning programs into public schools where teachers, educational leaders, and parents work in partnership to assure student success in moving from one system into the next;
- c. Adopt evidence-based curriculum options and program standards that enable early childhood services to achieve and sustain results for children;
- d. Endorse research-based indicators for what children need to know and be able to do when they enter school that respect the diverse ways that children grown and learn; and
- e. Use the results of regular and appropriate diagnostic assessments for children's performance to improve instructional practice.

**3. TEACHERS & PROVIDERS. A successful early childhood system ensures that teachers and providers possess the skills, knowledge and attitudes to help young children enter school prepared to succeed. It should:**

- a. Employ skilled teaching staff who have a college degree and/or demonstrated knowledge and skill commensurate with the requirements of the position and meet performance criteria (such as English verbal skills and dual language TESOL certification) to assure the ability to connect with and teach young children;
- b. Require effective preparation as well as ongoing professional development that helps staff improve the quality of their teaching, become ongoing learners about children's development and learning and effective ways to teach, and move through an articulated, degree-granting system, where appropriate; and
- c. Institute differentiated salaries based on the experience and competencies of teachers that, given the importance of consistent relationships to children's learning, are adequate to attract and retain a qualified teaching staff.

**4. PARENTS. A successful early childhood system supports parents as their children's first teachers and provides high-quality program options to parents who choose to enroll their children. It should:**

- a. Provide access to high-quality early childhood programs for families seeking out-of-home early childhood programs for their children, regardless of their socioeconomic status;
- b. Offer seamless ways to meet the need of some families for care during the time they are working as well as the need for early learning experiences for their children; and
- c. Promote practical and effective strategies for parents to be involved in and support their children's learning at home and in early childhood programs.

- 5. ACCOUNTABILITY. A successful early childhood system embraces accountability for measurable results. It should:**
- a. Collect the data and conduct the research needed to identify best practices, assess system performance and report these results to stakeholders;
  - b. Evaluate the overall progress of children who have participated in early childhood programs on the state's annual assessments required by the No Child Left Behind Act;
  - c. Implement continuous improvement processes that put the lessons learned from research and evaluation into program standards and practice; and
  - d. Establish incentives for meeting or exceeding objectives as well as consequences for persistent failure to achieve intended outcomes for children.
  - e. Require alignment between early learning and K-2 elementary education as a continuum of child development (birth to age 8) that is informed by developmentally appropriate practice and the science of early learning.
- 6. PARTNERSHIPS. A successful early childhood system builds crosscutting partnerships to govern, finance, sustain and improve the system. It should:**
- a. Create effective and efficient governance mechanisms that support community planning, program development and oversight;
  - b. Involve key stakeholders at the federal, state and local levels, and encourage public/private partnership to improve effectiveness, efficiency and accessibility;
  - c. Include participation among all sectors of the early childhood field within the state, including public and private programs as well as those that take place in schools, centers and homes;
- 7. RETURN ON INVESTMENT & EVALUATION. Children are helped most and the economy is made strongest when resources are allocated on the best evidence of what will lead to positive child outcomes.**
- a. Insist on adequate, efficient and shared financing mechanisms that minimize duplication of effort and identify priorities for public investment in times of budgetary constraints as well as a blueprint for future expansion.
  - b. Public and private funders should allocate resources (for children and for other purposes) based on rigorous evidence of effectiveness in improving outcomes whenever possible.



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## Five More States Secure Race to the Top-Early Learning Challenge Grants

DECEMBER 6, 2012

Contact: Press Office, (202) 401-1576, [press@ed.gov](mailto:press@ed.gov) (<mailto:press@ed.gov>)

Colorado, Illinois, New Mexico, Oregon, and Wisconsin will each receive a share of the 2012 Race to the Top-Early Learning Challenge \$133 million grant fund to improve quality and expand access to early learning programs throughout their states. The five winners join nine existing state grantees who secured first-round funding last year.

"Every child deserves the lifelong advantages of a high-quality early learning program," said U.S. Secretary of Education Arne Duncan.

"Thanks to the leadership of governors, state officials, and education advocates across the now 14 Early Learning Challenge states, thousands more of our youngest children will receive a stronger start to earning the skills needed to succeed in Kindergarten through college and career."

The Race to Top-Early Learning Challenge program was first launched in 2011 as a program jointly administered by the U.S. Departments of Education and Health and Human Services.

"The Obama administration is raising the bar for quality in early education programs," said Kathleen Sebelius, Secretary of the Department of Health and Human Services. "Providing a strong foundation for all children to learn through life is an investment in our nation's economic future."

Through this competition, the Obama Administration called on states to create proposals to improve early learning by coordinating existing programs, evaluating and rating program quality, and increasing access to high-quality programs, particularly for children with high needs.

First year funding attracted 37 applicants and collectively awarded \$500 million to nine states: California, Delaware, Maryland, Massachusetts, Minnesota, North Carolina, Ohio, Rhode Island and Washington.

With more modest 2012 funding, the second round invited the next five highest-scoring applicants—Colorado, Illinois, New Mexico, Oregon, and Wisconsin—to modify their 2011 applications and create plans that could be funded with up to 50 percent of the award amount originally requested.

Today, the U.S. Departments of Education and Health and Human Services announced the following awards: Colorado—\$29,907,916; Illinois—\$34,798,696, New Mexico—\$25,000,000, Oregon—\$20,508,902; and Wisconsin—\$22,700,000.

Grants will be awarded over a 4-year period in accordance with each state's plan.

For more information on the Race to the Top-Early Learning Challenge Fund or to read the 2012 applications, visit <http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/> (<http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/index.html>).

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Related Resources	
	<a href="http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/index.html">Race to the Top-Early Learning Challenge Fund</a> <a href="http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/index.html">http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/index.html</a>

**BUDGET PART I -NARRATIVE**

The State's Budget is comprised of three (3) Participating Agencies. The Lead Agency is the New Mexico Public Education Department (PED). The other two Participating Agencies are the New Mexico Children, Youth and Families Department (CYFD) and New Mexico Department of Health (DOH). The overall statewide budget is \$53,388,910 (\$25,000,000 in grant funds and \$28,388,910 in funds from other sources in support of the State Plan), as follows:

- PED is responsible for managing \$4,040,566 (\$3,440,566 in grant funds and \$600,000 in funds from other sources in support of the State Plan) of the overall statewide budget for their share of the Data Project, Kindergarten Entry Assessment Project and Tiered Quality Rating and Improvement System Project.
- CYFD is responsible for managing \$47,975,944 (\$20,187,034 in grant funds and \$27,788,910 in funds from other sources in support of the State Plan) of the overall statewide budget for their share of the Tiered Quality Rating and Improvement System Project and the Data Project. The CYFD includes the total amounts for the Investment Zones Project, Evaluation Project, Professional Development Project and Grantee Technical Assistance Project.
- DOH is responsible for managing \$1,372,400 (\$1,372,400 in grant funds) of the overall statewide budget for a portion of the Data Systems Project.
  - PED will be fully responsible for carrying out its efforts to develop the Kindergarten Entry Assessment.
  - CYFD will be responsible for carrying out all efforts related to the development and implementation of the TQRIS, conducting an on-going evaluation of progress, facilitating the establishment of capacity and infrastructure within Early Childhood Investment Zones, professional development efforts, and funding the Grantee Technical Assistance Project
  - DOH, PED, and CYFD will work collaboratively to develop and implement an early learning data system that is aligned and interoperable with the statewide longitudinal data system and has all essential data elements.
- DOH will be responsible for building the infrastructure for the NM IBIS system that will

align and integrate data to enable a comprehensive community assessment that is interactive and accessible.

- DOH will also be responsible for adapting the current Family, Infant, Toddler data system to incorporate the unique ID and ensure that the system is aligned and interoperable with the statewide early learning data system.

Contractual Services and purchases will be in accordance with the New Mexico Procurement Code and Regulations.

Employees will be hired for only the term of the grant.

## **BUDGET PART II -NARRATIVE**

### New Mexico Public Education Department Budget Narrative

The PED has a strong history of positive fiscal management. The current process used to pass state and federal dollars through to districts and schools annually will be modeled for this project. PED is already to act as the fiscal agent on behalf of New Mexico.

#### Personnel (Data Project)

- **I IT Project Manager** – Oversee all reporting and provides project management, certification, planning, scheduling, assessment and reporting documentation in collaboration with the Policy Office and the Early Childhood and Literacy Bureau (where responsibility for implementation of RTT-ELC will reside). The salary will be \$88,500 annually and the position will be full-time.
- **I Database Administrator II** – Provides subject matter expertise and collaborates with IT professionals to perform design, database development, system integration efforts initiation and planning tasks. The salary will be \$68,016 annually and will be full-time.
- **I Application Analyst III** – Provides subject matter expertise and collaborates with IT professionals to perform design, database development, system integration efforts initiation and planning tasks. The salary will be \$68,016 annually and will be full-time.

#### Fringe Benefits

- Each staff member will be will be eligible for full benefits and benefits are calculated at base salary + 30%. The total spent on fringe benefits over the duration of the grant will be \$269,438.

#### Travel (Kindergarten Entry Assessment Project)

- Recognizing that fidelity to implementation is critical to the success of this initiative, current PED staff from the Policy Office and the Early Childhood and Literacy Bureau will need to spend time on-site in schools and districts supporting the implementation of the Kindergarten Entry Assessment. PED has decided to work with existing staff to complete this work to ensure alignment across programs and technical assistance. Up to

6 PED staff will make an estimated 8 overnight trips annually and an estimated 10 day trips annually per grant year, at approximately 150 miles per day trip.

- The hotel reimbursement rate, as set forth by the New Mexico Department of Finance and Administration, will be \$85.00 per night; the meal per diem rate, as set forth by the Department of Finance and Administration, will be \$20.00 per day; and mileage reimbursement rate will be \$0.32.
- Day trip estimate: \$20 meal per diem + \$0.32 mileage x 150 miles (approximately) = \$68.00 per day trip and Overnight trip estimate: \$20 meal per diem + \$0.32 mileage x 250 miles (approximately) + \$85.00 per hotel = \$185.00 per overnight trip. Total travel based on the givens will equal \$51,840 per year for a total of \$207,360.

#### Equipment (Data Project)

- Over the duration of the grant, PED will spend \$142,000 on equipment. Equipment needs are housed within the IT division and include computers, printers, storage bays (hard drives), servers, and maintenance associated with such equipment.

#### Supplies (TQRIS Project)

- \$7,000 will be provided in each of the grant years for program staff to purchase supplies. Supplies may include, but are not limited to, office supplies and instructional materials to support program staff.

#### Contractual (Kindergarten Entry Assessment Project) & (TQRIS Project)

- PED will utilize one contract at \$ 850,000 to validate the current New Mexico PreK Observational Assessment for use as the Kindergarten Entry Assessment. The contract will 1) determine the reliability of teachers' observations and validate the assessment protocol, 2) adjust rubrics as necessary and ensure match to existing kindergarten benchmarks and Common Core, 3) determine inter-rater reliability, establish concurrent and construct validity of the assessment, and 4) publish a "Status of New Mexico Children's Kindergarten Readiness and Contributing Factors".

- An additional \$ 446,000 will be used to develop and publish training materials and provide training to kindergarten teachers and elementary school principals on the implementation of the Kindergarten Entry Assessment, alignment of training materials, alignment of existing school plans, and production of an annual report that outlines the current status of school readiness of New Mexico's students.
- PED will utilize another contract at \$200,000 to transition Title I PreK and IDEA Part B PreK programs to the state's TQRIS FOCUS. Aligning programs and utilizing a consistent rating system is critical to the work of this grant and increasing the school readiness of all New Mexico children.

Total Costs: \$4,040,566

Indirect Costs: \$399,640

Total RTT-ELC Costs: \$3,440,566

Funds from Other State and Federal Sources to Support PED Projects is \$600,000, \$150,000 per year in each of grant years 1, 2, 3 and 4 to support the administration of the Kindergarten Entry Assessment to kindergarten students in New Mexico.

