Report
to
The LEGISLATIVE FINANCE COMMITTEE

Special Review: Early Childhood Services Accountability Report Card, Gap Analysis and Spending Plan
Report #15-01

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David Abbey
Director

January 15, 2015

Ms. Monique Jacobson, Secretary-Designate
Children, Youth, and Families Department
1120 Paseo de Peralta
Santa Fe, New Mexico 87501

Ms. Hanna Skandera, Secretary-Designate
Public Education Department
Jerry Apodaca Education Building
300 Don Gaspar
Santa Fe, New Mexico 87501

Dear Secretary-Designate Jacobson and Secretary-Designate Skandera:

On behalf of the Legislative Finance Committee, I am pleased to transmit the special review, *Early Childhood Services Accountability Report Card, Gap Analysis and Spending Plan.* The report assessed continued needs and gaps in services, analyzed future funding and accountability needs, and identified challenges to future scale-up of early childhood programs, including home visiting, child care assistance, PreK, and K-3 Plus.

This report will be presented to the Legislative Finance Committee on January 19, 2015. An exit conference to discuss the contents of the report was conducted with the Children, Youth, and Families Department on January 12, 2015 and the Public Education Department on January 15, 2015.

I believe this report addresses issues the Committee asked us to review and hope New Mexico's early childhood care and education system will benefit from our efforts. We very much appreciate the cooperation and assistance we received from your staff.

Sincerely,

David Abbey, Director

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New Mexico ranks near the bottom nationally for child well-being outcomes, and in response the Legislature has made significant, targeted investments in intervention programs. Seventy-five percent of young children in New Mexico have at least one risk factor known to impact health, education, or development, and 23 percent of children are at moderate or high risk for developmental delays or behavioral problems. Poverty contributes significantly to child development and negatively impacts a child's readiness to learn, leading many students to enter school significantly behind their peers.

Previous Legislative Finance Committee (LFC) evaluations and national research confirm evidence-based interventions and early childhood education programs can improve child well-being, safety, and educational outcomes and close the achievement gap. In an effort to achieve these outcomes, the Legislature has taken action to invest in prekindergarten, childcare assistance, home visiting, and the state's extended school year program K-3 Plus, among others. Since FY12, early childhood appropriations have increased by almost $100 million, and the FY16 LFC recommendation adds another $25 million.

This special review of early childhood programs in New Mexico analyzed continued needs and gaps in services, assessed current accountability data being collected, identified barriers to program expansion, and identified potential funding options to meet continued needs.

While the state has experienced successes in identifying investment zones to expand home visiting programs and infrastructure in communities exhibiting high risk, the majority of at-risk clients remain unserved, and the state lacks sufficient information about whether the program is reaching the targeted population. In contrast, New Mexico is close to providing sufficient funding to ensure all low-income 4-year-olds receive some service when childcare assistance, prekindergarten, and Head Start are considered. However, programs remain fragmented and the quality of service is still a concern. Without improved planning and coordination of program implementation, some communities in New Mexico may continue to experience service duplication or receive revenues that supplant existing funding streams, while other communities continue to experience significant needs.

This report includes a report card of early childhood indicators to illustrate the need for comprehensive accountability reporting as programs expand to ensure investments are producing population-level improvements and the desired return on investment. Finally, the report highlights the need to scale program expansion to match community demand and infrastructure, ensure sufficient coordination among programs, and maintain quality.

Recommendations include incremental funding increases for programs, using Medicaid funds to accelerate the expansion of home visiting, prioritizing PreK expansion in communities with shortages, and developing accountability measures to ensure desired outcomes and positive returns on investment.

Home Visiting Appropriations and Enrollment FY 12-15

Source: LFC files

In FY13, 82 percent of all births in New Mexico were paid for by Medicaid.

In FY14, 48 percent of home visiting clients were enrolled in Medicaid.

KEY FINDINGS

<u>**Since 2007, New Mexico has increased funding for home visiting by more than $9 million to serve an estimated 2,800 client families in FY15.**</u> Since FY13, appropriations for home visiting have nearly doubled to $10.6 million in FY15, including $3.1 million in federal funds. Similarly, the number of home visiting clients served has nearly tripled from FY13 to FY15, to an estimated 2,800 clients.

While New Mexico has not established a service level goal for home visiting, a reasonable target population of at-risk families is about 11,500 families annually, enrolling children from prenatal care to age three. In FY13, Medicaid paid for 82 percent of births in New Mexico. No one strategy exists for determining unmet need for home visiting, but several programs and states have set goals that may serve as examples.

To reach a goal of serving half of low-income, first-time births would cost up to $44 million, depending on the use of federal and other funding sources. Serving a target population of 50 percent of low-income, first births would cost roughly $44 million annually, and serving 25 percent of low-income, first births would cost roughly $22 million. Low-income, first-born births are not the only way to identify risk, and other factors, such as maternal depression or maternal substance use, may also qualify families for home visiting services.

Leveraging Medicaid funds to provide home visiting services through the state's managed care organizations would provide an opportunity to meet the recommended home visiting funding target. As New Mexico rolls out home visiting expansion, the state should consider program model assumptions, uptake rate variations, and the size of eligible populations in the state's counties.

Much data exists on home visiting in New Mexico, but some further development is needed. The measures required under the Home Visiting Accountability Act generally align well with the data collected by CYFD and analyzed by UNM's Center for Education Policy Research (CEPR) for the Home Visiting Annual Outcomes Report. Currently, however, New Mexico does not report information about the impact of home visiting on child maltreatment or educational outcomes. The FY14 home visiting report highlights the fact that home visiting has a positive effect on maternal breastfeeding, but suggests client recruitment, retention, and referrals to other services are challenges.

Developing community relationships and infrastructure is a barrier to program implementation. Development of program infrastructure takes time, but is necessary for successful program implementation. As home visiting programs are implemented, the state may look to existing infrastructure and consider community context to support development.

PreK Appropriations and Enrollment FY12-15

Source: LFC files

K-3 Plus Appropriations and Enrollment, FY12-15

*estimate
Source: LFC

Enough publicly-funded slots of four year olds exist to provide nearly all low-income 4-year olds with some form of early childhood education. However, many children currently served are not low-income. An estimated 27 thousand 4-year-olds live in New Mexico, and 73 percent are low-income, as measured by free or reduced lunch status. Roughly 17,500 slots for 4-year-old early care and education programs are funded annually, if prekindergarten, four and five-star child care, Head Start, and special education preschool slots are included. However, only about 80 percent of prekindergarten students are low-income.

