



**Report
to
The LEGISLATIVE FINANCE COMMITTEE**



**Children, Youth and Families Department,
Public Education Department & Department of Health
Program Evaluation: Investments in Early Childhood
May 11, 2009**

Report #08-03

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May 11, 2009

Dorian Dodson, Secretary
Children, Youth and Families
PERA Building, Room 571
Santa Fe, NM 87501

Dear Secretary Dodson,

On behalf of the Legislative Finance Committee (Committee), I am pleased to transmit the Program Evaluation: Investments in Early Childhood.

The program evaluation team reviewed research on the effectiveness and return on investment of certain programs or strategies that can positively impact very young children, assessed the level of state investment in early childhood programs and performance results of selected programs administered by the Children, Youth and Families Department, Public Education Department and Department of Health and efforts to reduce or eliminate duplication of effort. The report will be presented to the Committee on May 11, 2009. A pre-exit and formal exit conference was conducted on April 17th and May 6th in which we discussed the contents of the report with the staff of each department.

I believe this report addresses the issues the Committee asked us to evaluate and hope CYFD, PED and DOH benefits from our efforts. We very much appreciate the cooperation and assistance we received from each department's staff.

Sincerely,

A handwritten signature in cursive that reads "David Abbey" followed by a small mark that appears to be "by [initials]".

David Abbey, Director

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In FY08, eighteen state and federal programs invested an estimated \$300 million in early childhood services, not including Medicaid.

Future funding decisions for the NM PreK program must be made in light of the significant amount of other funding already deployed for preschool by federal Head Start and other programs.

The report identifies savings of over \$4.2 million.

Science has shown that rapid human brain development occurs, and is highly influenced, months before birth through age five. Experiences during these early years help determine whether a child's brain development will provide a strong or weak foundation for future learning, behavior, and health, according to Harvard researchers. In FY08, eighteen major state and federal programs invested an estimated \$300 million on services for pregnant women and very young children, not including Medicaid. However, policymakers are increasingly bombarded with confusing messages about which of these strategies and programs can actually improve children's life chances, thus complicating decision-making and efficient resource allocation.

The Legislative Finance Committee (LFC) program evaluation reviewed research on the effectiveness and return on investment of certain programs or strategies that can positively impact very young children; assessed the level of state investment in early childhood programs, including prenatal care; and assessed performance results of selected programs, implementation of best practices and efforts to reduce or eliminate duplication of effort.

Efforts to improve outcomes for very young children are worth public investment. However, a significantly more coordinated public effort is needed to ensure these investments result in desired outcomes. Regularly compiling early childhood funding amounts and performance outcomes across executive departments would aid in legislative decision making. Additional attention is needed to ensure the State funds programs with a strong and positive evidence-based program model and performance is monitored in a comprehensive approach for the entire early childhood system. Future funding decisions, particularly for the New Mexico Pre-kindergarten program must be made in light of the significant amount of other funding already deployed for preschool throughout the state by federal Head Start and other programs. The report identifies savings of over \$4.2 million by reallocating funding from duplicative services and reducing excessive administrative spending that can be used to serve more children and invest in proven programs.

Finally, more attention is needed to improve prenatal and birth outcomes for women and their children. Fifty-five percent of births in New Mexico were paid for by Medicaid and over nine percent of these infants were in the intensive care unit at birth. Almost sixty percent of Medicaid-paid births stemmed from unintended pregnancies and over 20 percent of women received inadequate prenatal care through Medicaid and over 28 percent through Indian Health Services.

More attention is needed to improve prenatal and birth outcomes for women and their children.

Inadequate Prenatal Care by Payer Source

2004-2005

IHS	28.1%
Medicaid	20.7%
Insurance Only	11.7%
Uninsured	28.9%

Source: DOH

Medicaid pays for 55 percent of births in New Mexico.

Survey of New Mexico Women With a Live Birth in 2004-2005

Unintended pregnancy	43%
Preconception weight problem	41%
Binge drinking before pregnancy	18%
Physical abuse within 12 months of pregnancy	8%
Developed gestational diabetes	8%
Post partum depression symptoms	20%

Source: DOH

Low Birth Weight (less than 2,500 grams)

	NM WIC	National WIC
2007	9.7%	9.1%
2006	10.0%	9.4%
2005	9.3%	9.3%

Source: DOH

Significant Findings.

Better coordination will help ensure public investments improve outcomes for pregnant women and very young children.

New Mexico faces significant challenges to ensure the health and well-being of children, which is key to future economic prosperity. Years of rigorous evaluation have demonstrated public investment in early childhood programs can improve long-term child outcomes that more than pay for the initial cost. However, multiple administering state departments, and a fragmented local delivery system, complicates implementation of a well coordinated early childhood system. No single state entity focuses its efforts on early childhood programs and outcomes. As such, policies, programs and focus on outcomes for pregnant women, infants and very young children do not always rise up as a priority within the larger departments.

Executive agencies have proposed creating an Early Childhood Collaborative (ECC).

The ECC would be composed of a sub-set of departments that participate in the Children's Cabinet focusing exclusively on the early childhood issues. The Legislature would benefit from regular and consolidated reporting from executive agencies to aid in decision making for funding and for accountability. However, for meaningful change to occur, the ECC would need to set clear goals for improving outcomes for pregnant women and very young children; identify areas of New Mexico with poor outcomes or high concentration of risk factors, such as child poverty; ensure current resources are sufficiently targeting areas needing improvement, including geographically; require implementation of evidence-based programs; and routinely monitor and report results.

The state funds numerous programs intended to improve outcomes for pregnant women and very young children.

Research indicates that access to basic medical care for pregnant women and children can help prevent threats to healthy development as well as provide early diagnosis and appropriate management when problems emerge. The Women, Infants and Children (WIC) program plays a vital role in improving the State's birth outcomes, such as rates of low birth weight, and use of prenatal care but does not regularly report these results as part of its family of performance measures. The Family Infant Toddler program at the Department of Health (DOH) provides an important early intervention for at-risk children and generally has met its performance goals.

New Mexico is not well positioned to obtain the benefits of investments in early home visiting services.

The State has invested \$6.7 million from FY07-FY10 for early home visiting services through the Children, Youth and Families Department (CYFD).

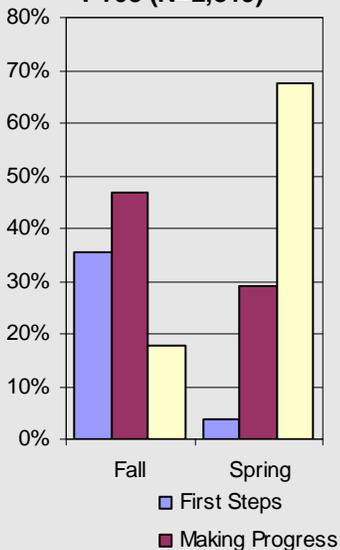
**Major Publicly Funded
Preschool Programs in
New Mexico - FY08
(In thousands)**

Program	FY08
Federal Head Start	\$52,515
NM PreK	\$14,000
Federal Title I	\$3,500
Federal IDEA- Preschool	\$2,392
State Early Childhood Development Preschool	\$1,541
State Head Start	\$1,947
City of Albuquerque	\$5,500
Total	\$81,395

Source: LFC Analysis

Head Start agencies are a major provider of NM PreK services, receiving over half of CYFD's allocation for NM PreK in FY08.

**NM PreK Overall
Early Learning
Outcome Indicators
FY08 (N=2,819)**



Source: CYFD/PED

Research indicates some home visiting program models, such as Nurse-Family Partnership, can produce positive outcomes for children and families. However, CYFD does not require funded programs to implement evidence-based home visiting services. Since its inception, the CYFD implementation of home visiting programs has been plagued by a lack of agreement as to which home visiting models to support and other administrative problems. Though one exists, a comprehensive plan outlining standards, how to target services and performance expectations for home visiting has not been implemented. DOH appears better positioned to implement nurse-based home visiting, including capturing Medicaid and other federal funding sources to implement the program.

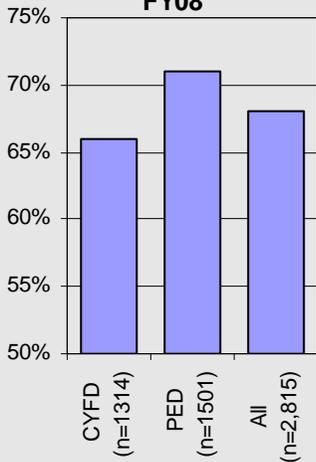
New Mexico, like other states, faces challenges in developing an efficient and effective publicly funded preschool system. According to the Government Accountability Office, “When multiple agencies manage multiple early childhood education and care programs, mission fragmentation and program overlap occur” increasing the potential for duplication and service gaps.

In FY08, seven major preschool programs funded about \$81.4 million in services to New Mexico children. These estimates likely underestimate total public funding that is available through other sources, and does not include the sizable private preschool system. Since FY06, New Mexico has invested about \$79 million in its state pre-kindergarten program (NM PreK) for administration, planning, evaluation, services and capital outlay.

Decisions governing almost 80 percent of public preschool funding are not made by the state, creating a fragmented system of services. Little performance information exists on Head Start and other public preschool programs despite large public investments. In addition, many service providers receive preschool funding from multiple programs, creating challenges for efficient and high quality services. For example, Head Start agencies are a major provider of NM PreK services, receiving over half of CYFD's allocation for NM PreK in FY08, but create additional resource needs to improve their teacher workforce to meet NM PreK standards.

The state lacks clear authority to extend NM PreK program standards, accountability measures and quality goals to other preschool programs. NM PreK has developed comprehensive standards and assessments that meet or exceed those of other publicly funded preschool programs. However, extending these tools, or even requiring their use by other preschool programs, has not been fully explored. This approach would be useful to help create a common assessment and program quality measures across preschool programs.

Percent of NM PreK Children Showing Progress Towards School Readiness - FY08



Source: CYFD/PED

LFC has previously raised concerns about administrative costs for running NM PreK.

NM PreK Administrative Costs FY07-FY09



Source: CYFD/PED. FY07-FY08 Actual. FY09 Budgeted.

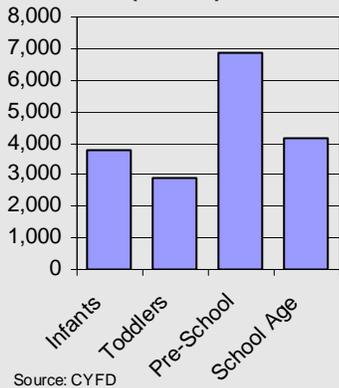
Reallocating resources from duplicative state funded preschool programs could free up an estimated \$2.6 million in FY11 for more productive use in the early childhood system. CYFD currently operates three other preschool programs besides NM PreK, which include state Head Start, state Head Start extended day and the early childhood development program. The services funded by each of these state programs are available through other existing programs. In fact, the state Head Start program reverted over \$840 thousand to the General Fund between FY07 and FY08 or about 21 percent of total appropriations. These programs were started before federal expansion of Head Start/Even Start and state expansion of NM PreK.

New Mexico PreK has shown positive results, but needs to lower overhead costs. NM PreK has a solid foundation for regularly reporting performance of the program, but additional benchmark data would be useful in future evaluations. For example, despite initial positive evaluation results, NM PreK children score far below national averages (23rd percentile) for receptive vocabulary, a key indicator of school success. NM PreK has implemented performance measures to show children's growth across a range of child development domains and long-term education outcomes. Beginning in FY10, NM PreK will report 3rd grade student achievement outcomes for those children that participated in the program. Hopefully these results over time will provide an indication of program impact on providing an important foundation of academic success for child participants.

Reducing NM PreK administrative costs to ten percent would result in savings of about \$1.6 million and allow the program to serve an additional estimated 592 children. NM PreK has an unusual administrative structure of two departments involved in administering a single program. To their credit, CYFD and the Public Education Department (PED) appear to have worked well together to ensure NM PreK operates under a single set of standards, assessments and is well coordinated. However, NM PreK administrative costs have exceeded the statutory cap of ten percent, averaging between 17 and 20 percent between FY07 and FY09 budgeted. LFC has previously raised concerns about administrative costs for running NM PreK. Administrative costs include state staff salaries and contracted support, such as technical assistance, data collection and evaluation among others.

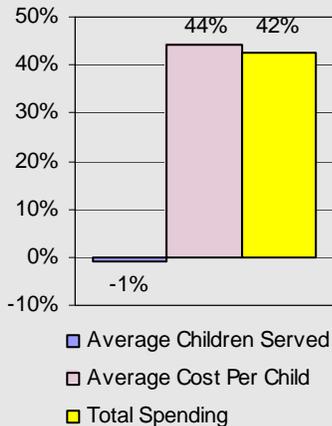
A more efficient use of existing resources could have increased access to NM PreK for an additional estimated 879 children between FY07 and FY09. CYFD-PreK program had eight percent, or almost a million dollars, in unspent balances over FY07-FY08. In FY09, PED had about \$1.1 million in available contract funds that had not been obligated at the time of this report. Other funding sources, such as stimulus funding for child care quality and job training, could be used for TEACH® scholarships rather than NM PreK funding.

Children in Licensed Care - Feb-09 (17,672)



Additional evaluation could help demonstrate whether state investments in quality child care actually improve child outcomes.

Child Care Assistance: Change in Costs/Children Served FY01-FY08



DOH should begin planning for implementation of a Nurse-Family Partnership home visiting program in FY10.

The child care program faces multiple financially competing goals which complicate resource allocation decisions.

In FY08, CYFD spent about \$90 million to administer and subsidize the cost of child care for about 22,300 children per month.

State expansion of eligibility criteria strains resources available for the child care program to serve the poorest families working their way off welfare. CYFD received about \$7.2 million to expand eligibility to families earning up to 200 percent of the federal poverty level in the 2008 Special Session. Increasing program access to higher income families increases their disposable income, but it is less clear if families are using program to increase work effort and wages. The LFC has yet to receive long sought performance measures to assess the effectiveness of the child care program at supporting TANF family’s efforts to work and move off cash assistance towards self-sufficiency.

CYFD has more than exceeded its goals for quality child care and now needs to upgrade performance expectations. CYFD provides a positive example of performance-based budgeting and accountability when it comes to quality child care. However, additional evaluation could help demonstrate whether state investments in quality child care actually improve child outcomes.

Efforts to increase quality also increase per child costs which have reduced the number of children able to access the program. Since CYFD’s more aggressive quality initiatives began mid-decade, the number of children served has decreased dramatically. From FY05-FY08, the average number of children served decreased 11 percent from a high of 25,000 to about 22,300. During the same period the average cost per child increased 21 percent from \$263 to \$317.

Significant Recommendations.

The Early Childhood Collaborative or at a minimum CYFD, PED, DOH should report annually to the Legislature and public on spending and performance outcomes for early childhood programs, including prenatal care. Work with LFC and Department of Finance and Administration to ensure a regular and comprehensive set of performance measures is included. Ensure WIC outcomes, including birth outcomes, are included.

DOH should begin planning for implementation of a Nurse-Family Partnership home visiting program in FY10, and request funding for implementation of a pilot program for the FY11 budget.

CYFD should incorporate the outcomes, standards and performance measures into its administration of home visiting programs cited by the plan “Building a System of Care of Home Visiting in New Mexico” and require all contractors for FY10 to comply.

Redirect NM PreK funding (\$514 thousand) from the TEACH ® program to provide services to an estimated 184 children; other existing funding streams could support TEACH ®.

