

EARLY CHILDHOOD SERVICES CYFD, DOH, PED

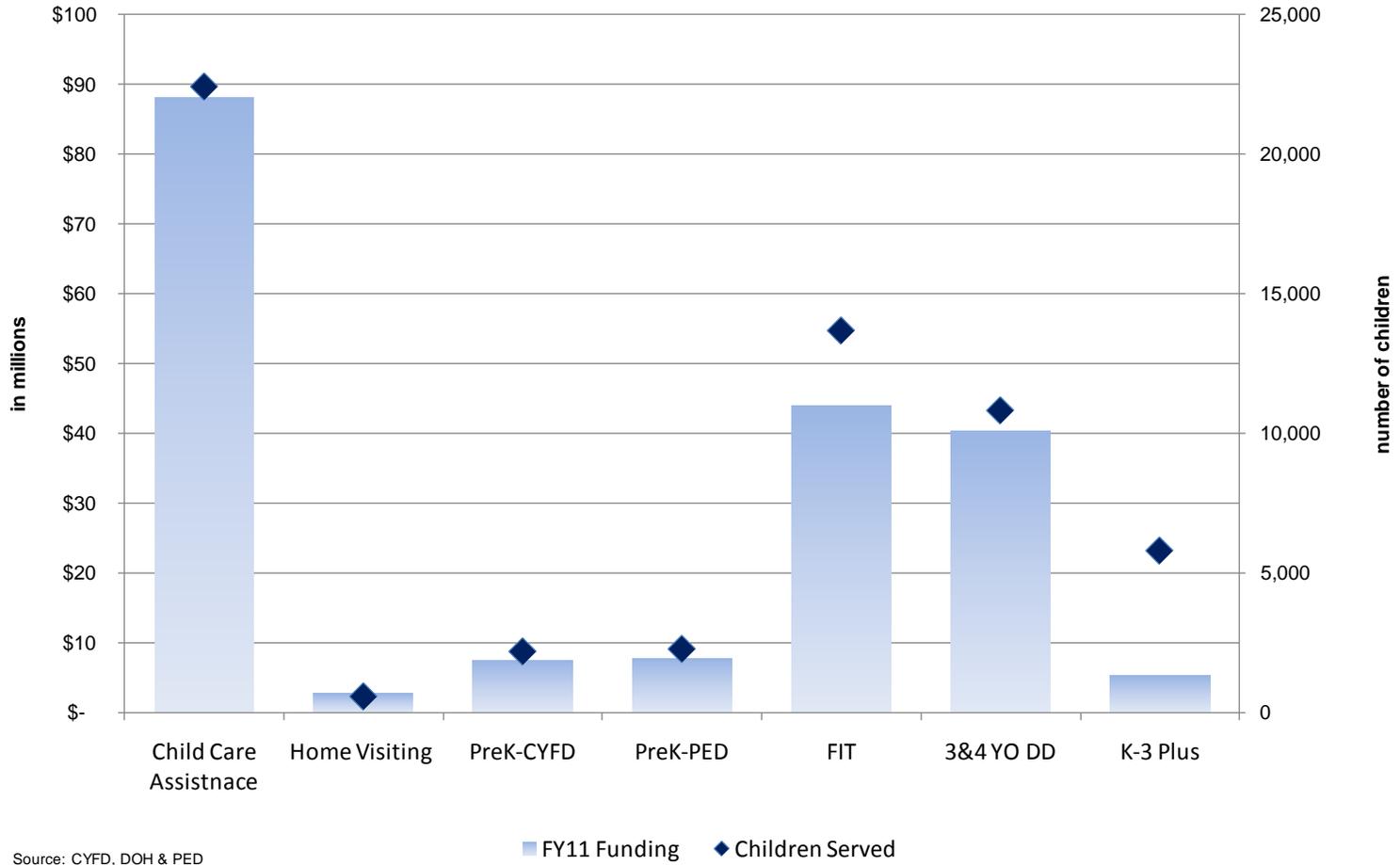
- New Mexico's early childhood programs currently operate independently and are not aligned in a meaningful way. There is a need for better linkages between programs, as well as for a comprehensive vision to align these efforts.
- Economic benefits of early childhood interventions tend to be greater for programs that effectively target at-risk children than for programs that serve all children.
- Innovative tools including the combination of GIS mapping capabilities with social and health indicators will help programs identify where our most at-risk children live while simultaneously pairing that data with location points for early childhood services. These maps will also illustrate gaps in early childhood service delivery. *See page 2.*
- In many of the rural counties in New Mexico there is no system in place to offer a continuum of early childhood services. Capacity building in these areas is essential for these services to reach New Mexico's most at-risk children. *See page 3.*
- The majority, 73.3 percent, of children receiving subsidized child care services are 5 years old or younger. *See page 6.*
- There is insufficient funding to meet current needs for child care assistance funding. As of June 2011, the child care assistance waiting list had 5,876 children on it. *See page 7.*
- Preliminary results from the K-3 Plus evaluation currently being conducted by Utah State University indicate that a significant positive effect on student achievement. K-3 Plus is a cost-effective way (approximately \$910 per student annually) to narrow the achievement gap between disadvantaged students and other students. *See page 10.*

- Return on investment ratios are needed to identify the ideal combination of childhood services which will produce the best results at the lowest possible costs. The Pew Center on the States has an initiative to provide the Results First cost-benefit analysis model to states who are interested in calculating return on investment from preventative and intervention programs and policies. *See page 11.*
- The New Mexico Early Childhood Development Partnership and the New Mexico Business Roundtable are teaming up with CYFD to develop an implementation action plan for aligning existing programs and funding to ensure a comprehensive early childhood care and education system in New Mexico. *See page 13.*

Early Childhood Care and Education Programs

Program Name	State Agency	Program Description	Children Served FY11	Total FY11 Funding	Average Cost Per Child FY08
Child Care Assistance	CYFD	Provides child care subsidies to low-income families so they may work or attend school and ensures children have access to quality child care settings that promote their physical, mental, emotional, and social development in a safe environment.	22,442	\$84,896,100	\$3,783
Home Visiting	CYFD	The Home Visiting Program provides developmental guidance and educational and local community resource information. It identifies social supports and refers families to community resources as well as strengthens the "system of care" for children.	592	\$2,676,800	\$4,522
PreK	CYFD	Provides comprehensive Pre-Kindergarten services to increase statewide access to voluntary quality New Mexico Pre-K programs by enrolling new children; providing developmentally appropriate activities; and focusing on school readiness.	2,314	\$8,669,900	\$3,747
PreK	PED	Provides comprehensive Pre-Kindergarten services to increase statewide access to voluntary quality New Mexico Pre-K programs by enrolling new children; providing developmentally appropriate activities; and focusing on school readiness.	2,293	\$7,792,600	\$3,398
Family Infant Toddler Program (FIT)	DOH	Provides an array of early intervention services to children birth to age three in accordance with the Individuals with Disabilities Education Act (IDEA) Part C.	12,707	\$44,000,000	\$3,463
Early Childhood Special Education	PED	Provides special education services to all three- and four-year olds children with disabilities pursuant to Part B of the federal Individuals with Disabilities Act.	10,839	\$40,236,211	\$3,712
K-3 Plus	PED	K-3 Plus is a 6 year pilot project (currently in its 5 th year) that extends the school year for kindergarten through third grade by a minimum of 25 days for participating students and measures the effect of additional time on literacy, numeracy and social skills development.	5,816	\$5,292,600	\$910