Continued funding needs for prekindergarten depend upon the state's goals. The Legislature may now wish to focus on improving program quality or extending hours for 4-year-olds or services to 3-year-olds. LFC evaluations in 2012 and 2013 found investments in prekindergarten have resulted in measurable and significant effects on kindergarten and third-grade academic performance and other improved outcomes, including reduced participation in special education and reduced grade retention. However, recent prekindergarten environmental quality ratings have declined since FY10.

Evidence of a lack of state-level coordination in the prekindergarten expansion process may lead to misdistribution, unnecessary competition among programs, and wasted resources. CYFD and PED report collaboration when awarding prekindergarten slots to avoid the duplication of services in communities. However, New Mexico failed to receive a federal prekindergarten expansion grant in FY15 in part as a result of insufficient documentation of implementation planning. Better coordination of early childhood education services may lead to improved learning opportunities for students, and lessons learned in other states emphasize the importance of thoughtful and well-coordinated program expansion.

K-3 Plus programs are now operated in most eligible schools, and the majority of eligible students who do not receive services attend elementary schools with K-3 Plus programs. Allocations generally are not distributed in a way that will produce concentrated benefits that lead to school-wide performance improvements. While a few school districts are able to reach the majority of eligible elementary school students, most do not, and 26 of the state's 89 school districts serve less than 15 percent of eligible students. Also, given the large state investment in K-3 Plus, the program needs more regular performance reporting.

Continued expansion of K-3 Plus will require state and local leadership and district support to make available 100 extra days of school to all students in high poverty schools by third grade. An estimated 70,650 students are eligible to receive K-3 Plus services, while a total of 18,056 received services in the summer of 2014. Because the program is voluntary, not all eligible students will likely enroll. However, program expansion may be accelerated with considerable leadership from school districts that establish program participation as a district norm for students and teachers, or slowed, based on available revenue.

FY14 Child Care Enrollment by Star Level

Source: LFC Analysis

Enrollment in child care assistance has consistently declined in recent years and is predicted to reach less than 18 thousand next year. In FY10, enrollment in child care assistance was nearly 25 thousand, while enrollment remained below 18 thousand for all of calendar year 2014. The U.S. Department of Health and Human Services suggests the number of children receiving child care assistance nationally has declined by 20 percent since 2006.

While child care enrollment has declined, costs per child have steadily increased as a result of quality improvements and provider rate increases. In FY12 the average cost per child receiving child care assistance was $3,958, while the average cost per child in FY14 was $4,056. Given the current and forecasted level of child care assistance enrollment, New Mexico may wish to prioritize investments in other early childhood programs and choose not to increase appropriations for child care assistance in the near future.

Currently, the state does not collect or report performance measures related to the outcomes of children participating in child care assistance programs. Despite a trend of more providers participating in the state's quality rating system, the majority of children enrolled in child care assistance continue to receive care in lower levels of quality. Children currently also receive child care assistance in short doses, which is detrimental to child well-being and educational impacts. In FY14, a total of 35 thousand unique students received childcare assistance, although an average of 16,823 children were enrolled each month. Statewide, children enrolled in child care assistance received an average of 5.7 months of care during the fiscal year.

KEY RECOMMENDATIONS

The Legislature should:

Direct CYFD to develop a state plan for home visiting expansion that considers numbers of at-risk, low-income families across counties, considers current community saturation rates and existing services, and identifies priority communities for future expansion.

Continue to increase home visiting funding to serve the established targets.

Prioritize incremental prekindergarten appropriation increases to expand services for 3-year-olds and full-day services for low-income 4-year-olds or underachieving students in kindergarten through third grade.

Continue to incrementally increase appropriations for K-3 Plus as funding is available.

Consider a childcare accountability act to ensure the program produces the desired benefits to child well-being and school readiness, among others.

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The Children Youth and Families Department should:

Target home visiting program expansion to communities with large numbers of eligible, at-risk families and with proportionally few families served to close service gaps and analyze existing services when awarding home visiting contracts.

Work with the LFC and the Department of Finance and Administration to develop new child care and prekindergarten performance measures including, but not limited to, kindergarten readiness, third grade reading and math achievement scores, special education participation, and retention by third grade among child care participants, and average CLASS assessment scores to align with Head Start reporting requirements.

The Public Education Department should:

Work with the LFC and the Department of Finance and Administration to develop new prekindergarten performance measures including, but not limited to, kindergarten entry assessment scores, third grade reading and math achievement scores, special education participation, and retention by third grade among prekindergarten participants, and average CLASS assessment scores to align with Head Start reporting requirements.

Work with the Department of Finance and Administration and the LFC to develop a set of performance measures for K-3 Plus to include third grade reading and math achievement, grade retention, and special education participation.

Prioritize funding K-3 Plus applications for school-wide or district-wide programs. For schools and school districts not fully implementing either, require or give additional priority to those willing to implement best-practices, including employing the school-year teacher of record for K-3 Plus.

The Human Services Department should:

Work with the federal Centers for Medicare and Medicaid Services (CMS) to amend the state plan or apply for a waiver to offer medical-based intensive home visiting services to first-time, at-risk mothers. Given the cost of this service and need for it to be well-targeted, HSD should also consider allowing managed care organizations to require prior approval before authorizing providers to deliver care.

Overview. Many New Mexico children are at high risk for a number of negative outcomes, as poverty is one of the most reliable risk factors predicting negative outcomes for children. According to the U.S. Census Bureau, a larger proportion of New Mexican children are living in poverty than any other state except Mississippi. Children ages zero to five make up a larger proportion of the population and a higher percentage of children living in poverty, as defined by the federal poverty level, than the national average.

Chart 1. Percent Living in Poverty by Age Range in 2012
(US and NM)

*Poverty: 100% Federal Poverty Level. In 2012, $23,050 for a family of four
Source: US Census Bureau

Additionally, a large proportion of New Mexico's students are low-income. In FY14, 73 percent of the state's kindergarteners and roughly 70 percent of all public school students qualified for free or reduced lunch (FRL), the measure of socioeconomic status used by public schools. This rate is also higher than the national average, 48 percent in FY11, the most recent year for which data is available. Federal programs targeting low-income students maintain eligibility requirements above the federal poverty line in recognition of the needs of students. Children in families with incomes of up to 185 percent of the federal poverty level are eligible for free or reduced lunch in public schools.