CYFD should phase out duplicative preschool programs in FY11.

Reduced administrative spending by NM PreK could be used to serve an additional estimated 592 children.

For the NM PreK program, CYFD and PED should:

- Identify methods to integrate NM PreK, Head Start, Title I and IDEA preschool into a single publicly funded preschool system. Submit a report with recommendations to LFC, LESC by November 1, 2009. Request legislation as appropriate.
- Submit a plan for reducing PreK support costs with CYFD and PED's budget requests for FY11 and how savings can be redirected to serve additional children.
- Redirect NM PreK funding (\$514 thousand) from the TEACH ® program to provide services to an estimated 184 children. Use other existing funding sources for the program, such as federal Recovery Act funding for child care quality and workforce development. Work with Head Start agencies so they may use their own increased federal Head Start funding for upgrading the quality of their teacher workforce.

CYFD should:

- Phase out the state Head Start and state Early Childhood Development programs in FY11. CYFD should begin working with providers to transition children as appropriate to other funding sources in FY10.
- Revise child care performance measures for FY11 related to quality child care. Only include STAR levels 3-5 in measures, rather than level 2. Reset targets. Use FY10 to refine target setting and goals for implementation in FY11.
- Consider an evaluation in FY10 to assess child outcome differences among different types of child care providers, particularly for infants and toddlers in various levels of quality center-based care. Use the evaluation to develop an annual performance measure relating to child outcomes for the program. Stimulus funds could be used for this evaluation effort.
- Report performance data for child care as recommended in the 2006 LFC evaluation of the TANF program to the Committee no later than October 1, 2009.

Fiscal Impact.

Reallocating funding from duplicative programs and reducing administrative costs would save the State general fund an estimated \$4.2 million annually. These savings could be redirected towards other early childhood programs or used to increase the number of children served within existing funding amounts. For example, reduced administrative spending by NM PreK could be used to serve an additional estimated 592 children.

BACKGROUND INFORMATION

Currently, New Mexico, like most states, has numerous programs, initiatives and services intended to improve child outcomes. Numerous departments, including CYFD, DOH, PED, and HSD, and other public and private entities (day care centers, head start, school districts, private agencies) play a role in oversight and service delivery using a variety of funding sources, including state, federal, local and private. Programs and services vary from prenatal care, home visiting, education (Pre-K, head start), child development (day care), family support to general health (Medicaid, new-born hearing screening).

The Legislative Finance Committee, the Legislative Education Study Committee and the executive branch through the Children's Cabinet have placed increased attention on early child initiatives and have been inventorying spending on these programs and calling for increased coordination.

For purposes of this evaluation we have categorized programs into three broad areas, education, family support, and health. While there are numerous programs that serve children birth to five we have elected to focus efforts on the following due to their scope, amount of funding and potential for positive return on state's investment. Not all programs selected may receive direct state aid.

Early Childhood Programs

Program Name	State Agency	Program Description	Children Served FY08	Total Funding* FY08	Total Funding FY09	Cost Per Child FY08
Abuse & Neglect Prevention-Children's Trust Fund	CYFD	Funds innovative projects which primarily address preventing abuse and neglect of children.	2,800	\$395,000	\$392,900	\$141
Child Care***	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.	22,303	\$81,314,300	\$81,713,700	\$3,646
Child Care Scholarships - T.E.A.C.H Early Childhood@ NEW MEXICO	CYFD	Supports the professional development through college classes of early childhood teachers and directors.	**	\$338,000	\$481,900	
Early Childhood Development	CYFD	Provides high quality, comprehensive preschool services to children birth to age five.	400	\$1,541,700	\$1,522,400	\$3,854
Family Nutrition	CYFD	Provides reimbursement for providing children nutritious meals and snacks in day care settings.	41,677	\$41,197,900	\$41,197,900	\$989
Head Start	CYFD	Provides state Head Start program services, including extending the Head Start day.	249	\$1,947,800	\$1,947,800	\$7,822
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 strengthen the "system of care" for children.	0 - No reported data.	\$1,000,000	\$2,000,000	\$0

Program Name	State Agency	Program Description	Children Served FY08	Total Funding* FY08	Total Funding FY09	Cost Per Child FY08
Pre-K	CYFD	Provides 540 hours of 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.	1,785	\$5,500,000	\$8,563,000	\$3,081
Training & Technical Assistance	CYFD	Works collaboratively at the local, regional, and state levels to support the establishment of a comprehensive quality early/school age care, education and family support system available to all children, families, and early care professionals.	**	\$2,758,900	\$3,738,400	
Families First	DOH	Provides medical case management and home visiting services to pregnant women and children throughout the state of New Mexico.	1,583	\$2,077,415	\$2,077,415	\$1,312
Family Infant Toddler Program	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.	11,071	\$33,932,800	\$38,671,980	\$3,065
Maternal Child Health	DOH	Maternal Child Health program seeks to improve the health of pregnant women, mothers and children through direct services and capacity building.	1,805	\$5,500,000	\$5,500,000	\$3,047
New Mexico WIC Program	DOH	Provides food subsidies, nutrition education and referrals to social services.	82,132	\$60,170,170	\$62,287,100	\$733
NM PreK	PED	Provides 540 hours of 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.	1,786	\$6,875,943	\$9,700,000	\$3,850
Title I-A***	PED	Provides supplementary educational services, usually in reading/language arts and math, to students who are educationally disadvantaged or at risk of failing to meet state standards.	160,287	\$101.6 million	\$107.6 million	\$634
Title I-C, Migrant***	PED	Supports state and local programs that meet the special needs of the migratory children of migratory farm workers.	1,780	\$858,675	\$852,913	\$482
Title I-D, Neglected and Delinquent***	PED	To improve educational services for students in district and state institutions for neglected or delinquent children. To provide these students with services needed to make a successful transition from institutions to further schooling or employment.	1,059	\$302,523	\$256,480	\$286
William F. Goodling Even Start Family Literacy	PED	Provides low-income families with integrated early childhood education, adult literacy and parenting education into a unified family literacy program.	182	\$578,360	\$499,258	\$3,178

Source: DFA *Includes un-audited totals as reported by programs to DFA. Some totals were modified by LFC based on additional review. **Programs do not provide direct services to children. ***Programs also serve older children and totals are not reflective of spending and services to children through age 5. Title I reported school districts set aside about \$3.5 million for preschool in FY08. The vast majority (>80%) of spending on child care serves children under age five.

PROJECT INFORMATION

Program Evaluation Objectives.

- Review state and federal research on the effectiveness and return on investment of certain programs or strategies that can positively impact very young children.
- Assess the level of state investment in early childhood programs targeting children birth to age five, including prenatal care.
- Assess performance results of selected programs, implementation of best practices and efforts to reduce or eliminate duplication of effort.

Program Evaluation Activities (Scope and Methodology).

- The program evaluation included early childhood programs administered by the Children, Youth and Families Department, Public Education Department and Department of Health;
- Reviewed state and federal statutes, rules and regulations and policy documents;
- Used a survey of early childhood programs to gather basic program information and data, interviews with staff at the three departments and conducted follow-up inquiries to validate survey information.
- Reviewed public (GAO, OMB, HHS, other states) and private research, evaluations and reports on early childhood programs; as well as state reports, including financial and performance.

Review Authority. The Committee has authority under Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies, and institutions of New Mexico and all of its political sub-divisions, the effect of laws on the proper functioning of these governing units, and the policies and costs of government. Pursuant to its statutory authority, the Committee may conduct program evaluations and inquiries into specific transactions affecting the operating policies and costs of governmental units and their compliance with state law.

Review Team.

Manu Patel, Deputy Director for Program Evaluation
Charles Sallee, Lead Evaluator
Pamela Galbraith, Program Evaluator
Jordan Maril, Program Evaluator

Exit Conference. The contents of this report were discussed with Marisol Atkins, Deputy Secretary, CYFD, Dr. Jack Callaghan, Director Public Health, DOH, Dr. Gloria Rendon, Assistant Secretary, PED and senior department staff, and LFC staff on May 6, 2009.

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



Manu Patel, C.P.A.
Deputy Director for Program Evaluation

FINDINGS AND RECOMMENDATIONS

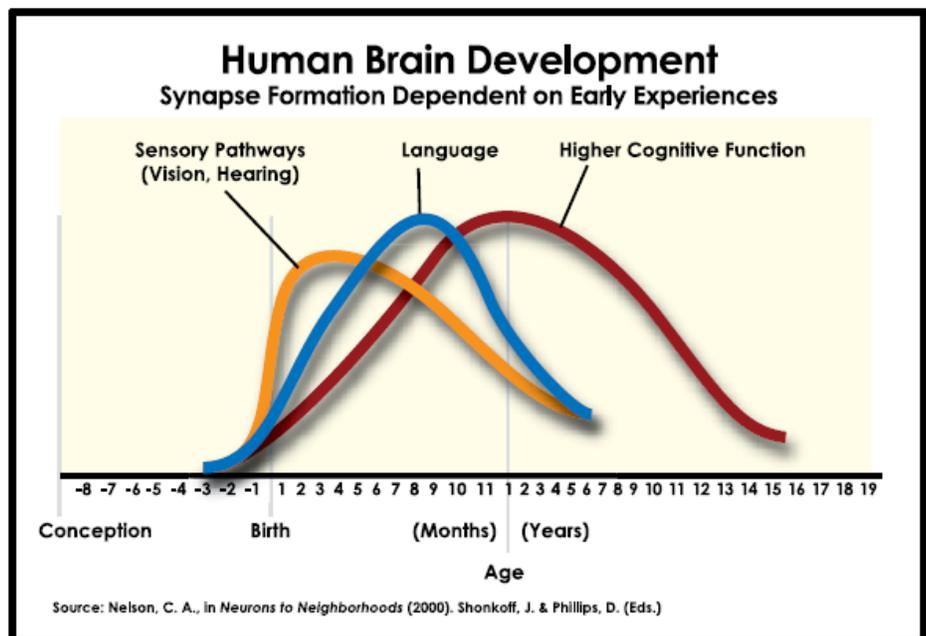
BETTER COORDINATION WILL HELP ENSURE PUBLIC INVESTMENTS IMPROVE OUTCOMES FOR PREGNANT WOMEN AND VERY YOUNG CHILDREN.

New Mexico faces significant challenges to ensure the health and well-being of children, which is key to future economic prosperity. According to the Children's Cabinet annual report, "New Mexico's future well-being is tied to the well-being of its children, young people and families." A number of conditions such as poverty, violence, poor health can and do threaten child well-being. In 2007, New Mexico ranked 48th in the nation by Annie E. Casey Foundations' KIDSCOUNT, which includes a range of indicators affecting children.

According to Harvard researchers, "when the environment is impoverished, neglectful, or abusive, the result can be a lifetime of increased risk for impairment in learning, behavior, and health." Over 25 percent of New Mexico children live in poverty, and eleven percent lives in extreme poverty (less than 50 percent of the federal poverty level) which are some of the highest rates in the nation. About half of fourth graders were reading at grade level, with only 42 percent of low-income children were reading a grade level. The teen birth rate for mothers ages 15-17 is the highest in the country. In FY08, there were over 5,200 victims of child maltreatment that were substantiated by child protective services. Parental neglect accounts for the vast majority of child maltreatment cases (74 percent). Of the 2,217 children in foster care in June 2008, over 42 percent were children under the age of five.

Years of rigorous evaluation have demonstrated public investment in early childhood programs can improve long-term child outcomes that more than pay for the initial cost. A

general emerging national consensus has recognized the important economic and social benefits of prudent investments in strategies and programs to support the healthy development of very young children (pre-birth to age 5) and their families. Science has shown that rapid human brain development occurs, and is highly influenced, months before birth through age five. Experiences



during these early years help determine whether a child's brain development will provide a strong or weak foundation for future learning, behavior, and health, according to Harvard researchers.

Forty years of research and program evaluation points to certain factors, exhibited through families, communities, government and private sector policies and programs, which can positively impact child development. However, policymakers are increasingly bombarded with confusing messages about which of these strategies and programs can actually improve children's life chances, thus complicating decision-making and efficient resource allocation. Appendix C lists 20 rigorously evaluated early childhood programs and Appendix D lists those programs with longitudinal benefit-cost data. Some of these programs are available in New Mexico, such as Head Start/Early Head Start and Parents as Teachers. But, with the exception of pre-kindergarten, the state does not invest in these programs.

According to Harvard researchers, "a rich body of scientific knowledge is available to guide informed early childhood policies and practices. This knowledge points to four key challenges that are worthy of sustained attention: (1) matching supports and services to the needs and strengths of the children and families to be served; (2) paying careful attention to the quality of implementation when effective model programs are taken to scale; (3) developing new intervention strategies for children and families for whom conventional approaches appear to have minimal impact; and (4) providing an environment that supports ongoing, constructive evaluation and continuous program improvement."

Multiple administering state departments, and a fragmented local delivery system, complicates implementation of a well coordinated early childhood system. As shown throughout this report multiple State, federal and local government entities play an important role in administering early childhood programs, including CYFD, PED and DOH. Other departments, such as Human Services, play a vital role in financing large segments of the health care system for low-income families and provide critical indirect support services such as cash assistance and food stamps to improve low-income families' economic security.

No single state entity focuses its efforts on early childhood programs and outcomes, though the Children's Cabinet plays an important coordinating role for broader children's issues. As such, policies, programs and focus on outcomes for pregnant women, infants and very young children do not always rise up as a priority within the larger departments. This is largely due to the fact that early childhood programs generally make up a very small portion of these department's budgets and scope of responsibility. Numerous coordinating and advisory committees exist relating to early childhood, further complicating coordination.

Wide variation of service delivery models among the various early childhood programs further complicates implementation of an effectively coordinated state effort as does variation local planning and decision-making bodies. Each program uses a different strategy for delivering services. Programs rely on contractors (home visiting, NM PreK, FIT), school districts (NM PreK) or state employees (WIC) or a combination (Child care). Each program has, over time, developed a network of service delivery capacity. Some overlap exists where contractors receive funding from multiple programs whereas others have more focus.

Local planning and coordination is essential if the State chooses to use contractors and local public entities to deliver services. However, none exist that focus solely on early childhood. The closest local planning responsibility falls on health councils, which most, based on information obtained during this project, do not place a heavy focus on early childhood or prenatal care.

School districts and Head Start agencies are also important local partners but districts also have larger responsibilities that do not primarily include preschool age programs, and Head Start is accountable directly to the federal government.

Improved coordination of state planning and reporting results is needed to aid in financing decisions and oversight. The State has embarked on numerous planning initiatives to develop a well coordinated early childhood system during the past decade, including at efforts to create master strategic plans for early childhood programs. DOH has received a federal grant for the development of a strategic plan and has applied for an extension in 2009. The federal Early Childhood Comprehensive Systems grant is intended to support States and communities in their efforts to build and integrate early childhood service systems that address the critical components of access to comprehensive health services and medical homes; social-emotional development and mental health of young children; early care and education; parenting education and family support.

Executive agencies have proposed creating an Early Childhood Collaborative (ECC). The ECC would be composed of a sub-set of departments that participate in the Children's Cabinet focusing exclusively on the early childhood issues. The ECC would also use a multi-agency team of program managers to carry out the ECC strategic plan and ensure coordination of programs. This approach appears similar to the Behavioral Health Collaborative, which has helped organize disparate programs and better focus funding and accountability discussions with the Legislature.

