



EARLY CHILDHOOD CARE AND EDUCATION IN NEW MEXICO: USING NEW TOOLS AND RISING TO THE CHALLENGE

by Jacob Vigil, MSW | February 2023

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INTRODUCTION



The years when our youngest children are developing and growing – from babies bonding with and being nurtured by their mothers during pregnancy to kids preparing to enter kindergarten – are hopeful and exciting times. Supporting kids in their earliest years is one of the smartest investments we can make. A strong foundation in the earliest years improves outcomes and prevents the need for costly educational remediation later in life, as well as the costly impacts of health and social problems that arise from trauma, poverty, and inequities experienced later in childhood. Investments in our youngest children – *all* children – are a sound and surefire route to a better future for New Mexico.

Research shows us the best way to ensure that our children have the opportunities they need to succeed: by providing high-quality early childhood care and education (ECCE) programs. Cognizant of that research, New Mexico’s policymakers have made great increases in the funding for these programs in recent years. Despite these advances, the un-met need

remains great. If we are to see broad improvements in child well-being, these investments – which were made in child care assistance, increased wages for early childhood workers, and expanded pre-K and home visiting programs – must be maintained and their funding made permanent and reliable.

Rising to the challenge of making New Mexico a better place for kids and meeting the needs of our youngest kids will require bold and sustainable investments, leadership that is empowered and homegrown, and long-term, imaginative policymaking. It will require that we approach child-focused policy more broadly, in recognition that strong foundations depend on strong families, healthy environments, and sustainable and robust economies. Our state is at a critical juncture – and a moment of great opportunity – and we believe New Mexicans are up to the challenge of doing what it takes to truly improve prospects for the next generation.

THE UN-MET NEED IS GREAT

Over the last few years, policymakers in New Mexico and on the federal level allocated unprecedented funding for programs supporting our young children and showing that, even in a time of unprecedented uncertainty and crisis, bold action was possible. In New Mexico, this included the creation of a new, cabinet level, Early Childhood Education and Care Department (ECECD) in 2019 and an Early Childhood Trust Fund in 2020. In 2021 the Legislature passed a joint resolution to allow the voters to determine via a constitutional amendment if the state should increase annual distributions from its multi-billion-dollar Land Grant Permanent Fund and spend some of that new money on ECCE services.

In 2022, New Mexico policymakers used federal pandemic relief funds to make child care free for almost all New Mexico families.¹ Incentive pay and grants for providers to increase child care worker pay helped rescue an industry badly damaged by the pandemic and keep parents in the workforce – while keeping doors open so children could receive safe and nurturing care.

In the 2022 election, voters sent the message loud and clear by approving the constitutional amendment to direct more funding to ECCE programs. The amendment passed with a bipartisan 70% voter approval. It passed in 30 of New Mexico's 33 counties, tied in one, and lost by very narrow margins in two. That message was: all of our children deserve access to high-quality early care programs and the state

should ensure stable, dedicated funding sources. These developments should be celebrated, but they are only part of the story. There is still much need in our state and the outlook for kids in New Mexico remains fragile and uncertain.

While we've made unprecedented investments of public funding in early childhood, it is critical we recognize that there is still a long way to go. The ECECD estimates the **total unmet need for the programs that serve young kids in our state at \$400 million.**² The funding distributed from the state's Land Grant Permanent Fund through CA1 will amount to about \$150 million annually for ECCE programs. Meeting the full need should not be a controversial decision, especially in times of plenty. We also know that our revenue situation – which is currently very strong, thanks to federal relief funds and high oil and gas prices – will not be favorable forever. There will eventually be a downturn, and our economy remains too vulnerable and our state budget too over-reliant on revenue from gas and oil to weather it well. Our economy relies on families having access to affordable child care, enabling parents to remain in the workforce or in school. Limited or unaffordable child care forces many parents to leave paid work, reduce work hours, or make other difficult financial decisions for their families. This is detrimental to the economy, as working families nationwide lose more than \$8.3 billion in annual wages due to insufficient child care access.³

Early Childhood Capacity and Need

- The estimated child care shortfall in New Mexico is **23,042 licensed slots**.
- **60%** of New Mexico children have all available parents in the workforce.
- There are only enough licensed child care providers for **86%** of children younger than 6 with both parents working.
- 14 of New Mexico's 33 counties – home to about **21% of our total population** – could be classified as child care deserts.
- There are only enough licensed child care slots for **about 50%** of infants and toddlers with all available parents in the labor force.