Despite significant investments in early childhood care and education, children in New Mexico continue to rank near the bottom nationally for child well-being. According to the National Center for Infants, Toddlers, and Families, 75 percent of young children in New Mexico have at least one risk factor known to impact health, education, and development, and 23 percent of children are at moderate or high risk for developmental delays or behavioral problems. Poverty contributes significantly to child development and negatively impacts a child's readiness to learn, leading to many students elementary school already behind. A 2013 evaluation of early childhood education found one quarter of children entering kindergarten in high-priority schools are unable to read one letter, and 80 percent of children from low-income families are behind their more affluent peers on the first day of school.

New Mexico similarly ranks low on other indicators of child well-being, and child maltreatment rates have increased in recent years. High rates of child maltreatment are costly. According to the U.S. Department of Health and Human Services (HHS), the child victim rate has steadily risen in New Mexico over the last five years and surpassed four of our neighboring states in 2013, with 12.9 child victims per 1,000 children in the state. For comparison, the rates were 8.1 in Arizona, 8.2 in Colorado, 12.2 in Oklahoma, and 9.2 in Texas. Previous LFC Results-First analysis of CYFD found the state spends roughly $113 million annually through the Child Protective Services Division responding to child maltreatment, through investigation, in-home services, foster care, adoption, and associated administrative costs. A single case of child maltreatment can cost taxpayers as much as $107 thousand. Meanwhile, the state spends roughly $11 million on prevention through home visiting annually.

In an attempt to alleviate the effects of child risk factors and improve child outcomes, the state has made significant investments in several early childhood intervention and education programs, including home visiting, prekindergarten (PreK), child care assistance, and K-3 Plus, the extended school year program.

Investment Zones. In 2010, the Children, Youth, and Families Department (CYFD) established early childhood investment zones. Since that time, CYFD and the Public Education Department (PED) have prioritized funding for these communities as revenue available for early childhood programs has increased. Investment zones were identified by a taskforce composed of members from the New Mexico Department of Health (DOH), PED, and CYFD using epidemiological data to compare levels of risk and resiliency across the state. Communities with the highest aggregated needs were identified as investment zones, including 35 school districts spanning 11 counties. As detailed in the state's Race to the Top- Early Learning Challenge (RTT-ELC) grant application, the state intends to build community capacity and infrastructure and integrate early childhood care, health, and education services in these communities.

CYFD risk factors used to identify investment zones include, but are not limited to**:**

- Number of births to females between the ages of 15 and 19
- Percent of births that are preterm
- Residents earning less than 100 percent of the FPL
- Juvenile arrest rates
- Infant mortality rates

Table 1. Early Childhood Investment Zones

County	Investment Zone Rank	Population Age 0-4, 2010	Percent of State Population Age 0-4, 2010*
Quay	1	518	<1%
Luna	2	1,822	1%
Sierra	3	566	<1%
Rio Arriba	4	2,711	2%
McKinley	5	6,149	4%
Torrance	6	924	<1%
Guadalupe	7	266	<1%
Harding	8	28	<1%
Colfax	9	722	<1%
Cibola	10	1,888	1%
Lea	11	5,948	4%
Total		**21,542**	**15%**

Source: LFC Analysis of CYFD Data

* 144,981 (Census 2010)

Benefits and Access and to High-Quality Early Childhood Care and Education. Research consistently suggests children most at-risk receive the greatest benefits from early childhood intervention programs. However, national research suggests the children who will benefit most from high-quality programs are the least likely to be enrolled in them because of gaps in access and quality. The environments in which children grow and learn, both at home and in early childhood care and education settings, influence child development. Exposure to adverse experiences, including poverty, abuse and neglect, and violence, have profound impacts on development.

The more risk factors a child experiences, the more likely the occurrence of disruptions in the child's development (National Governors Association, 2010). High-quality interventions may mitigate the effects of these adverse experiences among at-risk children. *The Cost, Quality, and Outcomes Study* found that while all children who attended higher-quality child care scored higher on measures of cognitive skills, children who were at greater risk for poor academic achievement demonstrated even stronger cognitive benefits from high-quality care than their less-at-risk peers (National Governors Association, 2010). In light of this research and an environment of limited resources, targeted investments to provide interventions for at-risk children will maximize returns on investment.

REPORT CARD OF NEW MEXICO EARLY CHILDHOOD INDICATORS

Healthy

Infant Mortality Rate	Low Birth Weight	Immunization Rate	Births Admitted to NICU	Prenatal Care in the First Trimester
5.4 Per 1,000 births (2013)	**9%** of all births (2013)	**71%** of children aged 19-35 months (2010)	**11%** of all births (2008)	**63%** of all births (2013)
National: 6.0 per 1,000 births (2013)	**National:** 8% (2013)	**National:** 75% (2013)	**National:** 12% (2009-2010)	**National:** 74% (2011)
Source: DOH, CDC	Source: DOH, CDC	Source: DOH	Source: DOH (PRAMS), US Health and Human Services Department	Source: DOH,US Health and Human Services Department

Safe

Child Deaths (Age 1-4)	Rate of Child Maltreatment	Percent Without Repeat Maltreatment within Six Months	Average Number of Children in Foster Care System
29.1 Per 100,000 population (2013)	**12.9** Per 1,000 children (2013)	**89%** (FY14)	**1,873** Per month (FY14)
National: 25.5 per 100,000 (2013)	**National:** 9.1 per 1,000 (2013)		
Source: DOH, CDC	Source: US Health and Human Services Department	Source: CYFD	Source: CYFD

School Ready

Percent of Kindergarteners at DIBELS Benchmark (N=3,269)	Percent of Low-Income Kindergarteners at DIBELS Benchmark (N=2,089)	Estimated Percent of Low-Income Kindergarteners Who Participated in High Quality Early Childhood Programs* (N=19,916)
37% (FY13)	**34%** (FY13)	**69%** (FY14)
		* Head Start, PreK, and Four- and Five-Star Child Care

Source: LFC analysis unless otherwise noted

Educated			
Third Graders Proficient in Reading on SBA (N=22,086)	Low-Income Third Graders Proficient in Reading on SBA (N=16,062)	Third Graders Proficient in Math on SBA (N=22,086)	Low-Income Third Graders Proficient in Math on SBA (N=16,062)
57% (FY14)	**50%** (FY14)	**54%** (FY14)	**47%** (FY14)

