NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

2023 Accountability Report
# Early Childhood

Implementation

Early childhood services can lead to positive outcomes, and investments have increased over 50 percent since FY23; however, challenges with program implementation and oversight remain.

New Mexico continues to invest heavily in quality services for at-risk children, which can impact their future educational and economic success. However, maximizing the return on investments in such programs poses challenges related to implementation. The state will need to consider how to balance fast growing resources for early childhood given the large balance in the early childhood trust fund and the new allocation of permanent school fund dollars to early childhood. Significant early childhood investments in FY24 included expansion of prekindergarten to improve education outcomes and replacement of nonrecurring federal revenues with state revenues to continue executive policy changes in the Childcare Assistance program.

When thinking about early childhood program expansion and implementation, the number of children served is a key consideration. However, births in New Mexico have been declining much faster than originally anticipated. The University of

**Chart 2. Births Continue to Decline in New Mexico**

Source: DOH
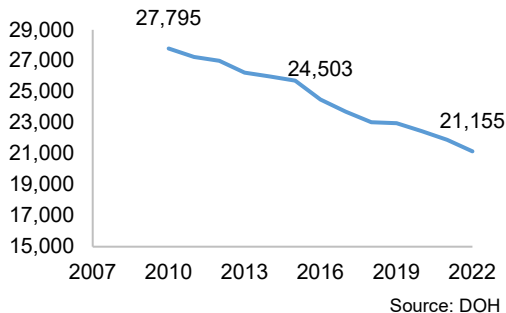
New Mexico Geospatial Population Studies (GPS) department projected the state would have a 30 percent decline in births from 2010 to 2040; however, in about a third of that time, the state has already seen a decline of 24 percent, averaging a decrease of about 2 percent per year. As births continue to decline, the number of children needing early childhood services will also decline.

In recent years, LFC highlighted, while funding may no longer be a main barrier to family access in many areas of the state, implementation may hinder early childhood program outcomes. While home visiting services can lead to some positive benefits for families enrolled in the family supports program, the full expected benefits are likely not realized for most families. Only 7 percent of families completed the program in FY23, down from the 11 percent that completed in FY22, reported in a July LFC home visiting evaluation. When examining population-level health and safety metrics, infant mortality and abuse and neglect deaths have improved; however, substance use and repeat maltreatment remain high.

Oversight of prekindergarten quality can be difficult as both the Early Childhood Education and Care Department (ECECD) and the Public Education Department (PED) have different educational requirements for teachers and report different information on classroom quality. ECECD is the lead data reporting agency and policy recommendations are based on analysis of the data.

Chart 1. Recurring Early Childhood Funding History*
(in millions)

- **FIT** (green)
- **Prekindergarten** (gray)
- **Home Visiting** (orange)
- **Child Care Assistance** (blue)
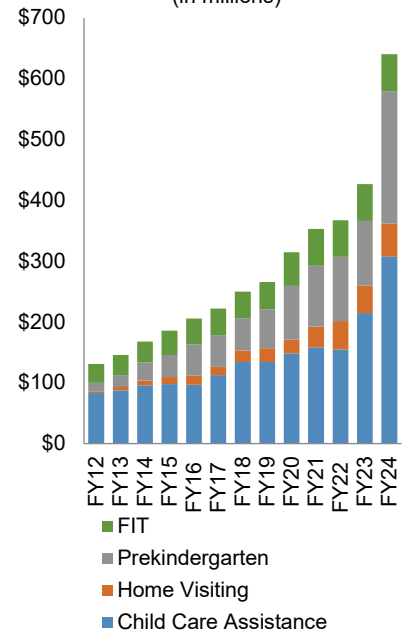
*Note: Federal Head Start program and State K-12 Plus and Early Literacy programs not included.
Source: LFC Files

Early Childhood Program Issues and Impact

- **Home Visiting –** Low enrollment and completion depress the anticipated benefits of parental education and family supports offered by the program.

- **Prekindergarten –** Students continue to be retained in kindergarten at lower rates and are more ready for kindergarten than their nonparticipating peers.

- **Head Start –** Enrollment continues to decline, falling 45 percent since FY12.

- **Childcare Assistance –** ECECD used nonrecurring federal funding for expansion and policy changes. To continue these policies, state funds will be needed to backfill one-time federal revenues. More availability of services for children under age 2 could improve labor force participation.

- **Child Welfare –** If New Mexico had the same rate of repeat maltreatment as the national rate, there would be close to 360 fewer cases annually.

- **FIT –** New Mexico is identifying and enrolling at-risk children at a high rate.