Early Childhood Care and Education Programs - Funding and Children Served FY11



LFC HEARING BRIEF

AGENCY: CYFD, DOH, and PED

DATE: August 17, 2011

PURPOSE OF HEARING:
Implementation of Early Childhood Care and Education Act Including Identification of Statewide Gaps and Needs

WITNESS: Yolanda Berumen-Deines, Secretary, CYFD; Catherine Torres, Secretary, DOH; Dr. AnnaLisa Banegas-Pena, Director of Student Success, PED; Mimi Aledo-Sandoval, Senior Fiscal Analyst, LFC; Dr. Peter Winograd, Director, UNM Center for Education Policy Research; Diana Martinez-Gonzales, Director, Early Childhood Services, CYFD; Larry Langley, New Mexico Business Roundtable; Rebecca Dow, Childcare Provider; Lillian Montoya-Rael, Program Manager, New Mexico Early Childhood Development Partnership; Allen Sanchez, President & CEO, St. Joseph Community Health; Rosa Barraza, President, NM Early Care and Learning Association

PREPARED BY: Mimi Aledo-Sandoval, Ruby Ann Esquibel, and Rachel Gudgel

EXPECTED OUTCOME:
Understanding of the importance of early childhood program alignment within CYFD, DOH and PED. Additionally, introducing new methods for analysis of return on investments for early childhood programs. Lastly, highlight of major issues within each program.

BACKGROUND INFORMATION

The Early Childcare and Education Act, enacted in June of 2011, establishes 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 prekindergarten. The goal of the act is to ensure both the maintenance and the establishment of the infrastructure necessary to support quality in the system's programs, and to ensure that every New Mexico child is eager to learn and ready to succeed by the time that child enters kindergarten.

High-quality early learning experiences have been proven to prepare children for success in school and later in life and the cost-benefit research demonstrates a high return on investment for money spent on early childhood care and education for at-risk children. A system of early childhood care and education should be developmentally, culturally, and linguistically appropriate; data-driven; accountable through developmentally appropriate methods of measuring, reporting and tracking a child's growth and development; accessible; high quality; aligned within communities; family-centered; and a partnership between the state and private individuals and institutions.

The Act creates a diverse 15 member State Early Learning Advisory Council (Council) that satisfies the council required by the federal Improving Head Start for School Readiness Act of 2007. The Council is charged with leading the development and enhancement of a high-quality, comprehensive system of early childhood development and care that ensures statewide coordination and collaboration among the enumerated early childhood programs and services within the state. The Council will also make recommendations to CYFD and the Legislature on the most efficient and effective way to leverage state and federal funding for early childhood care and education.

Early Childhood Demographics. In 2008, there were an estimated 2,098,266 New Mexicans of all ages and an estimated 585,197 children age 0-19 years. There were an estimated 130,628 children age 0 through five, or 7.2 percent of the population. Children and youth comprised 27.9 percent of the total population.

In 2006-08, an estimated 24.1 percent of New Mexico's children and 18.2 percent of U.S. children less than 18 years of age were living in families at or below the federal poverty level (FPL). Poverty is one of the most significant determinants of health and well-being for a child.

Overall, an estimated 45.5 percent of New Mexico children age 0-5 years of age were read to by an adult daily; only 7.6 percent were never read to. Children in families at or below 200 percent of the federal poverty level (FPL) were only slightly less likely to be read to than the statewide average;

State Early Learning Advisory Council Members

Secretary of PED and CYFD • Director of Head Start State Collaboration Office of CYFD • two representative each from an institution of higher education, a local education agency, a head start or early head start organization, a state agency responsible for program under Section 619 or Part C of the federal Individuals with Disabilities Education Act, and a state agency responsible for children's health or mental health care issues • two providers of early care and education services • two public members with knowledge and experience in childhood care and education • three member of the New Mexico Business Roundtable.

Prenatal Risk Indicators

Only 32 percent of New Mexico mothers who had a live birth in 2008 met all five elements of the healthy birth index. From 2004 to 2008, the five year average was 32.8 percent. These mothers 1) didn't smoke before or during pregnancy; 2) didn't drink frequently or binge drink just before the pregnancy and didn't drink during the pregnancy; 3) weren't physically abused by their husband or partner during pregnancy; 4) had an intended pregnancy; and 5) entered prenatal care in the first three months of pregnancy.

as family income increased, so did the percent of children read to daily. Non-Hispanic White children were more likely to be read to daily than Hispanic children (62.5 percent compared to 38 percent). Children in two-parent homes were more likely to be read to than those in single parent homes (45.2 percent compared to 36.8 percent).¹

Importance of Continuum of Services. The needs of children and their families are complex and diverse and cannot be addressed by departments or programs working in isolation. Early childhood development is multifaceted and is affected by programs in several departments. The three key departments that play an integral role in early childhood development, care and education are the Department of Health, the Department of Children Youth and Families and the Public Education Department. These three departments provide a range of services from the household level to school-based services for children from birth to 5 years.

Many of the early childhood programs currently operate independently of one another and, while all have similar goals, they are not aligned in a meaningful way. There is a need for better linkages between programs, as well as for a comprehensive vision to align these efforts. Funding sources, outcome measures and service providers are also fragmented. The 2009 LFC Program Evaluation: Investments in Early Childhood emphasized the need for better coordination. Strategic and productive cross-program partnerships focused upon outcomes will ensure consistent access to a seamless continuum of services.

The integration of services will reduce overlap and duplication providing greater efficiency and effectiveness in the delivery of services to New Mexico's most vulnerable children. Alignment of services is essential for lasting developmental gains. Gains achieved in programs offered during the first couple of years of life are lost if children do not continue to receive high quality care and education programming. For example, the impact of intensive home visiting is lost if the subsequent child care is of low quality.

A particular area of alignment concern is the current use of independent data systems. Not only do DOH, PED and CYFD all have independent data systems, programs within CYFD have independent data systems. It is critical for CYFD to develop one early childhood data system with compatibility to the DOH and PED systems. This will pave the way for unique identifiers that will allow for longitudinal outcome measures, as well as identification of duplication and coordination problems.

Use of GIS System. CYFD, DOH, the UNM Center for Education Policy Research (CEPR), together with multiple partners in local communities, are developing an approach using social epidemiology and Geographic Information Systems (GIS) mapping to provide policy makers, practitioners and the public with crucial information for making funding and policy decisions.

¹ Source: 2011 New Mexico Children's Cabinet Report Card, http://www.forumfyi.org/files/2011_NMCC.pdf

Children's Vaccinations

In 2009, 70.2 percent of New Mexico's children age 19-35 months of age were up to date for the vaccine combination of 4:3:1:0:3:1:4: a series made up of 4 Diphtheria-Tetanus-Pertussis shots, three Polio, one Measles-Mumps-Rubella, 0 doses H-Influenza B, three Hepatitis B, one dose of Varicella (chicken pox), and four doses of Pneumococcal Virus vaccine. Doses for H-Influenza-B were not counted in 2009 due to a shortage of vaccine in some states; at present there are no shortages.

Food Insecurity

Although the rate of food insecure families declined in New Mexico, only four states (Mississippi, Texas, Arkansas and Georgia) had a higher rate than New Mexico in 2006-2008. Twelve percent of U.S. households had low or very low food security; lower than the total 14.1 percent in New Mexico, a difference that was statistically significant.