For meaningful change to occur, the ECC would need to set clear goals for improving outcomes for pregnant women and very young children; identify areas of New Mexico with poor outcomes or high concentration of risk factors, such as child poverty; ensure current resources are sufficiently targeting areas needing improvement, including geographically; require implementation of evidence-based programs; and routinely monitor and report results.

The Legislature would benefit from regular and consolidated reporting from executive agencies to aid in decision making for funding and for accountability. Both the Legislative Finance Committee and Legislative Education Study Committee (LESC) have sought to obtain more comprehensive information on early education and care to ensure investments in these programs are producing desired results. For example, LESL has indicated a desire for the State to develop a better coordinated preschool system, as this report also recommends since the late 1990s. The LFC has held numerous hearings on the importance of investments in early childhood, and has recommended significant expansion in this area. However, due to the fragmented nature of early childhood programs the Legislature does not receive a regular compilation of early childhood investments or performance results. The executive branch has also sought better information as well. The Children's Cabinet has developed a reporting mechanism to compile spending and service information on broader children's services. Using this effort as a foundation for regularly compiling early childhood appropriations and performance results in an annual report from the five Health and Human Services cabinet departments could prove useful.

Recommendations

The Early Childhood Collaborative should implement the following.

- Jointly report annually, and as appropriate quarterly, to the Legislature and public on spending and performance outcomes for early childhood programs. Work with LFC and DFA to ensure a regular and comprehensive set of performance measures is included. Ensure WIC outcomes, including birth outcomes, are included.
- Implement a strategic plan for an early childhood system, that includes at a minimum, both long and short term performance outcomes with specific targets; how new or redirected resources will be targeted to areas of the state with high rates of negative child outcomes; and how resources and programs will be coordinated in a way that allows at-risk families to participate in the full continuum of early childhood services, as appropriate. In support of this effort, develop a service, resource and outcome matrix using county and sub-county data to assist in prioritizing investments in high risk geographic areas of the state. Consider piloting an Early Childhood Investment Zone project in one or two communities to work out mechanics of a more coordinated state-local planning and implementation of a true early childhood continuum of services.

WIC AND THE FAMILY INFANT TODDLER PROGRAM ARE CRITICAL TO CHILD DEVELOPMENT, BUT ADDITIONAL FOCUS ON PRENATAL CARE AND MOTHERS' HEALTH COULD HELP IMPROVE BIRTH OUTCOMES.

The state funds numerous programs intended to improve outcomes for pregnant women and very young children; many have a strong evidence-base and show positive results.

Research indicates that access to basic medical care for pregnant women and children can help prevent threats to healthy development as well as provide early diagnosis and appropriate management when problems emerge. In addition to Medicaid, the Maternal Child Health Block grant, Women, Infants and Children (WIC) and Family, Infant and Toddler (FIT) are three other major federal programs intended to improve birth outcomes and provide early intervention services.

More state emphasis is needed on prenatal care and effective primary care such as well-child visits.

New Mexico trails most states in the delivery of early and adequate prenatal care and subsequent birth outcomes. Inadequate preconception or prenatal care can result in a premature birth, a birth that occurs less than 37 weeks into the pregnancy. Although not always the case, adequate preconception and prenatal care can reduce the incidence of pre-term and low birth weight babies. It is estimated that in 2005, the annual costs (medical, educational, and lost productivity) of preterm births in the U.S. were at least \$26.2 billion and the average first-year medical costs were about 10 times greater than for full term babies. Improving the health of women in their child-bearing years should be a top state priority as part of all other early childhood interventions in order to improve outcomes for women and their children.

DOH's Racial and Ethnic Health Disparities Report Card, published in August of 2007 indicates that 28 percent of all pregnant women in NM receive inadequate or no prenatal care. This rate of incidence is high across all ethnicities, with American Indian women most impacted. This ranks NM in the 49th position nationally for adequate prenatal care. The national rate for ethnic groups during this time period was 16.1. The US Healthy People 2010 goal for at least adequate prenatal care for all pregnant women is 90 percent.

NM Prenatal Care Beginning After the 3rd Month of Pregnancy by Ethnicity

Race/Ethnicity	Rate per 100 for 2005-2007
African-American	25.7
American Indian	39.8
Asian/Pacific Islanders	17.3
Hispanic	27.8
White	18.7

Source: DOH

Access to timely prenatal care is best for women with private insurance; however, those who use Indian Health Service have poorer access along with uninsured women. A recent LFC program evaluation report on Medicaid showed that women were accessing managed care, and possibly prenatal care, late in their pregnancies. Fifty-five percent of births in New Mexico were paid for by Medicaid and over nine percent of these infants were in the intensive care unit at birth during 2000-2005. Almost sixty percent of Medicaid-paid births stemmed from unintended pregnancies and over 20 percent of women received inadequate prenatal care through Medicaid and over 28 percent through Indian Health Services.

**Inadequate Prenatal Care by Payers Source
2004-2005**

Indian Health Service w/wo Medicaid or Insurance	28.1%
Medicaid: no Indian Health Service	20.7%
Insurance Only	11.7%
None (Uninsured)	28.9%

Source: DOH

According to DOH, teen pregnancies are 60 percent higher in New Mexico than the national rate; over half of all births in New Mexico are to single mothers, doubling in the past 20 years; and the proportion of low birth weight babies is nearing nine percent of births, exceeding the national average. The New Mexico Pregnancy and Risk Assessment and Monitoring System (PRAMS) is an ongoing surveillance system of DOH and the federal Centers for Disease Control and Prevention (CDC). Surveys are conducted 2-6 months post delivery. The report cites a range of statistics relating to health of women and infants in New Mexico, including those shown in the table below.

**Survey of New Mexico Women With a Live Birth in
2004-2005**

Unintended pregnancy	43%
Preconception weight problem	41%
Binge drinking before pregnancy	18%
Physical abuse within 12 months of pregnancy	8%
Developed gestational diabetes	8%
Post partum depression symptoms	20%

Source: DOH

Maternal depression before, during or after pregnancy is also an important health concern and should be assessed during the pre- and postnatal medical provider visits. New research shows mothers who suffer symptoms of depression after childbirth are less likely to breast-feed, play with, read to, or otherwise interact with their newborns. Depression in the U.S. ranges from a low of 11.7 percent of post partum women in Maine to a high of 20.7 percent for women in New Mexico.

Other than Medicaid, New Mexico does make financial investments in prenatal care through the Maternal Health Program at DOH. This program, funded through federal block grant dollars and state general fund, contributes over one million dollars towards the care of pregnant women. The funded services include payments to physicians, hospitals, and sonographers for high risk care throughout the state, the Maternal and Infant Care Project at UNM Health Sciences Center for general prenatal care in Albuquerque, and the First Step Program for general prenatal care in Las Cruces. The program also oversees prenatal care in nine public health offices at a cost of \$144,000 (excluding DOH employee salaries and benefits) per year. Total Maternal Health block grant funding was \$5.5 million in FY08.

Other Efforts to Improve Prenatal Care

- Implementation of Premium Assistance for Maternity Care.
- Priority focus of Governor's Advisory Council on Women's Health.
- DOH strategic plan includes strategies to reduce all teen pregnancies and health disparities for Native Americans.
- DOH provides stop smoking aids at no cost.
- Medicaid offers Family Planning services through waiver.
- PRAMS report offers suggestions to improve prenatal and general women's health.

Source: LFC Files

Efforts to improve the health of women in New Mexico, including preconception and prenatal care, is a priority for the NM Governor's Women's Health Advisory Council and the Family Health Bureau of the Department of Health. Increasing evidence shows that how healthy a woman is before she gets pregnant has a great impact on the health of the

baby and whether there is an increased risk for infant death or birth defects. In recognition of the importance of preconception health the CDC has issued revised practice guidelines for preconception care. Changing adverse health practices prior to conception can have a significant impact on birth outcomes. Fetal development is rapid in the first stages of a pregnancy, and opportunities to prevent fetal harm are lost when prenatal care is delayed or absent.

Increasing the number of women who receive preconception and adequate prenatal care is a difficult task, although 48 other states are closer to meeting the national goal than New Mexico. This issue is deserving of more attention than is evident within the state.

Research demonstrates the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) improves birth outcomes and can reduce Medicaid delivery costs.

Since its beginning in 1974, the WIC Program has earned the reputation of being one of the most successful federally-funded nutrition programs in the United States. The WIC program promotes health of nutritionally at-risk low-income pregnant women to improve birth outcomes, health of postpartum and breastfeeding women, infants, children by providing nutritious foods to supplement diets, nutrition assessment, and referrals to health care providers and social services. DOH delivers WIC services statewide in 89 sites, including through 54 local public health offices to about 67,000 New Mexicans each month. According to DOH, WIC served 48 percent of New Mexico's infants and children up to age five in 2007. The program spent about \$60.1 million in FY08, of which \$1.2 million was from state appropriations from the general fund.

According to the U.S. Department of Agriculture, "collective findings of studies, reviews and reports demonstrate that the WIC Program is cost effective in protecting or improving the health/nutritional status of low-income women, infants and children."

Along with Medicaid, WIC plays a vital role in improving the State's birth outcomes, such as rates of low birth weight, and should regularly report these results. NM WIC program does not regularly report birth outcomes or access to prenatal care for its client population. However, research nationally and in other states demonstrates WIC, in addition to its important nutritional services, acts as a main portal for low-income women to access Medicaid and early and regular prenatal care. A major study of WIC in five states in 1988 found, when compared to peer low-income women, WIC program participants had: longer pregnancies; fewer premature births; lower incidence of moderately low and very low birth weight infants; fewer infant deaths; a greater likelihood of receiving prenatal care; and savings in health care costs from \$1.77 to \$3.13 per dollar spent within the first 60 days after birth. Another study in Missouri, found that when Medicaid pregnancy and birth costs were included there was not a savings in health care costs because WIC participants used more prenatal services. However, the program was operating as intended and improving outcomes, which justified the higher costs.

Generally, low-birth weight rates in New Mexico, including among WIC participants, are higher than the national average. The programs current performance measures focus more on postpartum outcomes, such as obesity rates of children and breastfeeding.

**Low Birth Weight
(less than 2,500 grams)**

	NM WIC	National WIC
2007	9.70%	9.10%
2006	10.00%	9.40%
2005	9.30%	9.30%

Source: DOH

The Family Infant Toddler (FIT) program at DOH provides an important early intervention for at-risk children. FIT provides an array of early intervention services to eligible children birth to age three with, and at risk for, developmental delays and disabilities and their families. Early intervention helps families identify ways to promote their child's development in activities and routines throughout their day. The program spent about \$36 million in FY08, with 96 percent supporting direct services. The program operates under the federal Individuals with Disabilities Education Act (IDEA) Part C and uses 34 public and private contractors.

FIT has good performance measures and has generally met its performance goals for FY07 and FY08. In fact, New Mexico's FIT program has excelled at extending services to infants and toddlers and is in the top five nationally. The program continues to increase significantly in cost as the program reaches a broader set of the population, which warrants additional study to better understand the potential number of children who may need early intervention services but are not getting them. Without this information planning for future cost increases will be difficult.

The FIT program uses a best practice of posting a program accountability report on its website, detailing its individual contractor performance results. Through this report, the public can see a few contractors sub-par performance is the main cause of the state program not meeting program goals. Swifter action in addressing contract performance is needed.

**Family Infant Toddler Program
Performance Measures**

Category	Measure	FY07		FY08	
		Target	Actual	Target	Actual
Outcome	Percent of Families Who Report an Increased Capacity to Address Their Child's Developmental Needs as an Outcome of Receiving FIT Services	97%	92%	97%	95%
Outcome	Percent of Infants and Toddlers in the Family Infant Toddler Program Who Make Progress in Their Development	Not collected		97%	98%
Output	Percent of NM infants and toddlers birth to 1 served	2.5%	2.4%	2.2%	2.2%
Output	Percent of NM infants and toddlers birth to 3 served	3.6%	3.6%	3.7%	4.0%

Source: DOH

RECOMMENDATIONS

- The Department of Health, through the Early Childhood Collaborative, should further their efforts to improve the health of childbearing women by focusing the efforts of reducing health disparities for Native Americans, identified in the 2012 DOH Strategic Plan on prenatal care and broadly publicizing the status of preconception and prenatal care, especially New Mexico's quality outcomes, to heighten awareness and action for change from the medical provider community and the public at large, foster the use of the CDC preconception practice guidelines by primary care providers, and use the New Jersey Commissioner's Prenatal Task Force Report as a guide for the provision of adequate prenatal care in New Mexico.
- WIC outcomes relating to prenatal care and birth outcomes, and results of FIT should be included in the Early Childhood Collaborative's regular performance reporting.

NEW MEXICO IS NOT WELL POSITIONED TO OBTAIN THE BENEFITS OF INVESTMENTS IN EARLY HOME VISITING SERVICES

The State has invested \$6.7 million from FY07-FY10 for early home visiting services through CYFD. In addition to the CYFD recurring appropriations, an additional \$1 million was appropriated through CYFD to the Los Alamos National Laboratory Foundation for home visitation services in northern NM. Those dollars have been expended and funding was not continued. The legislative intent of funding for CYFD's home visitation program is targeted toward first time parents and provides services to prenatal mothers and continuing through the third year of the child's life. A number of other programs with a significant home visiting component exist throughout the state.

CYFD Home Visiting Recurring Appropriations

	FY 07	FY08	FY09	FY10
Appropriations	\$1,000,000	\$1,000,000	\$2,000,000	\$2,722,000

Source: CYFD and LFC Files

Home visiting programs in New Mexico

Program	Locations	Population Served	Funding	Providers
CYFD Home Visiting	Dispersed throughout the state, depending on location of contractors responding to RFPs	Universal and targeted populations depending on provider	State general fund	Contracts with CYFD
First Born	Santa Fe, Los Alamos, Rio Arriba, Grant counties	Universal access for all first time parents using paraprofessional staff. Initial assessments are completed by a professional	Private foundation and state general fund through CYFD	Contracts with CYFD or private foundation contracted providers
Family, Infant, Toddler (F.I.T.) Evidence-based	Statewide	Infants with disabilities or at risk for disability using professional staff, primarily home visiting with centered based services as needed for specialty care.	Federal grant; Medicaid; state general fund; other state funds.	Annual community provider contracts with DOH Performance expectations included in contracts.
Families First	Statewide	First time parents, using professional staff. Services include case management and client education based upon need	Medicaid/ State General Fund	Primarily DOH employed registered nurses
Primeros Pasos / Families First	Santa Fe	Medicaid eligible pregnant women, with a focus on pregnant teens and children 0 to 3 years of age.	Medicaid/ State General Fund Medicaid	Contracts with DOH and state staff

Source: LFC Files

Research indicates some home visiting program models, such as Nurse-Family Partnership, can produce positive outcomes for children and families. Positive outcomes include child cognitive development, social development, health improvement, reduced crime, and increased wages.

Return on Investment for Selected Home Visiting Programs

	Nurse-Family Partnership	Intensive Family Preservation	Parents as Teachers	Healthy Families America	Other Home Visiting Programs
Total Benefits	\$26,986	\$7,875	\$5,350	\$2,437	\$3009
Program Costs	\$8931	\$3,099	\$3,841	\$4,267	\$5,368
Net Benefits	\$18,054	\$4,775	\$1,509	-\$1,830	-\$2,359

Source: Washington State Institute for Public Policy

The "gold standard" in home visiting is the Nurse-Family Partnership (NFP). Longevity of the program, maintenance of program integrity, and the opportunity for longitudinal research has earned NFP this recognition. Specially trained registered nurses provide visits starting as early in

a pregnancy as possible and continuing through the child's second birthday. Consistent outcomes have been demonstrated through research including *ethnic populations*:

- Improved prenatal care,
- Fewer childhood injuries,
- Fewer subsequent pregnancies,
- Increased intervals between pregnancies,
- Improved maternal employment,
- Improved school readiness,
- Reduction in child abuse/neglect.