Funding of the Early Childhood System

Funding and capacity for early childhood services has steadily increased. In FY24, the Legislature appropriated nearly $640 million to early childhood programing, an increase of over 50 percent since FY23. Partly due to a recent constitutional amendment that increases early education distributions from the permanent school fund, for FY24, the Legislature appropriated $327.6 million in recurring general fund revenue for ECECD alone, a nearly 68 percent increase from the FY23 operating budget. For many of these programs, funding and enrollment have increased due to a number of factors, including policy changes.
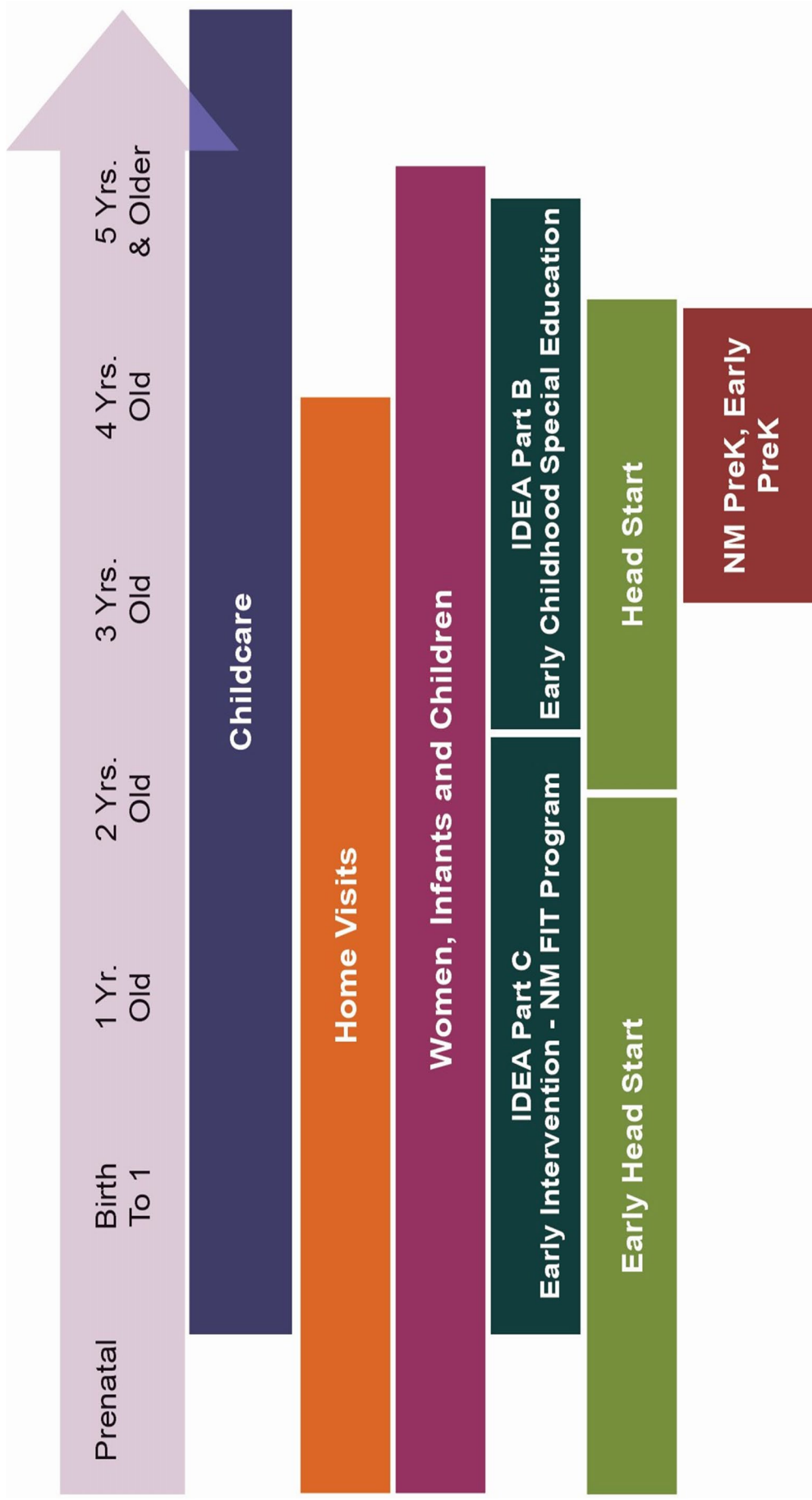
Due to record-setting revenues, the department will receive an additional $150 million from the early childhood trust fund to increase services for childcare assistance, tribal early childhood, and workforce supports. This amount is much larger than expected when the trust fund was created. A law enacted in 2023 requires either $150 million or 5 percent of the average year-end market value of the fund, whichever is greater, to be distributed each year. At the end of calendar year 2023, the early childhood trust fund is expected to have $5.5 billion, and that balance is projected to almost double by 2027. Given the increased revenues from both the permanent school fund and the early childhood trust fund, these sources should be prioritized as state spending on early childhood expands.

Table 1. Early Childhood Trust Fund Forecast

Early Childhood Trust Fund Forecast - August 2023

(in millions)

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Beginning Balance	$300.0	$300.0	$314.1	$3,462.0	$5,523.6	$7,769.6	$9,071.3	$9,909.5	$10,177.7
Gains & Losses	$6.1	$34.1	($6.4)	$138.5	$220.9	$310.8	$362.9	$396.4	$407.1
Excess Federal Mineral Leasing	$0.0	$0.0	$1,501.5	$2,073.1	$999.1	$647.8	$381.5	$51.6	$0.0
Excess OGAS School Tax*	$0.0	$0.0	$1,682.8	$0.0	$1,181.0	$622.4	$466.7	$266.1	$58.9
Distribution to ECE Program Fund	$0.0	($20.0)	($30.0)	($150.0)	($155.0)	($279.3)	($372.7)	($445.8)	($486.0)
Ending Balance	**$306.1**	**$314.1**	**$3,462.0**	**$5,523.6**	**$7,769.6**	**$9,071.3**	**$9,909.5**	**$10,177.7**	**$10,157.7**

*Excess OGAS School Tax distributed to Early Childhood Trust Fund if general fund reserves are at least 25% throughout forecast period, and distributions occur for prior fiscal year in January of the following calendar year.

Note: Investment return assumed at 4% and distributions occur on July 1, based on previous calendar year-ending balance.

			FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Distribution to ECE Program Fund			$0.00	$20.00	$30.00	$150.00	$154.99	$279.25	$372.74	$445.84

Source: August 2023 Consensus Revenue Forecast

LFC's biennial Early Childhood Accountability Report is intended to provide a system-wide look at key early childhood indicators across state agencies and consolidate information regarding expenditures and outcomes. The report provides trend data indicating mixed performance results on measures reported two years ago.