Source: "Building a Strong System of Early Education and Care for New Mexico," ECECD presentation to Legislative Finance Committee, Aug. 25, 2021

We have the framework in place to direct additional new money in smart and effective ways for long-term impact, with our ECECD, local leaders, stakeholders, coalitions, parents, and communities leading the way. Building a cohesive, equitable, and responsive prenatal-to-five early childhood system that supports families,

strengthens communities, and enhances child health, development, education, and well-being will require a lot of resources – resources our state has shown it has the ability to muster and commit to this goal.

Child Care Industry and Workforce

- With an average cost of \$9,135 per year for center-based infant care, a family earning \$22,209 would spend **41%** of their monthly income on child care alone.
- The average annual cost of child care is **higher than a year's tuition** at a public university.
- The poverty rate for early educators in New Mexico is **27%** – **more than two times higher** than for workers in general.

Sources: "The US and the High Price of Child Care: 2019," Child Care Aware of America, 2019 (cost); and "A values-based early care and education system would benefit children, parents, and teachers in New Mexico," Economic Policy Institute, January 2020 (poverty rate)

HOW YOUNG CHILDREN ARE FARING IN NEW MEXICO

Given our high rate of child poverty, New Mexico's rankings for child well-being remain stubbornly low⁴ compared to other states, and children's lives are still marked by persistent inequity by race, ethnicity, region, and economic status. Adverse childhood experiences (ACEs) continue to mark the lives of New Mexico children at higher rates than in any other state.⁵ The story told by the data on children's well-being is an unfortunately familiar one. New Mexico children continue to face myriad challenges. The results of generational trauma and poverty are evident not just in the statistics about young kids, but in data about health outcomes, economic security, and educational attainment throughout the lifespan. The COVID-19 pandemic exacerbated many of these chronic barriers, and though by some measures the economy has recovered, the effect of the trauma on kids' development and their lived experiences is still very salient and in many cases has yet to be fully measured or understood.

New Mexico's data on behavioral problems, delays in learning, economic instability at home is distressing – but these are not just numbers. These issues are the painful realities that families and kids face each day. From those who found themselves homeless and without enough to eat after the loss of a job due to the pandemic, to those who had to flee fires in

northern New Mexico, each statistic represents a web of interconnected lives – parents, siblings, extended family, elders, community members – grappling with the reverberating effects of stress and trauma. And, for many New Mexico families, such stress and trauma have been present for generations.

In 2018, New Mexico had a lower-than-average rate of children having had no ACEs, and when it came to children who suffered between three and eight ACEs, New Mexico and Arizona were tied for the highest rate in the nation – 18%. The national average was 11%.⁶ It is also important to note that the causes and conditions that lead to ACEs and toxic stress are often chronic and generational, and rooted in historical and institutional racism. With centuries of colonization and a history that includes slavery, displacement, cultural erasure, racism, substance misuse, and violence, many New Mexico children inherit a generational burden of trauma that continues to manifest in health and educational outcomes. This painful history has led to policies and practices that harm infants and toddlers of color and their families, even when they have resilient communities and strong, loving families. The financial costs associated with ACEs are significant and are borne by both the public and private sectors.

In spite of the post-pandemic rebound in employment, the economic future remains uncertain for many families – particularly families of color. While the numbers only tell part of the story, they are vital for understanding how and where public investment in early childhood programs will make the most difference. They tell the

story of a population of children facing challenges no children should face, highlighting the urgency and importance of ensuring that these programs and services are available to all in our state who could benefit.

Young Children in New Mexico: Demographics and Well-being

- **77%** of children in our state are children of color.
- More than **28%** of children younger than 5 live in poverty (32,465 children in 2021), which is one of the **highest rates in the nation**.
- **27%** of all families in New Mexico are considered low-income working families, meaning they earn less than 200% of the Federal Poverty Level (FPL; \$51,500 for a family of four) and at least one parent worked 50 or more weeks during the previous year.
- **18%** of the state's children have three or more ACEs – **nearly double the national rate**.
- **More than 37,000** New Mexico 3- and 4-year-olds are projected to lack access to pre-K in 2024.