The average cost per family per year is \$4,500, though in some state's the average cost is much lower depending on salary amounts for nurses. There over 135 locations nationwide including: Arizona (1), Colorado (18), Louisiana (16), Oklahoma (1), Texas (10), Utah (1), and Wyoming (14). The federal budget, as it presently stands, will fund nurse-based home visitation programs.

CYFD does not require funded programs to implement evidence-based home visiting services. Lack of evidence-based standards diminishes the potential for positive outcomes and a return on the State's investment. None of the CYFD funded programs appear to implement an evidence-based home visiting program model. One funded program is working to establish evidence, First Born, but results will not be known for some time. The Grant County First Born program has received a positive evaluation from New Mexico State University researchers, for a time-limited study and was recognized by the Center for Substance Abuse Prevention as an "innovative and exemplary prevention program". The newly established Santa Fe First Born program will undergo a longer term evaluation by the Rand Corporation. However, First Born model programs only receive a small portion of recurring contract funds.

Since its inception, the CYFD home visitation implementation has been plagued by a lack of agreement as to which home visitation models to support and other administrative problems. The program lacks any statutory basis, which may contribute to this problem since the legislature has not provided a statutory framework for how the program should be implemented. Problems include the following.

- RFP and contract administration issues,
- Lack of clear standards for implementation and targeting of resources,
- No established standards for performance,
- Large unexpended balances,
- Inconsistent coordination between home visiting programs,
- No funding sources, particularly Medicaid, beyond state general fund.

CYFD has administered a home visiting program since at least 2003. In FY07, it contracted with ValueOptions NM (VONM) to act as an administrative agent for two years. CYFD was still directing which providers contract with amounts for funding each provider. CYFD reassumed direct administrative control at the end of FY08. Execution of the FY09 contracts was delayed by problems within CYFD and individual provider agencies. As of April, 2009, no site compliance reviews have been conducted by CYFD as directed by their own policy which states each provider will be reviewed, on site, at least annually.

Requests for proposals for CYFD home visiting programs have not been directed towards needs based upon the demographic and epidemiological data available to the state agency. It appears that direction of home visiting programs has been driven by provider location and expertise.

A comprehensive plan for home visitation has not been implemented. Many documents developed by state agencies in the past several years have focused on the need to develop a long-range plan for implementation of home visiting services in New Mexico. The planning process has included state agencies, provider groups, and consumers, resulting in many proposals; implementation is still being addressed as a coming event. One of the more recent plans, “Building a System of Care of Home Visiting in New Mexico” (plan) was published in May of 2008. The plan was developed in response to a legislative request “to develop a long-range plan to phase in a statewide universal voluntary home visiting that serves families during pregnancy and may continue up to three years.” This document, lays *the beginning groundwork* for a home visitation service system development in New Mexico.

The plan includes many strong elements such as targeting resources to higher risk populations and geographic areas, encouraging strong partnerships with other early childhood programs, using a comprehensive set of performance measures to monitor results, and ensuring Medicaid participates in financing services. According to the plan, “Home Visiting could be an extremely helpful tool, especially in the prenatal phase and within the post partum phase where early detection of problems would be beneficial for the MCOs as well as the families. Other opportunities to leverage state funds with federal Medicaid dollars should continue to be explored. Teen parents may be covered under the Early, Periodic, Diagnostic Screening and Treatment – EPSDT program. Post partum home visits performed by medical personnel provide another opportunity to use Medicaid for Medicaid eligible families receiving medically necessary services.”

The plan incorporates many best practices and suggests the State should:

- **target services** to parents on WIC, particularly teen parents; prioritize pregnant women for service first;
- encourage better linkages with the maternal and child health programs at DOH and county offices;
- modify the intensity of services based upon family need/risks;
- ensure culturally competent staff; and
- evaluate programs to insure consistent and standardized outcomes.

To ensure effective implementation of home visiting services, existing programs should not be exempt from the plan and greater weight should be placed on implementing home visiting programs with a proven model for success.

The Department of Health (DOH) appears better positioned to implement nurse-based home visiting, including capturing Medicaid and other federal funding sources to implement the program. DOH already runs Families FIRST, which is a nurse-based medical case management program using Medicaid funding that includes a home visiting component. The program has similar program goals as NFP, and MCOS have recognized its value at helping improve birth outcomes, cognitive and developmental progress and child wellness. DOH is well-positioned to use WIC offices, Health Commons and public health offices as an entry point to target services to women early in their pregnancy. NFP would help DOH meet many of the state's health goals (improve prenatal entry and frequency, early detection of child development issues, better well-care). All of these elements were cited in the plan developed in 2008.

CYFD funded home visitation services, using other evidence-based models, could be geared more towards strengthening families to reduce out-of-home placements to help that agency achieve its mission. This would result in a more targeted use of funding to meet a more defined objective and support CYFD's mission.

RECOMMENDATIONS

- DOH should begin planning for implementation of a Nurse-Family Partnership home visiting program in FY10, and request funding for implementation of a pilot program for the FY11 budget.
- CYFD should incorporate the outcomes, standards and performance measures into its administration of home visiting programs cited by the plan "Building a System of Care of Home Visiting in New Mexico" and require all contractors for FY10 to comply. Programs receiving funding should not be exempt. The program, as recommended by the plan, should be targeted to WIC or Medicaid eligible families and prioritize prenatal initiation. Greater consideration for funding amounts should be given to programs serving geographic areas with high rates of child maltreatment for very young children and using a program model that has a strong evidence base. As appropriate, CYFD should consider providing additional specificity to plan standards to ensure consistent administration of home visiting, including performance measures resulting from provider assessments or customer satisfaction surveys.
- If the CYFD program does not stabilize and make meaningful progress on an implementation plan by the end of FY10, the Legislature should consider withdrawing funding and invest elsewhere in the early childhood continuum.

NEW MEXICO, LIKE OTHER STATES, FACES CHALLENGES IN DEVELOPING AN EFFICIENT AND EFFECTIVE PUBLICLY FUNDED PRESCHOOL SYSTEM.

In FY08, seven major preschool programs funded about \$81.4 million in services to New Mexico children. These estimates likely underestimate total public funding that is available through other sources, and does not include the sizable private preschool system. The Government Accountability Office (GAO) identified 29 federal programs funded education and care with a focus on children under five. Typically, large federal programs allow for spending on preschool services (Title I, IDEA, TANF) or support services (nutrition) while others focus almost exclusively on these services, such as Head Start.

**Major Publicly Funded Preschool Programs in
New Mexico (in thousands)**

Program	Funding Source	FY08
Head Start	Federal	\$52,515
NM PreK	State	\$14,000
Title I	Federal	\$3,500
IDEA-Preschool	Federal	\$2,392
Early Childhood Development Preschool	State	\$1,541
Head Start	State	\$1,947
City of Albuquerque	Local	\$5,500
Total		\$81,395

Source: LFC Analysis

Nationally, and in New Mexico, expansion of preschool and pre-kindergarten services is partly motivated by concerns that many children are entering school insufficiently prepared. Numerous research studies have identified that the academic “achievement gap” between children from disadvantaged backgrounds begins before school entry.

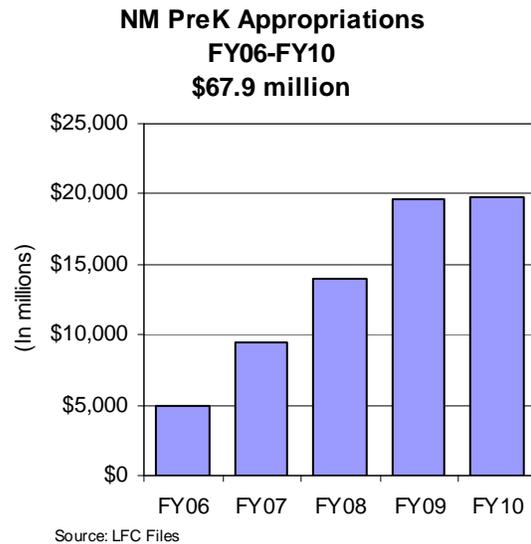
Significant new increases in federal funding will be available for preschool services through Head Start and Title I. Through the federal American Recovery and Reinvestment Act (Recovery Act), and increased appropriations, Head Start will receive another \$1.3 billion nation-wide for expanded services, extended class days, increased transportation, improvements in teacher compensation and training. Another \$1 billion will be available to expand Early Head Start to additional grantees. The Recovery Act also makes available \$100 million in grants to bolster coordination between Head Start, Early Head Start and state-run early childhood care and education programs. Specific funding for New Mexico programs was not available at the time of this report, and other funding will be dependent on securing competitive grants.

Title I of the Elementary and Secondary Education Act (Reauthorized under No Child Left Behind Act) provides New Mexico with over \$100 million for supplemental education services intended to reduce the achievement gap for low-income students or children at-risk of failure. Preschool services are an allowable use of this funding stream. In FY08, eleven school districts set aside more than \$3.5 million for preschool services. Preliminary estimates show the Recovery Act will make an additional \$81 million available for Title I in New Mexico. The federal Department of Education is encouraging school districts to make additional investments in preschool services. Assuming a similar allocation to FY08, school districts could increase

preschool funding by another almost \$3 million or more if they choose to rebalance their use of Title I funding to close the achievement gap.

Since FY06, New Mexico has invested about \$79 million in its state pre-kindergarten program (NM PreK) for administration, planning, evaluation, services and capital outlay. The NM PreK program is jointly administered by the Public Education Department (PED) and Children, Youth and Families Department (CYFD).

Since the program's inception the Legislature has significantly increased funding, from about \$5 million FY06 to almost \$20 million in FY10 for operation of the program. Likewise, capital outlay appropriations for expanding class space have been substantial as well. Between 2006 and 2008, the Legislature appropriated \$9 million for constructing and equipping PreK classrooms in support of the state's PreK initiative. As of March 2009, about \$2 million had been expended, the rest was committed to projects and about \$500 thousand of unspent appropriations from the general was voided as part of the state's solvency legislation (HB 9) in 2009. In 2009, the Legislature appropriated another \$2 million for additional PreK classrooms using Severance Tax Bonds (HB154).



Having multiple federal, state, local and private entities govern preschool services complicates planning, increases administrative costs and dilutes accountability. According to GAO, “When multiple agencies manage multiple early childhood education and care programs, mission fragmentation and program overlap occur” increasing the potential for duplication and service gaps. In some cases fragmented and overlapping programs are necessary to meet public priorities; however these conditions “can create an environment in which programs do not serve participants as efficiently and effectively as possible.”

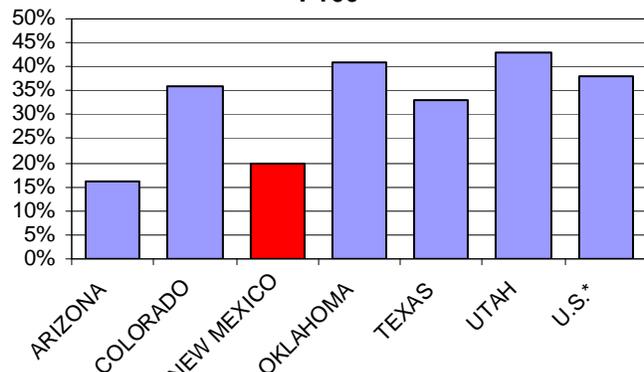
Decisions governing almost 80 percent of public preschool funding are not made by the state, creating a fragmented system of services. For example the Head Start program is administered directly by the federal government, which by-passes states and school districts to provide grants to local agencies for the delivery of services. School districts make decisions about Title I, IDEA-Preschool and any local funds for preschool. Finally, local government funding for preschool is governed by those entities.

Within state government, two departments (CYFD and PED) participate in funding state preschool services through three separate programs. Some federal funding for preschool, support services, such as nutrition assistance and regulatory authority, such as child licensing and subsidies, also reside within these departments.

Many service providers receive preschool funding from multiple programs, creating challenges for efficient and high quality services. A challenge for building any new program is developing the capacity to deliver the desired services. Rather than create a new and separate provider system, NM PreK expanded availability of preschool options for families by using existing providers and/or service delivery agencies, such as schools. However, this approach necessitates efforts to prevent fragmented missions, inefficient administration and service delivery and duplication in services. As a result, some providers and schools districts who receive funding from multiple programs must negotiate numerous requirements, contract and grant applications, reporting requirements and funding rules. Providers, to comply with multiple program requirements, may split classes such as having a Head Start class in the morning and PreK class in the afternoon but still must meet requirements of each program. A program guide to appropriately braid or cost allocate to multiple funding streams could be beneficial to the system.

Head Start agencies are a major provider of NM PreK services, receiving over half of CYFD's allocation for state PreK in FY08 and create additional resource needs to improve their quality. Of the 36 NM PreK providers funded by CYFD in FY08, eight (22 percent) also receive federal Head Start funding or other state funding related to Head Start. These eight organizations received about 52 percent, or \$2.85 million, of the \$5.49 million in CYFD PreK funding allocated for services in FY08.

Percent of Head Start Teachers with Bachelor or Graduate Degree FY06



Source: Center on Law and Poverty

New Mexico Head Start agencies generally have fewer teachers with bachelors or advanced degrees compared to the national Head Start average and some other states in the region. In addition, the vast majority of Head Start programs have the lowest rating (one out of five) for licensed child care centers under CYFD's STARS system for rating the quality of licensed day care centers. As a result, additional state resources will be necessary to improve the quality of the federally funded Head Start workforce in New Mexico to meet state PreK goals.

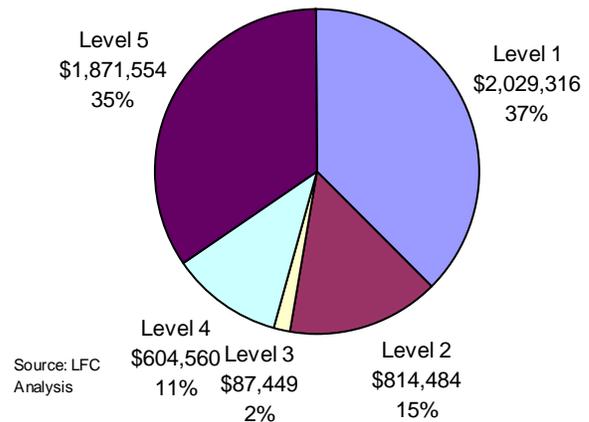
Wide variation exists among CYFD-PreK providers in their STAR Aim High quality rating. Seven providers were at the lowest licensure level in FY08 and received about 37 percent of CYFD PreK funding. Five of these seven were Head Start agencies with program funding totaling over \$1.8 million in FY08. By contrast, another 13 providers were at the highest level (National Accreditation) and accounted for about 35 percent of funding. The City of Albuquerque operates an Early Head Start program, but also runs Nationally Accredited Level 5 child development centers, which house NM PreK services. The remaining 14 providers had STAR ratings of 2-4.

The state lacks clear authority to extend NM PreK program standards, accountability measures and quality goals to other preschool programs.