Prenatal	Birth To 1	1 Yr. Old	2 Yrs. Old	3 Yrs. Old	4 Yrs. Old	5 Yrs. & Older

Childcare

Home Visits

Women, Infants and Children

IDEA Part C
Early Intervention - NM FIT Program

IDEA Part B
Early Childhood Special Education

Early Head Start

Head Start

NM PreK, Early PreK

Early Childhood Accountability Report- 2023 Update

HEALTHY	Infant Mortality (per 1,000 children)	Low Birth Weight	Rate of Babies Born Substance Exposed (NAS) (per 1,000 births)	Early Access to Prenatal Care
	2021	2021	2021	2021
	4.8	**9.4%**	**13**	**68%**
	2020 – 5.3	2020 – 8.9%	2020 – 13	2019 – 68%
	Better	Worse	Same	Same
	U.S. – 5.4 (2020)	U.S. – 8.5%	U.S. – 6.3 (2020)	U.S. – 78%

SAFE	Abuse or Neglect Deaths (per 100,000 children)	Rate of Child Maltreatment (per 1,000 children)	Rate of Foster Care Placement (per 1,000 children)	Repeat Maltreatment (12 month rate)
	2021	2021	2021	FY23
	2.11	**12.6**	**2.0**	**14%**
	2020 – 2.75	2020 – 14.9	2019 – 3.2	FY21 – 13.8%
	Better	Better	Lower	Worse
	U.S. – 2.5	U.S. – 8.1	U.S. – 3.0	

READY TO LEARN BY KINDERGARTEN	K Reading Proficiency Beginning of Year	Rate of Children Under 5 in Poverty	Funded Slots for Kids Age 0-4 Early Childhood Programs	Low Income 4-Year-Olds in PreK, Child Care, and Head Start*
	FY23	2021	FY22	FY22/FY23
	Not Available*	**28.6%**	**92,827**	**63%**
		Better	Better	Worse
	FY20 – 17%	2020 – 29.9%	FY20 – 81,547	FY20/21 – 64%
		U.S. – 18.3%		*Estimate as PED data unavailable.

EDUCATED 3rd Grade	Reading – All Kids	Reading – Low-Income Kids	Math – All Kids	Math – Low-Income Kids
	2023	2023	2023	2023
	Not Available**	Not Available**	Not Available**	Not Available**
	2022 – 32%	2022– 26%	2022– 22.8%	2022 – 26%

** Note: The state is unable to track student performance because PED was unable to provide LFC staff with requested performance data in time for this report; 2021 data was voluntary and, therefore, not reflective of statewide averages.

HOME VISITING	Families Receiving 5 or More Visits	Percent of Families Completing Home Visiting*	Substantiated Maltreatment Referrals During Participation**	Percent of Referrals to Other Services Leading to Engagement
FY23 $45.1* **FY24** $53.3* Million Million 4,601 6,601 *Note: Includes potential Medicaid funding. Source:	FY23 **67%**	FY23 **7%** *Of those families discharged	FY22 **0.87%** **Families receiving HV services for at least 6 months	FY22 **41%**
	Lower FY20 71.6% ECECD	**Lower** FY22 11% ECECD	**Higher** FY21 0.62% ECECD	**Lower** FY21 46% ECECD

Home Visiting

Home Visiting is a parent education program funded to serve approximately 6,600 families in FY24. This voluntary program provides family support and helps teach parenting skills critical to improving childhood outcomes during pregnancy and the first few years of a child's life. The program pivoted to video and tele-visits during the pandemic. Post-pandemic, families can choose whether they meet in person or virtually.

Impact

Home visiting can positively impact several child and family outcomes, including reducing child maltreatment and improving parent-child interactions. However, while home visiting should also improve specific health metrics and lead to referrals and engagement in other needed services, New Mexico does not always see these full benefits, especially given its low completion rates. Those rates have fallen for the last three fiscal years. Some home visiting models get larger and more benefits than others. According to a 2023 LFC evaluation of home visiting in New Mexico, participation in the Nurse Family Partnership generally led to the most positive outcomes. However, less than 10 percent of contracted slots in the state are for this model. Additionally, research highlights the need for earlier and more family visits to make the largest impact.

Issues

The state has funded home visiting for over a decade and has seen large growth in the program overall. However, growth in funding has outpaced enrollment. A multitude of factors are leading to this, including policy changes and increased rates for home visiting providers, as well as the slow expansion and uptake of Medicaid-funded home visiting.

The state is introducing four new home visiting models in FY24: Healthy Families America, Child First, Safe Care Augmented, and Family Connects. Healthy Families America is particularly promising as it uses the curricula that most of the standards-based providers use, presenting an opportunity to more easily transition some of these providers from standards-based to evidence-based home visiting. As the state increases models and expands the program, increased oversight of the department and the national service organizations is likely needed. As highlighted in the 2023 LFC home visiting evaluation, few families completed the service, and the number continued to fall to only 7 percent in FY23. The evaluation highlighted research showing the longer a family stays in home visiting and the more visits they get, the more benefits they receive including improved child health and behavior.

Table 2. Estimated ROI from Potential Home Visiting Programs in New Mexico

Program Name	Benefit to Cost Ratio (rounded to nearest dollar)	Effect Size (ES) Cost Matrix
Nurse Family Partnership	$5-$10	Large ES/ High Cost
Triple P*	$9-$14	Small ES/ Low Cost
Other Home Visiting for At-Risk Families^	$2-$4	Medium ES/ High Cost
Parents as Teachers	$1-$2	Medium ES/ Moderate Cost
Healthy Families America	$1	Medium ES/ High Cost
Family Connects	$1	Small ES/ Low Cost
Early Head Start	$0	Minimal ES/ High Cost

Note: Cost of Family Connects based on Durham Connects 2014 adjusted for inflation. Some programs may have other benefits, but these currently are not monetized. Outcomes from WSIPP, other than First Born, are from a 2019 Kilburn and Cannon article. Some ROI analysis (NFP, PAT, EHS) has a range based on previous LFC reports with variance due to model changes. ^Other home visiting programs for at risk families may provide a proxy for First Born home visiting, which was not included due to limited research allowing for monetization.
Source: LFC Analysis Using Pew Results First Analysis with New Mexico Data Where Possible