Prekindergarten (PreK)				
Total PreK Appropriations (CYFD and PED)	Percent of All Kindergarteners Who Participated in PreK (N=27,406)	Percent of Low-Income Kindergarteners Who Participated in PreK (N=19,916)	Percent of All Kindergarteners Who Attended PreK at DIBELS Benchmark (N=471)	Percent of Low-Income Kindergarteners Who Attended PreK at DIBELS Benchmark (N=392)
$36.6 million (FY15)	**17%** (FY14)	**18%** (FY14)	**39%** (FY13)	**38%** (FY13)
Percent of All Third Graders Who Attended PreK Proficient in Reading on SBA (N=3,309)	Percent of Low-Income Third Graders Who Attended PreK Proficient in Reading on SBA (N=2,551)	Percentage of All Third Graders Who Attended PreK Proficient in Math on SBA (N=3,309)	Percentage of Low-Income Third Graders Who Attended PreK Proficient in Math on SBA (N=2,551)	
59% (FY14)	**54%** (FY14)	**58%** (FY14)	**54%** (FY14)	

Home Visiting				
Total Home Visiting Operating Budget	Percentage of Target Children* Served by CYFD Home Visiting (N=23,050)	Average Length of Home Visiting Service (N=1,957)	Average Number of Home Visits per Family (N=1,957)	Average Percent of Family Goals Completed (N=1,957)
$12.0 million (FY15)	**8%** (FY14) *First-born, low-income births	**12 months** (FY14)	**14** (FY14)	**26%** (FY14)
Percentage of Mothers Who Initiated Breastfeeding When the Child Was Born (N=884)	Percentage of Families Who Had Well Child Exams (N=1,180)	Median Income of Home Visiting Participants (N=836)	Percentage of Children in Home Visiting on Medicaid (N=1,957)	
84% (FY14)	**96%** (FY14)	**$13,000** (FY14)	**48%** (FY14)	

Child Care Assistance				
Total Child Care Assistance Appropriations **$97.8 million** (FY15)	Percent of Children Enrolled in Four or Five-Star Care (Monthly Average) **27%** (FY14)	Average Annual Cost per Client (Monthly Cost X 12) **$3,984** (FY14)	Average Monthly Enrollment **16,825** (FY14)	Average Length of Enrollment (N=35,359) **5.7 months** (FY14)
Percent of Children Enrolled in Child Care Assistance Nine or More Months During the Fiscal Year **34%** (FY14)	Percent of Child Care Recipients Meeting Benchmark on the DIBELS Kindergarten Entry Assessment **29%** (FY12)	Percent of Low-Income Child Care Recipients Proficient in Third Grade Reading **46%** (FY12)	Percent of Low-Income Child Care Recipients Proficient in Third Grade Math **46%** (FY12)	

K-3 Plus				
Total K-3 Plus Appropriations **$21.2 million** (FY15)	Percentage of Eligible Students Enrolled (N=70,646) **26%** (FY14)	Percentage of K-3 Plus Students Scoring at Benchmark on Kindergarten or First Grade DIBELS (N=6,806) **45%** (FY13)	Percentage of Third Graders in K-3 Plus Proficient in Reading on SBA (N=2,330) **39%** (FY14)	Percentage of Third Graders in K-3 Plus Proficient in Math on SBA (N=2,330) **39%** (FY14)

HOME VISITING

Home visiting is an intensive parent education program shown to effectively prevent adverse childhood experiences, reduce child abuse and maltreatment, and promote child well-being, including health and cognitive development. This voluntary program provides family support and basic parenting skills critical to improving child outcomes during pregnancy and through the first few years of a child's life. With the exception of the Nurse-Family Partnership and First Born, home visiting programs in New Mexico do not have eligibility requirements. Services are free of charge and a physician's referral is not required. Programs vary in the manner in which they enroll families, including referrals from health care providers, social service agencies, other early childhood providers, or family interest.

Evidence-based home visiting programs can demonstrate cost-effectiveness and a return-on-investment when implemented with fidelity, by reducing child abuse and neglect and healthcare costs and improving child outcomes. Several models of home visiting exist throughout the state. Previous LFC evaluations have found only two home visiting programs funded by the Children, Youth, and Families Department (CYFD) are evidence-based with rigorous research demonstrating positive outcomes, including Parents as Teachers (PAT) and Nurse-Family Partnership (NFP). First Born, a home visiting program developed in New Mexico, is currently undergoing evaluation and is considered a promising practice by the federal government.

In 2013, the New Mexico Legislature passed the Home Visiting Accountability Act, which grants CYFD the authority to establish statewide home visiting services using a standards-based program. Though programs are intended to target at-risk families, any family expecting a child or with a child that has not yet entered kindergarten is eligible for services. The University of New Mexico Center for Education Policy Research (CEPR) and the Center for Rural and Community Behavioral Health collaborate to produce the annual home-visiting outcomes report for CYFD. In FY14, 24 home visiting providers in 26 counties operated in New Mexico and received state or federal funds.

Since 2007, New Mexico has increased funding for home visiting by more than $9 million to serve an estimated 2,800 client families in FY15. Since FY13, appropriations for home visiting have nearly doubled to $10.6 million in FY15, including $3.1 million in federal funds. Similarly, the number of home visiting clients served nearly tripled from FY13 to FY15, to an estimated 2,800 clients.

**Chart 2. Home Visiting
Appropriations and Enrollment**

Source: LFC Files

In FY13, Medicaid paid for 82 percent of births in New Mexico. In 2010, Medicaid covered nearly 20 thousand births, or 71 percent of the 28 thousand births in the state. In FY13, roughly 19 thousand births, 82 percent of all children born in New Mexico, were funded by Medicaid. Of these, an estimated 7,700 are first births. Medicaid births tend to be concentrated in a few counties, with Bernalillo County accounting for 28 percent of Medicaid births, and six counties accounting for roughly two-thirds of Medicaid births (Appendix B).

Chart 3. Counties with the Greatest Shares of Medicaid Births
(N=19,150)

- Other 36%
- Bernalillo 28% 5,419
- Dona Ana 13% 2.447
- San Juan 8% 1,426
- McKinley 5% 1,043
- Santa Fe 5% 956
- Sandoval 5% 955

Source: NM HSD

Family economic status is a strong criterion for assessing risk to children, but other factors should be included when determining need for home visiting services. These factors include teen births, parental alcohol and drug use, preterm births, and lack of prenatal care and vary across counties. In 2013, births to adolescent mothers exceeded 10 percent of all births in 21 counties (Appendix C). Nearly 20 percent of births in Luna County were to adolescents aged 15 to 19, well above the statewide rate of 11.2 percent. Ten percent of all New Mexico births in 2013 were to mothers who reported using alcohol and are at risk. The highest rate of reported maternal alcohol use was in Harding County at 40 percent. Fifteen counties exceed the state average of 10 percent of births to mothers reporting alcohol use (Appendix D). Catron County also demonstrates high risk as only 24 percent of births received prenatal care in 2013, compared to the state average of 63 percent.