NM PreK has developed comprehensive standards and assessments that meet or exceed those of other publicly funded preschool programs. However, extending these tools, or even requiring their use by other preschool programs, has not been fully explored. This approach would be useful to help create a common assessment and program quality measures across preschool programs. In addition, while NM PreK children are assigned a public school identification number

(I.D.) other programs children are not. As a result, tracking longitudinal outcomes will not be possible. Only NM PreK will be held to these outcomes, and yet this program only accounts for less than 20 percent of estimated public preschool funding in the state.

**STAR Rating of CYFD-PreK Providers
FY08 by Funding Amount**



Once a child enters kindergarten, it is possible to use the DIBELS assessment to compare a NM Pre-K child's pre-literacy and other academic indicators with other children. This type of analysis would reveal which preschool programs have best prepared a child to enter kindergarten, but only on a narrow range of indicators.

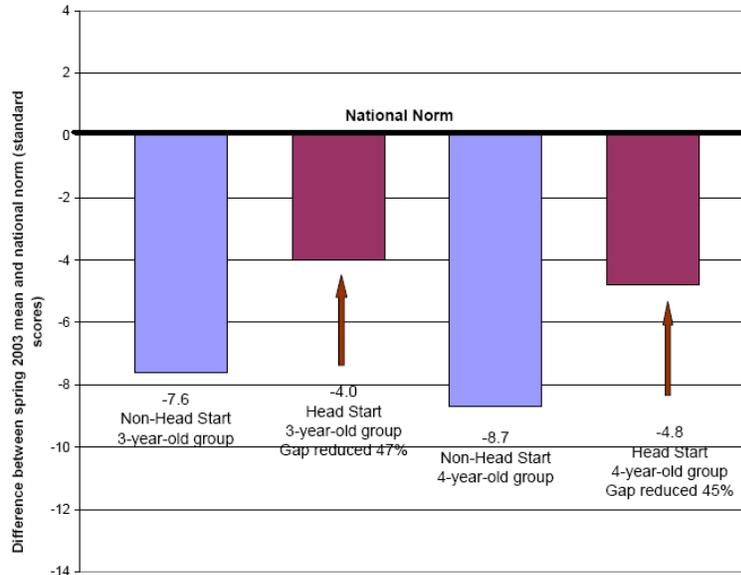
Little performance information exists on Head Start and other public preschool programs despite large public investments.

The purpose of the federal Head Start program is to “promote school readiness by enhancing the social and cognitive development of low income children through the provision, to low income children and their families, of health, educational, nutritional, social and other services that are determined, based on family needs assessments, to be necessary (Sec. 636, 42 USC 9831 et seq.)” National evaluations have shown positive results for Head Start, but not enough to eliminate disparities in achievement of low-income children and their peers upon entry to kindergarten. Annual or ongoing results of programs in N.M. are unknown as there is no standard outcome measures collected or reported for Head Start, at least reported publicly.

Alignment of PreK or other preschool sites with schools operating K3+ programs or “ready schools” could help improve child academic outcomes.

Little research exists on whether stacking two intensive interventions over a period of time would be worth the investment and generate substantial improved outcomes. However, a substantial amount of research on Head Start and other state PreK programs indicates preschool can reduce, but not eliminate, achievement gaps upon kindergarten entry. Some research indicates that these gains fade during early elementary grades. Again, while NM PreK children showed improvement, in some cases they were in the bottom quartile nationally which indicates a substantial amount of additional intervention will be necessary. The same is true for Head Start.

Impact of Head Start on Reducing the Achievement Gap in Children's Pre-Reading Skills



Without a way to sustain gains, or continue to boost achievement, longitudinal assessments of preschool programs may not show much difference in 3rd or 4th grade reading and math scores. For FY10, New Mexico will invest almost \$8.5 million in the K3+ program which funds costs to extend the school year for kindergarten through third grade in an attempt to further boost student achievement through the. Aligning PreK and K3+ programs at the local level to give children an opportunity to participate in both may be worth exploring. Obviously, an effective regular elementary education program during the school year is also needed.

Reallocating funding from duplicative state funded preschool programs could free up an estimated \$2.6 million in FY11 for more productive use in the early childhood system.

CYFD currently operates three other preschool programs besides NM PreK, which include state Head Start, state Head Start extended day and the early childhood development program. A description and funding amounts of each program are included below. FY08 appropriations for these programs totaled \$3.4 million. However, for FY10, the General Appropriations Act reduces state funded Head Start programs by about \$800 thousand.

State Funded Preschool Programs*

Program	Description	FY08 Funding
State Head Start	Provides a full-day, developmentally appropriate child care services to families participating in TANF. This is done by implanting the Head Start Performance Standards.	\$446,549
State Head Start Extended Day	Provides an appropriate afternoon schedule based on the needs of each child to include naps or rest time, snacks; outdoor time; and time to explore and use the indoor learning environment.	\$1,377,512
Early Childhood Program	Provides a comprehensive, community-based, early childhood program by implementing a curriculum based on the individual child. Program's designed individually based on community goals.	\$1,541,700
	Total	\$3,365,761

Source: CYFD *Other than NM PreK

The services funded by each of these state programs are available through other existing programs. These programs were started before federal expansion of Head Start/Even Start and state expansion of NM PreK. For example, specific increased federal appropriations are available for extending the Head Start day, and the children and providers participating in this program already qualify for child care subsidies based on their income. State Head Start extended day programs served about 249 clients in FY08 at an average cost over \$7,000. Of the 15 federally funded Head Start agencies in New Mexico, seven also received almost \$1.4 million in state funding for extending the Head Start day in FY08. Six of these seven Head Start agencies also received almost \$2.4 million NM PreK funding from CYFD during FY08.

Early Head Start, NM PreK and child care funding are existing programs available for children in state Head Start and the early childhood development program. In fact, five organizations receive state funding for a Head Start "Like" program, of which three also receive either NM PreK or actual federal Head Start funding. Of the 20 early childhood development providers in FY07, only 11 continued receiving funding in FY08.

The state Head Start reverted over \$840 thousand to the General Fund between FY07 and FY08 or about 21 percent of total appropriations. In FY07, the program had almost \$650 thousand in unspent funds, or 33 percent of the total program budget primarily due to Head Start agencies under spending their contracts.

RECOMMENDATIONS

- PED and CYFD should identify methods to integrate NM PreK, Head Start, Title I and IDEA preschool into a single publicly funded preschool system, including the following:
 - planning for coordinated use of state and federal funding;
 - using and reporting PreK assessment results across programs;
 - assigning other public programs' children a state student I.D. number;
 - increasing quality of Head Start centers and workforce;
 - making results of federal Head Start programs more transparent to families, communities and policymakers; and
 - options for non-publicly funded preschools to participate in these efforts.Submit a report with recommendations to LFC, LESC by November 1, 2009 and request legislation as appropriate.
- PED and CYFD should work to align PreK/Head Start sites with K3+ schools and develop a performance measure to track alignment progress. Consider aligning RFP and contract cycles between the two programs and awarding additional points in scoring NM PreK and K3+ proposals for those that will align programs locally.
- CYFD should phase out state Head Start programs and state Early Childhood Development program in FY11. Begin working with providers to transition children as appropriate to other funding sources in FY10.

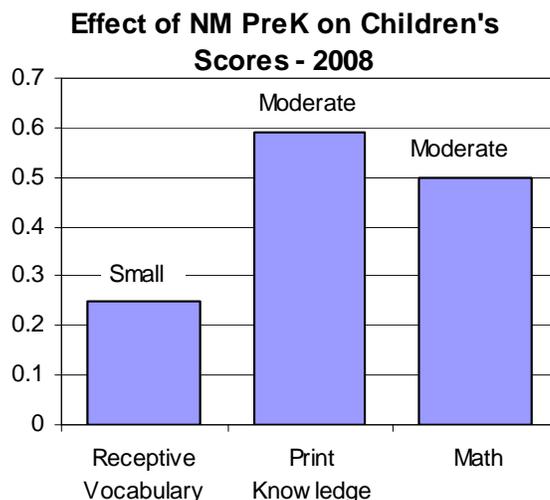
NEW MEXICO PRE-K HAS SHOWN POSITIVE RESULTS, BUT NEEDS TO LOWER OVERHEAD COSTS.

The New Mexico pre-kindergarten program (NM PreK) has shown positive early results for children and has a solid foundation for regularly reporting performance of the program.

Unlike many state funded programs, NM PreK conducted an external program evaluation which is a positive step toward demonstrating program effectiveness and worthiness of additional investment of public resources. The evaluation design (regression-discontinuity) is common among other research for state PreK services, but is not the most rigorous evaluation design employed for program impact studies (controlled-random sample).

Early program results show promise for improving children's development and cognitive skills, but additional benchmark data would be useful in future evaluations.

The NM PreK evaluations, conducted by the National Institute for Early Education Research (NIEER), demonstrated a positive impact for children participating in NM PreK versus those who had not. The evaluations in 2007 and 2008 assessed children's receptive vocabulary, which is correlated with school success, math skills and early literacy and found statistically significant differences in scores (i.e. the differences were not by chance) with a small to moderate effect size. The graph shows NM PreK effect size for the 2008 study. Researchers use "effect size" to characterize a program's impact. However, even small effect sizes, in some cases, can translate into meaningful differences in children's lives.



Source: NIEER

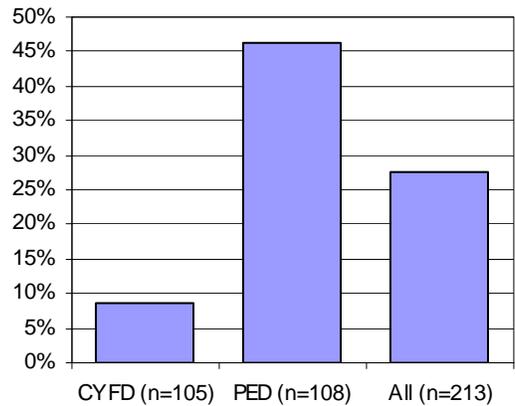
Despite initial positive results, NM PreK children score far below national averages (23rd percentile) for receptive vocabulary, a key indicator of school success according to NIEER. Future evaluation reports from NIEER should detail how NM PreK participants scores, not only increase, but as importantly how those results (both raw score averages and effect sizes) compare to national averages and other states with PreK evaluations.

According to NIEER, "there remain substantial opportunities to increase the effectiveness of the New Mexico PreK initiative." The results from 2007 and 2008 should be viewed in the context that NM PreK was a new program still in its infancy and that at the time of the evaluations had not met many of the standard benchmarks for program quality, such as teacher qualifications.

The evaluation attempted to address differences in impact between PED and CYFD PreK sites and found both generally improved children's scores, but, possibly due to smaller sample size, results did not always meet statistical tests for significance. However, PED programs did show very positive results for improving children's receptive vocabulary. Continued reporting on results from the two different agency programs is important for program oversight.

NM PreK appears to meet minimum national best practice standards, though additional progress will be necessary to upgrade lead teacher qualifications. NIEER has also compiled practices, based on research, that when combined should constitute higher quality programs and translate into better child outcomes. These standards cover early learning standards; teacher education, credentials and training; class size; health screenings and referrals; meals and program monitoring. NM PreK met nine out of 10 standards as reported for 2008, but given recent program enhancements to require the availability of nutritious meals the program should receive full compliance score next year. NM PreK has also developed a comprehensive compliance monitoring program to ensure program sites meet program standards to ensure quality services.

Percent of Lead Teachers with Early Childhood License FY09 - 2Q

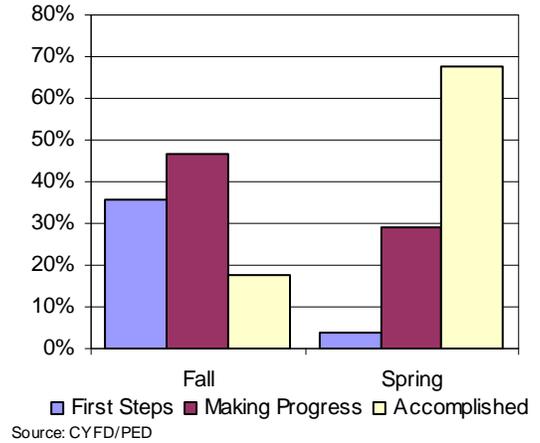


Less than 28 percent of lead teachers currently meet NM PreK early childhood license requirements. Data demonstrate dramatic differences between the percent of lead teachers with an early childhood license between PED (46 percent) and CYFD (8.6 percent). The program requires lead teachers to meet education and licensure requirements for the program within five years. Based on research, education and training in early childhood education is a critical indicator of program quality. However, currently the program needs additional improvements to meet this goal, particularly for CYFD programs.

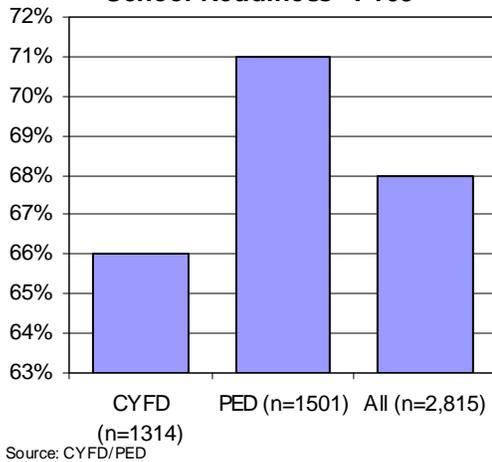
NM PreK has implemented performance measures to show children’s growth across a range of child development domains and long-term education outcomes. An intended purpose of NM PreK is to prepare children to enter kindergarten and the public education system. While views on school readiness vary, NM PreK has developed comprehensive standards and indicators for assessing children’s development across education, health and social skills. These learning outcomes are broken down into twenty-three essential indicators, which allows teachers to gauge a child’s development based on accomplishment of specific skills.

NM PreK has already started to report child outcomes that should become part of the Accountability in Government Act set of performance measures. Over 67 percent of NM PreK children ended the program demonstrating accomplishment across the early learning indicators, an increase of almost 50 percent from the beginning of the school year. This indicator is important to monitor the percentage of children reaching program goals by the end of their participation in NM PreK. Another set of indicators, measures student growth over the year towards school readiness and literacy skills. All of these measures can be broken down further and compared between CYFD and PED funded programs for additional analysis.

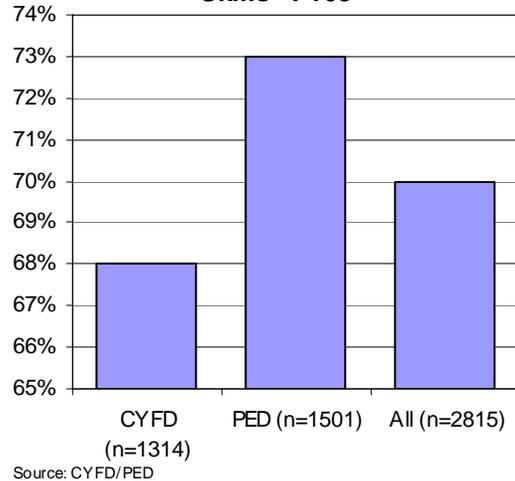
NM PreK Overall Early Learning Outcome Indicators FY08 (N=2,819)



Percent of NM PreK Children Showing Progress Towards School Readiness - FY08



Percent of NM PreK Children Showing Increases in Literacy Skills - FY08



Beginning in FY10, NM PreK will report 3rd grade student achievement outcomes for those children that participated in the program. Hopefully these results over time will provide an indication of program impact on providing an important foundation of academic success for child participants. The DIBELS assessment that is already administered upon entry in to kindergarten could provide another near-term outcome. While this information is not as comprehensive as a true “kindergarten readiness” assessment tool, it would be an inexpensive option until agreement can be reached on a more comprehensive alternative.