Sources: "The prevalence of adverse childhood experiences, nationally, by state, and by race or ethnicity," Child Trends, Feb. 2019 (ACEs); "Four-Year Finance Plan 2023-2026," NM Early Childhood Education and Care Department, Nov. 2021 (projected pre-K); and KIDS COUNT Data Center, Annie E. Casey Foundation (all other data)

Pandemic Impacts on Child Well-Being

- **18%** of households with children had little to no confidence in paying rent or mortgage on time as of April 27, 2022 - May 9, 2022.
- **54%** of households with children had difficulty paying for usual household expenses as of November 2-14, 2022.
- **32%** of households with children indicated the children were not eating enough because food was unaffordable as of October 5-17, 2022.
- **26%** of households with children under 5 whose child care arrangements were disrupted because of COVID-19 as of July 25, 2022 - August 8, 2022.
- **29%** of adults in households with children felt nervous or anxious for more than half of the days or nearly every day in the past two weeks as of November 2-14, 2022

Sources: Population Reference Bureau analysis of U.S. Census Bureau, Household Pulse Survey

THE SCIENTIFIC AND ECONOMIC CASE FOR EARLY CHILDHOOD



The value and importance of programs that support kids and parents in the earliest years has been widely established and studied in neurobiology, psychology, economics, and other fields. As knowledge of early childhood brain development and its impact on the lifespan has grown, policymakers on the federal, state, and local levels have responded: programs, departments, systems, and funding focused on providing a strong start for young kids have proliferated in recent years.

Early childhood programs are predicated on science, establishing that the basic architecture of the brain is built through an ongoing process that begins before birth and continues into adulthood. Early experiences affect the quality of that architecture by creating either a stable or a fragile foundation. In the first few years of life, more than 1 million new neural connections are formed every second.⁷ The interaction between genetics and experience shapes the developing brain, and all the domains of development are highly interrelated. Emotional well-being and social competence provide a foundation for emerging cognitive abilities. The emotional and physical health, social skills, and cognitive and language capacities that emerge in the early years are all important for success in school and beyond.

Conversely, toxic stress damages developing brain architecture, leading to lifelong problems in

learning, behavior, and physical and mental health. Scientists now know that chronic stress in early childhood – caused by ACEs such as extreme poverty, repeated abuse, or severe maternal depression, for example – can be toxic to the developing brain. Without the protection of positive adult support and interaction, toxic stress and its effects on the body become ingrained.⁸

As a preventive intervention, early childhood programs and supports are not just good science, they are good economics and good policy. Programs like home visiting are based on science showing that, in situations where toxic stress is likely, intervening as early as possible is critical to achieving the best outcomes. Early intervention programs help identify developmental issues early and provide the necessary supports, resulting in fewer costly interventions later in life. Supportive relationships and positive learning experiences begin at home but can also be provided through a range of effective services such as high-quality child care and pre-K. Economists have found a 13% return on investment (ROI) for comprehensive, high-quality, birth-to-five early education.⁹ Child care for single mothers pursuing higher education has a 5.5% ROI and increases graduation by 21%.¹⁰ The future economic benefits of early childhood programs come in the form of better education, health, social and economic outcomes.

WHAT GOOD ECCE SERVICES LOOK LIKE



Policies that support children from prenatal through age 5 (the age-range most commonly defined as early childhood) are varied in their design and desired outcomes, but all can be described as having two goals: **to empower parents and foster environments in which children can thrive from the start.**

More specifically, ECCE services – evidence-based programs such as home visiting, child care, and pre-K – are the most common examples of local, state, and federal governments’ supports that are targeted to the earliest years. These programs are effective in improving educational and life outcomes for children and demonstrate an excellent return on investment by providing a strong foundation that reduces the need for and cost of remediation later on.