Most, but not all, of the 1,949 clients who received home visiting in FY14 were at risk. Poverty, maternal educational attainment, employment status, and receipt of public assistance are all indicators of risk among parents. The majority of home visiting clients served in FY14 did not have full-time employment. Statewide, roughly 45 percent of home visiting clients served in FY14 reported obtaining a high school diploma or less. Maternal education is highly correlated with child outcomes, and lacking a high school diploma or equivalent is a risk factor. In contrast, roughly 10 percent of home visiting clients reported obtaining a bachelor's degree statewide. Client bachelor's degree attainment rates were significantly higher in Roosevelt County (38 percent), Taos County (31 percent), and Santa Fe County (31 percent).

Chart 4. Home Visiting Client Employment Status, FY14
(N= 1,957)

- Unknown 21%
- Employed full-time 15%
- Employed part-time 12%
- Not employed 52%

Source: LFC Analysis

Chart 5. Educational Attainment of Home Visiting Clients, FY14
(N=1,957)

- Other/Unknown 23%
- Less than a high school diploma 24%
- Bachelor's degree or higher 10%
- Technical training cert/associate degree 4%
- Some college/technical training 18%
- High school diploma or equivalent 21%

Source: LFC Analysis

New Mexico generally lacks information about the poverty status of families receiving home visiting services. While most of the state's home visiting programs do not maintain income eligibility requirements, programs should be targeted to reach low-income families because poverty is a significant risk factor for child well-being. To ensure that home visiting programs are, in fact, targeting at-risk populations, home visiting programs should collect income information for all clients served, regardless of eligibility requirements.

Not all home visiting programs require the collection of client income information, and family income data was only collected for 43 percent of clients in FY14. However, Medicaid enrollment may be used as a proxy for family income status. Statewide, 48 percent of home visiting clients were enrolled in Medicaid, and the median reported family income was $13 thousand. However, Santa Fe County programs appear to be serving a slightly more affluent population, with 23 percent of clients enrolled in Medicaid and a median annual income of $32,500.

Table 2. FY14 Home Visiting Clients by Reported Family Income

$0-$10,000	358
$10,001-$20,000	228
$20,001-$30,000	98
$30,001-$40,000	83
$40,001-$50,000	31
$50,001-$60,000	11
$60,000+	49
unreported	1,121

Source: LFC Analysis

Chart 6. Medicaid Enrollment of Children Served by Home Visiting Programs, FY14

- Not Enrolled 52%
- Enrolled 48%

Source: LFC Analysis

The LFC has previously highlighted additional indicators of risk that may predict the need for home visiting services, including maternal depression. While depression is commonly thought of and discussed as an adult problem, research consistently shows adult depression is also bad for children. A 2012 LFC evaluation found 11 to 23 percent of women are at-risk for postpartum depression. The J. Paul Taylor Early Childhood Taskforce, established by House Memorial 75 during the 2013 legislative session, recommends adverse childhood experiences (ACE) screening be incorporated in the early and periodic screening diagnosis and treatment component of Medicaid to identify families most at risk of child abuse and neglect.

While New Mexico has not established a service level goal for home visiting, a reasonable target population of at-risk families is about 11,500 families annually, enrolling children from prenatal care to age three. No one strategy exists for determining unmet need for home visiting, but several programs and states have set goals that may serve as examples. Nurse-Family Partnership recommends serving 50 percent of low-income, first-born children as a service target, and other states have pursued similar enrollment targets. While Nurse-Family Partnership is not the only program model implemented in New Mexico, the prescribed eligible population provides a reasonable target for enrollment. Home visiting services are voluntary, and not all targeted families will enroll.

This report uses low-income, first-time births to estimate the size of the state's target population but does not assume these risk factors will be the only criteria used to identify clients in need of services. The report then assumes the state should eventually aim to reach 50 percent of this target population. While these criteria are used to estimate need by county, this report does not suggest NFP should be the only program implemented to serve the target population and recognizes that other indicators or risk, including maternal depression, maternal substance use, and adolescent births, may qualify families for home visiting service needs. Assuming clients may be enrolled for roughly three years, during pregnancy and the first few years of the child's life, the total statewide target population of low-income, first-time births is 11,500 clients annually. This estimate is likely ambitious because it does not consider client attrition over the three enrollment years. The $10.6 million appropriated in FY15 will serve an estimated 2,800 clients, roughly 24 percent of the target if all clients served are in the estimated target population.

> ### *Texas Home Visiting*
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> In FY14, Texas established a bi-partisan goal to increase the number of at-risk children receiving evidence-based home visiting programs from 3.5 percent to 50 percent in ten years and has combined MIECHV, state, and private funds to target program expansion in seven at-risk target communities. Texas recognizes several indicators or risk including: poverty, low paternal education, having a teenage mother, and pre-term births.
>
> Source: Center on Budget and Policy Priorities

Table 3. Home Visiting Target Population by County

	FY14 Low-Income Births*	Estimated First Born	Estimated Targeted Population (First Births x 3 Cohorts)	50 Percent Target
Bernalillo	5,431	2,172	6,517	3,259
Dona Ana	2,450	980	2,940	1,470
San Juan	1398	559	1678	839
McKinley	1056	422	1267	634
Santa Fe	971	388	1165	583
Sandoval	959	384	1151	575
Lea	816	326	979	490
Chaves	777	311	932	466
Valencia	679	272	815	407
Eddy	577	231	692	346
Curry	508	203	610	305
Rio Arriba	485	194	582	291
Otero	434	174	521	260
Cibola	345	138	414	207
Luna	332	133	398	199
Taos	273	109	328	164
San Miguel	272	109	326	163
Grant	222	89	266	133
Roosevelt	190	76	228	114
Torrance	185	74	222	111
Socorro	174	70	209	104
Lincoln	157	63	188	94
Sierra	107	43	128	64
Colfax	96	38	115	58
Quay	93	37	112	56
Hidalgo	44	18	53	26
Guadalupe	42	17	50	25
Mora	30	12	36	18
Union	24	10	29	14
Los Alamos	20	8	24	12
Catron	17	7	20	10
De Baca	15	6	18	9
Harding	2	1	2	1
Total	**19,181**	**7,672**	**23,017**	**11,509**

Source: LFC Analysis

*Medicaid births

This target population is concentrated in only a few counties, and significant investments to expand services in these counties could dramatically increase the proportion of families served in New Mexico. For example, New Mexico could reach roughly half of the target population by serving just the families in Bernalillo, Dona Ana, and San Juan counties, where home visiting programs already exist but are currently only able to serve a limited number of families. However, these counties are not targeted as investment zones because the rates used to assess risk in these counties are not as high as other counties.