Reducing PreK overhead costs and ensuring effective use of appropriations would allow the program to significantly expand services to more children. NM PreK has an unusual administrative structure of two departments involved in administering a single program. To their credit, CYFD and PED appear to have worked well together to ensure NM PreK operates under a single set of standards, assessments and is well coordinated. The split does increase administrative inefficiencies such as both departments contracting with the same support

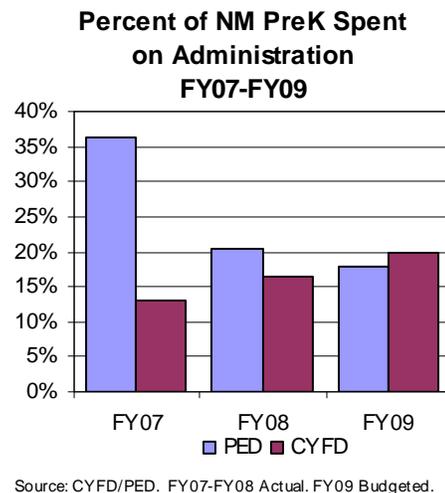
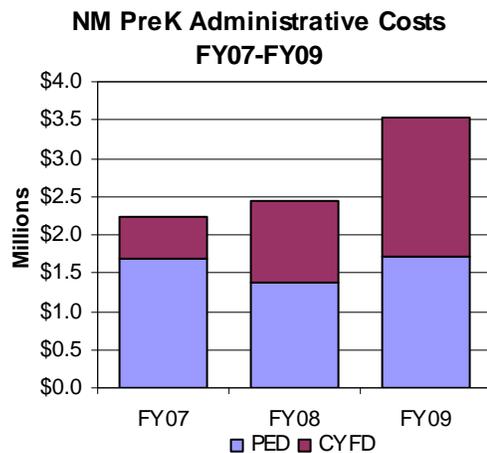
contractors. For example, in FY09 each department contracted with YWCA-Middle Rio Grande for over \$720 thousand each for a total of \$1.4 million. Likewise each department contracts separately for TEACH® services totaling over \$520 thousand (\$260 thousand each).

Reducing NM PreK administrative costs to ten percent would result in savings of about \$1.6 million and allow the program to serve an additional estimated 592 children. NM PreK administrative costs have exceeded the statutory cap of ten percent, averaging between 17 and 20 percent between FY07 and FY09 budgeted. LFC has previously raised concerns about administrative costs for running NM PreK.

For FY09, PED has budgeted about 18 percent, or \$1.7 million and CYFD about 20 percent, or \$1.8 million for state administration and support service contracts (technical assistance, training, data collection and evaluation). Administrative support contracts will exceed \$2.5 million in FY09. CYFD increased its state administrative (non-contract) budget from about \$185 thousand in FY08 to over \$600 thousand in FY09.

The Pre-Kindergarten Act allows each department to spend up to ten percent of money in the PreK funds on administration (Section 32A-23-8 NMSA 1978). The statute does not define administrative expenses or whether those expenses include support contractors or just direct salaries, benefits and supply costs of each department. However, technical assistance, data collection and evaluation typically are considered administrative or non-direct service expenditures.

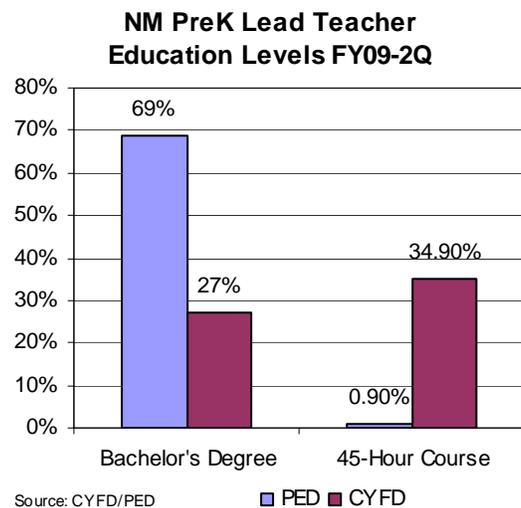
During the first couple of years, some of these large administration costs may have been related to start-up and appear to have provided positive results in setting up effective oversight systems. Now that program has scaled up, these costs should be readjusted downward and savings redirected to serving more children.



Additional attention is needed to assess the differences in service costs of the program. Each department has been receiving equal appropriations and has assumed the same per child costs for funding allocation among providers. However, given the stark differences in service delivery between public schools and Head Start and day care providers additional review is warranted. For example, PED has set aside about 11 percent, or almost \$877 thousand, of its service funding for transportation. District's use of transportation varies, and so do per-child costs. One district received approval to use \$2,223 per child or almost half of its total NM PreK budget for transportation services alone. Per child transportation allocations generally range from a low of \$233 to \$1,666 annually. According to CYFD, few providers request transportation funding.

The largest cost driver for a NM PreK program is teacher salaries. It appears PED funded programs would have higher base costs because schools use licensed teachers subject to the three tiered licensure system (\$30 - \$50 thousand minimums). Unless, however, day care centers are providing lead teachers, most of whom lack at least four year degree, salaries equivalent to licensed teachers. The average pay for Head Start teachers in New Mexico is about \$22 thousand.

A more efficient use of existing resources could have increased access to NM PreK for an additional estimated 879 children between FY07 and FY09. CYFD-PreK program had eight percent, or almost a million dollars, in unspent balances over FY07-FY08, according to the department. PED reported about \$344 thousand during the same period, though \$128 thousand was related to start-up funding. In FY09, PED had about \$1.1 million in available contract funds that had not been obligated at the time of this report. Appendix A provides a breakdown of expenditures for each department.



**CYFD - PreK
Unspent Balances FY07-FY08**

	Adjusted Budget	Unspent Balances	Percent
FY07	\$ 4,744,900.00	\$ 465,669.00	10%
FY08	\$ 6,994,900.00	\$ 453,749.00	7%
Total	\$ 11,739,800.00	\$ 919,418.00	8%

Source: CYFD

PED also reported almost \$500 thousand in payments during FY08 to cover expenses in FY07. The department indicates it received approval from the Department of Finance and Administration, and at the time of this report submitted documentation to verify this approval. In addition, DFA did not, nor does it regularly provide reports to the LFC regarding approvals of prior year expenditures from current year appropriations as statutorily required per Section 6-10-4 NMSA 1978. The only approval and reporting exemption in this section is for the Human Services Department's Medicaid program which may use appropriations to pay for prior year expenditures regardless of budget authority, review or approval of DFA or LFC.

Other funding sources could be used for TEACH® scholarships, rather than NM PreK funding. CYFD and PED contract with the New Mexico Association for the Education of Young Children to help develop workforce skills of early childhood system, including PreK, Head Start and day care providers through the Teacher Education and Compensation Helps (TEACH®) program. The purpose of the TEACH® program is to increase the education levels of early childhood workers and professionals by providing scholarships to attend higher education and obtain early childhood certificates or degrees. The program also advocates for higher compensation and benefits for early childhood professionals, though it's unclear whether state funding is used for this purpose.

In FY09, the TEACH® program received almost \$1 million with about 58 percent, or \$573 thousand, was allocated for scholarships. The remaining 42 percent of funding supports about \$211 thousand in personal services, benefits and \$211 thousand in overhead costs (21 percent). Non-scholarship spending takes up a considerable portion of these contracts which necessitates further examination. The State uses about \$514 thousand from NM PreK to fund TEACH ® with the remaining \$481 thousand from other appropriations.

However, to the extent that TEACH ® remains an effective vehicle to improve early childhood teacher quality, other funding sources should be explored, including using part of the \$17 million the child care program will receive under the Recovery Act. Significant new funding will also be available for training through the Workforce Solutions Department job training programs as well. The State could choose to set some of these training dollars aside to upgrade its early childhood workforce rather than diverting NM PreK funding from service to children. In addition, increased federal Head Start funding is available to help upgrade that system's workforce. Since New Mexico's Head Start agencies also provide NM PreK this program is another potential source of training dollars for teachers.

RECOMMENDATIONS

- Consider using the DIBELS fall kindergarten assessment as a broad-based indicator of PreK results. The goal would be to reduce the percentage of PreK participants entering Kindergarten with an "at-risk" rating on DIBELS compared to peer students, or other publicly funded programs such as Head Start.
- Develop a guide for providers on appropriate braiding of public funding from multiple sources in order to maximize resources to serve additional children with existing funding and improve quality.
- Work with LFC and LESC to assess the unit cost of NM PreK and any difference between PED and CYFD funded programs. Any executive studies of this issue should be highly coordinated with these committees and their staff.
- Submit a plan for reducing PreK support costs with CYFD and PED's budget requests for FY11 and how savings can be redirected to serve additional children.
- Redirect NM PreK funding (\$514 thousand) from the TEACH ® program to provide services to an estimated 184 children. An estimated 103 additional children could be served by just redirecting NM PreK TEACH ® non-scholarship costs (\$289 thousand) to services. Use other existing funding sources for the program, such as federal Recovery Act funding for CCDF, workforce development. Work with Head Start agencies so they may use their own increased federal Head Start funding for upgrading the quality of their teacher workforce.

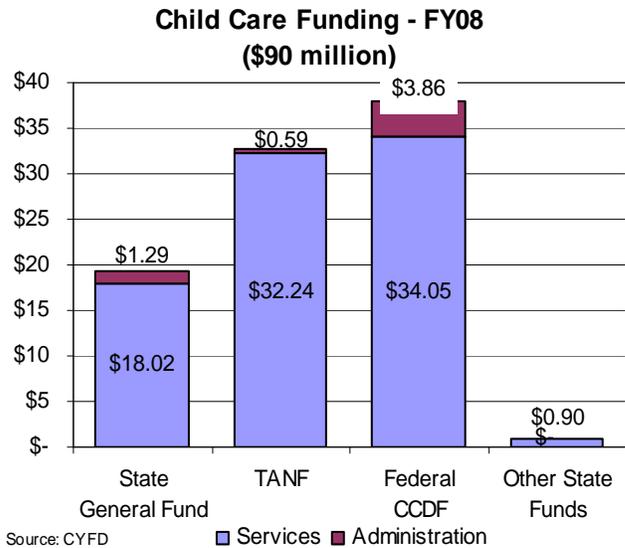
THE CHILD CARE PROGRAM FACES MULTIPLE FINANCIALLY COMPETING GOALS WHICH COMPLICATE RESOURCE ALLOCATION DECISIONS.

In FY08, CYFD spent about \$90 million to administer and subsidize the cost of child care for about 22,300 children per month.

New Mexico use a variety of funding sources for child care assistance, including appropriations from the federal Child Care Development Fund block grant (CCDF) and the Temporary Assistance for Needy Families (TANF) block grant.

The program is administered through CYFD’s Child Care Services Bureau which also oversees training, quality initiatives and licensing of service providers using about 109 FTEs. The program is intended to provide resources to meet the needs of families receiving welfare who are in training or the workforce, others making the transition from welfare to work, and low-income families who earn up to 200 percent of the federal poverty level. Families may choose a variety of care settings to use their child care subsidies, including child care centers, pre-kindergarten or Head Start programs, family child care homes, and unlicensed settings including care by relatives and friends. CYFD has sought to improve the quality of care purchased, and generally, through its STARS quality system, as explained in the textbox.

The program’s purpose is to provide high quality child care so that families can participate in the workforce. Higher quality day care typically increases program costs and limits the number of children served and as a result can undermine the program’s “access” goals. Likewise simply expanding the number of children served in order to meet access goals undermines families and state interests in ensuring children are safe and well cared for while their parent(s) work. Low-quality care also undermines efforts to improve child development during a critical time period before school entry.



STARS Child Care Quality Rating System

STARS is a quality rating system that contains five levels. The higher the Star Level, the higher the level of quality. Each Star Level requires a provider to continue to meet higher quality standards in the following areas:

- **Staff training and education:** Well-trained staff help raise the quality of services given to children and families.
- **Environment:** The environment affects the way children behave, develop and learn.
- **Daily learning activities:** These reflect each child’s individual interests, growth and development.
- **Family involvement:** Family involvement helps staff make learning meaningful to children.
- **Assessment:** Allows staff to observe and document children’s progress and share information with parents.
- **Ratios and group size:** Research shows that fewer children per adult and smaller group size result in positive outcomes for children.

A license with five stars indicates that the child care program is accredited and has met the highest level of quality. As a program’s Star Level increases, their reimbursement from Child Care Services increases.

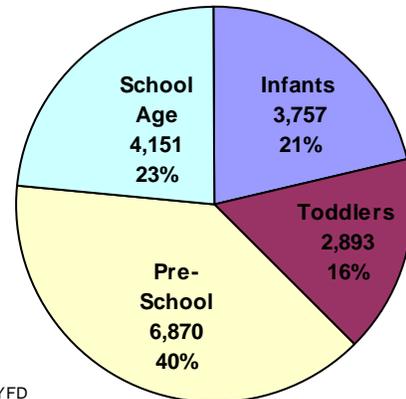
Source: CYFD, Parents Guide to Selecting Quality Child Care.

Most of state child care investments are for children age five and under. Over 77 percent of subsidized children in licensed care are infants, toddlers or pre-school age children. Reimbursement rates are higher for younger children and licensed care. Appendix B includes additional data on children using child care services.

State expansion of eligibility criteria strains resources available for the child care program to serve the poorest families working their way off welfare.

CYFD has long sought to expand eligibility criteria to serve families with income above 150 percent of the federal poverty level (FPL). In response, the Legislature has made additional appropriations to boost the income cut off first to 165 percent. In the 2008 special session, CYFD received an additional \$7 million in TANF funding to further expand the program to families making up to 200 percent FPL. Expanding eligibility to

**Children in Licensed Care - Feb-09
(17,672)**



Source: CYFD

a broader pool of potential clients clearly increases program costs, though the results of these expenditures in terms of improving rates of employment and income remain unclear.

Assistance with the cost of child care is an important goal to support families' work efforts, primarily those families leaving welfare for work. A cornerstone to welfare reform in the 1990s was the creation of the federal Child Care Development block grant which combined multiple federal child care programs into one, and provided a massive expansion of funding to aid states in moving more families from welfare to work. According to NCSL, between 1996 and 2001, total spending, including state and federal expenditures, tripled and the number of children participating doubled, from one million children to over two million children nationally.

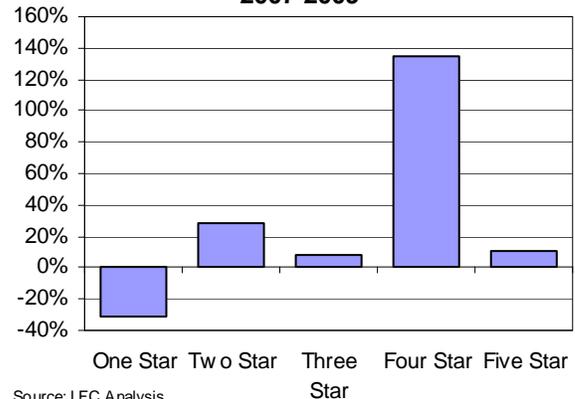
Increasing program access to higher income families increases their disposable income, but it is less clear if families are using the program to increase work effort and wages. Families qualifying based solely on income, not TANF status, must also already be employed. Unemployed or underemployed families using child care for training or education likely would have already qualified under previous eligibility income rules.