Teacher Education

Teacher Education and Compensation Helps (T.E.A.C.H.®) scholarships for early childhood educators to take college level early childhood teacher education coursework increased from 177 in 2006 to 559 in 2009; with ARRA funding, there was an increase to 746 in 2010. All but three of the 33 counties have had at least one T.E.A.C.H.® scholar; those without were Catron, Harding, and Mora. With no scholars in 2009, Socorro County now has 6. Statewide the ratio of T.E.A.C.H.® scholars per 1,000 children 1-4 years old in the population increased from 10.3 in 2009 to 13.9 in 2010.

The goal of this approach is to improve the capacity to address the education and public health needs of young children in a more transparent, efficient, and effective manner. By using social and health indicators to identify areas of greatest need and then coupling that data with location points for early childhood services on a map illustrates gaps in early childhood service delivery.

In addition, aligning CYFD with maternal child health and epidemiology efforts within the Public Health Division enables CYFD to build upon state assets that already exist.

Early Childhood Care and Education Programs. Over the last five years, the Legislature has made significant investments in early childhood services by funding prekindergarten, home visiting, and other initiatives. As noted, early childhood programs exist in several state agencies, creating problems with coordination and duplication of services. With shrinking resources, it is imperative that early childhood programs are evaluated, prioritized and target at-risk children.

Home Visiting. Home visiting services offer support to pregnant women and new families. The services can lead to improved maternal and child health outcomes, positive parenting, safe homes, and connections to community services. Home visiting is a service provided by qualified professionals within the home to parents, prenatally and/or with children birth to age three. Home visiting is viewed as a delivery strategy for primary prevention services that are informational, developmental and educational. Priority is to be given to serving low-income families in at-risk communities, as identified by a statewide needs assessment.

Several models of home visiting exist throughout the state. All the state-funded home visiting models are standards-based and use standardized assessments including the Edinburg; which screens for post partum depression, the WAST-Short; which screens for partner violence and the Ages and Stages assessment which screens for child developmental delays.

The federal Affordable Care Act is providing funding for states to expand their home visiting programs. Federal funding requires that 75 percent of service delivery use an evidence-based home-visiting model. Currently, federal funding is being utilized to implement two evidence-based models in two of the most at risk communities in New Mexico. The Parents As Teachers model is being implemented in McKinley County by the Gallup/McKinley County Schools and the Nurse Family Partnership model is being implemented in the South Valley of Albuquerque by the UNM/Center for Development and Disability.

Issues. In many of the rural counties in New Mexico there is no system in place to offer home visiting services. Capacity building in these areas is essential for home visiting services to reach New Mexico's most at-risk children.

Critical Years of Life

Recent research emphasized the importance of brain development in early childhood, especially in developing cognitive and social skills. Eighty percent of the human brain is developed between birth and age 5. Early experiences help determine whether a person's brain architecture develops in ways that promote future learning, behavior, and health. Quality child care, home visiting and prekindergarten are early childhood initiatives gaining attention throughout the United States.

Home Visiting Contracts

For FY11 CYFD's Home Visiting Program contracted with 17 providers for a total of \$1.8 million. They were contracted to serve 592 families. In FY12, CYFD awarded 17 home visiting contracts totaling \$2.2 million, with a contract total of 645 families being served.

CYFD does not require funded programs to implement evidence-based home visiting services and current funding levels are insufficient to evaluate effectiveness of many of the standards-based home visiting models being used throughout the state. CYFD is unable to demonstrate that its contracts are awarded based on results.

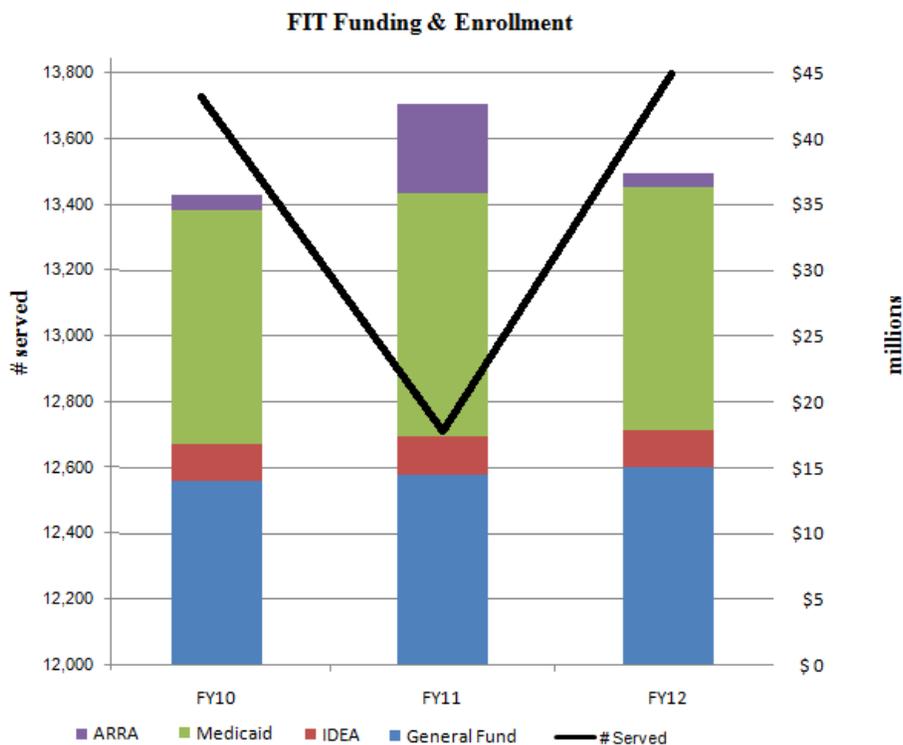
Evidenced-based home visiting models that are intensive (weekly visits), targeted to children at risk of abuse, neglect or developmental delays and contain a medical component have been shown to have the greatest impact. These models have a higher per child cost but also yield the highest return on investment.

CYFD's home visiting program could collaborate with DOH's Families First program, which also provides home visiting services, to better target at-risk populations and avoid duplication

A recent LFC program evaluation of CYFD's Protective Services Division underscored the potential effectiveness of coordinating home visiting services with family preservation efforts. By providing prevention and intervention services through home visiting to families with infants identified by the Protective Services Division should reduce the number of referrals, investigations, and placements for Protective Services.

Furthermore, CYFD should implement a screening tool to assess each mother's risk potential in order to direct them to the home visiting programs most able to fit their identified needs. This routing function would further increase the home visiting system's cost effectiveness and return on investments

Family, Infant, Toddler Program. The Family, Infant, Toddler (FIT) Program provides early intervention services to infants and toddlers birth to age three and their families, in accordance with the federal Individuals with Disabilities Education Act (IDEA) Part C. The projected FIT program cost per child served for FY12 is \$2.8 thousand; or a total of \$38.8 million to serve a projected 13,800 children.



The goals of the program are to promote the healthy development of infants and toddlers (birth to three) who have or who at risk for developmental delays and disabilities; help parents support their child’s learning throughout everyday routines and activities in the home and community; support other early childhood providers (e.g. Early Head Start, Child Care providers) to promote the child’s learning in their classroom setting with other typically developing peers; and promote a smooth and effective transition of the child to inclusive preschool services when the child turns three.