#### New Mexico Children, Youth and Families Department Budget Narrative

##### Travel

- CYFD anticipates that at least four staff members will travel in-state conducting contract review and compliance in support and implementation of the FOCUS TQRIS. The four staff members will make an estimated 10 overnight trips annually per grant year. CYFD also anticipates that four staff members will make an estimated 52 day trips annually per grant year, at approximately 150 miles per day trip. In addition, CYFD anticipates two staff members will travel at least once out-of-state in direct support of the TQRIS.
- The overnight per diem rate, as set forth by the New Mexico Department of Finance and Administration, will be \$85.00 per night; the meal per diem rate, as set forth by the Department of Finance and Administration, will be \$20.00 per day; and the mileage

reimbursement rate will be \$0.32 per mile. CYFD has experienced that the out-of-state per diem rate is inadequate for certain locations. Experience indicates that reimbursement to staff for actual costs is fair and reasonable. The average out-of-state travel cost, per person, is estimated at \$1,700.

- Day trip estimate: \$20 meal per diem + \$0.32 mileage x 150 miles (approximately) = \$68.00 per day trip and Overnight trip estimate: \$20 meal per diem + \$0.32 mileage x 250 miles (approximately) + \$85.00 per hotel = \$185.00 per overnight trip.

#### Data Project (EPICS)

- CYFD's share of the Data Systems Project will cost a total of \$5,500,000. \$4,800 of this total will fund CYFD to develop the EPICS system. (\$700,000 for WELS is described under Contractual Services). The EPICS funds will be used to consolidate all CYFD's early learning systems. Specifically, the funding will be used to fund technical personnel for the planning, design, development, and implementation of the web enabled Enterprise Provider Information Constituent Services (EPICS) system. EPICS will be aligned and interoperable with the P-20 Education data warehouse system, including other early learning data systems located in other state departments and external entities, such as PED, Department of Health and WELS; ensure interoperability among the various levels and types of data; enable uniform data collection and easy entry of the Essential Data Elements by Participating State Agencies and Programs; facilitate the exchange of data among Participating State Agencies by using standard data structures, data formats, and data definitions such as Common Education Data Standards; generate information that is timely, relevant, accessible, and easy for Early Learning and Development Programs and Early Childhood Educators to use for continuous improvement and decision making; meeting the

data Systems Oversight Requirements and comply with the requirements of Federal, State, confidentiality and local privacy laws; and align and enhance current systems into a coordinated system to improve instruction, practices, services and policies.

Contractual

Other than Travel for CYFD employees and the EPICS Data Project, CYFD will utilize numerous contractors to implement the work of the grant. Contracts will be awarded in accordance with the New Mexico Procurement Code and Regulations.

- The TQRIS Project will cost \$12,415,034. (See following spreadsheet)

**FOCUS TQRIS & Validation** (Based on 245 licensed programs)

				AMOUNT
<b>Infrastructure</b>				<b>\$10,237,650.00</b>
	UNM Continuing Ed		\$9,406,650.00	
	UNM CDD		\$66,000.00	
	Other Costs		\$765,000.00	
<b>FOCUS Standards</b>				<b>\$ 949,384.00</b>
	Health, Safety & Nutrition		\$33,475.00	
	Staff Qualifications, Training & Education		\$305,909.00	
	Program Administration, Quality Improvement &		\$300,000.00	

	Leadership			
	Child Assessment & Curriculum Planning Process		\$275,000.00	
	Family Involvement/Family Engagement		\$35,000.00	
<b>Validation</b>				<b>\$1,000,000.00</b>
	UNM CEPR (Child Trends)		\$900,000.00	
	Child Trends on- site technical assistance meetings		\$100,000.00	

### **FOCUS INFRASTRUCTURE**

**UNM Continuing Education & TTAPs:** Consultants & Validators @ \$76,515.00 including benefits

Consultants (245 programs = 5 programs/30 classrooms per Consultant)

Validators (TTAP staff who will transition to Validators as AIM HIGH programs decrease. 60 programs/validator )

# of Consultants/Validators	Grant Period	Cost
0	January 1, 2013 – June 30, 2013	0
10	Yr 1	\$765,150.00
20	Yr 2	\$1,530,300.00
30	Yr3	\$2,295,450.00

40	Yr4	\$3,060,600.00
Other Costs		\$500,000.00
Instate Mileage & Perdiem		\$400,000.00
Admin Overhead @ 10%		\$855,150.00
<b>Total</b>		<b>\$9,406,650.00</b>

**UNM Center for Development & Disabilities:**

Training & Clinical Supervision	4 yrs @ \$15,000.00/year	\$60,000.00
Admin Overhead @ 10%		\$6,000.00
<b>TOTAL</b>		<b>\$66,000.00</b>

**OTHER COSTS**

Training of FOCUS Staff and TTAP Staff	\$100,000.00/year	\$400,000.00
Adaptations for HIV/Early Intervention & Training of staff		\$200,000.00
Development of training curriculum for FOCUS staff and TTAP staff		\$ 75,000.00
FOCUS Promotion/Marketing <ul style="list-style-type: none"> <li>• Conferences 4@ \$2,500 each = \$10,000.00</li> <li>• Marketing Materials = \$20,000.00</li> </ul>		\$20,000.00
Integration of Cultural Competence & Guiding	\$5,000.00/year	\$20,000.00

Principles		
WELS Data Entry Training		<b>\$50,000.00</b>
<b>TOTAL</b>		<b>\$765,000.00</b>

## **FOCUS STANDARDS**

### Health, Safety & Health Promotion

ASQ & ASQ-E Kits @ \$55.00/kit	\$13,475.00
Community Resource Books	-0-
Training fees for ASQ & ASQ-E	-0- (provided by TTAPs)
Travel & Lodging for Programs to attend training	\$20,000.00
TOTAL	\$33,475.00

### Staff Qualifications, Training & Education

College Courses (In Section D budget TEACH Scholarships)	-0-
Training of 245 Site Directors	\$24,000.00
Training of 1470 Lead Teachers (6 teachers/programs) 5 days @ \$20.00/day	\$147,000.00
Training all teachers	-0- (Provided by TTAPs)
Printing of training materials/certificates	\$ 4,909.00
Travel & Lodging for Programs to attend training	\$130,000.00
TOTAL	\$305,909.00

### Program Administration/Continuous Quality Improvement/Leadership

Purchase of Materials (ERS/CLASS/PAS/BAS)	\$50,000.00
Development of self-assessment process , development of tool & WELS Leadership Integration and Training	\$100,000.00

Training of 245 Site Directors	\$100,000.00
Travel & Lodging for Programs to attend training	\$40,000.00
Printing of all related materials	\$10,000.00
TOTAL	\$300,000.00

Child Assessment & Curriculum Planning Process

Develop & produce web-based training	\$125,000.00
Training of Site Directors & Teachers	\$100,000.00
Travel & Lodging for Programs to attend training	\$35,000.00
Printing of ELGs, forms. Checklists, etc.	\$15,000.00
TOTAL	\$275,000.00

Family Involvement/Family Engagement

Printing of Family Engagements materials, forms, etc.	\$35,000.00
TOTAL	\$35,000.00

**TORIS VALIDATION**

UNM CEPR (Child Trends Contract)	\$900,000.00
Increase on-site TA by Child Trends (annual meetings)	\$100,000.00
TOTAL	\$1,000,000.00

- The Investment Zones Project will cost \$400,000. These funds will be used to direct and manage the implementation of a Getting to Outcomes (GTO) community mobilization and planning process in the identified Early Childhood Investment Zones.
- The Evaluation Project will cost \$500,000. These funds will provide process evaluation and reporting for the duration of the grant.
- The Professional Development Project will cost \$1,200,000. These funds will pay for TEACH Scholarships for personnel working in FOCUS programs (\$1,000,000). It will also pay for Infant Mental Health/Socio-Emotional Training (\$40,000). Training for higher education faculty and adjunct faculty through Faculty Institutes (\$120,000) and Masters-Level courses in the Developmental Interaction Approach (\$40,000).

#### Funds set aside for participation in grantee technical assistance

- The Grantee Technical Assistance Project will cost \$400,000. These funds are required by the Grant to be set aside for participation in grantee technical assistance.

Total Costs: \$47,975,944

Total RTT-ELC Costs: \$20,187,034

#### Funds from Other State and Federal Sources to Support CYFD Projects

- CYFD plans to spend \$27,788,910 to support its Projects.

#### New Mexico Department of Health Budget Narrative

DOH has been working collaboratively with the New Mexico Children, Youth and Families Department (CYFD) to align and integrate data to enable comprehensive community assessment. Additionally, the Family, Infant, Toddler (FIT) program (IDEA Part C) is an integral piece of the overall early childhood system. Although the FIT program resides with DOH, there is constant communication between DOH and CYFD. Because of the commitment and years of experience, NM is already organized in a way that the goals set out in this application will be met.

DOH will be responsible for building the infrastructure of IBIS to align and integrate data to enable comprehensive community assessment that is interactive and accessible. DOH will also be responsible for adapting the current FIT data system to incorporate the unique ID and ensure that the system is aligned and interoperable with the statewide early learning data system.

#### Personnel

DOH will staff two full-time "Epidemiologist, Operational" (Epi-O) positions at pay band 70, \$47,300 annually. These two positions will be part of the DOH Geospatial Analysis team in the Epidemiology and Response Division. They will carry out the major initiatives of this grant, including population and maintenance of the data repository, working with analysts across multiple state agencies to gather and maintain contextual information to clarify the significance of the numeric data, participation in geocoding of agency data records, technical support for

participating agency staff, and training of agency and NGO staff on use of the comprehensive community assessment information system. The DOH Geospatial Analysis team will consist of the two Epi-Os funded by this grant, the GIS Epidemiologist in the Community Health Assessment Program (Epidemiologist, Advanced), and the Environmental Public Health Tracking Epidemiologist in the Environmental Health Epidemiology Bureau (Epi-A).

Oversight for project activities will be provided by Dr. Lois Haggard, DOH Community Health Assessment Program Manager (Epidemiologist, Supervisor, pay band 80). Dr. Haggard has been written into the budget for (b) (6) % of her salary (\$6999 annually).

### Fringe

DOH staff members are eligible for full benefits at 39% of salary. The 39% fringe estimate also includes general staff support expenses, such as computer support, motor pool and other expenses deriving from general DOH staff support.

### Travel

Funds have been budgeted for program staff to provide in-person outreach and training to communities across New Mexico. Two staff persons, 1.5 days, \$85 in-state travel per diem, twice annually = \$510. These in-person trips would supplement regular local, web-based and conference call meetings.

Funds have been budgeted for community and agency staff to attend in-person Participatory Program and Policy Sessions. Three community/agency participants, 1.5 days, \$85 in-state travel per diem, plus mileage, twice annually = \$790. These in-person trips would supplement regular local, web-based and conference call meetings.

DOH will host two state-wide meetings at a cost of \$2,000 in two grant years, early in grant year 3 and mid-to-late grant year 4. These meetings will bring together advisory committee members and program, policy and community experts with collaborating analysts for planning and reporting and sharing of challenges, methods, and success stories.

### Equipment

In year one of the grant, desktop computers (\$900 each) for project staff, and one laptop computer with additional memory and an external hard drive (\$1500) and one LCD projector (\$950) for training and outreach activities.

### Supplies

General office supplies is estimated at an average of \$20 per month for a total of \$240 per year. Marketing/outreach and instructional materials, such as colorful URL bookmarks and handy-reference guide brochures. \$2,500 has been budgeted for these supplies in year 1, and \$1500 in subsequent years for replacement as supplies run low.

### Contractual

DOH will contract for professional software development services for enhancements to the NM-IBIS software. The contractor will assist DOH with requirements development and analysis and design of the enhancements (\$26,400). Software development/implementation will be achieved in years 1 (\$88,000) and 2 (\$114,400). Funds have been budgeted for maintenance and refinement to the software in years 3 and 4 (\$17,600 in each year).