The Committee has yet to receive long sought performance measures to assess the effectiveness of the child care program at supporting TANF family's efforts to work and move off cash assistance towards self-sufficiency. In 2006, an LFC review of the TANF program noted that the TANF program or CYFD did not regularly examine the use of child care by families participating in the TANF program. The report estimated that only about 32 percent of families in the TANF program use CYFD child care subsidies. In addition, the state did not regularly track the percentage of TANF families that maintain their child care as they move off welfare and into work. Without this information, the state cannot measure the impact of significant resources in child care services designed to help families move off welfare and into self-sustaining employment.

CYFD has more than exceeded its goals for quality child care and now needs to upgrade performance expectations. Since 2005, CYFD blended its child care regulatory authority and purchasing power through child care assistance to provide incentives for providers to upgrade service standards through the STARS quality rating system. CYFD provides a positive example of performance-based budgeting and accountability when it comes to quality child care, including the following.

- Implementing performance measures to track progress towards moving more providers into a higher rating, and moving more children it provides subsidies to into higher rated care as well.
- Linking budget requests and funding decisions to meeting its quality goals, including funding for technical assistance for provider community and rewarding quality with higher reimbursement rates.
- Implementing administrative measures to support its goals including an easily understandable rating system for public consumption.

Percent Change of Children in Licensed Care by Quality Rating 2007-2009



Source: LFC Analysis.
*As of June '07, '08 & Jan. '09

CYFD has increased the capacity of the broader child care system to provide higher quality care and the percentage of children receiving assistance through higher quality settings. The quality rating of licensed providers has increased from about 16 percent rated as Level 2 or above in FY05 to over 65 percent in FY08. Likewise, CYFD has increased the percentage of children receiving state subsidy in STARS Level 2 and above from about 14 percent in FY05 to over 64 percent in FY08, far above its target goal of 30 percent.

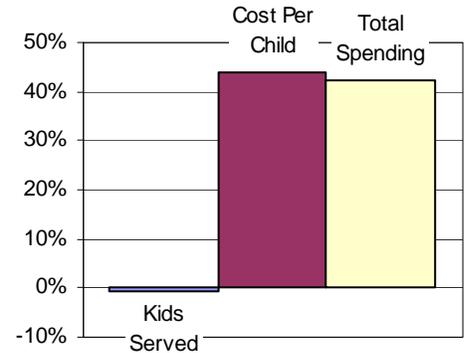
Revised performance measures and targets are needed to continue quality improvement. Most of the providers and children receiving care are grouped at Level 2, which according to CYFD is still a very basic level of quality. To the extent that the program and state want to raise expectations further, an improved performance measure would only count Level 3 or possible Level 4 rated providers in the calculation.

Additional evaluation could help demonstrate whether state investments in quality child care actually improve child outcomes. Continued increased spending on TEACH, technical assistance, tiered rates, broad rate increases, increases in center-based care all limit funding availability to serve more children, but are clearly supportive of CYFD's quality goals. Without additional information these costly investments remain largely unproven.

Efforts to increase quality also increase per child costs which have reduced the number of children able to access the program. Since 2001, per child costs and total child care spending have increased over 40 percent, with the average number of children actually decreasing about one percent. However, since CYFD's more aggressive quality initiatives began mid-decade, the number of children has decreased dramatically. From FY05-FY08, the average number of children served decreased 11 percent from a high of 25,000 to about 22,300. During the same period the average cost per child increased 21 percent from \$263 to \$317.

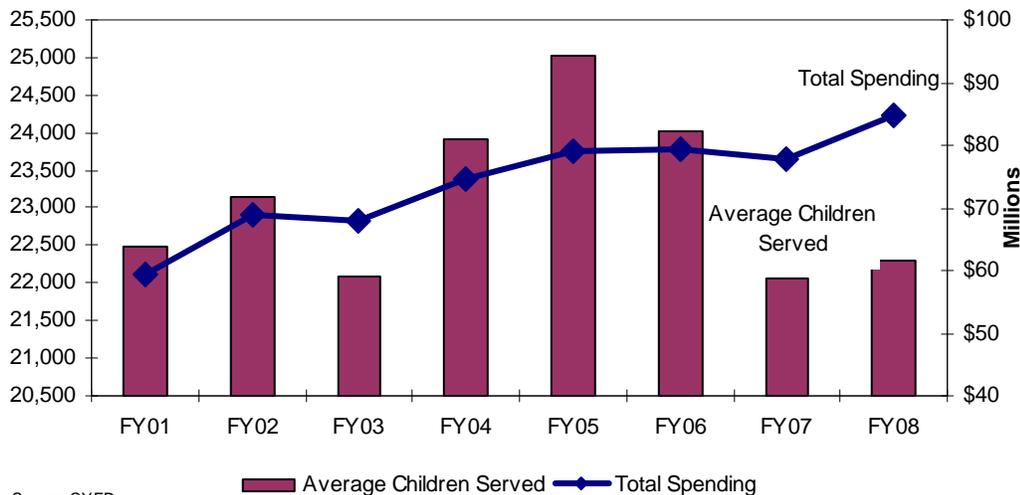
Increased use of higher quality, and thus paid, licensed care and more infants in care contribute to higher unit costs. Since 2003, the number of children in unlicensed registered care decreased from almost 11,000 to about 5,800 in January 2009. Registered homes do not have to meet CYFD licensing requirements and are not part of the STARS quality rating system. In addition, according to CYFD about 70 percent of registered providers caring for children participating in CCDF are relatives.

**Child Care Assistance:
Change in Costs/Children
Served FY01-FY08**



Source: LFC Analysis

**Child Care
FY01-FY08**

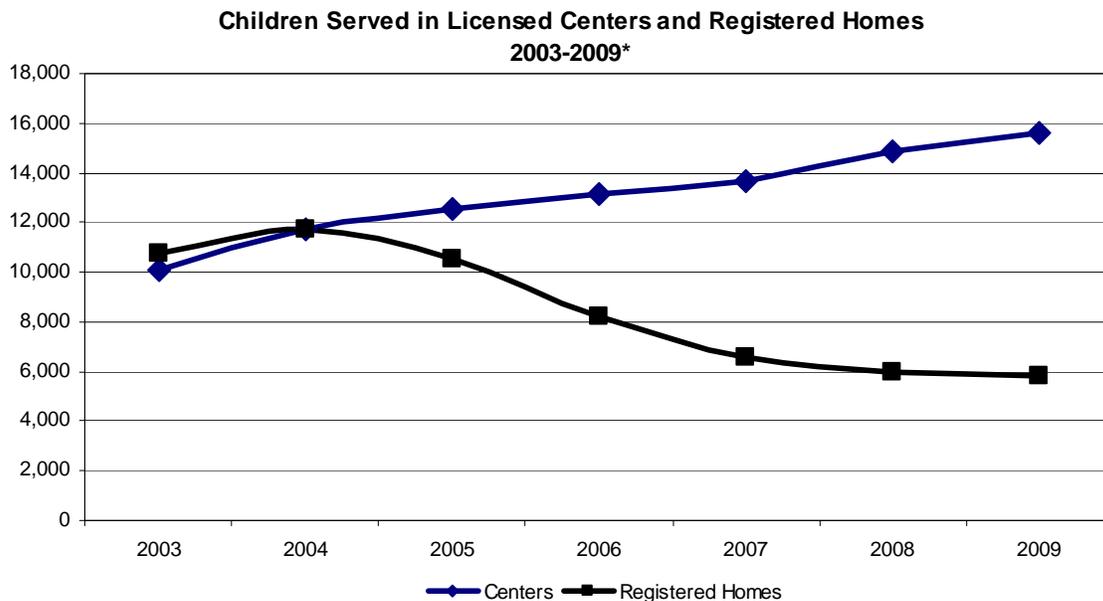


Source: CYFD

In 2009, legislation was enacted to allow registered providers to enter into collective bargaining with CYFD regarding everything from rates to health and safety requirements. Registered care is the most inexpensive care setting in the CCDF program, which is in line with CYFD's movement to pay higher reimbursement for providers meeting higher quality standards.

By contrast, children cared for in licensed child care centers has increased 55 percent from about 10,000 in 2003 to over 15,600 in 2009. Center-based care generally receives higher

reimbursement, and centers with a higher Star rating receive even higher reimbursement. Children in center-based care composed 67 percent of children in all settings, compared to 25 percent using registered homes. The remaining eight percent used group or licensed homes for care.



Source: CYFD. As of June, 2003-2008 & Jan. 2009

Since 2007, the number of infants and toddlers in licensed CCDF care increased 33 and 34 percent, respectively. School age children decreased six percent during the same period. The overall average cost per child thus increases as the numbers of child participate in higher quality care.

About 89 percent of infants in licensed care are served in regular day care centers, which is the most expensive care setting in the entire program. Since 2007, infants in center-based care have increased 36 percent from about 2,500 children in June 2007 to over 3,300 in February 2009. Over this same time period more infants were using higher quality care. For example, 535 addition children were using centers rated three Stars and above in 2009, a 65 percent increase. The number of infants using the lowest quality rating for licensed centers (One Star) decreased 14 percent during this period from 559 to 481. The largest increase was for infants using Level four rated centers, which increased 255 percent from 120 in 2007 to almost 430 in 2009. However, in February 2009 about 45 percent, or 1,500 infants in licensed centers, were using providers rated as Level 2 in the STARS program. Continued focus should be placed on this population and the quality level of providers.

CYFD's practice of providing a flat across the board increase for meeting higher quality standards disproportionately rewards reimbursement rates for less expensive children, such as school age children in licensed homes versus infants in day care centers. For example, CYFD reimbursement policies provide a base payment for full-time infant care in a metro area licensed child care center of \$476.37 per month plus another \$104.50, or 22 percent increase, for a Level 4 Star quality center. By contrast, a Level 4 licensed home caring full time for a school age child

also receives \$319.28 base payment plus the \$104.50 increase for quality, which amounts to about a 33 percent increase.

At-Home infant child care program (AICC) duplicates existing programs and has not yet produced clear results to justify continuation as a separately administered program. The AICC program pays a parent either receiving or eligible for Temporary Assistance for Needy Families (TANF) to stay at home and provide care for their infant. Families must complete a parenting class sponsored by New Mexico State University (NMSU). Participating families are also allowed to use child care assistance for the sole purpose of attending the required training. CYFD receives special appropriations for this program totaling \$90 thousand in FY08 for serving a monthly average of about 16 infants. TANF already exempts mothers with infants from work requirements and the state already funds multiple parenting education programs. These families could also receive home visiting services for a more comprehensive health and parenting education service package.

RECOMMENDATIONS

- Revise child care performance measures for FY11 related to quality child care. Only include STAR levels 3-5 in measures, rather than level 2. Reset targets. Use FY10 to refine target setting and goals for implementation in FY11.
- Target select quality initiatives to improve the quality of child care centers with a STAR rating of three or less serving a high percentage of infants and toddlers receiving CCDF funding. Set specific goals for improvement to be reached by FY12.
- Consider an evaluation in FY10 to assess child outcome differences among different types of child care providers, particularly for infants and toddlers in various levels of quality center-based care. Use the evaluation to develop an annual performance measure relating to child outcomes for CCDF. Stimulus funds could be used for this evaluation effort.
- Eliminate At-Home Infant Care pilot project in FY11. The contractor should report results of project and plan for sustainability, if appropriate, using other existing programs. This recommendation would result in savings to the general fund of \$90 thousand.
- Report performance data recommended in the 2006 LFC evaluation of the TANF program to the Committee no later than October 1, 2009.

State of New Mexico
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

BILL RICHARDSON
GOVERNOR

DIANE DENISH
LIEUTENANT GOVERNOR



DORIAN DODSON
CABINET SECRETARY

BILL DUNBAR
DEPUTY CABINET SECRETARY

MARISOL ATKINS
DEPUTY CABINET SECRETARY

May 7, 2009

David Abbey, Director
Legislative Finance Committee
State Capitol Building, Suite 101
Santa Fe, New Mexico 87501

Dear Mr. Abbey,

The Children, Youth and Families Department, The Public Education Department, The Department of Health and The Human Services Department have received your Program Evaluation: Investments in Early Childhood Report dated May 11, 2009. The original rationale for conducting the audit was stated as follows:

- Review state and federal research on the effectiveness and return on investment of certain programs or strategies that can positively impact very young children.
- Assess the level of state investment in early childhood programs targeting children birth to age five, including prenatal care.
- Assess performance results of selected programs, implementation of best practices and efforts to reduce to eliminate duplication of effort.

Though the timing of the evaluation has been somewhat difficult to accommodate, given it was initiated during the legislative session and amidst the various preparation and planning efforts taking place regarding the American Recovery and Reinvestment Act, staff from the various state departments involved made extra efforts to provide the requested information to the evaluators in a timely and coordinated manner. As well, we are appreciative of the LFC staff involved in the evaluation, as they worked cooperatively with state staff and illustrated a sincere desire to understand the complexity of the early childhood services system.

Upon review of the final evaluation report, we would like to concur with many of the ideas and recommendations set forth. However, in many cases, extensive collaboration and coordination are well on their way, significant steps have already been taken, and essential groundwork has been laid to address these recommendations. More directly stated, the report does not sufficiently describe or reflect the level of collaboration and alignment already taking place amongst state agencies and community stakeholders, nor does it illustrate the depth of complexity involved in building a holistic, efficient and effective public system for the delivery of early childhood services.

As you are aware, CYFD has recently undergone an internal reorganization, which formally created an Early Childhood Services Division designed to focus solely on the needs of and supports for very young children and their families. This shift reflects a deep understanding of the need to continue building on the extensive work that has already been done within the early childhood system, and will undoubtedly aid in

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enriching the continuum of care and services for New Mexico's youngest children. In addition, the Secretaries of the Health and Human Services Departments – most of which were included in this program review – meet on a regular basis to coordinate policy, program and funding decisions for early childhood services, as well as provide consistent guidance and direction to state staff. Finally, both the CYFD reorganization and the coordination amongst the HHS Secretaries are in direct alignment with the leadership provided by the Lieutenant Governor and the Children's Cabinet, and will undoubtedly assist in further supporting an organized and deliberate focus on our young children and their families.

In addition to our desire to better highlight the existing organization and collaboration amongst the various state agencies, providers and community stakeholders within the early childhood system, we would like to further comment on the specific programs and areas covered in the report as follows:

- Home Visiting: CYFD acknowledges the administrative and programmatic difficulties in the initial implementation years of the Home Visiting program. These struggles have occurred primarily due to the ongoing movement of the administration of the program from CYFD to ValueOptions New Mexico (Statewide Entity) and back to CYFD. We strongly believe that the program is now where it needs to remain, which is within the Early Childhood Services Division of the CYFD.

The LFC report strongly advocates for the utilization of the Nurse-Family Partnership (NFP) model in the CYFD Home Visiting program. Though CYFD acknowledges the efficacy of this program in many areas, home visiting providers and stakeholders have strongly advocated for more flexibility in delivering home visiting services, given access issues – both geographical and with regard to medical professionals - within New Mexico. CYFD currently requires that there be clinical oversight for home visiting services delivered through a mix of both professionals and paraprofessionals. Again, CYFD both supports the NFP model, and acknowledges the need for a more diverse system within New Mexico.

CYFD disagrees that home visiting programs are not required to implement evidence-based home visiting services. CYFD requires that a designated curriculum for home visiting services be utilized, and refers to the Home Visiting Service Definition Manual, which states that evidence and/or research based standards must be used. Requests for Proposals (RFPs) for this service are targeted statewide, and funds are allocated based on community response.