Chart 3. Select Discharge Reason by Year, 2013-2023

Source: LFC Analysis of ECECD Data

PREKINDERGARTEN		PreK Students Kindergarten Retention Rate	PreK Students Kindergarten Ready - Literacy	PreK Students Kindergarten Ready - Math	PreK Students Kindergarten Ready - Science
FY23 $106 Million	**FY24** $217 Million	FY22 **3.1%**	FY22 **70%***	FY22 **70%***	FY22 **78%***
15,1529 actuals	17,473 contracted	No PreK: 4.8% **Baseline**	All K: 67% **Baseline**	All K: 66% **Baseline**	All K: 76% **Baseline**
Source:		ECIDS	ECIDS	ECIDS	ECIDS

*Note: Public school prekindergarten scores. Private prekindergarten scores are generally similar or slightly higher.
Prior Early Childhood Accountability Reports used KOT data provided by PED. However, PED did not provide the requested data in time for this report.

Chart. 4 Prekindergarten Enrollment
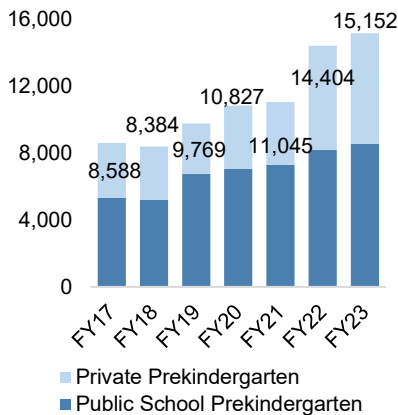
Source: LFC Files

The Original Purpose of the Early Childhood Integrated Data System (ECIDS) has not Been Realized.

The original purpose of ECIDS was to allow for the integration of data from multiple early childhood data systems to analyze longitudinal outcomes in real time. Instead, ECIDS provides a snapshot of data on only educational outcomes, making long-term outcome analysis difficult.

Chart 5. Average CLASS Scores Spring 2023
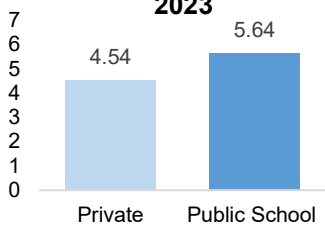
Note: Private prekindergarten data from 20 providers. Some providers data may not have been included if entered into EPICS incorrectly or if not entered.
Source: LFC Analysis of ECECD Data

Prekindergarten

New Mexico prekindergarten is an early education program for 3- and 4-year-olds administered by the Early Childhood Education and Care Department (ECECD) and the Public Education Department (PED). Prekindergarten is available to New Mexico families for either half-day or extended-day services; though, most prekindergarten programs now cover six hours a day for nine months of the year. In FY23, the state served over 15 thousand children in prekindergarten services, including extended-day services. Despite barriers to expansion, New Mexico is providing sufficient funding to ensure all low-income 4-year-olds receive at least some type of early education through Childcare Assistance, prekindergarten, or Head Start.

Impact

A peer-reviewed analysis by LFC staff found prekindergarten participation in New Mexico is associated with increased reading and math proficiency and a 10 percent increase in high school graduation rates. A large body of national research and evaluations produced by LFC consistently find that prekindergarten programs increase math and reading proficiency for low-income 4-year-olds, lower special education and retention rates, and lessen the adverse effects of a child changing schools throughout the school year.

Issues

As LFC highlighted in a 2020 prekindergarten evaluation, as the program continues to expand, the state needs better monitoring to ensure public school based and private provider prekindergarten provide high-quality educational programming to children. Different information regarding classroom quality scores was shared with LFC for private and public school providers. Beginning in fall 2022, all providers are required to be assessed through CLASS, a nationally recognized assessment. This validated tool determines prekindergarten quality across three domains: emotional support, classroom organization, and instructional support. Scores range from zero to seven and indicate low-, moderate-, and high-quality classroom interactions. Public prekindergarten data was broken out by each domain while private prekindergarten data provided an average score. Reporting averages hinders understanding of which areas may need improvement and hinders direct comparisons on each domain between public and private prekindergarten providers. ECECD should consider publishing quality ratings for each domain for prekindergarten providers to assure parents have the option to compare programs when making a selection.

NEW MEXICO HEAD START	4-Year-Old Enrollment	Teachers with Bachelor's Degree or Higher	Families Receiving Evidence-Based Parenting Services	Up-to-Date Well-Child Exams After Enrolled
Federal Funds FY22 $77.9 Million	FY22 1,827	FY22 35.5%	FY22 26%	FY22 62%
	Same	**Worse**	**Lower**	**Same**
	FY21 1,830	FY21 43%	FY21 31%	FY21 62.5%
Source:	ACF	ACF	ACF	ACF

Head Start

Head Start and Early Head Start are federal programs to promote the school readiness of children under age 5 from low-income families by enhancing their cognitive, social, and emotional development. In 2022, tribal Head Start programs served an additional 1,048 New Mexico children. Head Start programs also provide health, nutrition, social, and other services for qualifying children and their families. The services may be provided in a center, school, family childcare home, or a child's own home. Head Start funding is provided directly to providers, bypassing state agencies. ECECD has no administrative role in Head Start but houses one federally funded staff member to act as the state's Head Start collaboration director.