DOH will contract with GIS specialists to participate in the analysis and design of the software in year 1 (\$13,200), development of software components for a mapping web-service for the IBIS application in years 1 (\$19,800) and 2 (\$26,400), and maintenance and refinement to the software in years 3 and 4 (\$13,200 in each year). Contractual GIS specialists will also assist with scientific methods for geo-coding, geospatial analysis of early learning, demographic and health data, and project implementation.

The DOH FIT-Kids program will contract with their software provider to program an API for the FIT-Kids system to interoperate with the state's unique child identifier database in the Public Education Department (estimated at \$100,000) and to provide automated data exchange with the New Mexico P-20 data system (estimated at \$150,000).

New Mexico has followed the procedure for procurement under 34 CFR Parts 74.40 – 74.48 and Part 80.36.

Additional geospatial analysis consulting will procure an independent assessment of DOH's in-house geo-coding methods, provide consultation and technical assistance in achieving address standardization at point of data collection (i.e., when the parent is available to verify the correct address) and ensure that DOH staff and GIS team are using the best possible methods to provide accurate, precise and up-to-date data for New Mexico's early learning data initiatives.

#### Training Stipends-

#### Other

DOH anticipates \$123,660 in software costs. DOH will purchase SAS desktop licenses for the GIS team in Community Health Assessment Program for \$6,000 the first year and \$3,000 for annual renewal of the three licenses in years 2, 3, and 4. ArcGIS desktop licenses will be purchased for the GIS team for a total of \$15,000 in year 1 and 3,000 in subsequent years. Geo-coding reference datasets are estimated as follows: 2 ZP+4 licenses @ \$100 per year, each, one parcel dataset. \$15,500 in year 1. additional geo-reference datasets such as Navteq, TomTom and others are estimated at \$20,000 in year 1 and \$5,000 in subsequent grant years. ArcGIS server fees, estimated at \$8,340, will preclude the need for an ArcGIS server and server software license.

A hotspot device and satellite account will allow training and outreach in any facility, regardless of internet connectivity: \$600 annually.

Total Costs: \$1,372,400

Total: RTT-ELC Costs: \$1,372,400

Category Summary

OVERALL, STATEWIDE BUDGET					
Budget Table 1-1: Budget Summary by Budget Category (Evidence for selection criterion (A)(4)(b))					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	278,830	326,130	326,130	326,130	1,257,220
2. Fringe Benefits	88,535	106,983	106,983	106,983	409,484
3. Travel	51,840	57,140	57,140	57,140	223,260
4. Equipment	39,750	35,500	35,500	35,500	146,250
5. Supplies	9,740	8,504	8,504	8,504	35,252
6. Contractual	5,885,034	5,545,934	5,285,933	5,285,933	22,002,834
7. Training Stipends	0	0	0	0	0
8. Other	65,640	20,140	20,140	20,140	126,060
<b>9. Total Direct Costs (add lines 1-8)</b>	<b>6,419,369</b>	<b>6,100,331</b>	<b>5,840,330</b>	<b>5,840,330</b>	<b>24,200,360</b>
10. Indirect Costs*	99,910	99,910	99,910	99,910	399,640
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners	0	0	0	0	0
12. Funds set aside for participation in grantee technical assistance	100,000	100,000	100,000	100,000	400,000
<b>13. Total Grant Funds Requested (add lines 9-12)</b>	<b>6,619,279</b>	<b>6,300,241</b>	<b>6,040,240</b>	<b>6,040,240</b>	<b>25,000,000</b>
14. Funds from other sources used to support the State Plan	6,989,110	8,198,800	6,600,500	6,600,500	28,388,910
<b>15. Total Statewide Budget (add lines 13-14)</b>	<b>13,608,389</b>	<b>14,499,041</b>	<b>12,640,740</b>	<b>12,640,740</b>	<b>53,388,910</b>

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTE/ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of

Line 13: This is the total funding requested under this grant.

Agency Summary

<b>OVERALL STATEWIDE BUDGET</b>					
<b>Budget Table I-2: Budget Summary by Participating State Agency</b>					
<b>(Evidence for selection criterion (A)(4)(b))</b>					
<b>Agency Name</b>	<b>Grant Year 1 (a)</b>	<b>Grant Year 2 (b)</b>	<b>Grant Year 3 (c)</b>	<b>Grant Year 4 (d)</b>	<b>Total (e)</b>
<b>NM PED</b>	1,010,140	1,010,142	1,010,142	1,010,142	<b>4,040,566</b>
<b>NM CYFD</b>	12,172,744	12,999,934	11,401,633	11,401,633	<b>47,975,944</b>
<b>NM DOH</b>	425,505	488,965	228,965	228,965	<b>1,372,400</b>
<b>&lt;Agency 4&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Agency 5&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Agency 6&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Agency 7&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Agency 8&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Agency 9&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Agency 10&gt;</b>	0	0	0	0	<b>0</b>
<b>Total Statewide Budget</b>	<b>13,608,389</b>	<b>14,499,041</b>	<b>12,640,740</b>	<b>12,640,740</b>	<b>53,388,910</b>

Project Summary

<b>OVERALL STATEWIDE BUDGET</b>					
<b>Budget Table I-3: Budget Summary by Project</b>					
<b>(Evidence for selection criterion (A)(4)(b))</b>					
<b>Project</b>	<b>Grant Year 1 (a)</b>	<b>Grant Year 2 (b)</b>	<b>Grant Year 3 (c)</b>	<b>Grant Year 4 (d)</b>	<b>Total (e)</b>
<b>TQRIS</b>	6,422,159	6,422,159	6,422,158	6,422,158	<b>25,688,634</b>
<b>Investment Zones</b>	1,702,339	3,333,200	1,734,900	1,734,900	<b>8,505,339</b>
<b>Evaluation Prof.</b>	125,000	125,000	125,000	125,000	<b>500,000</b>
<b>Development</b>	1,031,900	1,181,900	1,181,900	1,181,900	<b>4,577,600</b>
<b>Data Systems</b>	3,601,241	2,711,032	2,451,032	2,451,032	<b>11,214,337</b>
<b>Grantee Technical</b>	100,000	100,000	100,000	100,000	<b>400,000</b>
<b>Kindergarten Entry</b>	525,840	525,840	525,840	525,840	<b>2,103,360</b>
<b>Indirect Cost</b>	99,910	99,910	99,910	99,910	<b>399,640</b>
<b>&lt;Project 9&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Project 10&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Project 11&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Project 12&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Project 13&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Project 14&gt;</b>	0	0	0	0	<b>0</b>
<b>&lt;Project 15&gt;</b>	0	0	0	0	<b>0</b>
<b>Total Statewide Budget</b>	<b>13,608,389</b>	<b>14,499,041</b>	<b>12,640,740</b>	<b>12,640,740</b>	<b>53,388,910</b>

[Return to Instructions](#)

**NM PED**

<b>Participating State Agency-Level Budget Table H-1</b> (Evidence for selection criterion 1)(C)(b))					
Budget Category	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	224,532	224,532	224,532	224,532	898,128
2. Fringe Benefits	67,358	67,360	67,360	67,360	269,438
3. Travel	51,840	51,840	51,840	51,840	207,360
4. Equipment	35,500	35,500	35,500	35,500	142,000
5. Supplies	7,000	7,000	7,000	7,000	28,000
6. Contractual	374,000	374,000	374,000	374,000	1,496,000
7. Training Stipends	0	0	0	0	0
8. Other	0	0	0	0	0
<b>9. Total Direct Costs</b> (add lines 1-8)	<b>760,230</b>	<b>760,232</b>	<b>760,232</b>	<b>760,232</b>	<b>3,040,926</b>
10. Indirect Costs*	99,910	99,910	99,910	99,910	399,640
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners	0	0	0	0	0
12. Funds set aside for participation in grantee technical assistance	0	0	0	0	0
<b>13. Total Grant Funds Requested</b> (add lines 9-12)	<b>860,140</b>	<b>860,142</b>	<b>860,142</b>	<b>860,142</b>	<b>3,440,566</b>
14. Funds from other sources used to support the State Plan	150,000	150,000	150,000	150,000	600,000
<b>15. Total Statewide Budget</b> (add lines 13-14)	<b>1,010,140</b>	<b>1,010,142</b>	<b>1,010,142</b>	<b>1,010,142</b>	<b>4,040,566</b>

Column 1(a) through 1(d) For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e) Show the total amount requested for all grant years.

Line 6 Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10 If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information Form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11 Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through contracts, interagency agreements, MOUs or any other subaward allowable under State procurement law. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12 The State must set aside \$400,000 from its grant funds for the purpose of participating in RTH-11C grantee technical assistance activities facilitated by ED or HES. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

**NM PED**

**Participating State Agency-Level Budget Table II-2  
(Evidence for selection criterion (A)(4)(b))**

Project	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
TQRIS	57,000	57,000	57,000	57,000	228,000
Investment Zones	0	0	0	0	0
Evaluation	0	0	0	0	0
Prof. Development	0	0	0	0	0
Data Systems	327,392	327,392	327,392	327,392	1,309,566
Grantee Technical Assistance	0	0	0	0	0
Kindergarten Entry Assessment	525,840	525,840	525,840	525,840	2,103,360
Indirect Cost	99,910	99,910	99,910	99,910	399,640
<Project 9>	0	0	0	0	0
<Project 10>	0	0	0	0	0
<Project 11>	0	0	0	0	0
<Project 12>	0	0	0	0	0
<Project 13>	0	0	0	0	0
<Project 14>	0	0	0	0	0
<Project 15>	0	0	0	0	0
<b>Total Statewide Budget</b>	<b>1,010,140</b>	<b>1,010,142</b>	<b>1,010,142</b>	<b>1,010,142</b>	<b>4,040,566</b>

Columns (a) through (d): For each grant year for which funding is requested, show the total amount this Participating State Agency plans to spend for each Project in the State Plan. If this Participating State Agency has no role in a particular Project, leave that row blank.

Column (e): Show the total expenditure, across all grant years, for the Project.

The Total Statewide Budget for this table should match Line 15 for Budget Table II-1.

Participating State Agency-Level Budget Table H-1 (Evidence for selection criterion 1.3.14)(b)					
Budget Category	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	0	0	0	0	0
2. Fringe Benefits	0	0	0	0	0
3. Travel	0	0	0	0	0
4. Equipment	0	0	0	0	0
5. Supplies	0	0	0	0	0
6. Contractual	5,233,634	4,851,134	4,851,133	4,851,133	19,787,034
7. Training Stipends	0	0	0	0	0
8. Other	0	0	0	0	0
9. Total Direct Costs (add lines 1-8)	5,233,634	4,851,134	4,851,133	4,851,133	19,787,034
10. Indirect Costs*	0	0	0	0	0
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners	0	0	0	0	0
12. Funds set aside for participation on grantee technical assistance	100,000	100,000	100,000	100,000	400,000
13. Total Grant Funds Requested (add lines 9-12)	5,333,634	4,951,134	4,951,133	4,951,133	20,187,034
14. Funds from other sources used to support the State Plan	6,839,110	8,048,800	6,450,500	6,450,500	27,788,910
15. Total Statewide Budget (add lines 13-14)	12,172,744	12,999,934	11,401,633	11,401,633	47,975,944

Column (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through contracts, interagency agreements, MOUs or any other subawards allowable under State procurement law. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Department expects that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT-ETC grantee technical assistance activities facilitated by ED or BHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

**NM CYFD**

**Participating State Agency-Level Budget Table II-2**  
 (Evidence for selection criterion (A)(4)(b))

<b>Project</b>	<b>Grant Year 1 (a)</b>	<b>Grant Year 2 (b)</b>	<b>Grant Year 3 (c)</b>	<b>Grant Year 4 (d)</b>	<b>Total (e)</b>
<b>TQRIS</b>	6,365,159	6,365,159	6,365,158	6,365,158	<b>25,460,634</b>
<b>Investment Zones</b>	1,702,339	3,333,200	1,734,900	1,734,900	<b>8,505,339</b>
<b>Evaluation</b>	125,000	125,000	125,000	125,000	<b>500,000</b>
<b>Prof. Development</b>	1,031,900	1,181,900	1,181,900	1,181,900	<b>4,577,600</b>
<b>Data Systems</b>	2,848,346	1,894,675	1,894,675	1,894,675	<b>8,532,371</b>
<b>Grantee Technical Assistance</b>	100,000	100,000	100,000	100,000	<b>400,000</b>
<b>Kindergarten Entry Assessment</b>	0	0	0	0	0
<b>Indirect Cost</b>	0	0	0	0	0
<b>&lt;Project 9&gt;</b>	0	0	0	0	0
<b>&lt;Project 10&gt;</b>	0	0	0	0	0
<b>&lt;Project 11&gt;</b>	0	0	0	0	0
<b>&lt;Project 12&gt;</b>	0	0	0	0	0
<b>&lt;Project 13&gt;</b>	0	0	0	0	0
<b>&lt;Project 14&gt;</b>	0	0	0	0	0
<b>&lt;Project 15&gt;</b>	0	0	0	0	0
<b>Total Statewide Budget</b>	<b>12,172,744</b>	<b>12,999,934</b>	<b>11,401,633</b>	<b>11,401,633</b>	<b>47,975,944</b>

Columns (a) through (d): For each grant year for which funding is requested, show the total amount this Participating State Agency plans to spend for each Project on the State Plan. If this Participating State Agency has no role in a particular Project, leave that row blank.