The LFC states that a comprehensive plan for home visiting services has not yet been implemented. It is important to note that the "Building a System of Care of Home Visiting in New Mexico" plan was published in May 2008, and recommendations within the plan have been incorporated into the RFP currently available for response. The new RFP for FY10 services pulls directly from the 2008 home visiting plan in the areas of target population, expected outcomes, standards and performance measures, as well as others.

Finally, though CYFD recognizes the need for ongoing development and enhancement of the Home Visiting program, we also want to highlight the solid foundation that has already been established amongst state agencies, community providers and stakeholders involved in the delivery of home visiting services. Individuals and groups convene regularly to share information and discuss best practices for New Mexico, and now that the Home Visiting program has been relocated to the Early Childhood Services Division, we fully expect this solid foundation to continue growing. As well, we appreciate the commitment and dedication of the providers and stakeholders involved, as they have remained engaged and committed during the administrative shifts of this very important program.

- PreK: CYFD and PED continue to work closely and collaboratively in the administration and oversight of the New Mexico PreK program. Though there is question inferred within the report as to the efficacy of this administrative model, CYFD and PED feel strongly that the current structure

of administration provides the best opportunity for children to access PreK services in a variety of provider settings and geographical locations.

CYFD and PED disagree with the LFC methodology for calculating PreK administration. CYFD and PED have never exceeded the 10% statutory cap for administrative costs. Rather, PreK administrative costs for salaries, benefits, travel (program monitoring and site visits), and other related costs have maintained at 7%. We feel that it is misleading to consider costs for the external evaluation, PreK program support, training and technical assistance, professional development and data collection as administrative overhead.

From the beginning of the PreK program, costs associated with the training of teachers working in the classroom have been critical to the success of the PreK program, as research repeatedly confirms that in order to maximize outcomes, teachers must have training specific to the age of children they are teaching. In addition, it is important to note that staff turnover is significant enough in all settings to require support and specialized training in the use of the observational assessment and curriculum planning process year after year. It is not true that those are "up front" costs that can now be reduced substantially. The provision of this specialized training and support is what distinguishes NM PreK from other early childhood education programs. All PreK staff in both CYFD and PED PreK programs need ongoing support to achieve the lead teacher and other staff requirements.

Furthermore, references are made suggesting the use of Head Start ARRA funds to provide additional training for NM PreK staff. It is our understanding that most new Head Start funding will be for Early Head Start and therefore, will not be available to help train NM PreK Staff. Furthermore, the ARRA funds are designated for training on specific Head Start issues, and not for the specific training and coaching we need for NM PreK.

Finally, throughout the report, more accountability, quality and fidelity to implementation are recommended. These cannot be accomplished with an extremely "lean" administrative structure that doesn't collect data, train and coach staff, evaluate externally, and in general, provide the capacity to deliver a high quality program. It is not duplicative for PED and CYFD to both contract with the support contractors, as each contract is for the staff in the programs tied to each agency.

With regard to PreK programming specifically administered by PED, please note the following:

- o Capital funds reverted because they could *only* be used for new structures, and not for portables;
 - o A plan has been developed and additional funds have been given to Gadsden, Central and Rio Rancho in an effort to address the \$1.1 million still not expended for this year. Three positions went unfilled;
 - o The PED PreK program serves many more children in rural areas and thus, must travel long distances on undeveloped roads. As such, the transportation costs are higher than for the children served in the CYFD program;
 - o The contract with YWCA by both CYFD and PED was for the purpose of keeping the training consistent among all the teachers, whether or not they are licensed; and
 - o For FY11, additional points will be awarded to districts whose RFPs indicate that Pre-K, K-3+ and Reading First programs are being aligned.
- Head Start and Head Start Like Programs: It is unknown at this time if sufficient new federal Head Start funds can replace the state Head Start and extended day funds since most will be slated for Early Head Start.
 - Child Development Programs: In conversations with LFC staff during the evaluation process, CYFD considered a recommendation to focus funds through this program on "investment zones" by targeting specific communities. However, it is important to note that it is not evident in the final report as to what exactly the LFC recommendation is as to the future utilization of these funds.

May 7, 2009

Please note that child development programs are *not* duplicative of any other services because they are specialized services for children 0-3, not child care, not for children with disabilities, not even services like early head start. They include services such as Parents as Teachers (two locations), supports for families with children in the UNM neonatal intensive care unit, babies at

the teen parent center and others. The programs in this set are exemplary because they have an observation and assessment system like NM PreK and provide the "pilot" for better programming for the youngest children. It is our opinion that it would be a mistake to reallocate these funds.

- **TEACH:** CYFD does not agree with the recommendation to eliminate funding for TEACH, as it is a proven system to educate a specific work force and specifically calls for improved staff quality.
- **Childcare:** CYFD strongly disagrees with the belief stated in the report that "Efforts to increase quality also increase per child costs which have reduced the number of children able to access the program." Efforts to increase quality have indeed resulted in an increase in the per child cost for childcare. However, the increase in quality has **not** reduced the number of children able to access the program. The child care program has served **every** eligible child requesting services since 1999 and furthermore, has not needed to create a waiting list since this time. CYFD continues in its ability to serve all children eligible, while continuing to push for quality enhancements.

CYFD will begin working with HSD to cross reference data in order to determine the use of child care by families participating in the TANF program. CYFD will develop a tracking system for TANF families that maintain their child care as they move off welfare and into work, and will further review and evaluate quality child care performance measures.

In summary, it is the firm belief of the state agencies that "one size does not fit all." As such, though we recognize the need for continued alignment and coordination of all services within the continuum of early childhood system in an effort to make the best and most efficient use of our resources, we acknowledge and support the need for a variety of supports and educational programs for New Mexico's greatest investment – our children.

Thank you for the opportunity to comment on the Investments in Early Childhood Program Evaluation. We welcome further dialogue and collaboration with LFC staff on the matter, as it is essential that all parties concerned with and involved in the early childhood services system have a clear understanding of the complexity of the system, as well as the elements essential for an accessible, diverse, and quality service network that provides effective outcomes for our children and families.

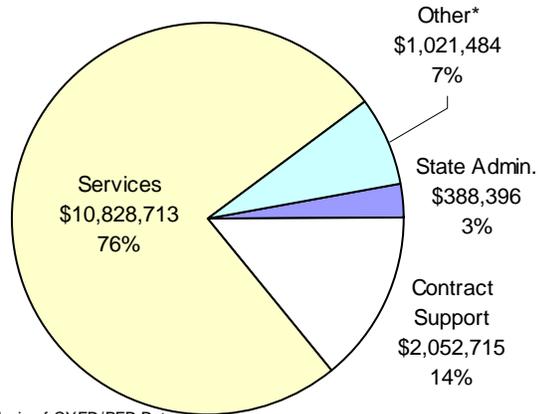
We look forward to our continued work together for this very important cause.

Sincerely,

Dorian Dodson Cabinet Secretary, CYFD	Veronica Garcia Cabinet Secretary, PED	Alfredo Vigil, MD Cabinet Secretary, DOH	Pamela Hyde, JD Cabinet Secretary, HSD
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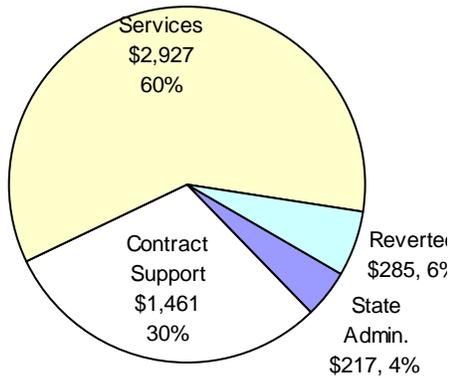
**NM PreK Expenditures
FY07-FY08**

**NM PreK Spending - FY08
(\$14,291,308)**



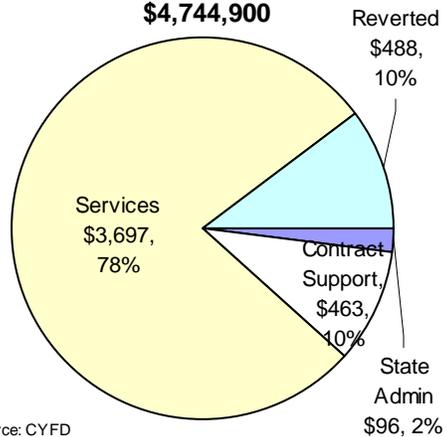
Source: LFC Analysis of CYFD/PED Data.
*Includes reversions and \$497k in prior year expenses by PED.

**PED - FY07
\$4,891,193**



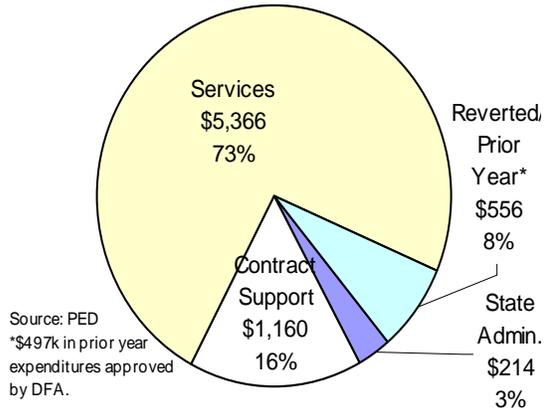
Source: PED

**CYFD - FY07
\$4,744,900**

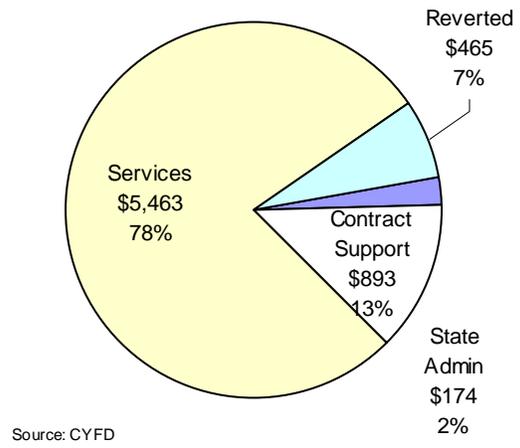


Source: CYFD

PED - FY08
\$7,296,407



CYFD - FY08
\$6,994,900



Infants in Licensed Care by STARS Quality Rating

Quality Rating	Jun-07		Jun-08		Feb-09	
One Star	559	23%	469	17%	481	14%
Two Star	1084	44%	1308	46%	1509	45%
Three Star	276	11%	268	10%	355	11%
Four Star	120	5%	259	9%	428	13%
Five Star	430	17%	511	18%	579	17%
Total	2469	100%	2816	100%	3352	100%

Source: CYFD

Average Number of Children Served by Setting

	2003	2004	2005	2006	2007	2008	2009
Centers	10,105	11,708	12,526	13,148	13,643	14,887	15,631
Group Homes	1,112	1,337	1,353	1,395	1,377	1,445	1,467
Licensed Homes	395	571	593	517	516	529	574
Registered Homes	10,719	11,723	10,537	8,195	6,564	5,965	5,831
Total	22,331	25,339	25,009	23,255	22,100	22,826	23,503

Source: CYFD

Children in Licensed Care by Age Group

Age Group	Jun-07		Jun-08		Feb-09	
Infants	2,818	18%	3,172	19%	3,757	21%
Toddlers	2,165	14%	2,444	14%	2,893	16%
Pre-School	6,149	40%	6,650	39%	6,870	39%
School Age	4,404	28%	4,595	27%	4,151	23%
Total	15,536	100%	16,861	100%	17,672	100%

Source: CYFD

Rigorous Evaluations Exist of 20 Early Childhood Intervention Programs

Program	Type	Reach	Initial year of evaluation
Carolina Abecedarian Project	Combination (home visiting/ parent education combined with early childhood education)	One site in North Carolina	1972
Chicago Child-Parent Centers	Combination	Chicago, Ill.	1983
Comprehensive Child Development Program	Combination	Nationwide demonstration projects	1990
DARE to be You	Parent education	Western states	1991
Developmentally Supportive Care: Newborn Individualized Developmental Care and Assessment Program	Home visiting	National	1979
Early Head Start	Combination	National	1995
Early Training Project	Combination	Murfreesboro, Tenn.	1962
Head Start	Combination	National	1967
High/Scope Perry Preschool Project	Combination	Ypsilanti, Mich.	1962
HIPPY (Home Instruction Programs for Preschool Youngsters) USA	Parent education/home visiting	Multiple states	1990
Houston Parent-Child Development Center	Combination	Houston, Tex.	1970
Incredible Years	Parent education	Multiple states	Mid-1990s
Infant Health and Development Program	Combination	Eight sites	1985
Nurse-Family Partnership Program	Home visiting	Multiple states	1978
Oklahoma Pre-K	Early childhood education	Oklahoma	2001
Parents as Teachers	Parent education/home visiting	National	1991
Project CARE (Carolina Approach to Responsive Education)	Combination	One site in North Carolina	1978
Project CARE	Home visiting	One site in North Carolina	1978
Reach Out and Read	Parent education	National	1996
Syracuse Family Development Research Program	Combination	Syracuse, N.Y.	1969

SOURCE: RAND, *Early Childhood Interventions*, 2005.

RAND: Summary of Economic Returns of Selected Early Childhood Interventions

Program	Type	Age at Follow-Up	Program Costs	Total Benefits to Society Per Child	Net Benefits to Society Per Child	Benefit – Cost Ratio
Programs with Follow-Up During Elementary School Years						
Comprehensive Child Development Program	Combo (Home Visiting, Parent Education, early childhood education)	5	\$37,388	(\$9)	(\$37,397)	None
Home Instruction Programs for Preschool Youngsters USA (HIPPI)	Home Visiting/ Parent Education	6	\$1,681	\$3,032	\$1,351	\$1.80:\$1
Infant Health Development Program	Home Visiting/ Parent Education	8	\$49,021	\$0	(\$49,021)	None
Programs with Follow-Up During Secondary School Years						
Nurse-Family Partnership (low & high risk sample)	Home Visiting/ Parent Education	15	\$7,271	Low Risk - \$9,151 High Risk – \$41,419	Low Risk - \$1,880 High Risk – \$34,148	Low Risk - \$1.26:\$1 High Risk – \$5.70:\$1
Home Visiting for at-risk mothers (meta-analysis)	Home Visiting/ Parent Education	Varies	\$4,892	\$10,969	\$6,077	\$2.24:\$1
Programs with Follow-Up During To Early Adulthood						
Abecedarian Project	Combination	21	\$42,871	\$138,635	\$95,764	\$3.23:\$1
Chicago Child-Parent Centers	Combination	21	\$6,913	\$49,337	\$42,424	\$7.14:\$1
High/Scope Perry Preschool*	Combination	27	\$14,830	\$76,426	\$61,595	\$5.15:\$1
Early Childhood Education for low-income 3- and 4-year olds (meta-analysis)	Combination	Varies	\$6,681	\$15,742	\$9,061	\$2.36:\$1
Programs with Follow-Up to Middle Adulthood						
High/Scope Perry Preschool	Combination	40	\$14,830	\$253,154	\$238,324	\$17.07:\$1

Source: Rand Review & Early Childhood Interventions: Proven, Results, Future Promise, 2005, Rand
Notes: All dollar values are 2003 U.S. dollars per child and are the net present value amounts over time.

*Include only "tangible" crime costs of property loss, lost work time for example. Another estimate for this program included "intangible" crime costs such as pain and suffering.