Children are eligible for the FIT Program if they have a developmental delay of 25 percent in one developmental domain; have an established condition (diagnosed condition e.g. down syndrome, cerebral palsy, hearing or vision loss, etc.); are at-risk biologically or medically due to a diagnosed condition (e.g. low birth weight, prematurity, alcohol/substance exposure in-utero); or are at-risk with family environmental factors including substance abuse, abuse or neglect, homelessness, or domestic violence. Services are provided statewide, and every county has at least one FIT service provider agency, with 36 provider agencies statewide.

The following services may be included on the Individualized Family Service Plan (IFSP) based on the needs of the child and family: assistive technology devices, adaptive equipment; audiological services; comprehensive multidisciplinary evaluations; family counseling; health services (to enable the child to benefit from other early intervention services); medical services (for diagnostic or evaluation purposes); nursing

services; nutrition services; occupational therapy; physical therapy; psychological services; social work services; service coordination; special instruction (developmental consultation); speech/language pathology services; transportation (to enable the child/ family to receive early intervention services); and vision services.

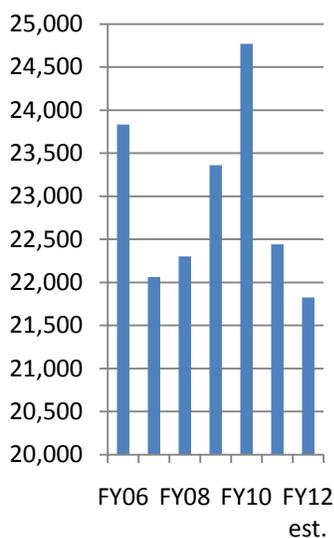
Issues. Current issues for the FIT program relate to funding and the overlap of three and four year olds in FIT and special education programs in the schools. Specifically, the 2011 General Appropriation Act (GAA) includes a \$500 thousand special appropriation for the Family, Infant, Toddler program to provide services in FY12 to two and three year-old preschool children with disabilities transitioning to public school programs. This appropriation is also intended to replace a portion of the \$2.9 million in ARRA federal funds that lapse in September 2011. Chapter 166 (Senate Bill 330 passed during the 2011 legislative session) amends the Public School Code relating to the education of children with disabilities in public school preschool programs by eliminating the option of a child who has his or her third birthday during a school year from enrolling in a public school and receiving special education and related services from the beginning of that school year. The consequences are that increasing numbers of children will not receive the more comprehensive services provided under the FIT program which is subsidized with state general fund, and will now instead have the option removed from age three to four to choose if they wish to stay in FIT or transition to special education in the schools.

Other Department of Health Early Childhood Programs. In addition to the FIT Program, the Department of Health (DOH) supports several other programs that offer services to newborns and young children and their families. Some of these programs include newborn genetic and hearing screening, children’s medical services, Families FIRST, Project LAUNCH, maternal and child health, WIC, vaccines for children, and primary health care. Further information on these programs is provided in the handout depicting Department of Health programs.

Child Care Assistance. The Child Care Assistance program subsidizes the cost of child care for low-income families (at or below 200 percent of the federal poverty level) that are working and/or in school and have a need for child care. In order to qualify for the program subsidy a child must be between the ages of 6 weeks and 13 years of age. The subsidy amount varies depending upon the age of the child, the type of child care, the location of the program, parental income and the rating of the child care program (as determined by the STARS Quality Rating System). Child care providers include family child care homes, licensed homes, licensed centers, before-and-after school programs or relative care. Depending on income, parent may also be required to pay a co-payment, however the co-payment remains the same regardless of quality of care.

The majority of children receiving subsidized child care services are 5 years old or younger. In FY11, 73.3 percent of children receiving subsidized child care services were 5 years old or younger.

Average number of children served by child care assistance



In FY12, over \$82 million was budgeted for child care assistance with approximately 50 percent coming from the Federal Child Development Block Grant and TANF transfers. In June 2011, 22,028 children received child care subsidies, of which 4,237 were TANF recipients. Of all children who received child care assistance in June of 2011, 67.8 percent were at or below 100 percent of Federal Poverty Level.

Issues. There is insufficient funding to meet eligible families. CYFD has implemented a waiting list for all clients with an income between 100 percent and 200 percent of the Federal Poverty Level (FPL). As of June 2011, the child care assistance waiting list had 5,876 children on it. Almost 73 percent of the children on the waiting list are between 100.1 percent and 149.9 percent of the federal poverty level, with approximately 42 percent being between 100.01 and 125 percent of FPL.

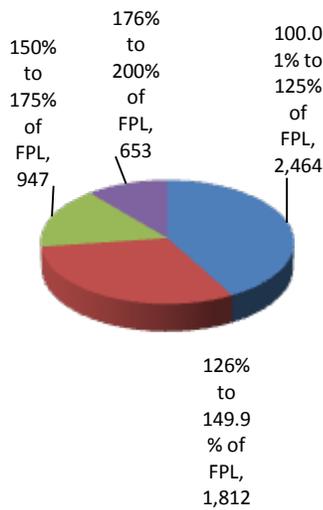
During the 2011 Legislative Session, the Legislature adopted language in HB2 requiring CYFD to develop a plan to address the child care assistance waiting list for clients with incomes between one hundred percent and one hundred fifty percent of the federal poverty level. This language was vetoed by Governor Martinez.

Of note is that attrition of clients at the eligible higher federal poverty levels (175 percent of FPL and above) does not automatically result in a one to one gain for the child care assistance client roles. This is because the subsidies received by clients at the 175 percent of federal poverty level and above are much smaller than the subsidies given to clients below 100 percent of federal poverty level.

Another issue facing the Child Care Assistance Program is the subsidized provider rates. The federal government requires payment rates that are “sufficient to ensure equal access” to child care services comparable to those provided to families not eligible to receive child care assistance. The federal interpretation on these regulations uses a benchmark of at least the 75th percentile of the market as providing equal access. According to CYFD, subsidized provider rates are substantially below the 75th percentile threshold. The 2011 provider rate market analysis was recently completed and identified the largest disparity from the recommended 75th percentile is in the registered home category with metro registered homes being 53.54 percent below the 75th percentile and rural registered homes being 59.08 percent below the 75th percentile. The study also identified that on average for all age groups the rural child care centers are closer to the 75th percentile than metro child care centers, -19.54 percent versus -31.56 percent, respectively. The data reflect an inverse correlation between mean market rate and age category: rates are highest for infant care and decline with the age of the child.

This is of particular concern to CYFD because of reports of child care providers refusing to take children on state subsidies. This seems to be most prevalent in higher-income areas such as Santa Fe County, Rio Arriba County, Los Alamos County and Taos County. CYFD points out that this seems to be a pronounced problem in infant and toddler age range.

Federal Poverty Level (FPL) of Children on the Waiting List



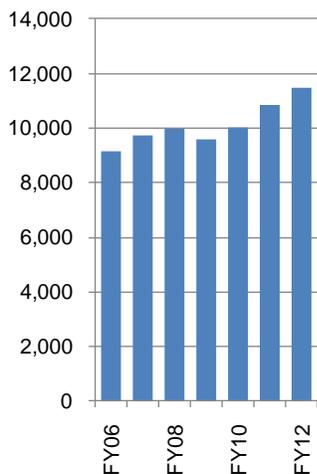
Source: CYFD

Additionally, many child care providers who provide services primarily to children on state subsidies are facing financial challenges as CYFD limited enrollment of new clients to those below 100 percent of FPL. These businesses are struggling to continue to provide a high level of quality with fewer children to cover the costs.