Issues

The state's Head Start quality is partially dependent on teacher quality, with teacher qualification a component of federal high-quality standards for Head Start programs. New Mexico continues to lag the nation on Head Start teacher qualifications, and the number of teachers with at least a bachelor's degree fell between FY19 and FY22. Nationally, 70 percent of teachers have a bachelor's degree or higher, but in FY22, New Mexico had 35.5 percent of its Head Start teachers meeting this requirement. Teachers with a bachelor's degree may prefer to enter into the public school system due to higher pay and better benefits, which have been increased significantly over the past five years through legislation. If these teachers leave Head Start, it may be more difficult to improve the program.

Head Start enrollment fell 45 percent between the 2012 and 2022 federal fiscal years, with 4-year-old enrollment falling 64 percent over the same period. Additionally, for both Head Start and Early Head Start, the state did not fully fill the 6,502 slots it had for FY22, leaving roughly 6 percent unfilled. Enrollment decreases in Head Start have been a persistent challenge. The state needs to coordinate effectively so it does not supplant federally funded Head Start with state-funded prekindergarten and childcare.

Even as Head Start enrollment has decreased, funding has increased. In 2021, tribes and New Mexico organizations received $1.4 million in Head Start emergency supplemental funding, and this year the state is creating 554 new slots in mostly tribal Head Start programs, which will offer prekindergarten.

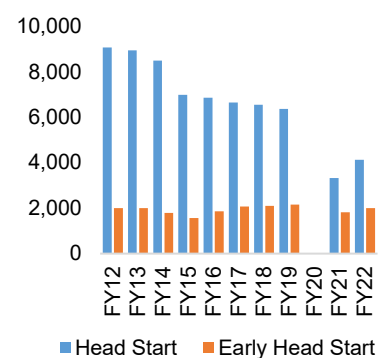**Chart 6. Percent of Head Start Teachers with at Least a Bachelor's Federal Fiscal Year 2022**
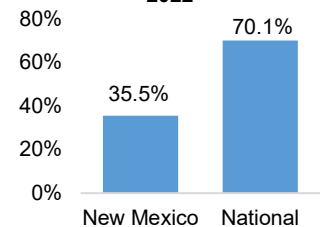
Source: LFC Analysis of ACF Data

Table 3. Enrollment Trends for Head Start and Early Head Start 2012-2022

Head Start	-45%
Early Head Start	0%

Source: ACF

**Chart 7. Head Start and Early Head Start Enrollment**

Source: ACF

CHILDCARE ASSISTANCE	Percent Licensed Child Care Providers 4 or 5 Stars	4-Year-Olds Attending Childcare	Infant Care Capacity (total infant slots / # children under 2)	Lower Income Childcare Participants Kindergarten Ready – Literacy
FY23 $216 Million **FY24** $307 Million	FY23 **39%** **Baseline**	July FY22 **2,038** **Higher**	FY23 **31%** **Baseline**	2022 **64%** **Worse**
FY23 and FY24 Budgeted: 25,000		FY20 1,665		All K students 67%
Source:	If including non-licensed providers- 11%	FY20 used June	13,190 slots for 21,155 kids <2	
	ECECD	ECECD	ECECD	ECIDS

Childcare Assistance

Chart 8. The Number of Childcare Slots have Recovered Since FY21, Except for Infant Enrollment Capacity
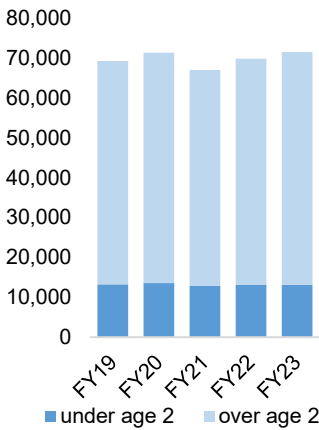
Note: The graph includes all childcare slots, not just slots for childcare assistance.

Source: LFC Analysis of ECECD Data

The Childcare Assistance Program provides a subsidy for families with children between 6 weeks and 13 years of age. Families are required at program entry to have an income of less than 400 percent ($99 thousand for a family of three) of the federal poverty level (FPL) and to work or attend training or education programs. Childcare Assistance is not an entitlement program. Two federal block grants (Child Care and Development and Temporary Assistance for Needy Families) and state general fund appropriations fund Childcare Assistance. Childcare Assistance covers infant care, toddler care, preschooler care, and before-and after-school care for older children up to age 3.

Impact

LFC reports have shown the Childcare Assistance Program can increase family wages and has shown some positive health benefits. National research also shows these positive impacts, particularly for labor market participation. Additional research has shown a potential positive effect on child cognitive development for some groups, as well as a potential reduction in child maltreatment. In New Mexico, a 2023 UNM Cradle to Career Policy Institute article finds 90 percent of families would likely use out-of-home childcare if they had access to the program and families value high-quality care that is accessible. The article also highlighted that most families report their child is happy and safe in their current childcare setting. However, 42 percent of families report spending more on childcare than they can afford. Previous LFC evaluations did not find an impact of childcare quality on education test scores.

Issues

Chart 9. New Mexico Childcare Assistance Income Eligibility

(Federal Poverty Level Percent)

Source: LFC Files

Finding childcare for infants (defined as children under age 2), can be difficult because the state has licensed service slots for just 31 percent of children born in the last two years. In New Mexico, as of 2019, 42 percent of children under age 1 and 55 percent of children between ages 1 and 2 received care outside of the home, meaning the state may need more openings for these age groups. When thinking about how to improve the economy and increase workforce participation, high-quality childcare availability should be considered.