Home visiting describes a prevention strategy to support pregnant and new parents to promote infant and child health, foster educational development, and prevent child abuse and neglect. Home visiting programs vary in design and focus across the country, but all seek to offer vital support to parents as they deal with the challenges of raising babies and young children. Participation in these programs is voluntary and families can opt out whenever they want. Home visitors may be trained nurses, social workers or child development specialists. Their visits focus on linking pregnant women with prenatal care, promoting strong parent-child attachment, coaching parents on what to expect during their child’s developmental stages and learning activities that foster that development, and supporting parents’ role as their child’s first and most important teacher. Home visitors can also conduct regular screenings to help parents identify possible health and developmental issues. Home visiting has been shown to reduce child abuse and build strong foundations for health and learning by supporting parents when their children are in the most critical years for brain development – from prenatal through age 3. In New Mexico, state-funded home visiting is free for all families regardless of income.

Child care assistance supports parents, allowing them to stay employed or pursue further education

while keeping their children safe. Since the need for child care is so pressing and prevalent, given that few families can afford a full-time stay-at-home caregiver, it only makes sense to ensure that the experiences children have while in the care of others helps them build a robust foundation for later learning and life. High-quality child care can help prepare children for success at school. But high-quality child care is expensive. In New Mexico, the Child Care Assistance program covers the cost of child care for families living at or below 400% of the federal poverty level. To qualify, parents must be working or in school. This assistance covers services like child care centers, in-home child care, Head Start, and pre-K programs. Child care in New Mexico is monitored by the ECECD, which oversees the licensing and registration of child care providers.

Pre-kindergarten is an educational and child development program designed to prepare children from ages 3 to 5 for an academic kindergarten program. Some pre-K programs, such as federally funded Head Start, provide comprehensive health, education, and social services. New Mexico Pre-K is a voluntary program funded by the state that began in 2005 to ensure that every child in New Mexico has the opportunity to attend a high-quality early childhood education program before going to kindergarten. Both child care services and pre-K depend on a workforce of teachers and providers who must meet rigorous educational and training requirements set by states. The early childhood workforce provides developmentally appropriate activities for New Mexico children.

Developmental programs, specifically those established through the Individuals with Disabilities Education Act (IDEA), Part C, are used to help families who are concerned about their child’s development or for families who have identified developmental delays in their children. IDEA Part C programs – commonly known as early intervention – focus on children from birth through age 3. In New Mexico, these programs are administered through the Family Infant Toddler (FIT) Program under the ECECD.

THE PATH FORWARD

We know that healthy development in the earliest years is impacted by the well-being of families, which is in turn shaped by a broad range of social and environmental determinants. The understanding of early childhood policies has broadened, encompassing necessities like paid family medical leave and tax credits, prenatal and postpartum care, developmental services, housing, and environmental policy. Likewise, the supports, policies, and programs that are funded with public dollars and that are essential for positive child development aren't just limited to education and child care.

We owe it to this youngest and most vulnerable generation to ensure that our budget, our economy, and our health care and educational systems are designed and resourced with them in mind, in ways that recognize the science of brain development and the interconnectedness of experiences, health, learning, environment, and relationships. The science of human development tells us that young brains are shaped by the interconnectedness of experiences, relationships, and genetics. When infants and toddlers are growing, the different areas of development, including cognitive growth, physical health, and social-emotional skills, are very closely linked and interrelated.

As a result, the environments and relationships children grow up in – no matter how broad – are all critical. This means that when it comes to policy, an effective approach to early childhood well-being must include policies that broadly support strong families and communities.

In order to continue our state's historic investments in early childhood programs, we will need reliable, sustainable, and permanent funding sources. **This funding must be predicated on the understanding that budgeting resources for our kids now is both urgent and prudent, a short-term necessity and a long-term strategy for a thriving state.** The ECECD needs adequate resources and support to be successful, just like our families who earn low wages need work supports and programs like child care assistance, pre-K, and home visiting to be successful. Additionally, a comprehensive approach to children from prenatal to age 5 requires more than investment in programs that address those years. A robust and broad policy agenda that centers family economic security and racial equity is what will ensure the best possible environment for our kids to thrive in.



POLICY RECOMMENDATIONS

Preserve and expand stable long-term funding for ECCE programs

- Ensure that general fund dollars for ECCE programs are not supplanted by any new or future trust fund or permanent fund disbursements;
- Increase teacher pay and achieve pay equity by investing in a wage supplement program for early childhood providers;
- Find permanent funding for expanded child care assistance and eliminate co-pays for all parents to ensure that they are supported; and
- Expand home visiting through Medicaid, both as a source of funding and by making more home visiting models eligible

Increase the Child Tax Credit

- Increase the amount of the Child Tax Credit for families earning low and moderate incomes to allow for greater economic security and improved racial, ethnic, and gender equity in our tax code.