Column (e): Show the total expenditure, across all grant years, for the Project.

The Total Statewide Budget for this table should match Line 15 for Budget Table II-1.

**Participating State Agency-Level Budget Table II-1**  
 Evidence for selection criterion (A)(4)(b)

Budget Category	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	54,298	101,598	101,598	101,598	359,092
2. Fringe Benefits	21,177	39,623	39,623	39,623	140,046
3. Travel	0	5,300	5,300	5,300	15,900
4. Equipment	-4,250	0	0	0	-4,250
5. Supplies	2,740	1,504	1,504	1,504	7,252
6. Contractual	277,400	320,800	60,800	60,800	719,800
7. Training Stipends	0	0	0	0	0
8. Other	65,610	20,140	20,140	20,140	126,060
<b>9. Total Direct Costs</b> (add lines 1-8)	<b>425,505</b>	<b>488,965</b>	<b>228,965</b>	<b>228,965</b>	<b>1,372,400</b>
10. Indirect Costs <sup>2</sup>	0	0	0	0	0
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners	0	0	0	0	0
12. Funds set aside for participation in grantee technical assistance	0	0	0	0	0
<b>13. Total Grant Funds Requested</b> (add lines 9-12)	<b>425,505</b>	<b>488,965</b>	<b>228,965</b>	<b>228,965</b>	<b>1,372,400</b>
14. Funds from other sources used to support the State Plan	0	0	0	0	0
<b>15. Total Statewide Budget</b> (add lines 13-14)	<b>425,505</b>	<b>488,965</b>	<b>228,965</b>	<b>228,965</b>	<b>1,372,400</b>

Columns (a) through (d) - For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e) - Show the total amount requested for all grant years.

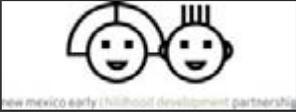
Line 6 - Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$75,000 of each contract included in line 6.

Line 10 - If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information Form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11 - Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through contracts, interagency agreements, MOUs or any other subawards allowable under State procurement law. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12 - The State must set aside \$400,000 from its grant funds for the purpose of participating in RTH-11C grantee technical assistance activities facilitated by ED or HRIS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

## ECE COST ANALYSIS & RECOMMENDATIONS



New Mexico Early Childhood Development Partnership

Provided by  
NMECDP

12.18.12

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1

### PRINCIPLES FOR GENERAL ECE INVESTMENT

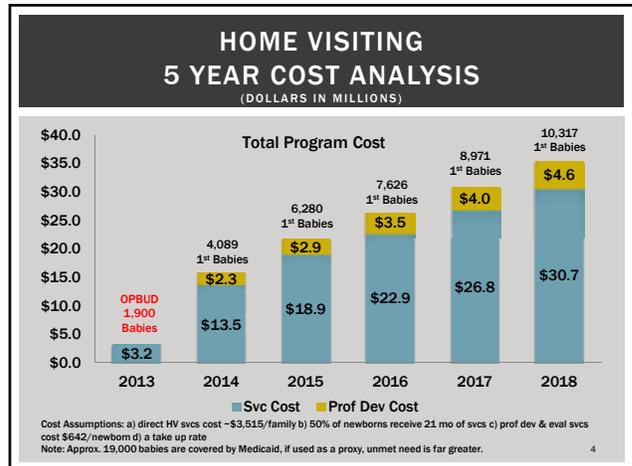
- Address the full continuum of supports for children ages zero through five and their families
- Ensure ongoing General Fund commitment ECE
- Address unmet need – fill gaps by prioritizing on investment zones & at-risk populations areas
- Focus on quality and embed that cost within the ECE programs so that all children benefit
- Strengthen ECE professional development
- Adhere to a 5 year plan for scaling the investment while also addressing capacity

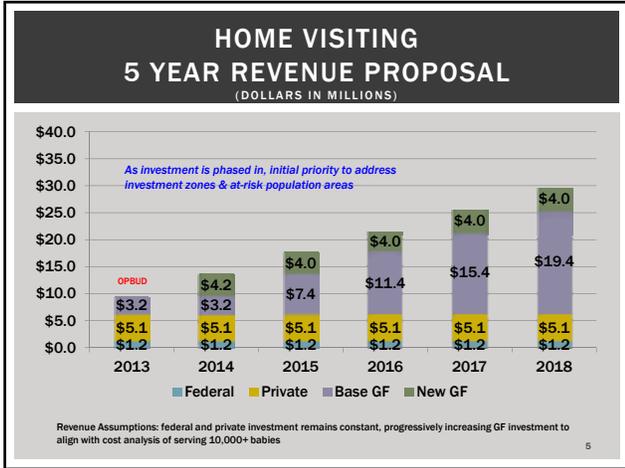
2

### HOME VISITING PRINCIPLES

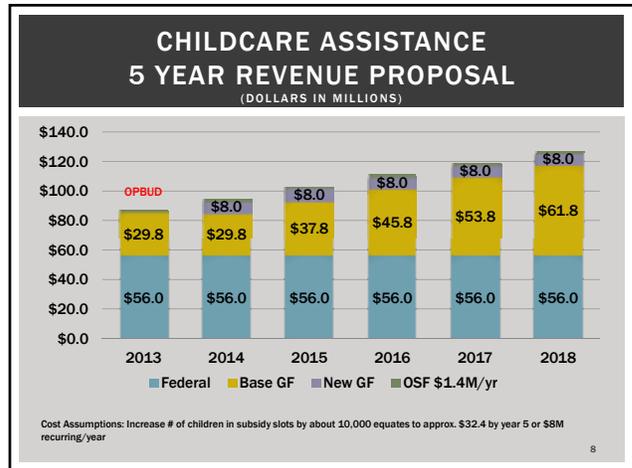
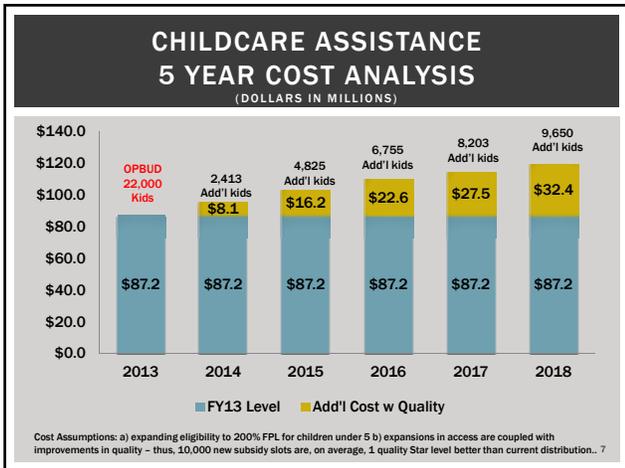
- General Fund commitment to CYFD Home Visiting
- Long term goal: Ensure ALL NM first births are eligible – address unmet need
- Ensure universal, voluntary – improve access, provide choice, beginning with highest risk populations
- Limit to evidenced-based, Promising Practice &/or standards-based programs
- Align investment with a Home Visiting Accountability Act
- Funding to provide services, ensure quality, improve capacity, and strengthen professional development

3





- ### CHILDCARE ASSISTANCE PRINCIPLES
- More families in poverty should have access to high quality childcare
  - Access should be available to ALL eligible children 5 and under
  - Increase eligibility to families with income below 200% FPL
  - Increase quality for all children by improving subsidy slots by 1 Star level across the system
  - Ensure that additional children are served with subsidy slots



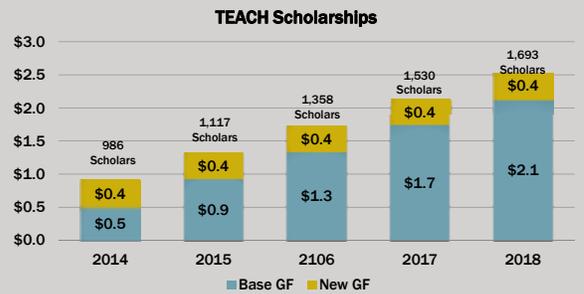
### PROFESSIONAL DEVELOPMENT PRINCIPLES

- Heighten professional standards & increase the education attainment of ECE workforce
- TEACH: Additional scholars will serve to enhance the quality of learning at Pre-K sites
- TTAPS: improve the rigor, intensity and number of training and technical assistance opportunities for ECE programs and workers
- TTAPS: Increase the minimum 45 hour course requirement

9

### PROFESSIONAL DEVELOPMENT YEAR COST ANALYSIS

(DOLLARS IN MILLIONS)

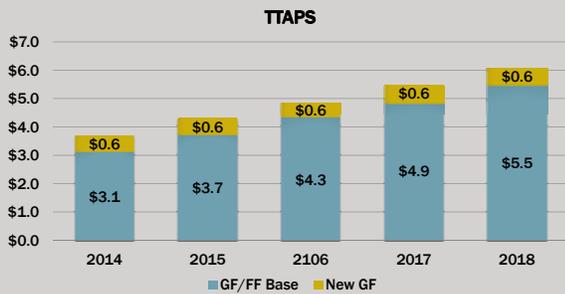


\* For 2012-13, there are approximately 746 scholars

10

### PROFESSIONAL DEVELOPMENT YEAR COST ANALYSIS

(DOLLARS IN MILLIONS)



Cost Assumptions: Reflects costs for improving the rigor, intensity & number of training & tech assistance opportunities b) extend beyond the minimum required 45 hours of training.

11

# Cost Analysis of New Mexico's Early Childhood Programs

*A Five Year Strategy for Increasing Investment*

November 2012

Prepared by the  
New Mexico Early Childhood Development Partnership



new mexico **early childhood development** partnership

# Overview

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The **New Mexico Early Childhood Development Partnership (NMECDP)**, a public-private partnership, recognizes that when our young children are deprived of quality early life experiences the result is a lack of readiness for school and life, depriving our state of its most precious “potential” resource. The NMECDP is on a mission to create the public awareness and political will for early childhood investment in New Mexico. Funded by the Kellogg Foundation, United Way of Santa Fe County has been tasked with leading the NMECDP multi-year effort.

In an ongoing effort to understand the complexities of early childhood programs and to then translate that learning for the public at large, the NMECDP commissions research and analyses from which policy and funding recommendations can be drawn. This cost analysis document is one such piece of work. In the last few years, policy makers and others have inquired as to the cost of quality as well as the costs associated with expanding early care and education programs to more children and families in New Mexico.