During the pandemic, childcare slots decreased, but the dip in slots has recovered and there are about 4 percent more slots than before the pandemic for children over age 2 and 1 percent less for children under age 2. As of June 2023, New Mexico's labor force participation rate was 57 percent, below the nation's participation rate of 62.6 percent. Because most families with young children have at least one parent, and often both parents, in the labor force, stable, adequate childcare is likely necessary to increase workforce participation for these families.
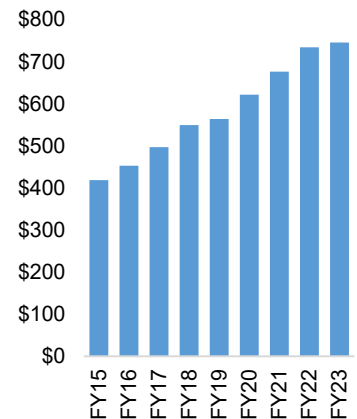
Childcare Assistance Funding

Childcare Assistance benefited greatly from unprecedented nonrecurring federal revenue increases included in the federal Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and American Rescue Plan Act (ARPA), creating pressure to increase state funds in future years. From these three federal acts, Childcare Assistance in New Mexico received $432.2 million, which must be spent by 2024. A large portion, $197.1 million, was federally earmarked for provider stabilization grants sent to providers statewide. In addition to stabilization grants, the department also budgeted $49 million of CRSSA and nearly $62 million in ARPA for the Childcare Assistance Program, funding significant policy changes that eliminated co-payments, increased rates, and expanded eligibility. As the lowest income families previously had free childcare, these policies disproportionally benefited middle- to high- income families. These changes created a financial obligation for the Legislature to appropriate increased state funds in FY24 and FY25 to sustain these policy changes as the nonrecurring federal revenues end. Additionally, the policy changes have impacted many New Mexico families by expanding eligibility.

The Legislature anticipated the depletion of the federal Covid-19 pandemic relief revenue supporting Childcare Assistance Program enhancements and increased other federal funds and revenue from the general fund, opioid settlement, and early childhood education and care fund to over $100 million. Average monthly enrollment in Childcare Assistance increased significantly since a historical decline during the global pandemic, doubling from 13 thousand in January 2021 to over 27 thousand in June 2023 (prior to the pandemic about 20 thousand children enrolled per month). Average monthly enrollment in FY23 was 37 percent above enrollment in FY22, while the cost per child is up 2 percent. Average monthly enrollment ranged between 19 thousand and 20 thousand in the previous three fiscal years. From 2020 through 2022, ECECD implemented several significant policy changes that continue to drive increases in enrollment and the cost per child, including expanded income eligibility, elimination of family co-payments, and reimbursement rate increases. The department used nonrecurring federal pandemic revenue to fund these policy changes, which will be largely depleted by FY24.

Before the pandemic, New Mexico spent nearly $11 million monthly to serve 20 thousand children in FY19. However, at the close of FY23, Childcare Assistance monthly spending was over $18 million monthly to serve an average of 25 thousand children. Further, ECECD recently finalized additional rate increases in FY24. ECECD updated proposed regulations for the Childcare Assistance Program, reducing family co-payments to a maximum of 5 percent of gross monthly income for families above 185 percent of the federal poverty level and increasing rates based on the department's cost model, with some rates growing by 20 percent. The model assumed an increase in the minimum wage for providers to $15 per hour, additional benefits costs, and non-personnel inflation costs. The rate increases will continue to raise the average cost per child in FY24. ECECD is using a federally approved cost model to set provider rates.

Chart 10. Childcare Assistance Average Monthly Cost per Child
June 2023

Source: ECECD

Chart 11. Childcare Assistance Enrollment by Fiscal Year
June 2023
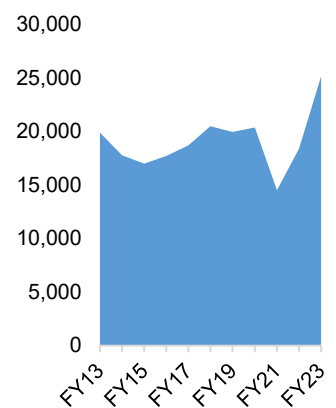
Source: ECECD

ECECD is currently building an early childhood professional development information system that should be able to track salary and turnover information, as well as professional qualifications. These data should be able to be linked to outcomes for children.

Table 4. Federal Poverty Levels (2023)

Household Size	100%	200%	300%	400%
1	$14,580	$29,160	$43,740	$58,320
2	$19,720	$39,440	$59,160	$78,880
3	$24,860	$49,720	$74,580	$99,440
4	$30,000	$60,000	$90,000	$120,000
5	$35,140	$70,280	$105,420	$140,560
6	$40,280	$80,560	$120,840	$161,120

Source: LFC Files

SAFE UNDER 5 YEARS OLD	Rate of Infant Maltreatment (per 1,000)	Number of Victims Under 5 (per 1,000)	Percent of Kids in Foster Care Younger Than 5	Child Maltreatment Death Rate (per 100,000)
	2021 **30**	2021 **17.34**	2021 **34%**	2021 **2.11**
	U.S. 25.3	U.S. 12.7	U.S. 37%	U.S. 2.46
	Better	**Better**	**Same**	**Better**
	2020 40.6	2020 21.6	2020 34%	2020 2.75
Source:	ACF	ACF	ACF	ACF

Figure 1. CT Brain Scan of Normal 3-Year-Old Child and Neglected 3-Year-Old Child

Source: LFC Files

Chart 12. Safety: Children Subject to Repeat Maltreatment Within 12 Months

Source: CYFD

Chart 14. Trends of Neonatal Abstinence Syndrom

Source: Healthcare Cost and Utilization Project & Agency for Healthcare Research and Quality and DOH

Child Welfare

Child safety is one of the most important issues facing the state. New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of an initial allegation. A large body of research shows children exposed to extreme neglect have decreased brain development and emotional regulation and are more likely to have long-term problems, such as depression, suicide, substance abuse, and physical health problems.