Funding levels currently support 8 percent of low-income, first-born families, but the state does not target these families for enrollment. CYFD has prioritized funding for several early childhood programs, including home visiting, to investment zones in which communities demonstrate high levels of risk. As a result, several counties serve enough clients to exceed 20 percent of the eligible target population in FY14, including Quay, Luna, Sierra, and Colfax counties, suggesting that infrastructure development in areas designated as Early Childhood Investment Zones has been beneficial, and New Mexico has made progress in a number of these communities.

County-level service data suggests Luna, Taos, Grant, and Socorro counties served nearly 50 percent of the number of families in the target client population, assuming all clients served by home visiting programs are within the target population. Future expansion of programs in these communities may lead to service duplication or difficulty recruiting enough clients to reach enrollment capacity. Because eligibility requirements vary among home visiting programs, not all families served are within the target population.

While the investment zone strategy has expanded program access in certain high-need communities, New Mexico will need to take into consideration the magnitude of families at risk in certain communities and consider the distribution of families at risk on a sub-county level in the future. Less than 10 percent of the target client populations in Dona Ana, Bernalillo, San Juan, Sandoval, and Eddy, Curry, Cibola, Lincoln, and Chaves counties were served in FY14, suggesting significant needs and gaps for home visiting services persist in these communities, including the state's two largest cities. New Mexico also receives significant amounts of private funding, notably from the Los Alamos National Laboratory and CHI St. Joseph's Children Foundation, which supports home visiting programs in northwestern New Mexico and Albuquerque.

Figure 1. Estimated Percentage of Target Child Population Served by CYFD Home Visiting, FY14

Source: LFC Analysis

To reach a goal of serving half of low-income, first-time births would cost up to $44 million, depending on the use of federal and other funding sources. Assuming the average home visiting cost-per-client in FY13, serving all low-income, first-born families in New Mexico would cost roughly $88 million annually. Serving a target population of 50 percent of low-income, first born births would cost roughly $44 million annually, and serving 25 percent of low-income, first born would cost roughly $22 million. Low-income, first-born births are not the only way to identify risk, and other factors, such as maternal depression or maternal substance use, may qualify families for home visiting services, but low-income, first-born status was selected for the purposes of estimating population targets because data is readily available. These estimates may be high because they assume families will remain enrolled for three years and do not include estimates of attrition rates.

Table 4. Estimated Costs to Serve At-Risk, Low-Income Family Targets

	Annual Cost to Serve 50 Percent of Low-Income, First Born (Target = 11,525)	Annual Cost to Serve 25 Percent of Low-Income, First Born (Target = 5,762)
Average Cost in NM = $3,801	$43,805,765	$21,902,882

Source: LFC Analysis

Leveraging Medicaid funds to provide home visiting services through the state's managed care organizations would provide an opportunity to meet the recommended home visiting funding target. According to the Pew Center on the States, several programs within Medicaid are available to support home visiting, including: targeted case management, administrative case management, enhanced prenatal benefits, traditional medical assistance services, and managed care. Several states, including California, Illinois, Michigan, North Dakota, Washington, and Minnesota, are currently using Medicaid to fund home visiting services. The services that comprise a home visiting program may include medical care, behavioral health care, health education, counseling, and assistance with social services. Currently New Mexico does not have a Medicaid match for home visiting. For the past two years, the LFC has proposed language in the General Appropriations Act that includes funds for a Medicaid match for home visiting. This appropriation has been vetoed, however. New Mexico could receive a 70 percent match for new investments in home visiting. For example, if the state invested $500 thousand, New Mexico could receive $1.1 million in federal matching funds.

> **Medicaid-funded Home Visiting in Minnesota**
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> Minnesota funds and administers home visiting for low-income families through its managed care Medicaid program, which is administered through the state's Department of Health. The majority of the state's Medicaid beneficiaries participate in managed care plans, and all managed care organizations (MCO) provide home visiting services. MCOs contract with local health departments to provide home visiting services, which are conducted by trained nurses and paraprofessionals.
>
> Source: Pew Charitable Trusts

As New Mexico rolls out home visiting expansion, the state should consider program model assumptions, uptake rate variations, and the size of eligible populations in the state's counties. For example, Nurse Family Partnership (NFP), Parents as Teachers, and Healthy Families America all have program models that with home visiting case loads of roughly 20 to 25 clients per visitor, and multiple home visitors per supervisor. First Born home visitors typically carry caseloads ranging between 18 and 20 families. Given that not all eligible clients will seek services, many counties may not have enough eligible clients to sustain typical full program models and will require creative program structures.

NFP provides specific recommendations and assumptions around program expansion that may serve as models for statewide expansion efforts to serve the state's target population. A full nursing team includes eight home visitors with a full-time supervisor, which is able to serve 200 families. According to NFP, cities or counties with large numbers of eligible populations and a large nursing force can readily establish initial programs with multiple teams, but rural communities may require different program structures. In contrast, First Born programs have found ways to reach rural populations with fewer supervisors per home visiting team, and Parents as Teachers assumes no more than 12 home visitors to each supervisor.

To estimate the minimum referral base a community will need to warrant a team, the state should estimate the number of low-income first births in the community and conservatively assume roughly 25 percent of the eligible population will enroll in initial program years. Programs should then develop staffing and case management to serve 25 percent of the total eligible population. This conservative goal should equal or exceed 100 families so that the target population may be served by a team involving four home visitors and one supervisor.

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Fifteen counties in New Mexico have eligible population estimates of low-income, first-born, assuming 25 percent uptake, that exceed 100 clients. With the exception of Luna County, most of these counties served far fewer than this estimate of clients in FY14 and could likely sustain increases in program enrollment. Service delivery models could be modified in counties with smaller populations through satellite programs of larger programs nearby or finding other ways to scale efficiencies by using existing organizations in larger counties.