Lastly, CYFD’s Office of Child Development is considering modifying the childcare quality rating system. Currently, the 5 STAR quality level is determined by national accrediting entities such as the National Association for the Education of Young Children (NAEYC) and National Early Childhood Program Accreditation (NECPA). CYFD determines the levels for 2 through 4 STARS. It has been observed, however, that the STAR level 5 is not necessarily indicative of the highest quality. The state compensates childcare center providers based on the STAR level rating.

Early Childhood Special Education. School districts provide special education services to all three- and four-year-olds who meet the federal definition of a “child with a disability” pursuant to Part B of the federal Individuals with Disabilities Act, and, at the state’s discretion, to 2-year-olds with disabilities who will turn 3 during the school year. The goal of early childhood special education pursuant to IDEA Part B is to support early childhood programs that provide services needed to prepare young children with disabilities to enter and succeed in school. In addition to receiving funding for these children through the state funding formula, school districts receive funding from the federal government.

Number of 3 & 4 Year Old DD Students



Source: PED

“Child with a Disability” means a child with mental retardation, a hearing impairment (including deafness), a speech or language impairment, a visual impairment (including blindness), a serious emotional disturbance, an orthopedic impairment, autism, traumatic brain injury, other health impairments, a specific learning disability, deaf-blindness, or multiple disabilities, and who, by reason thereof, needs special education and related services. The term includes developmentally delayed children with documented delays in development who are at least two standard deviations below the mean or 30 percent below chronological age and who in the professional judgment of the individualized education program team and one or more qualified evaluators needs special education and related services in at least one of the following five areas: communication development, cognitive development, physical development, social or emotional development or adaptive development. It is important to note that if the child only needs related services and not special education the child is not considered a child with a disability and is not eligible for early childhood special education services.

Early childhood education services are provided statewide, though in FY12 there are currently five districts that have not identified any eligible three- or four-year-old children (Carrizozo, Corona, Des Moines, Hondo, Mesa Vista and Wagon Mound). Eligible three- and four-year-olds receive specially designed instruction, including instruction in physical education, to meet the unique needs of a child with a disability, in the classroom, in the home, in

hospitals and institutions, and in other settings. Special education instruction includes the following: speech-language pathology services, or any other related service, if the service is considered special education rather than a related service under State standards; travel training (providing instruction, as appropriation, to children with significant cognitive disabilities, and any other children with disabilities who require instruction, to enable them to develop an awareness of the environment in which they live and learn the skills necessary to move effectively and safely from place to place within that environment , i.e. in school, in the home, at work, and in the community).

Issues. Currently, federal law requires states to identify, locate and evaluate all children with disabilities residing in the state – referred to as “child find”. Child find services are not uniform across school districts, and are not always conducted by school districts. It also appears that school districts oftentimes rely on identification of children eligible for services under Part C of IDEA and the assessment requirements of Part C to determine eligibility under Part B despite the different assessment requirements.

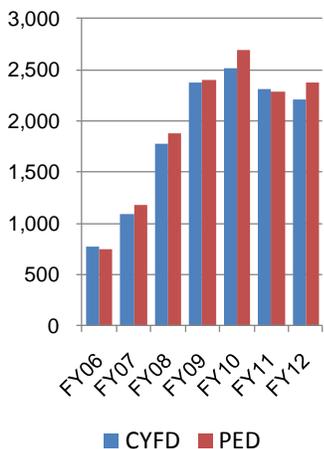
Prekindergarten. New Mexico’s prekindergarten (PreK) program is a voluntary developmental readiness program for children who have attained their fourth birthday prior to September 1. PreK address the total developmental needs of preschool children, including physical, cognitive, social, and emotional needs, and includes healthcare, nutrition, safety and multicultural sensitivity.

PreK is provided by eligible PreK providers (CYFD) and public schools (PED) in communities with public elementary schools that are designated Title 1 schools (or schools in which at least 40 percent of students are enrolled in the federal free and reduced lunch program). Priority is given to schools that have at least 66 percent of the children served living within the attendance zone of a Title I school, ensuring priority is given to those schools serving a larger number of at-risk students.

Issues. New Mexico PreK provides consistent benefits for children who participate in PreK, compared to those who do not. Results of a four year study completed by the National Institute of for Early Education Research suggest that PreK programs operated by PED and CYFD have very similar impacts on young children, despite the fact that only licensed teachers are allowed to teach in PED operated programs. Costs associated with instructors under PED are much higher than costs under CYFD because of statutory minimum salary requirements. Policy makers must decide whether the program should be jointly administered by the two agencies in light of the similar student outcomes and different costs associated with each program.

Additionally, some aspects of classroom quality are in need of improvement. Measures of general classroom quality show that New Mexico PreK classrooms are above average. However, more specialized measures show that support for early language and literacy is fair and support for early

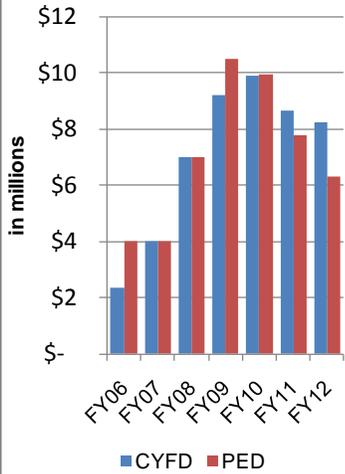
Prekindergarten Enrollment History FY06-FY12



CYFD enrollment based on funded; PED enrollment based on actuals.

Source: CYFD & PED

Prekindergarten Funding History FY06-FY12

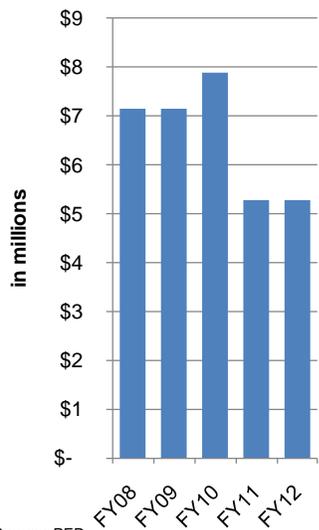


Source: CYFD & PED

PreK Reimbursement Rate

Appropriations for PreK are made annually to both CYFD and PED which in turn reimburse eligible providers and public schools on a per-child reimbursement rate of \$2,901.

K-3 Plus Funding History



Source: PED

mathematics is poor. Expanded professional development and teacher training opportunities are also needed to improve classroom quality, and simultaneously offer the potential to bolster child outcomes associated with PreK participation.

Early Head Start/Head Start. The federal Head Start program (for children ages 3-5) and Early Head Start program (for pregnant women, infants, and toddlers) promote school readiness for children in low-income families by providing comprehensive educational, health, nutritional, and social services. Parents play a large role in the programs, both as primary educators of their children and as participants in administering the programs locally. Both programs provide pre-literacy and literacy experiences in a multi-cultural environment. Parents are also provided social services, including assistance with childcare. Services are also available to migrant and seasonal farm worker families.