Impact

Leading drivers of child maltreatment include parental substance abuse, poverty, domestic violence, parental history of trauma, and other behavioral health issues. By far the two leading risk factors for child maltreatment are caregiver alcohol and drug use.
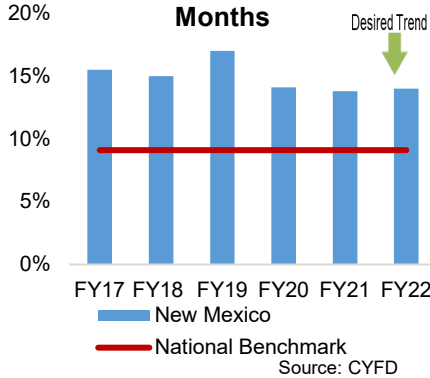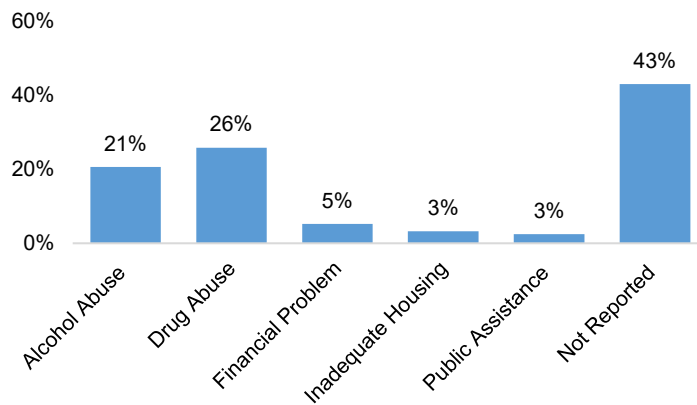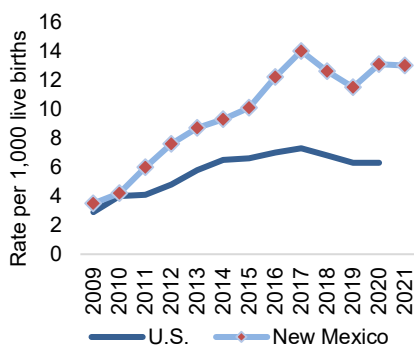
Chart 13. Child Victims With Caregiver Risk Factors 2021

Source: ACF Child Maltreatment 2021

New Mexico's rate of neonatal abstinence syndrome (NAS) is more than double the national rate at 13 per 1,000 births. Caused by substance use during pregnancy, NAS can cause low birth weight, and the newborn can experience withdrawal symptoms, including seizures. Additionally infant hospitalizations for NAS are 14 times more costly than other newborn hospitalizations.
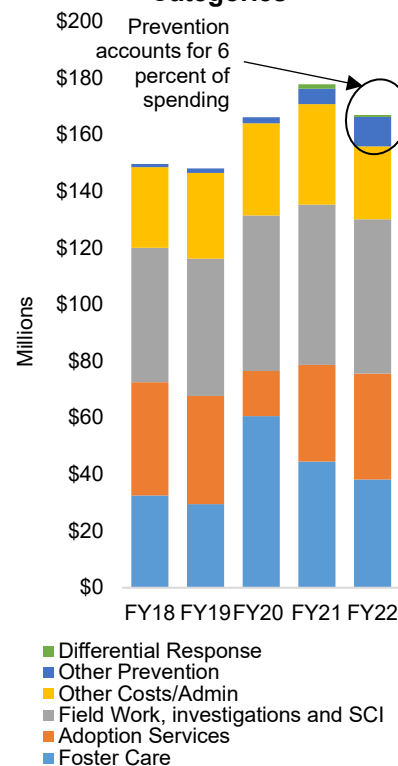
Issues

Evidence-based options to reduce and prevent repeat maltreatment and better leverage the child welfare workforce include improving the use of screening and assessment tools, intervening early with the level of intervention based on the level of risk, and following through with the appropriate supports and services. Moving money to the front-end of the system for prevention and early intervention is a best practice and is increasingly incentivized by federal grant requirements. The Children, Youth and Families Department (CYFD) recently made progress in increasing spending on prevention; a 14.1 percent increase in FY24 included a $15.9 million Temporary Assistance for Needy Families (TANF) transfer from the Human Services Department.

Rollout of evidence-based differential response is underway, but its impact is unclear, and though the program is statutorily required, CYFD has flexibility in implementation. The evidence-based approach diverts families and children away from child-welfare system interactions by providing appropriate services to families who report maltreatment but do not meet the statutory requirements for a formal child protection investigation. Though promising, implementation has been slow, and the lowest level of response is being implemented. CYFD should consider expanding to two additional levels of response for families with greater need, as well as expanding to larger population centers.

To comply with the federal Comprehensive Addiction and Recovery Act (CARA) statute, New Mexico in 2019 enacted a requirement (through House Bill 230) that a plan of safe care be completed and reported for all substance-exposed newborns. The implementation of CARA in New Mexico involves multiple agencies, hospitals and birthing centers, Medicaid managed care organizations, and community service providers. A 2020 evaluation by the Department of Health (DOH) identified potential issues with the state's implementation of CARA, including low family engagement with plans of safe care and subsequent substantiated cases of abuse or neglect. Additionally, a 2021 LFC Program Evaluation Unit report flagged similar concerns with early implementation of CARA.

Workforce shortages are a constant issue in New Mexico's child welfare system, including social workers, caseworkers, investigators, and other workers in the service provider network. For FY23, the Legislature appropriated $20 million to CYFD and the Human Services Department to develop more behavioral health provider capacity and $50 million to higher education institutions to increase social worker teaching faculty endowments to expand programs and graduates. For FY24, the Legislature also included funding for the department to address some of its workforce challenges, including funding for salary adjustments to ensure the salary structure is internally aligned, funding to fill at least 60 full-time positions in the Protective Services and Behavioral Health Services programs, and a $3 million nonrecurring special appropriation to support the department's workforce development plan.