Table 5. Counties with 100+ Families in 25 Percent Uptake Estimate

	Estimate of 25 Percent Target Population	Number of Clients Served FY14	Total Cost to Reach 25 Percent Target Population
Bernalillo	1,629	318	$4,984,251
Dona Ana	735	251	$1,839,684
San Juan	419	63	$1,354,106
McKinley	317	167	$569,390
Santa Fe	291	217	$282,414
Sandoval	288	26	$994,722
Lea	245	35	$797,450
Chaves	233	0	$885,443
Valencia	204	2	$766,662
Eddy	173	25	$562,928
Curry	152	22	$495,650
Rio Arriba	146	62	$317,384
Otero	130	2	$486,718
Cibola	104	10	$355,394

Source: LFC Analysis

By targeting communities that meet the 100 client minimum potential enrollment threshold, the state can ensure communities have sufficient eligible families to sustain a program and serve as many eligible families as possible, which will allow New Mexico to witness population improvements. Focusing expansion efforts in communities to fill programs to capacity is a cost-effective strategy because of the administrative and start-up costs associated with initial program implementation. For example, NFP reports assistance, training, and technical support costs, which are paid to NFP, are approximately $102 thousand in the first program year, and ongoing annual fees are roughly $15 thousand. Programs able to fill to capacity will spread these administrative costs across more clients than programs unable to fill to capacity.

> ### *The National Academy of Sciences*
>
> Cautions against scaling up programs too quickly before they have been optimized for specific delivery settings and before capacity has been built in these settings. The report recommends a rule of "5X or 10X," which means that if 10 organizations existed in the first phase of scale up, it is appropriate to expand to no more than 50 to 100 organizations in the next phase.
>
> Source: National Academy of Sciences

As New Mexico expands home visiting services, CYFD should coordinate efforts with home visiting programs that do not receive state funds to avoid duplicating efforts, which could lead providers to compete for eligible clients. Considerable home visiting development funded by private foundations is currently occurring in northwestern New Mexico and the South Valley of Albuquerque, and CYFD should ensure that it continues to take these existing privately funded programs into account when it awards home visiting contracts.

New Mexico could serve 25 percent of the low-income, first-born population at a cost of roughly $22 million, an increase of $11.4 million over FY15 funding levels of $10.6 million. How New Mexico reaches a target of $22 million will depend on the funding sources used. Assuming TANF and MIECHV levels remain the same, $18.9 million in additional funds will be needed. Using a strategy that includes Medicaid resources to meet the remaining funding needs, the state would need to invest $5.7 million in General Fund revenue annually. This estimate assumes current federal funds remain flat, Medicaid funds 70 percent of the remaining investment, and nearly all families served by Home Visiting qualify for Medicaid. This analysis also assumes a Medicaid bundled payment structure

would provide program funds at a level similar to that of the existing CYFD program, roughly $3,800 per client per year. If a provider cannot operate within this revenue level, they would need to subsidize home visiting payments with public and private funding sources.

Chart 7. Home Visiting Funding Scenario to Reach 25 Percent of Target Population (in millions)

FY 15 Federal Funds*, $3.1

Remaining Funds Needed, $18.9

70 Percent Medicaid, $13.2

30 Percent General Fund, $5.7

* Includes MIECHV and TANF
Source: LFC Files

According to the New Mexico Results First Model, evidence-based programs are generally more effective and produce a higher return on investment when targeted to specific at-risk populations, as opposed to applied to the entire population.

Much data exists on home visiting in New Mexico, but some further development is needed. The Home Visiting Accountability Act (HVAA), enacted in 2013, requires CYFD to produce an annual report on "the goals and achieved outcomes of the home visiting system implemented pursuant to the Home Visiting Accountability Act." (NMSA 1978 Sections 32A-23B-1). Specifically, the Act requires this annual outcomes report to include data about the eligible population of families, parents, and children; educational, developmental, safety, and health outcomes; and concurrent enrollment in high-quality child care services.

The measures required under the HVAA generally align well with the data collected by CYFD and analyzed by UNM's Center for Education Policy Research (CEPR) for the Home Visiting Annual Outcomes Report. These indicators can also be aligned with the eight outcome domains identified by the U.S. Department of Health and Human Services' Home Visiting Evidence of Effectiveness (HomVEE) study, which is a review of research on home visiting programs that seeks to identify program models that are the most effective at improving family and child outcomes, as well as some measures currently required by the General Appropriations Act (see Appendix H). However, data still lacks in some areas, and four of the items required under the HVAA have been identified by UNM's Center for Education Policy Research (CEPR) as being in need of additional data development. Figure 2 below contains the full list of measures required to be reported on by the HVAA and denotes those that CEPR has identified as in need of additional data development.

Figure 2. Data Required to be Reported under the Home Visiting Accountability Act

1. The cost per eligible family served
2. The number of eligible families served
3. Demographic data on eligible families served
4. The duration of participation by eligible families in the program
5. The number and type of programs that the department has funded
6. Any increases in school readiness, child development, and literacy*
7. Decreases in child maltreatment or child abuse*
8. Any reductions in risky parental behavior
9. The percentage of children receiving regular well-child exams, as recommended by the American Academy of Pediatrics*
10. The percentage of infants on schedule to be fully immunized by age 2
11. The number of children that received an ages and stages questionnaire and what percent scored age appropriately in all developmental domains
12. The number of children identified with potential developmental delay and, of those, how many began services within two months of the screening
13. The percentage of children receiving home visiting services who are enrolled in high-quality licensed child care programs*

* Measures identified by CEPR as in need of additional data development

Source: FY14 Home Visiting Annual Outcomes Report

For measures in need of additional development, it may be possible to integrate the needs of home visiting with other state systems. For example, the implementation of the kindergarten entry assessment, now titled the kindergarten observational tool, offers an opportunity to share data with CYFD for the analysis of home visiting participants' readiness for school. The integration of home visiting data with the data used to report measures that are currently collected pursuant to the GAA, such as enrollment in prekindergarten and high-quality child care, and CYFD's own child maltreatment data, may help to fill out the HVAA measures that are not currently collected.

Mothers in home visiting are more likely to breastfeed than the state as a whole. Breastfeeding helps infants develop robust immune systems and facilitates infant-mother bonding. In FY14, about 84 percent of home visiting participants reported initiating breastfeeding, according to home visiting data from CYFD. While the data are not directly comparable, the rate was approximately 77 percent for New Mexico as a whole, according to the Centers for Disease Control and Prevention's 2014 Breastfeeding Report Card.

**Chart 8. Percentage of Home Visiting
Participants Who Initiated Breastfeeding**

Source: LFC Analysis

On average, families participating in home visiting met about one-quarter of the goals they set in FY14. Of the home visiting participants who reported setting one or more client goals in FY14, the average client set five goals and met approximately 26 percent of the goals they set. Some clients set just one goal, while the highest number of goals set by a single participant in FY14 was 47. About 78 percent of all families participating in home visiting set at least one goal in FY14, while 440 clients, or about 22 percent, did not report setting any goals. The number of goals set varies by participating household and the specific home visiting program in which the client is enrolled. According to CYFD's Home Visiting Program Standards, each goal should be aligned to one of 18 outcome areas for home visiting.