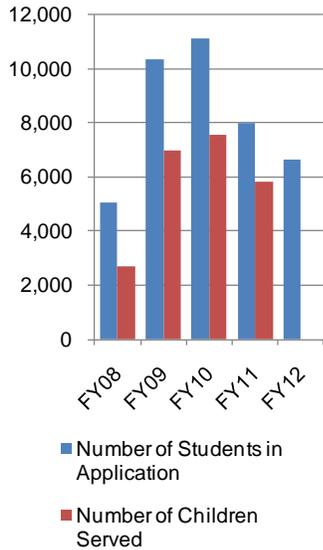
In New Mexico, there are 16 regional and 18 tribal Head Start/Early Head Start programs. In addition, two Migrant/Seasonal Centers that are open part of the year; one in Clovis, NM and the other in Mesquite, NM. Of the 33 counties in New Mexico only two counties do not have a Head Start Center—Harding and Los Alamos. Currently, there are over 130 Head Start/Early Head Start Centers, serving approximately 10,000 young children annually.

Issues. The Head Start program is administered directly by the federal government and provides grants to local agencies for the delivery of services. Significant cost savings would be realized if Head Start and PreK were jointly coordinated and administered. This would address current duplicative services and excessive administrative spending.

Kindergarten-Three Plus Program. The Kindergarten-Three Plus (K-3 Plus) program is a six year pilot project that extends the school year for kindergarten through third grade by a minimum of 25 days for participating students and measures the effect of additional time on literacy, numeracy and social skills development. The purpose of the program is to demonstrate that increased time in kindergarten and the early grades narrows the achievement gap between disadvantaged students and other students and increases cognitive skills and leads to higher test scores for all participants. K-3 Plus is limited to public schools in which 85 percent or more of the students are eligible for free or reduced-fee lunch at the time the public school applies for the program. Priority is given to those schools with K-3 Plus programs that have received one or more satisfactory annual evaluation. The 2011-2012 school year is the fifth year of the program.

For FY12 K-3 Plus programs will be funded on a per-student basis at an anticipated funding level of \$800 per student. Awards may be reduced based on the actual number of students completing at least 20 of the required 25 days.

K-3 Plus Funded Versus Enrollment Comparisons FY08-FY12



Source: PED

Example of Estimated Economic Benefit of PreK

A 2009 study conducted by NIEER estimates the benefit to U.S. society at \$6.17 for every dollar invested in NM PreK. The study estimates that PreK participants will have better educational outcomes that produce higher earnings and will be less likely to engage in criminal behavior, to be victims of abuse and neglect and to use welfare services. The real rate of return to New Mexico's state-funded prekindergarten program is an estimated 18.1 percent to New Mexico and an estimated 22.3 percent as a whole.

Issues. Utah State University's Early Intervention Research Institute evaluated the implementation of K-3 Plus in 2009. Many of the challenges identified in the evaluation related to the unavailability of data needed to conduct a more comprehensive evaluation of the program. Until the 2011 school year there was not a longitudinal data tracking system that identified K-3 Plus participating students and teachers, or tracked the actual number of students, teachers, and classrooms that took place as a result of the K-3 Plus funding.

Challenges related to how to keep the K-3 Plus students and teachers intact during the school year have not been resolved. Many students are not placed with the K-3 Plus teacher during the following school year and even when they are placed together the classroom almost always has non-K-3 Plus students included as well. Teachers indicated they either have to slow down the K-3 Plus students and have them review what was covered during the K-3 Plus calendar or risk losing the non-K-3 Plus students who are in the classroom. High student mobility rates also result in placement of new students in classrooms with K-3 Plus students despite not having the benefit of K-3 Plus.

To date there has not been a rigorous examination of the effects of the K-3 Plus program on student achievement. During FY11, Utah State University was awarded a federal Innovation in Innovation Fund grant to study the effects of the K-3 Plus program on student achievement. Final results from the 2011 school year should be available by December. Preliminary findings from the first year of the study indicate that K-3 Plus has a significant positive effect on student achievement. It is important to note that evaluators are concerned that department decisions during the 2012 school year will have a negative impact on the study. Actual enrollment has historically been lower than funded enrollment, resulting in fewer students participating than are funded. The department will only be reimbursing districts for students who participate at least 20 of the 25 days, causing Las Cruces to withdraw from the program because of the high mobility rate of their students.

Economic Benefits of Early Childhood Intervention. Economic benefits of early childhood interventions tend to be greater for programs that effectively target at-risk children than for programs that serve all children. Research shows investments in early childhood programs have the potential to generate government savings that more than repay the costs and have returns to society as a whole through increased taxes paid by more productive adults and significant reductions in public expenditures for special education, grade retention, welfare assistance, and incarceration.

Pew Center on the States' Results First Initiative Return-on-Investment Analysis. As the 2012 Legislative Session approaches, the LFC has the opportunity to learn from Results First, a cost-benefit analysis initiative, through the Pew Center on the States. By collaborating with Pew on this initiative, the LFC will be able to calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies.

Return on Investment Ratios

The Results First model produces a set of return on investment ratios for individual programs (and combinations of programs) that can be compared to identify the programs that would produce the best results at the lowest costs.

Washington state, which developed the model, has successfully utilized this cost-benefit model to analyze a comprehensive list of programs and policies that improve outcomes for children in Washington. The Results First model uses the best available high quality national research to predict the outcomes of a wide range of programs, applies these estimates to a state based on data on the state's population to predict the outcomes that would be achieved if the state implemented each program, and estimates the overall return on investment that would be achieved for each program in the state, based on the state's unique cost structure.

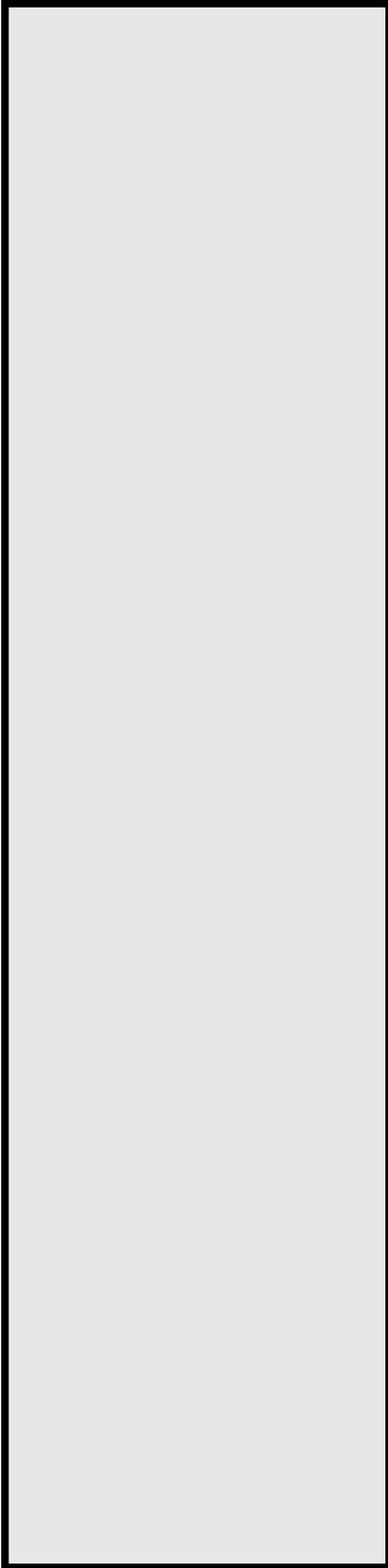
The Pew Center on the States is bringing this highly successful cost-benefit model to other states and providing technical assistance to help states compile and analyze data, interpret the results and present the findings to policy makers.