**As a result of a thorough cost analysis of New Mexico’s early childhood programs, the NMECDP advocates for a five year strategy to increase the investment through a policy platform of seven components which, when taken as a whole, address the full continuum of supports for children ages zero through five and their families.**

## **Five Year Strategy to Invest in a Full Continuum of Supports**

1. **Home Visiting**. Provide universal, voluntary “evidence-based” or “promising practice” home visiting for all first births
2. **Child Care Assistance**. Ensure access to all children ages zero through five in households with income below 200% of the federal poverty threshold
3. **Pre-K**. Further universal half-day pre-K with the long term objective of full day pre-K for all children
4. **Professional Development**. Heighten professional standards for teachers in state-funded early childhood programs
5. **Additional Education & Training**. Enhance access to higher education for early childhood workers through expansion of the TEACH scholarship program.
6. **A unique identifier**. Support efforts for the use of a unique identifier, by all publicly funded and/or regulated programs, so that one is assigned to each child as early as birth.
7. **Data System**. Support a comprehensive and fully integrated data system utilizing a unique identifier that enables both real time and longitudinal assessment of individual children, early childhood workers, early childhood service providers and the public programs that serve children and their families.

Although the NMECDP policy platform emphasizes efficiency and will ultimately save New Mexico hundreds of millions of dollars by improving health, resiliency, academic success and workforce productivity for parents and children in current and future generations, full implementation will require a first year investment of \$15.9 million and a total recurring investment at full implementation of \$73 million. Due to cost and capacity constraints, we recommend that the policies be phased in over 5 years.

**Table 1: Summary of NMECDP Recommendations and Cost**

	<b>Total</b>	<b>5 Year Phase-In, Year 1</b>
Home visiting	\$23,376,407	\$4,235,085
Child Care Assistance	\$32,355,730	\$8,088,933
Pre-K	\$12,645,651	\$2,529,130
Professional Development		
TEACH	\$1,658,078	\$420,000
TTAPS	\$3,000,000	\$600,000
<b>Total new spending</b>	<b>\$73,035,867</b>	<b>\$15,873,147</b>

## Home Visiting

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### RECOMMENDATION IN BRIEF

NMECDP recommends that the state of New Mexico offer home visiting services to all first-time expectant mothers, regardless of family income or other risk factors. We further urge the state to establish a set of clearly defined minimum standards of quality for all publicly-funded home visiting programs. In addition to meeting the state minimum standards, all home-visiting programs that receive state support should be required to follow a well-documented and consistently-applied methodology that has been proven to be effective through rigorous external review. State funding for home visiting should be sufficient to ensure that all first-time parents are able to access services and that all programs consistently implement the underlying home visiting model upon which their effectiveness was evaluated.

### BACKGROUND

Home visiting programs are an extremely cost-effective way to significantly improve outcomes for families and children. Quality home visiting programs improve birth outcomes, enable early detection and prompt, cost-effective remediation of health problems and developmental delays, facilitate more efficient use of the health care system (ie establishment of a medical home, regular preventative care and fewer emergency room visits), lower rates of child abuse and neglect, improve school achievement, enhance parental attachment to the labor force and produce more self-sufficient and resilient families. In fact, studies have shown that every taxpayer dollar invested in home visiting can return as much as \$5.70 by reducing the costs imposed on society by poor health and academic failure<sup>1</sup>.

In 2013, an estimated 1,673 families will receive home visiting services through the First Born Program, the Nurse Family Partnership or one of the other home visiting programs under contract to the State of New Mexico. In addition, approximately 800 infants ages 0 to 1 and roughly 4,000 toddlers between the ages of 1

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<sup>1</sup> [www.pewstates.org/uploadedFiles/PCS\\_Assets/2011/Home\\_Visiting\\_model\\_policy\\_framework.pdf](http://www.pewstates.org/uploadedFiles/PCS_Assets/2011/Home_Visiting_model_policy_framework.pdf)

and 2 who are at physical or environmental risk for developmental delays will receive home-based early intervention services through the New Mexico Department of Health's Family, Infant Toddler program<sup>2</sup>.

Each year approximately 10,797 first babies are born in New Mexico. The 2,473 families expected to receive home visiting services in 2013 will constitute less than 1 in 10 New Mexico births and 1 in 4 first births. The remaining 8,324 first time expectant mothers and their babies will not have access to these potentially life-changing services<sup>3</sup>.

The State of New Mexico contracts with a variety of home visiting providers. Some home visiting programs utilize evidence-based models or promising practices currently undergoing rigorous evaluation, but some utilize models that have not been tested or shown to achieve desired outcomes.

New Mexico has established minimum standards to which all state-funded home visiting programs must adhere. The New Mexico standards address the essential components of a high quality home visiting program, but they are not sufficiently rigorous or detailed to ensure that all programs funded by the state actually provide a high quality service to all their clients.

## **RECOMMENDATIONS -- KEY CHARACTERISTICS OF A HIGH QUALITY, UNIVERSAL HOME VISITING PROGRAM FOR NEW MEXICO**

### ***(1) Universal but Targeted***

New Mexico's home visiting program should contact, screen and offer services to *all* first time expectant women and new parents regardless of family income or risk factors, but provide the most targeted and intensive services to those families with the greatest need.

Due to its proven ability to prevent prematurity, low birth weight, abuse and neglect and other negative and costly outcomes, home-visiting is most cost effective for those families most at risk. This, however, does *not* mean that all families cannot benefit from home visiting or that a universal program is not ultimately the most efficient approach for the state to take.

Universality fosters acceptance by the general public and thereby maximizes the chances that the families and children with the greatest need will participate. Means-testing or otherwise targeting services to low income or at-risk families may stigmatize the service and deter the families most in need of support from accepting or staying with the service. Acceptance by the general public will also fortify New Mexico's home visiting program against fluctuations in state revenues and political pressures. In addition, no screening tool is perfect. Restricting services on the basis of income or a specific set of risk factors may exclude some families with high needs from eligibility.

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<sup>2</sup> New Mexico Family Infant Toddler Program Annual Report FY 2010, April 2012  
<http://nmhealth.org/ddsd/nmfit/Documents/documents/nm-apr-2012c.pdf>

<sup>3</sup> Assumes 80% of the 9,124 first-time expectant mothers not currently receiving home visiting service would accept services if they were offered

A cost-effective approach that avoids the limitations of screening and stigmatization would be to offer home visiting services to all pregnant women and new families, but provide more intensive targeted services of longer duration to those with the greatest need. This approach can be visualized as a pyramid in which all pregnant women and new mothers/families receive general services geared toward the promotion of healthy behaviors and interactions through education and mentorship, those with identified needs receive more targeted preventative services, and those families with high needs receive very specific, intensive services and interventions.

***(2) Serves first-time expectant mothers and families***

Although every birth is a major event and every child warrants special attention, home visiting for first-time expectant mothers and their infants is especially beneficial because it provides information and support early in family formation and improves a woman's ability to effectively parent all the children she may ultimately have. Because they constitute about 38% of births, offering services to first births only dramatically reduces program costs while ensuring that every family has the opportunity to participate.

***(3) Emphasizes Early, Prenatal Engagement***

Ideally, women should start receiving information about home visiting and working toward a healthy pregnancy before they become pregnant. Broad and intensive promotion of home visiting should be conducted through the media, social networks and at schools, workplaces and community gatherings. Participants and graduates of home visiting programs should be empowered to become ambassadors for the program in their communities and provided the tools with which to effectively carry the message. Actual home visits should begin as early as possible in pregnancy to ensure a healthy baby and establish a firm foundation of trust before the birth.

***(4) Is Adequately Resourced***

Funding for New Mexico's home visiting program must be sufficient to ensure universal access to high quality services. Prospective participants should not be discouraged by waiting lists or other more subtle forms of rationing. In addition, service providers must not be forced to choose between serving clients or maintaining fidelity to state standards or their underlying program model. Ensuring this means tapping into a stable, consistent funding stream and making sure home visiting is considered on par with other core state services such as public education and safety in the state appropriations process.

***(5) Meets Minimum State Standards and Employs Promising or Evidence Based Models***

**A. Minimum State Standards**

To ensure that all recipients of state funded home visiting services derive the maximum possible benefit New Mexico must clearly articulate and enforce minimum standards of quality. The state has already established minimum standards that address the essential components of a high quality home visiting program. The state standards are a good starting point but they are quite broad. The lack of specificity allows for differentiation between programs and responsiveness to the special needs of specific populations and communities, but in some areas, such as number and frequency of visits as a function

of the child's age, level of need and/or the family's duration in the program, more rigorous requirements may be needed to ensure that all state funded programs actually provide a high quality service to all of their clients.

## **B. Evidence-Based and Promising Practice**

There are a wide variety of home visiting models. No single model has proven to be the most effective for all families or all communities. However, some programs have been shown through rigorous evaluation to generate a high return on investment by measurably improving outcomes for children and families in a cost effective manner. To ensure that all first time parents get the full benefit of home visiting, the State of New Mexico should invest in home visiting programs with a documented and verifiable record of success. The State can foster innovation, evolution and adoption of best practices by also funding models that are still being evaluated but show exceptional promise. New Mexico should seriously consider codifying these principles in state law as has already been done in states including Maryland and Iowa (see below).

The federal government has given funding priority to home visiting programs with proven records of success and has made funding available through the Maternal Infant Early Childhood Home Visiting (MIECHV) program for states to plan and implement "evidence-based" and "promising" home visiting programs. The federal government defines an "evidence based" program as one that has been evaluated using a well-designed, rigorous, randomized controlled research design and shown to produce enduring improvements in at least one of the following areas: maternal or child health, child development and school readiness, prevention of child injuries and maltreatment, parenting skills, reductions in crime or domestic violence, family economic self-sufficiency and coordination of other community resources and supports<sup>4</sup>. A "promising approach" is defined is one that does not yet meet the criteria for an evidence-based model but is grounded in relevant empirical work, has an articulated theory of change, has been developed by or is identified with a national organization or institution of higher education and is undergoing the rigorous evaluation necessary to determine if it is in fact "evidence based"<sup>5</sup>.

In 2012, Iowa and Maryland enacted laws to require that most of the state's home visiting funds go to evidence-based programs. Maryland's Home Visiting Accountability Act<sup>6</sup> aligns Maryland's funding of home visiting with the federal MIECHVP by adopting the federal definitions of "evidence based" and "promising approach" and dedicating 75% of state home visiting funds to evidence based programs and the remaining 25% to promising programs that are still undergoing evaluation.

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<sup>4</sup> US Department of Health and Human Services Health Resources and Services Administration Maternal and Child Health Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program Supplemental Information Request for the Submission of the Updated State Plan for a State Home Visiting Program Appendix A  
<http://www.hrsa.gov/grants/manage/homevisiting/sir02082011.pdf>

<sup>5</sup> Ibid, Appendix C

<sup>6</sup> State of Maryland Home Visiting Accountability Act of 2012  
[http://mlis.state.md.us/2012rs/chapters\\_noln/Ch\\_80\\_hb0699T.pdf](http://mlis.state.md.us/2012rs/chapters_noln/Ch_80_hb0699T.pdf)

In addition, the Maryland Act directs the development of standardized reporting and accountability tools and requires that all home visiting programs report on the state funds spent, the characteristics of families served and the outcomes produced for both children and parents.

The Iowa law implements reporting requirements similar to Maryland’s, directs the adoption of statewide professional competency standards and program performance benchmarks and requires that by 2016 90% of all state home visiting funds go to evidence-based or promising programs and provides for a gradual phase in of this requirement beginning in 2013<sup>7</sup>.

Several other states including Michigan, South Carolina and Vermont are actively pursuing home visiting accountability legislation<sup>8</sup>.

***(6) Effectively Leverages all Available Funds***

Over time, New Mexico’s investment in home visiting will be returned many times over through decreased costs to the educational, health care, public safety, child protective and corrections systems. Fully realizing the long term benefits of universal voluntary high quality home visiting will require a substantial upfront investment.