Improve family economic security

- Create a Baby Bond program that supports economic security for children and families;
- Increase Temporary Assistance for Needy Families (TANF) benefits to families;
- Include immigrant families in safety net supports; and
- Create guaranteed basic income (GBI) programs for parents and young families

Improve access to and affordability of health care

- Ensure that prenatal and postpartum care, behavioral health, trauma-informed care, and developmental screenings services are accessible and affordable.

Ensure families have access to affordable and nutritious food

- Make improvements in the Women, Infants, and Children (WIC) program; and
- Increase budget appropriations for and investments in food security programs

Increase access to stable and affordable housing

- Improve housing assistance and protections for renters

Protect the environment, and healthy air and water

- Enact robust policies to combat climate change and its impacts and create a just and equitable transition away from fossil fuels; and
- Institute procedures that assist families negatively impacted by climate change.

Raise revenue and improve equity in our tax code

- Enact progressive tax policies that center racial, gender, and income equity in our state and local tax code (e.g. increasing the personal income tax for higher-earners and the corporate income tax for large corporations, and repealing the capital gains deduction, which favors income from wealth over income from hard-earned wages); and
- Improve revenue stability and diversification in order to transition away from volatile oil and gas revenues (which currently comprise a third of our general fund revenues) so that we can continue to invest in the public-sector programs and services that are important to New Mexico's workers and communities, regardless of the price of oil.

Enact paid family and medical leave

- Enable parents to bond with their newborns, care for a sick child, or protect their own health without fear of losing their job. When parents and caregivers have dedicated time at home with their young children, they are able to attend well-child medical visits and ensure that their children receive all necessary immunizations. These practices lower infant mortality and reduce the occurrence and length of childhood illnesses. Paid leave is also associated with health benefits for new mothers, including declines in postnatal depression and improvement in overall health.¹¹

CONCLUSION



It is not news – but it bears repeating – that New Mexico children have long struggled with a variety of challenges, stemming from both historical inequities and trauma, and modern policy decisions. The early childhood landscape also faced significant problems before the pandemic, and the COVID-19 pandemic’s adverse impact on children and systems that serve them has been well documented.¹² Child care providers faced chronically low pay (coupled with the increasing professionalization of their field) and then were hit with mass closures and parents leaving the workforce. While New Mexico has risen to the occasion in many ways, utilizing federal relief funds to expand eligibility, provider rates, and teacher pay, there is still a long way to go and much of the federal funding that kept the system afloat in the last couple years will soon expire.

Now that we have begun to take bold steps to ensure all young kids have safe, supportive environments to build strong foundations for lifelong success, we should not back away. The funds and allocations that have been established and earmarked exclusively for early childhood should remain so. Stable and permanent funding is crucial to building the early childhood system New Mexico families deserve: high-quality child care; robust home-visiting, early intervention and other family supports; New Mexico Pre-K; and a qualified, stable workforce to power the whole spectrum of services.

Now is not the time to pull back from the bold and forward-thinking decisions we’ve made in the last

few years. The unmet need across our state is great, and while there is no shortage of research, ideas, leadership, and passion among all those who care about young kids, there is a shortage of the resources needed to make their vision a reality. All children deserve access to high-quality early care programs and that requires stable, dedicated funding sources. In order to ensure that we can support these crucial programs now and far into the future, the funds that have been designated for early childhood programs must be preserved and maintained for their intended uses.

As we look to 2023 and beyond, our state enjoys a budget surplus buoyed by high oil prices. While it may be tempting to continue the status quo and hoard away this wealth, such a course would do nothing to help our families and kids in crisis or ensure their prosperity and thriving down the road. If ever there have been “rainy days,” we have already seen them: the pandemic and growing climate crisis, all compounded by generations of trauma and systemic inequity. Our children’s health and well-being are worthy of our attention and our budgets now and are far too important to be left to the unpredictable fluctuations of the economy and oil and gas volatility. A better future for our kids and the tools to achieve it are within our grasp – let us not pull back when the future remains so uncertain, and the present moment confronts the youngest New Mexicans with unprecedented challenges. We can and must do better.

ENDNOTES

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