An example of how New Mexico can utilize the Results First model is to apply the model to our state's K-3 Plus and Home Visiting programs. Both of these programs are considered to be effective programs. However, application of the Results First model to these programs would indicate which program generates the highest return on investment. This analysis will help provide policy makers with data to inform fiscal policy decisions. The appendix provides two scenarios on the fiscal and policy ramifications for investing resources in scaling up the aforementioned programs. However, the scenarios do not provide a method for comparison of the programs' respective returns on investment.

Funding Opportunities.

Home Visiting Federal Competitive Grant. On July 1st, CYFD submitted a \$2.6 million two-year proposal to the U.S. Department of Health and Human Services to enhance New Mexico's home visiting system. States awarded development grants will be positioned to strongly compete for future expansion grants. Approximately \$33 million of the funding available this fiscal year will be awarded in ten to twelve, 2-year grants. CYFD proposes pilot to home visiting services in Quay County, South Valley/Central Community in Albuquerque (South Valley), Grant County, Luna County and McKinley County. The pilot will use two evidence-based capacity-building models that have had demonstrated success in other fields. Getting To Outcomes (GTO) ® and Extension for Community Healthcare Outcomes (ECHO). The pilot will incorporate one or more of the following home visiting models in the selected communities Nurse Family Partnership (NFP), Parents as Teachers (PAT), First Born® Program (FBP).

Race to the Top Early Learning Challenge Grant. The \$500 million state-level grant competition focuses on increasing access to quality early learning programs for low income and disadvantaged children in each age group of infants, toddlers, and preschoolers. The grant competition seeks to develop and improve early childhood systems by aligning early care and education programs, bolstering training and support for the early learning workforce and creating robust evaluation systems to document and share effective practices. Governor Martinez recently designated PED as the lead agency on the federal Race to the Top Early Learning Challenge grant.



Partnership Collaboration. The New Mexico Early Childhood Development Partnership was joined with the New Mexico Business Roundtable and CYFD to convene an implementation session to develop an action plan for aligning existing programs and funding to ensure a comprehensive early childhood care and education system in New Mexico. New Mexico parents, teachers, early childhood advocates, business leaders, elected officials, and state and national experts participated in a two-day session to develop a strategic implementation plan. There are also four implementation teams working on alignment issues including school readiness, data systems, quality standards and financing strategies. These teams have been meeting monthly to complete implementation action plans pursuant to the Early Childhood Care and Education. The implementation teams are facilitated by New Mexico First and funding has been provided by the W. K. Kellogg Foundation.

MAS:RE:RG/svb

Program	Responsible Department	Age of Children Served	Total Funding Level FY11	Number of Children Served FY11	Average Yearly Cost per Child FY11
Home Visiting	CYFD	Prenatal to 3 Years Old	\$ 2,676,800	592	\$ 4,522
FIT	DOH	Birth to 3 Years Old	\$ 44,000,000	12,707	\$ 3,463
Child Care Assistance	CYFD	6 Months to 13 Years Old	\$ 84,896,100	22,442	\$ 3,783
Prekindergarten	CYFD/PED	Prekindergarten (4 Years Old)	\$ 16,462,500	4,607	\$ 3,573
K-3 Plus	PED	Kindergarten to 3rd Grade (5 to 8 Years Old)	\$ 5,292,600	5,816	\$ 910

Scenario: K-3 Plus Expansion to Serve All “High-Poverty” Schools Statewide

- K-3 Plus participant schools must be “high-poverty” in which 85 percent or more of the students are eligible for free or reduced-fee lunch.
- There are 472 elementary schools in New Mexico. For the 2010-2011 school year, 184 of these schools, or 39 percent were high-poverty schools.
- For the 2010-2011 school year, the legislature appropriated \$5.3 million for the K-3 Plus program. This funded 8,011 students at 63 different schools in 20 different districts. Only 13 percent of high poverty schools had a K-3 Plus program, and only 49 percent of kindergarten through third grade students enrolled in these elementary schools were able to participate.
- Mandatory K-3 Plus to all kindergarten through third grade students in every high-poverty elementary school is estimated to cost an additional \$44.8 million. This will serve approximately 51 percent of all kindergarten through third grade students statewide.
- However, during the 2010-2011 school year, schools that provide K-3 Plus were only able to fill 72.6 percent of the available enrollments. Assuming a 72.6 percent enrollment rate, funding required to serve approximately 38,200 students would be approximately \$32.5 million.

Scenario: Home Visiting Expansion to Serve Newborns on Medicaid Statewide

In rural New Mexico accessing services is often problematic. Home visiting delivers an array of services in a mother's home and in languages other than English from prenatal stages until the child turns 3 years of age. Home visiting programs are voluntary and provide prevention and intervention type services for families, including a variety of informational, educational, developmental, screening/evaluation, and support services. Different home visiting models offer varying degrees of intensity and medical expertise. Some of the models offered in New Mexico include Growing: Birth to Three – Portage Project, Healthy Families America, Parents As Teachers, First Born and Nurse Family Partnership. Currently only Parents As Teachers and Nurse Family Partnership are considered evidenced based.

Some advocate for a statewide system of universal voluntary home visiting, however insufficient funds and limited community capacity necessitate targeted use of funds yielding the maximum outcomes.

The highest returns on investment are produced when services are available to our most at risk populations. For home visiting risk is measured by birth outcomes (low birth weight, premature birth) and socioeconomic indicators.

The following calculation provides cost insight for providing home visiting services to at-risk children in New Mexico for one year:

- Medicaid mothers tend to be younger, have fewer years of education and lower levels of prenatal care. Medicaid newborns are also more likely to be low birth weight (under 5½ pounds) at birth. For that reason, Medicaid eligibility is a suitable indicator of risk.
- In 2009, there were 28,873 births in New Mexico. Newborns of mothers who are on Medicaid are automatic enrolled in Medicaid for 1 year. In 2009, there were 19,004 newborn Medicaid clients, or 65.8 percent of all newborns.
- For FY11, the legislature appropriated \$2,676,800 million for CYFD's home visiting program. This funding provided services to 592 infants. With over 19,000 newborns on Medicaid it is clear there is an extremely high level of unmet need.
- Using 2009 births and Medicaid numbers, only 3.1 percent of infants on Medicaid received home visiting services in 2011.
- According to the average FY11 cost per child of \$4,522 for home visiting services, it would cost approximately \$86 million to provide home visiting services to all 19,000 newborns on Medicaid for one year.
- However, even the most successful national, evidenced-based home visiting programs only have a 10 to 15 percent enrollment of those eligible to participate. Conservatively, funding 10 percent of newborns on Medicaid (1,900) would cost approximately \$8.6 million per year.

- Since home visiting services are intended to begin prenatally and continue until the child turns three years of age, the cost to the three year continuum per year would be approximately \$25.8 million.
- This service increase would take 3-5 years to roll out in New Mexico because currently the capacity to provide home visiting services is not fully developed.
- As communities build capacity, mothers could be assessed and directed to the home visiting programs most able to fit their identified needs. This routing function would further increase the home visiting system's cost effectiveness and return on investments.