In 2013 approximately \$11.1 million will be spent on home visiting in New Mexico. Almost half of current funding (approximately \$5.1 million) will be provided by private philanthropies<sup>9</sup>. The other half will be split fairly evenly between state government (\$3.1 million) and the federal government (\$2.9 million)<sup>10</sup>. Full implementation of high quality universal home visiting is expected to cost an additional \$30 million in recurring funds. To meet this funding target on an on-going basis New Mexico must leverage all sources of funding to the greatest extent possible.

**Table 2: Funding for NM Home Visiting\* Programs in FY 2013**

	<b>FY 13 (\$ millions)</b>	<b>Share</b>
State*	\$3.1	28%
Federal	\$ 2.9	26%
Private	\$ 5.1	46%
<b>Total</b>	<b>\$ 11.1</b>	<b>100%</b>
*Does not include NM Department of Health Family Infant Toddler (FIT) Program		

Many states are recognizing the value of home visiting and working to expand their programs using a variety of federal funding sources. These include relatively new funding sources such as the Affordable Care Act as well as existing federal programs including Medicaid, TANF and federal Child Abuse Prevention and Treatment Act (CAPTA) grants to state and local governments.

<sup>7</sup> [http://www.pewstates.org/uploadedFiles/PCS\\_Assets/2012/Excerpt\\_from\\_Iowa\\_Senate\\_File\\_2321.pdf](http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Excerpt_from_Iowa_Senate_File_2321.pdf)

<sup>8</sup> Pew Model State Policy Framework

[www.pewstates.org/uploadedFiles/PCS\\_Assets/2011/Home\\_Visiting\\_model\\_policy\\_framework.pdf](http://www.pewstates.org/uploadedFiles/PCS_Assets/2011/Home_Visiting_model_policy_framework.pdf)

<sup>9</sup> Estimate provided by Susan Hererra, Los Alamos National Laboratory Foundation First Born® program

<sup>10</sup> FY 2013 State of New Mexico Operating Budget

Major sources of federal home visiting funding include the Maternal Infant Early Childhood Home Visiting (MIECHV) program implemented as part of the federal Affordable Care Act, IDEA Part C, and Medicaid. New Mexico has already leveraged the funds readily available through MIECHV and IDEA Part C. New Mexico's formula grant through MIECHV is incorporated in the CYFD budget for home visiting services and IDEA Part C funds are used to fund early intervention services provided through the New Mexico Family, Infant Toddler (FIT) program for young children diagnosed with, or at risk for, disabilities. The FIT program is also partially financed through Medicaid.

Implementing or expanding home visiting programs may reduce costs and increase the efficiency of care delivery for managed care organizations (MCO's) and other health insurers. Evidence-based home visiting programs have been shown to reduce health care costs by preventing complications in pregnancy, reducing injuries and maltreatment, enhancing maternal and child health through prevention and early detection and promoting efficient use of the health care system.

Consider the Medicaid MCO example in Table 3 below. On average, it is estimated that every low birth weight baby costs the health care system over \$50,000 in just her first year of life<sup>11</sup>. Roughly 7.4% of New Mexico infants are low birth weight<sup>12</sup> and about two-thirds of these infants are Medicaid-eligible. Thus, every year, roughly \$25 million is spent on health care for low birth weight babies covered under New Mexico Medicaid. Home visiting has been shown to reduce the incidence of low birth weight by as much as 50%<sup>13</sup>. If the Medicaid MCO's provided home visiting services to all clients expecting their first baby (about 6,700 women annually) at a cost of \$3,200 per client they could potentially reduce costs attributable to low birth weight by over half and offset 60% of their investment in home visiting with this single improved outcome, which is one among many. Once the additional cost savings from enhanced nutrition, improved safety, decreased substance abuse, establishment of a medical home, early detection of maternal and child health problems, more efficient use of the health care system and reduced rates of low birth weight and prematurity for subsequent births are factored in, the business case for home visiting should become even more compelling to the MCO's.

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<sup>11</sup> Preterm Birth: Causes, Consequences, and Prevention. Institute of Medicine (US) Committee on Understanding Premature Birth and Assuring Healthy Outcomes; Behrman RE, Butler AS, editors. Washington (DC): National Academies Press (US); 2007 <http://www.ncbi.nlm.nih.gov/books/NBK11358/>

<sup>12</sup> New Mexico Birth Certificate Database, Bureau of Vital Records and Health Statistics, NM Department of Health, found at: <http://ibis.health.state.nm.us/query/result/birth/BirthWtCnty/BirthWtLow.html>

<sup>13</sup> Reducing Low Birth Weight Through Home Visitation A Randomized Controlled Trial  
Eunju Lee, PhD, Susan D. Mitchell-Herzfeld, MA, Ann A. Lowenfels, MPH, Rose Greene, MA,  
Vajeera Dorabawila, PhD, Kimberly A. DuMont, PhD American Journal of Preventive Medicine, Volume 36, Number 2  
[http://www.healthyfamiliesnewyork.org/Media/pdf/HFNY\\_low\\_birth\\_weight\\_article.pdf](http://www.healthyfamiliesnewyork.org/Media/pdf/HFNY_low_birth_weight_article.pdf)

**Table 3: Potential MCO Cost Savings from Home Visiting**

Annual Medicaid-paid first births	6,760
Home Visiting Cost per Client	\$3,200
Total MCO Home Visiting Cost	\$21,631,181
Medicaid Low Birth Weight Births	500
Medicaid LBW avoided at 50% reduction	250
Avg Annual Medical Cost per LBW Infant	\$50,000
Avg Annual Medicaid Cost Savings	\$12,905,703
Net Cost	\$9,131,181

**Table 4: Estimating the Unmet Need for Home Visiting Services**

First births	10,797
First Births receiving FIT services	320
First Births receiving home visiting, all other programs	1,506
Unmet need for home visiting	8,971

**Table 5: Multi-Year Cost of Meeting New Mexico’s Unmet Need for Home Visiting**

Year	1	2	3	4	5
% of Unmet Need* Served	9%	20%	30%	40%	50%
Families Served	1,307	1,413	2,153	2,826	3,499
Direct Services Cost	\$3,716,812	\$7,371,078	\$11,825,258	\$16,161,186	\$20,497,114
Professional development & technical assistance cost	\$518,273	\$1,151,717	\$1,727,576	\$2,303,435	\$2,879,293
Total cost	\$4,235,085	\$8,522,795	\$13,552,834	\$18,464,621	\$23,376,407

\*Unmet need is defined as all New Mexico first births less births already receiving home visiting services, regardless of income or Medicaid eligibility

***The estimate of unmet need for home visiting services is based on the following assumptions:***

1. All firstborns and their families would potentially benefit from home visiting<sup>14</sup>
2. 10,797 first births annually;
3. 40% of the 800 infants receiving early intervention services through the Family Infant Toddler program are firstborns and
4. 90% of the 1,600 infants expected to receive services in 2013 through other home visiting programs are firstborns.

<sup>14</sup> Advocates of a means-tested approach to home-visiting often use Medicaid-paid births, regardless of birth order, as a proxy for the number of infants potentially eligible for home visiting. Medicaid covers roughly 19,000 births in New Mexico annually.

***The estimated cost of meeting the unmet need for home visiting services is based on the following assumptions:***

1. Direct home visiting services cost an average of \$3,515 per family per year,
2. 50% of the newborns who received services in the previous year continue to receive services in the current year for an average of six months,
3. Pregnant women receive home visits for an average of 3 months prior to delivery.
4. Training, technical assistance, professional development and evaluation services provided to home visiting programs costs the State of New Mexico an average of \$642 per newborn per year.

## **HOME VISITING WORKFORCE DEVELOPMENT**

Implementing universal, voluntary home visiting throughout New Mexico would require employing, and thus training, at least 500 new home visitors and home visiting managers. This would be an important job creation opportunity and a workforce development challenge. Early intervention programs already struggle to recruit and retain qualified staff<sup>15</sup>. Burn-out and turn-over are significant problems for home visiting and early intervention programs, particularly among managers.

Successful home visitors possess a unique combination of skills and innate abilities. They are effective educators and mentors who are knowledgeable and experienced in all areas of child development, familiar with the communities in which they work and able to collaborate effectively with a wide variety of professionals. Although a base of knowledge in child development, basic health, community dynamics and the social welfare system is extremely important to the work they do, the key characteristics of a successful home visitor are primarily interpersonal qualities that engender trust -- empathy, respect and genuineness. These traits are difficult to teach and not associated with any traditional educational credentials. Thus, many (although not all) home visiting programs rely on mentorship and on-the-job training more than formal education to establish minimum competencies and further professional development for their staff.

Although all home visiting programs are required to have multidisciplinary personnel and access to a master's level clinician for mental health consultation, there are currently no specific state-level educational requirements for home visitors or home visiting supervisors. Different programs have different educational requirements for their employees. Home visitors in New Mexico thus run the gamut from licensed nurses and social workers to people with graduate degrees in unrelated disciplines to those with a just GED or high school diploma. Because implementing universal, voluntary home visiting throughout New Mexico would require a significant increase in the number of trained home visitors it could necessitate a more formal, standardized approach to work force development. .

The Child Development Associate (CDA) is a nationally recognized credential for early childhood workers. There is a home visitor track within the CDA requiring 120 clock hours of formal training and 480 hours of professional experience. The CDA does not require any college course work and it does not count toward a college degree. It usually takes about a year to complete although this time frame can be shortened (or lengthened)

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<sup>15</sup> New Mexico Family Infant Toddler Program Annual Performance Report 2010  
<http://nmhealth.org/ddsd/nmfit/Documents/documents/nm-apr-2012c.pdf>

considerably. Applicants for the CDA must have a high school diploma and sufficient English skills to complete the required course work. The CDA home visiting curriculum strongly emphasizes the child development component of the home visitor knowledge base.

The New Mexico Child Development Certificate (NMCDC) is similar to the national CDA but requires completion of the four basic college classes in early childhood education. Unlike the CDA, the NMCDC is part of the progression towards a college degree in early education. Obtaining the NMCDC costs about \$50, or one sixth of the cost of the CDA.

There is no home visiting track within the NMCDC. However, CNM offers a five course sequence in early intervention geared toward the employees of the FIT program as part of the Associate Degree in Family, Infant, Toddler Studies. The classes are offered sequentially and can be completed in a year. They can be taken on-line and are thus available to students throughout New Mexico. Tuition and books for the full year cost about \$400. Although this seems like a modest sum, it may be difficult for some low income students to afford. Scholarships similar to the TEACH scholarships available to child care and pre-K teachers seeking college degrees would help to offset the cost could be a valuable tool of workforce development for home visiting. Providing scholarships for the five course CNM sequence to 100 home visitors annually would cost approximately \$40,000 annually. North Carolina is currently using Race to the Top funds to pilot an expansion of the TEACH scholarship program to include early interventionists, home visitors and trainers.

Eastern New Mexico University will soon offer a bachelor's degree in Family, Infant, Toddler Studies. However, enrollment in the program remains uncertain. Thus far, CNM has found it difficult to sustain enrollment in its early interventionist sequence and, as a result, has had to cancel some courses.

Training and technical assistance through the University of New Mexico and the TTAP's will be another critical component of the workforce development necessary to expand home visiting. The cost estimate for universal, voluntary home visiting includes \$642 in annual external professional development and technical assistance costs per infant served which equates to \$4.7 million per year at maximum program saturation and client uptake.

## Child Care Assistance

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NMECDP recommends that the child care subsidies be made available to all eligible children five and under in households with family income below 200% of the federal poverty level and that investments be made to increase the average quality of the new subsidized child care slots. The eligibility expansion is expected to increase the number of young children receiving state subsidies by about 10,000 children or roughly 33% and, at full implementation, cost the state of New Mexico about \$32.4 million annually, or about \$8.1 million in the first year if phased in 20% increments over five years.