Chart 15. Protective Services Spending Categories

Prevention accounts for 6 percent of spending

Millions

Differential Response
Other Prevention
Other Costs/Admin
Field Work, investigations and SCI
Adoption Services
Foster Care

Source: SHARE

Chart 16. National Caseloads of Investigations and Alternative Response Workers 2021*

U.S. Average: 64

New Mexico: 112

*Completed reports per investigation and alternative response worker; some states do not report
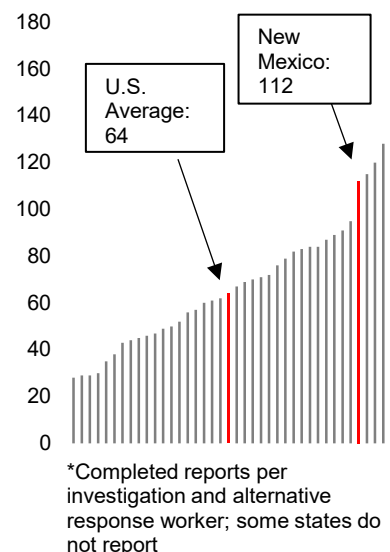
Source: ACF Child Maltreatment 2021

FAMILY INFANT TODDLER PROGRAM (FIT) **FY23** **$53.8** Million	**FY24** **$54.6** Million	Percent of Population Birth through 3 in FIT	Number at Risk of Delay In FIT	Percent Exiting from FIT to Part B	Children who Demonstrate Substantial Increase in Development*
		2021/2022 **7.86%**	2021/2022 **1,456**	2020/2021 **29%**	FY23 **75%**
Source:		U.S. 3.66%	U.S.* Total 6,316 *Only seven states and territories participate	U.S. 32%	FY22 76%
		Baseline MS=1.52%, NV=3.05% U.S. Dept Education	**Baseline** MS= 0, NV = 0 U.S. Dept Education	**Baseline** MS =27%, NV=19% U.S. Dept Education	**Same** U.S. Dept Education
Source:					

Table 5. Number of Children Enrolled in FIT at Risk for a Delay and Percent of Total Children Under 3 Enrolled in Early Intervention

State	Number at-risk children in FIT	% total children under 3 in FIT
CA	2,985	4.03
FL	45	2.43
Guam	22	Not reported
MA	1,654	9.95
NH	37	5.3
NM	**1,456**	**7.86**
WV	117	7.91
US	**6,316**	**3.66**

Source: US Department of Education

Chart 17. Average Number of Children Served Monthly FY19-FY23

Source: ECECD

Family Infant Toddler Program

The Family, Infant, Toddler Program (FIT) is a statewide comprehensive system of early intervention services for children from birth to age 3 diagnosed with developmental delays, disabilities, serious medical conditions, or children at risk of developmental delays. The program operates in accordance with the federal Individuals with Disabilities Education Act. New Mexico is identifying and enrolling at-risk children at a higher rate than any of the other seven states and territories that have elected to provide at risk services.

Impact

FIT uses federal Individuals with Disabilities Education Act (IDEA) Part C funds to intervene early in a child's development to address actual or potential developmental delays and to improve later educational outcomes. The FIT program contracts with providers to deliver therapies and support services to young children who have, or are at risk for, developmental delays. Though not an entitlement program, all states currently participate in the Part C program. Under IDEA Part C, a participating state must assure that adequate early intervention services are available to all infants and toddlers that meet the state's eligibility requirements. Medicaid funds pay for services provided to Medicaid-eligible children, while general fund revenues and private insurance pay for the remainder.

Issue

Under IDEA Part C, states also have the option of adding an eligibility category for children "at risk" for developmental delays due to low birth weight, prenatal drug exposure, other biological factors, a history of abuse or neglect, or other environmental factors. The seven states and territories that have elected to provide at risk services are New Mexico, California, Florida, Guam, Massachusetts, New Hampshire, and West Virginia. Of these states and territories, New Mexico provided services to the third highest number of at-risk children, behind California and Massachusetts. However, because California and Massachusetts have larger populations than New Mexico, New Mexico is identifying and enrolling at-risk children at a higher rate than any other state. In 2019, LFC recommended the FIT program develop a standardized measure of developmental progress for children only at risk for a developmental delay, which would allow the state to differentiate outcomes for children with a developmental delay from at-risk children. ECECD currently reports this information federally, but the Legislature should consider this information for quarterly performance reporting.
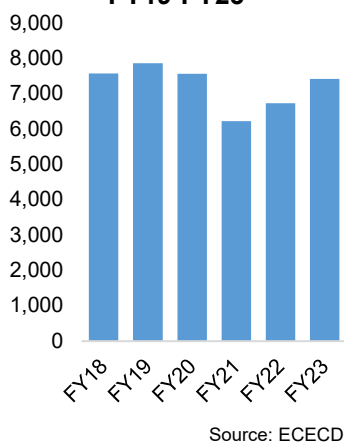
Recent LFC Reports and Briefs on Early Childhood

Over the last three years, LFC has produced a number of reports on early childhood topics covering prekindergarten, child welfare, and home visiting, as well as LegisStat briefs on childcare, prekindergarten, and home visiting.

ECECD and CYFD should review and implement the relevant recommendations from these previous LFC reports. These reports include:

- Prekindergarten Quality and Educational Outcomes,
- Measuring impact of New Mexico prekindergarten on standardized test, scores and high school graduation using propensity score matching,
- Program Evaluation: Home Visiting Program,
- Results First: Evidence Based Options to Address Child Maltreatment,
- LegisStat: Repeat Child Maltreatment, December 2022,
- LegisStat: Child Maltreatment, May 2023,
- Policy Spotlight: Stacking of Income Supports,
- Progress Report: Addressing Substance Use Disorders,
- Accountability Report: Early Childhood 2021,
- Policy Spotlight-State Population Trends.