State Agency	Program Name	Program Model	Program Description / Services Provided	Eligibility	Targeted Population	Program Goal	FY11 Projected Revenue					
							FY11 Projected	General Fund	Agency Transfer	Federal Funds	Other State Funds	Total Funds
DOH	Family Infant Toddler (FIT) Program	The FIT program provides early intervention services to infants and toddlers birth to age 3 and their families, in accordance with the Individuals with Disabilities Education Act (IDEA) Part C. Early intervention services are provided in the home and other natural environments, including early childhood settings to support the parent and other caregivers to promote the child's development within everyday routines, activities and places.	The following services may be included on the Individualized Family Service Plan (IFSP) based on the needs of the child and family: • Assistive technology devices, adaptive equipment • Audiological services • Comprehensive Multidisciplinary Evaluations • Family Counseling • Health Services (to enable the child to benefit from other early intervention services) • Medical services (for diagnostic or evaluation purposes) • Nursing services • Nutrition services • Occupational Therapy • Physical Therapy • Psychological Services • Social Work Services • Service coordination • Special Instruction (developmental consultation) • Speech/Language Pathology Services • Transportation (to enable the child/ family to receive early intervention services) • Vision Services	The FIT Program has four eligibility categories: - Developmental Delay of 25% in one developmental domain. - Established Condition (diagnosed condition e.g. Down Syndrome, Cerebral Palsy, Hearing or Vision loss etc.) - At Risk - Biological / Medical (diagnosed condition e.g. low birth weight / prematurity, alcohol / substance exposure in-utero). At Risk – Environmental (family factors incl. Substance abuse, abuse or neglect, homelessness, domestic violence etc.)	Children birth to age 3 and their families	To promote the Healthy development of infants and toddlers (birth to three) who have or who are at risk for developmental delays and disabilities. Help parents support their child's learning throughout everyday routines and activities in the home and community. Support other early childhood providers (e.g. Early Head Start, Child Care providers) to promote the child's learning in their classroom setting with other typically developing peers. Promote a smooth and effective transition of the child to inclusive preschool services when the child turns three.	13,700	\$14,500,000		\$28,100,000	\$1,400,000	\$44,000,000
DOH	PHD -Child Health	Title V	Medical Lab & Drugs provided through the Public Health Offices for children birth -12.	Drugs provided through Public Health Office - must be a "patient"	birth -12	Promote child health and well-being; infrastructure, system building & alignment	1,466	\$ 15,300.00		\$ 10,200.00		\$ 25,500.00
DOH	PHD-Child Health	Early Childhood Comprehensive Systems (ECCS)	Annual Family Leadership Conference (FLAN) provided through contract with Parents Reaching Out	State-wide, no eligibility requirement	birth - 8 and families	Promote child health and well-being; infrastructure, system building & alignment	250		\$ 12,500.00	\$ 96,000.00		#####
DOH	PHD-Child Health	Project LAUNCH (Linking Actions of Unmet Needs in Children's Health)	Direct services provided by MOA with Santa Fe County for birth-8 (United Way of Santa Fe County provides: First Born home visiting, Pre-K, after-school activities, community school activities, parent engagement activities)	First Born Home visiting - families giving birth to a first born child @ Christus St. Vincent - lottery; Pre-K - Santa Fe Public Schools Title I enrollment zones & lottery; After-school - Aspen Community Magnet School enrollment required; Parent & Community activities - Aspen Pre-K families and school community	birth - 8 and families	Promote child health and well-being; infrastructure, system building & alignment	700			#####		#####
DOH	PHD-CYSHCN		Services to children with special needs	Clients must have a medically eligible condition, be financially eligible at 200% FPL (for payment only) and be New Mexico residents.	Children with chronic health conditions.	To improve access to pediatric speciality care for children with chronic health conditions through the provision of multidisciplinary speciality clinics which are community based. To provide payment for payment for medical care and diagnostic services, and to provide care coordination for medically eligible children	4,483	4,858.3	86.4	2,373.7	496.0	7,814.4
DOH	PHD-NBGS		Newborn Genetic Screening	All Newborns born in New Mexico.	All Newborns	To identify children who look normal at birth but who have rare diseases that can cause early death or permanent disability if left untreated. Identifying these children at birth means that treatment can begin immediately and prevent poor health outcomes.	32,100				2,700.0	2,700.0
DOH	PHD-NBHS		Newborn Hearing Screening	All Newborns born in New Mexico.	All Newborns	To identify children who have congenital hearing loss or risk factors at birth that could lead to hearing loss. The goal of the program is that all newborns be screened for hearing prior to discharge from the birthing hospital, receive audiological diagnostic testing before 3 months of age if they do not pass the newborn screen, and be referred to early intervention before 6 months of age if a diagnosis is made. Early identification of hearing loss with access to early intervention minimizes the impact of hearing loss and promotes the development of age-appropriate communication and language.	32,100			334.3		334.3
665-DOH	PHD-Families FIRST	Assessment Evaluation	Perinatal/Pediatric Case Management	Medicaid eligible children	0-3	Healthy Birth Outcomes	1652			\$ 1,128,061		\$ 1,128,061
DOH	PHD-Maternal Health	First Time Motherhood/New Parents Initiative	Social marketing campaign to first time mothers and new parents	No eligibility requirement	First time mothers and new parents in Doña Ana, McKinley, and Taos Counties	To explore attitudes about, knowledge of, and potential barriers to planning, accessing care and being healthy parents. The future of NM is rooted in the health of our unborn children as well as the ability of parents to keep themselves healthy and provide healthy lives to their children.	5239 (approximate number of births in Doña, McKinley, and Taos Counties)			#####		#####
DOH	PHD-WIC Program		The Women, Infants and Children (WIC) Program is a special supplemental food program that is administered by the United States Department of Agriculture, Food and Nutrition Services (USDA-FNS). The New Mexico WIC Program provides nutrition education and supplemental foods to low-income pregnant/post-partum women, infants and children under the age of five.	Must meet 185% Federal Income Guidelines & must be a resident of New Mexico.	123,000	Healthy Infants/Children	123,000	1,170,598	-	53,493,033	-	54,663,631
DOH / CDPCB / Diabetes Prevention & Control Program	PHD-Coordinated Approach to Child Health (CATCH)	Coordinated School Health Program Model	Nutrition Education, Physical Activity, Food Service and Family Involvement	Elementary schools (statewide)	Kindergarten - 5th grade students and their families	Increase healthy habits and decrease obesity and diabetes risk	5404				#####	#####
DOH	PHD-Immunizations Vaccines for Children (VFC)		Direct Medical Services; Health Education; Community Programs; School-Based Health Services; Provider outreach, training and technical assistance	All children ages 0 through 18 years.	All children ages 0 through 18 years	Ensure that all New Mexican children are properly immunized against vaccine-preventable diseases.	500,000	\$4,325,300		\$3,061,226	\$3,270,000 (commercial provider vaccine reimbursement)	\$10,656,526
DOH	PHD-Rural Primary Health Care Act (RPHCA) Program		Primary health care	No restrictions	Underserved New Mexicans	Provide primary care services to underserved areas of the state.	25,500 (estimated 8.5% of total population served)	\$896,501 (86% of total funds)			\$145,942 (14% of total funds)	\$1,042,443 (ages 0-4 estimated 8.5% of total appropriation)