**Table 6: 2012 Federal Poverty Guidelines**

Eligibility	Percent FPL	Family of 2	Family of 3	Family of 4	Family of 5	Family of 6
Current	100%	\$15,130	\$19,090	\$23,050	\$27,010	\$30,970
	150%	\$22,695	\$28,635	\$34,575	\$40,515	\$46,455
Recommended	200%	\$30,260	\$38,180	\$46,100	\$54,020	\$61,940

New Mexico’s child care assistance program makes child care and early education affordable for low income families by subsidizing the cost of care for eligible children. It is a key element of our state’s early childhood education system and its social safety net, enabling low income children to access quality learning environments and their parents to work or go to school. Currently, about 21,500 children ages 0-5 receive state child care assistance<sup>16</sup>.

At present, enrollment in New Mexico’s child care assistance program is limited to children in households with income below 100% FPL<sup>17</sup>. This means that a single parent with one child who works full time and year round for the New Mexico minimum wage of \$7.50/hour (earning an annual before-tax income of \$15,600) will qualify for child care assistance. If the same parent instead earns \$7.75/hour her annual before-tax income will be \$16,120, too high to qualify for aid.

**Table 7: New Mexico Children Ages 0-5 by Poverty Status, 2010**

Income	Children	Percent of all Children 0-6
Under 100% FPL	49,729	30%
100-200% FPL	44,414	27%
100-150% FPL	25,032	15%
150%-200% FPL	19,382	12%
Source: US Census Bureau, American Community Survey		

Almost 50,000 children, or 30% of New Mexicans ages 0 through, 5 live in poverty. Another 27% of New Mexico’s young children are “near poor” – living in households with income between 100% and 200% of the federal poverty level (See table 7).

**Table 8: Median Market Rates for Full time 4-Star Child Care Center, 2011**

	Urban	Rural
Infant	\$650	\$524
Toddler	\$596	\$511
Preschool	\$566	\$495

<sup>16</sup> The New Mexico child care assistance program is open to children under the age of 13 or older children with certain disabilities. Approximately two-thirds of children who currently receive assistance are under the age of 6.

<sup>17</sup> If the household income of a child currently receiving subsidized care increases above 100% FPL but remains below 200% FPL the family remains eligible for assistance, but at a substantially higher copayment. If an otherwise eligible family with income between 100% and 200% of the FPL applies for child care assistance they will not receive a subsidy, but will instead be put on an indefinite “waiting list” pending the availability of state funds to reinstate assistance for this population. Currently, there are over 5,000 families on the waiting list <http://www.cyfd.org/content/child-care-assistance/>

Source: New Mexico Children Youth and Families Department 2011 Market Rate Survey

In 2010 high quality center-based early care and education cost, on average, between \$500 and \$650 per month (See Table 8), this is between a quarter and a third of pre-tax income for someone making \$11/hour (150% of the FPL for a single parent with one child). Households with income between 100 and 200% of the FPL thus still struggle to afford quality child care. In many ways they are actually *worse off* in this regard than impoverished households because they have fewer affordable options. Not only are the near-poor precluded at present from state child care assistance, but federal law requires that at least 90% of Head Start slots be reserved for children in households at or below 100% of the federal poverty level<sup>18</sup>.

**Table 9: Multi-Year Cost of Expanding Child Care Assistance to 200% FPL**

Year	1	2	3	4	5
Eligibility threshold (%FPL)	120%	140%	160%	180%	200%
Additional Children served	2,413	4,825	6,755	8,203	9,650
Direct Services Cost	\$7,013,379	14,026,759	\$19,637,463	\$23,845,490	\$28,053,518
With Quality Enhancement	\$8,088,933	\$16,177,865	\$22,649,011	\$27,502,371	\$32,355,730

Expanding eligibility for child care assistance from the current 100% FPL to 200% FPL for children under 5 would extend benefits to approximately 10,000 additional children and cost the New Mexico general fund between \$28 million and \$32 million depending whether quality enhancements were concurrently enacted.

Children receiving state subsidies receive care in a variety of settings ranging from registered homes in which one person cares for just a few children to large child care centers with numerous separate rooms for infants, toddlers and preschoolers. The quality of care also varies widely -- from programs that meet the minimum standards necessary to ensure health and safety to those that maintain a nationally recognized standard of care predicated on the most recent research in child development. To maximize the benefits of the state's early childhood investment, it is critical that expansions in access to care be coupled with improvements in quality. Thus the estimate of cost assumes that the 10,000 new subsidized slots are, on average, one quality (star) level better than the current distribution of subsidized slots across the quality tiers ("star levels") established in the current New Mexico Quality Rating Improvement System (QRIS).

**Table 10: New Mexico Child Care Assistance Reimbursement Rates for Licensed Child Care Centers**

	Infant		Toddler		Pre-K	
	Metro	Non-Metro	Metro	Non-Metro	Metro	Non-Metro
2-Stars	\$521.37	\$463.75	\$470.72	\$434.63	\$440.01	\$408.02
3-Stars	\$591.37	\$533.75	\$540.72	\$504.63	\$510.01	\$478.02
4-Stars	\$625.87	\$568.25	\$575.22	\$539.13	\$544.51	\$512.52
5-Stars	\$653.37	\$653.37	\$602.72	\$602.72	\$572.01	\$572.01

<sup>18</sup> Children in households receiving TANF also qualify for HeadStart. The vast majority of these households also have income under 100% of the FPL. [www.newmexicoresources.org/pages.cfm?dynamicID=474&subpages=yes&contentID=24&pageID=8#income](http://www.newmexicoresources.org/pages.cfm?dynamicID=474&subpages=yes&contentID=24&pageID=8#income)

Reimbursement rates for Child Care Assistance (CCA) vary according to several provider characteristics including type of facility (center versus home), licensure status, location, and QRIS star level. Table 10 shows current CCA reimbursement rates for licensed child care centers by star level. The reimbursement rate for a 2-star center is the base rate. Three-star child care providers receive an additional \$70 per child per month above the base rate. Four-star providers receive an additional \$104.50 per child per month and 5-star providers receive an additional \$132 per child per month. The star-level reimbursement differentials compensate providers for the higher cost of providing quality care. For example, moving from star level 2 to star level 3 is widely considered the most substantial and costly QRIS advancement a child care provider can make. The relatively large reimbursement rate increase that accompanies advancement from star level 2 to star level 3 reflects the magnitude of the improvement. Conversely, advancing from star level 4 to star level 5 increases reimbursement by only \$27.50 per child per month. Advancing from level 4 to level 5 reflects attainment of accreditation by one of several national accrediting bodies. Child care accrediting bodies differ dramatically in the rigor of their accreditation standards and even the extent to which those standards comport with New Mexico's Early Childhood Guidelines, thus the incremental cost and improvement in quality associated with accreditation may be considerably less than the cost incurred in moving from star level two to star level three.

## New Mexico Pre-K

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NMECDP recommends that New Mexico implement universal, voluntary public preschool by opening enrollment in NM Pre-K to *all* four year olds, not just those residing in Title 1 districts as is currently the case. Providing universal access to voluntary pre-K would serve an estimated 4,300 additional children at an approximate cost to the state general fund of \$12.6 million, or \$2.5 million in the first year if the expansion were phased in over five years.

New Mexico Pre-K is a voluntary public preschool program jointly administered by CYFD and PED. In school year 2012-13 New Mexico Pre-K will serve an estimated 6,569 four year olds at a cost to the state general fund of \$19.2 million. This represents a 40% increase in students and a 32% (\$4.7 million) increase in funding over the previous school year<sup>19</sup>.

Currently, New Mexico Pre-K serves children in communities in which at least 66% of children live within the attendance zone of a Title 1 elementary school. Title 1 schools are those in which at least 40% of children qualify for free or reduced price lunch. Giving funding priority to Title 1 schools made sense in the Pre-K's early days because it targeted limited resources to the most vulnerable children and communities. However, now that New Mexico Pre-K has demonstrated its effectiveness, continuing a policy of unequal access prevents Pre-K from obtaining universal acceptance as the first step in the continuum of public education to which *all* New Mexico children have a right. NMECDP recommends that New Mexico pre-K be made available to *all* four year olds, not just those residing in Title 1 districts. Universal, voluntary Pre-K would serve an estimated 4,300

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<sup>19</sup> New Mexico Legislative Finance Committee 2012 Post Session Review, April 2012.  
<http://www.nmlegis.gov/lcs/lfc/lfcdocs/2012%20Post%20Session%20Review%20Final.pdf>

additional children at an approximate additional cost of \$12.2 million, or \$2.4 million in the first year if the expansion were phased in over five years (Table 11).

**Table 11: Multi-year Cost of Universal Voluntary Public Pre-K in New Mexico**

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Additional children served	858	1,716	2,574	3,433	4,291
Total children served	2,172	\$4,344	6,516	8,688	10,860
Additional service cost	\$2,431,519	\$4,863,037	\$7,294,556	\$9,726,075	\$12,157,593
Additional training cost	\$97,612	\$195,223	\$292,835	\$390,446	\$488,058
Total incremental cost	\$2,529,130	\$5,058,260	\$7,587,391	\$10,116,521	\$12,645,651

The cost estimate assumes the 2012 per-student Pre-K cost of \$3,161. While this accurately reflects per capita general fund spending, it may underestimate the program’s true costs because it fails to account for the potential co-mingling of New Mexico Pre-K program funds with funding for other programs such as Head Start, Title 1 and Child Care Assistance.

The assumption of 2012 average cost also implicitly assumes no change in the quality of Pre-K services or the length of the Pre-K day or school year, despite the fact that there is considerable variation in quality across programs and room to increase program effectiveness with a longer school day and year. Currently, PED Pre-K classrooms may have a maximum of 20 children and a maximum 10:1 ratio of children to teachers. In contrast, CYFD Pre-K providers must be at least star level 2 (levels 4 and 5 are considered “high quality” learning environments). Teachers in PED Pre-K classrooms are required to have at least a bachelor’s degree and a New Mexico teaching license. Staff at child care centers participating in NM Pre-K program through CYFD must be at least 18 and able to complete the 45-hour-entry-level course within the first six months of hire. Pre-K is a partial day program and the pre-K school year roughly parallels the public school year.

## Professional Development

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The level of education and training attained by a child care provider is one of the strongest predictors of their ability to offer quality care. NMECDP recommends that New Mexico heighten professional standards for workers in state-funded early childhood programs and make it possible for workers and programs to meet the new standards by increasing funding for the TTAP’s, enhancing access to higher education for early childhood workers through expansion of the TEACH scholarship program and by supporting incentives including access to affordable health insurance to attract and retain a high-caliber early childhood workforce.

In addition to the specific recommendations above, NMECDP supports the goals for increasing the educational attainment of New Mexico’s early childhood workforce that were articulated in New Mexico’s first Race to the Top application. These include increasing enrollment in early childhood programs at New Mexico colleges and universities by 5% annually, increasing the number of early childhood associate and bachelor’s degrees awarded

in New Mexico by roughly 100 in each if the next four years and substantially increasing the percentage of early childhood workers that hold credentials beyond the basic 45 hour course certificate.

The 45 hour course is the entry level introduction to the early childhood field that must be completed by most workers in state-funded early childhood programs within one year of hire. It is, by far, the most commonly held credential among early childhood workers in New Mexico. The 45 hour course makes early childhood workers *aware* of their profession's seven core competencies and is geared to be accessible to the full spectrum of early childhood workers including those of limited literacy and/or proficiency in English. The 45 hour course is administered through community colleges, TTAP's and by on-site trainers. CYFD does not require that early childhood workers have a high school diploma or GED, and many early childhood workers have no formal training beyond the 45 hour course. In fact, almost 20% of New Mexico child care providers surveyed, including many at star levels 3 and above, listed the 45 hour course as their minimum educational requirement for teachers<sup>20</sup>. NMECDP recommends that CYFD enhance the 45 hour course curriculum and, if necessary to accommodate the more rigorous curriculum, make the course longer. NMECDP further recommends that early childhood workers be encouraged and supported in their efforts to obtain training beyond the 45 hour course.

The second rung on the early childhood professional development ladder, the New Mexico Child Development Certificate (NMCDA), is a credential equivalent to the national CDA but issued by the State of New Mexico and approved by the federal office of Head Start. The NMCDA requires the completion of four college-level courses in early childhood education. NMECDP recommends that all lead teachers in star level 4 and 5 programs that receive state funds be required to have *at least* an NMCDA so they can effectively train and mentor the child care workers they supervise.

### **TTAP's**

New Mexico's eight Early Childhood Training and Technical Assistance Programs (TTAP's) form the core of the state's early childhood training and technical assistance infrastructure. For FY 2012 New Mexico's TTAP's received a total of \$3.2 million through a combination of federal and state funds. TTAP's provide training to programs, providers and individual educators. Professional development opportunities provided by the TTAP's include the 45-hour course, the 18 hour "Conversations" course and the 6-Hour "Quality Early Childhood Programs for All" course. The TTAP's are central to any improvements in early childhood professional development and increasing their capacity to train workers is essential to cost-effectively improving the ability of early childhood programs to deliver quality care. NMECDP recommends increasing funding for the TTAP's by \$2 million to improve the rigor, intensity and number of training and technical assistance opportunities for early childhood programs and workers.

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<sup>20</sup> Krause, Kate. 2010. The Child Care Workforce in New Mexico. New Mexico CYFD  
[https://www.newmexicokids.org/content/caregivers\\_and\\_educators/resources/docs/CYFD\\_Child\\_Care\\_Workforce\\_in\\_NM.pdf](https://www.newmexicokids.org/content/caregivers_and_educators/resources/docs/CYFD_Child_Care_Workforce_in_NM.pdf)

## T.E.A.C.H.<sup>®</sup>

The T.E.A.C.H.<sup>®21</sup> scholarship program provides tuition assistance to early childhood professionals pursuing college degrees in early childhood education and awards scholars financial incentives for successful completion of academic programs. T.E.A.C.H.<sup>®</sup> has a 2012 budget of \$503,332. Currently there are 746 T.E.A.C.H.<sup>®</sup> scholars.

T.E.A.C.H.<sup>®</sup> has been awarding scholarships to New Mexico early childhood educators since 2004. During that time the program has been shown to reduce teacher turnover, enhance teacher compensation and increase educational attainment by early childhood teachers, many of whom have very little education and might not otherwise consider attending college.

Funding for New Mexico T.E.A.C.H.<sup>®</sup> scholarships is provided by CYFD, PED (as part of NM Pre-K) and private philanthropy<sup>22</sup>. Roughly half the funding for T.E.A.C.H.<sup>®</sup> comes from New Mexico Pre-K and is dedicated for scholarships for Pre-K teachers in public and private preschools. New Mexico Pre-K serves about 6,500 4 year olds, or about 8% of the estimated 83,000 New Mexico children under 5 who receive out-of-home care.

**Table 12: Funding for T.E.A.C.H.<sup>®</sup> Early Childhood in New Mexico**

	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
<b>T.E.A.C.H. Scholars</b>		746	648	746	559
<b>CYFD (birth to 5 grant)</b>	\$381,900	\$231,900	\$231,900	\$481,900	\$481,900
<b>Federal ARRA (birth to 5 grant)</b>	0	0	\$126,000	\$149,000	0
<b>CYFD Pre-K</b>	\$262,729	\$236,521	\$255,754	\$255,754	\$255,754
<b>PED Pre-K</b>	\$60,000	0	\$158,628	\$258,628	\$258,628
<b>Private philanthropy</b>	\$8,305	\$23,008	\$18,297	\$15,784	\$23,016
<b>City of Albuquerque</b>	\$6,034	\$11,903	\$14,743	\$5,687	\$18,404
<b>Total Funding</b>	\$718,968	\$503,332	\$805,322	\$1,166,753	\$1,037,702
<b>State Funding</b>	\$704,629	\$468,421	\$646,282	\$996,282	\$996,282

State support for T.E.A.C.H.<sup>®</sup> was severely impacted by the 2010-11 state revenue crisis. State funding for T.E.A.C.H.<sup>®</sup> declined by 50% from a high of \$1 million in 2010 to \$503,332 in 2012. Budget reductions forced the program to dramatically reduce scholarship amounts, by halving the bonus awarded for completion of scholarship contracts and limiting the number of classes TE.A.C.H.<sup>®</sup> could support each term from as many as 4 or 5 per student to no more than one. In addition, T.E.A.C.H.<sup>®</sup> was forced to stop awarding new scholarships and create a waiting list for applicants. The 2013 state budget restored about half of the lost state funds and the program has added 98 scholars since January 2012, however there is still a substantial waiting list composed entirely of early childhood workers who work in programs that are not part of New Mexico Pre-K.

<sup>21</sup> The T.E.A.C.H. Early Childhood<sup>®</sup> scholarship program is a project of the New Mexico Association for the Education of Young Children and a licensed program of Child Care Services Association in Chapel Hill, N.C..

<sup>22</sup> The NM Community Foundation, the Kellogg Foundation, the Brindle Foundation, the Kiwanis Club of Albuquerque and individual donors to the Lenore Wolfe Scholarship Fund.

NMECDP recommends that T.E.A.C.H.<sup>®</sup> scholarships be restored to their 2010 levels and that T.E.A.C.H.<sup>®</sup> be funded to support the Race to the Top Goal of increasing the number of early childhood degrees awarded in New Mexico from the current level of 250 per year to 650 per year, an increase of approximately 80 degrees per year in each of five years. Approximately 5% of T.E.A.C.H.<sup>®</sup> scholars receive a degree each year. Increasing T.E.A.C.H.<sup>®</sup> participation from 750 scholars to 2,000 scholars would produce 80 graduates annually. Attaining this goal over 5 years would require awarding T.E.A.C.H.<sup>®</sup> scholarships to an additional 240 students each year at an approximate cost to the New Mexico general fund at full implementation of \$1.7 million, or an additional \$420,000 in each of 5 years. Because most of the unmet demand for T.E.A.C.H.<sup>®</sup> scholarships comes from early childhood workers who are not part of NM Pre-K it is important that the majority of the new funding also come from sources other than New Mexico Pre-K.

**Table 13: Multi-Year Cost of Expanding New Mexico T.E.A.C.H.<sup>®</sup>**

	Year				
	1	2	3	4	5
New Scholars	240	240	240	240	240
Total Scholars	986	1177	1358	1530	1693
Graduates	49	59	68	76	85
Additional State Cost	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000
Cumulative Additional Cost	\$420,000	\$753,725	\$1,070,764	\$1,371,951	\$1,658,078

To qualify for assistance through T.E.A.C.H.<sup>®</sup> educators must work at least 20 hours a week as a teacher or director in an early childhood program that is licensed, registered and/or part of NM Pre-K. T.E.A.C.H.<sup>®</sup> scholars must also commit to completing at least 9 college credit hours annually. Participation in T.E.A.C.H.<sup>®</sup> also requires that the scholar and their employer each pay a portion of the scholar’s educational costs. In addition to enabling T.E.A.C.H.<sup>®</sup> to serve more scholars, the cost-sharing policy helps to ensure that both the student and the employer are invested in the student’s success. T.E.A.C.H.<sup>®</sup> scholars are required to remain with their current employer for the period of the scholarship plus one additional year.

T.E.A.C.H.<sup>®</sup> is an effective way to encourage early childhood workers to attend college. However, once they’ve completed their degree, T.E.A.C.H.<sup>®</sup> scholars can often earn considerably higher wages and obtain better benefits working for other programs or even in other fields altogether. Unfortunately, if T.E.A.C.H. is to maximally enhance the quality and size of the early childhood workforce it must be accompanied by higher wages and better benefits; costs many, if not most, early childhood programs (and parents) are not prepared to bear.

Several other states including North Carolina, Florida and Kansas<sup>23</sup> have implemented wage supplement programs to aid early childhood programs in competing for and retaining highly qualified workers that they might otherwise be unable to afford. INCENTIVES Early Childhood<sup>®24</sup> is a pay supplement program that is being piloted with a small group of early childhood educators in Santa Fe County by the New Mexico Association for

<sup>23</sup> Child Care WAGE\$, Chapel Hill, N.C [http://www.childcareservices.org/ps/teach\\_pu1.html](http://www.childcareservices.org/ps/teach_pu1.html)

<sup>24</sup> INCENTIVES Early Childhood<sup>®</sup> is an affiliate of Child Care WAGE\$ of Chapel Hill, N.C.

the Education of Young Children with funding from the Brindle Foundation. INCENTIVES<sup>®</sup> is designed to reduce turnover, encourage early childhood workers to obtain additional education and enhance the ability of early childhood programs to retain highly qualified staff by providing pay supplements every six months to early childhood teachers or assistant teachers based on their level of education. Wage supplements increase with level of education and are issued every six months. Nationally, the supplements average \$719<sup>25</sup>. The Santa Fe INCENTIVES<sup>®</sup> pilot provides ten levels of annual pay supplement starting with \$300 for a teacher who has taken two early childhood college courses to \$2500 for a teacher with an Associate degree in early childhood education and \$5,000 for a teacher with a Bachelor degree in Early Childhood and a teaching certificate. The average annual supplement in the first year of the pilot was \$1,706/year, paid in two \$853 6-month installments. Forty six percent of pilot participants completed additional college coursework during the first year and none of the participants left their jobs, a significant accomplishment in an industry in which turnover averages 33% annually.

### **Other Workforce Incentives**

In addition to low wages, early childhood workers often have limited employment-related benefits. Lack of access to affordable health insurance is a particularly potent disincentive to remaining employed in early childhood. Fortunately, a primary element of the federal Affordable Care Act (ACA), the major provisions of which were recently affirmed by the US Supreme Court, is markedly improved access to health insurance for low wage workers. NMECDP recommends that New Mexico leverage the resources available under the federal affordable care act to increase access to affordable health insurance for early childhood workers.

## **Unique Identifiers**

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Assigning a unique identifier to each child and utilizing that identifier consistently across all state funded and/or regulated programs is essential to accountability and efficient use of resources. A unique identifier assigned as early as birth and utilized through high school will make it possible to track children's progress, efficiently match children and families to appropriate interventions and support services and assess the effectiveness of children's programs on an on-going basis.

## **Data Systems and Analysis**

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New Mexico's increased investment in early childhood must be accompanied by increased accountability and coordination across programs that serve young children. New Mexico's system of early childhood supports and services are made up of programs and services provided by numerous state, local, federal and tribal government entities as well as thousands of private providers. The state component of the early childhood system alone is funded and/or overseen by four separate state agencies. These agencies all use different and in some cases

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<sup>25</sup> Child Care Services Association [http://www.childcareservices.org/ps/child\\_care\\_wage.html](http://www.childcareservices.org/ps/child_care_wage.html)

antiquated data systems making child outcomes difficult to track and impeding the cross-agency coordination necessary to ensure that services are provided efficiently.

NMECDP recommends that New Mexico implement a comprehensive and fully- integrated data system that enables both real time and longitudinal assessment of individual children, early childhood workers, early childhood service providers and the public programs that serve children and their families.

Implementing a comprehensive early learning data system that utilized a common set of unique identifiers and brought all state-level early learning systems together under CYFD's EPICS system was a key component of New Mexico's first Race to the Top Application. The initiative was expected to cost approximately \$15 million over four years.

## Conclusion

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The New Mexico Early Childhood Development Partnership urges the state of New Mexico to prepare children ages 0 through 5 for success in school and in life by implementing and fully funding the comprehensive and integrated continuum of early childhood services described in this report and implementing the accountability systems and unique identifiers necessary to maximize their effectiveness. Services, support and oversight by the State of New Mexico can make a profound difference at every stage in a child's development – from pre-natal home visiting to high quality pre-kindergarten programs. And although seizing this opportunity to “turn the curve” for New Mexico children will not be without cost, the investment will pay off many times over in both the short and long term through stronger, more resilient families, improved physical and behavioral health, higher rates of academic achievement and attainment, lessened need for remedial services, lower crime rates, a more productive, qualified workforce and a break for many families in the once intractable cycle of generational poverty. This vital investment in our children is one that the State of New Mexico cannot afford to defer any longer.