**Table 6. Home Visiting Client Goal
Setting and Completion, FY14**

Percent of Clients Who Identified At Least One Goal	78%
Average Number of Goals Set Per Goal-Identifying Client	5
Percent of Goal-Identifying Clients Achieving At Least One Goal	50%
Average Number of Goals Completed Per Goal-Identifying Clients	1.8
Average Percent of Goals Met	26%

Source: LFC Analysis

Home visiting providers in New Mexico are effectively screening clients for risk, including child developmental delays and domestic violence, but the majority of clients identified as at-risk did not engage in services or access resources following identification in FY14. The FY14 Annual Home Visiting Report noted connecting families to supports in their communities is important for fostering safe and healthy children, and home visiting is an essential part of the state's effort to ensure families are connected to the social support services they need or want. Home visiting clients are screened for risk of domestic violence, post-natal depression, and developmental delays. In FY14, even though nearly all clients were consistently screened for services, the majority identified as at risk never engaged in services.

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Table 7. Home Visiting Client Referrals FY14

	Screened	Identified as "at-Risk"	Referred for Services	Engaged in Services
Post-Natal Depression	1,143	330	246	128
Domestic Violence	1,225	86	35	11
Developmental Delay	1,200	199	116	70

Source: CEPR

Developing community relationships and infrastructure is a barrier to program implementation. Evaluations of home visiting expansion efforts in New Mexico and other states highlight barriers and challenges to expansion that need to be addressed.

A recent RAND Corporation evaluation of New Mexico's implementation of a federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) grant highlighted challenges to expanding home visiting services. To improve implementation of home visiting programs, the New Mexico CYFD secured a MIECHV grant. The resulting Home Visiting Competitive Development Grant was intended to build capacity for home visiting program implementation through specific steps and distance-learning approach. Specifically, grant objectives included plans to:
- Help targeted communities (Luna County, Quay County, McKinley County, and the South Valley of Albuquerque) form effective early childhood coalitions;
- Enhance the continuum of services needed to successfully support families; and
- Improve the infrastructure of the sites to deliver home visiting.

RAND evaluators found community coalitions did not carry out most activities needed to establish a strong structure during the evaluation period of nearly two years. Additionally, evaluators found community stakeholders reported no improvement in the continuum of services in their communities, and stakeholders reported continued need for coordination across services. Finally, two of four sites established home visiting services during the evaluation period. Both of the programs were rated low in their capacity to perform program evaluations and continuous quality improvement.

RAND evaluators concluded the weak structure of coalitions and their lack of accountability and resources limited their planning and impact on the continuum of services. Additionally, evaluators reported the sites made little progress toward capacity building as a result of loose organizational structures, and a lack of staff support, budget, and other inputs, and evaluators concluded the coalitions and home visiting programs lacked accountability. RAND evaluators recommended supporting coalitions with funding and accountability and increasing accountability across all Home Visiting Competitive Development Grant activities, including performance benchmarks and consequences for good and bad performance for coalitions and home visiting programs.

In contrast, a 2011 RAND evaluation of the factors influencing successful start-up of home visiting sites found a preimplementation phase, which typically lasts at least six months, promoted successful start up of First Born home visiting sites. During this phase, successful programs demonstrate relationship-building with community organizations and outreach activities, including the local medical community and stakeholders that might refer families to the program or to which the program might refer families, such as teen parent programs, family violence prevention programs, and early intervention providers. According to the Los Alamos National Laboratory Foundation, which has supported the implementation of First Born programs in several communities, preimplementation costs range between $50 thousand and $100 thousand. Nurse-Family Partnership reports planning and preparation to establish a site typically takes 12 to 24 months.

National evaluations of home visiting program development conducted by Mathematica highlight barriers to program expansion, including effective referral systems and maintaining client enrollment. This 2014 evaluation of evidence-based model replication found that while programs were able to maintain fidelity standards, many struggled to maintain caseloads and deliver services at the intended intensity.

In contrast, Mathematica found grantees focused on enhancing and expanding program models engaged in the development of central intake and referral systems and built community partnerships to facilitate referrals for home visiting programs. Home visiting programs in New Mexico that successfully enrolled clients report they have also built community partnerships, particularly with hospitals, primary-care providers, and other community providers, to facilitate client recruitment. Additionally, New Mexico should consider leveraging points at which families engage with primary care providers, such as well-baby visits, to develop referral systems.

The FY14 Home Visiting Accountability Report published by the University of New Mexico Center for Education Policy Research highlights program retention and dosage as a challenge in New Mexico. Families demonstrating the greatest risk tended to be the most likely to drop out of services, according to a national Mathematica evaluation of home visiting programs. Analysis of home visiting client data in New Mexico suggests providing the recommended dosage may be a challenge in this state as well. Though duration and dosage of services vary across programs, both evidence-based home visiting programs in New Mexico recommend enrollment of roughly 2.5 years with 24 or more visits during the initial 12 months of enrollment. CEPR reports 58 percent of FY14 home visiting clients received 10 or fewer visits during the fiscal year.

Table 8. Recommended Visits During Initial 12 Months of Enrollment of Evidence-Based Programs in New Mexico

| Nurse-Family Partnership | 36 |
| Parents as Teachers | 24 |

Source: LFC Analysis

Chart 9. FY14 Home Visits Received by Participating Families

Source: CEPR

However, among the clients who received 12 or more months of services, over half received 40 or more visits.

Chart 10. Cumulative Visits for Home Visiting Clients Enrolled 12 + Months
(N=797)

Source: LFC Analysis

CYFD is working to improve both recruitment and retention efforts. The Thornburg Foundation has invested in market research to identify ways to advertise home visiting in a way that will encourage families to enroll, and the MIECHV application submitted by CYFD sets aside funds for program marketing. The department is also developing and implementing a centralized home visiting referral system.

As home visiting programs are implemented, the state may look to existing infrastructure and consider community context to support development. Communities with large populations of unserved clients, including Bernalillo, Dona Ana, and Chaves Counties, may have existing infrastructure that could support home visiting programs and capacity building, such as hospitals and public health offices, and workforce needs, such as the availability of nurses. Additionally, several of these communities have established program sites and would not need to engage in initial infrastructure development activities and should be able to expand programs more quickly than communities without existing programs.

Community context may also influence staff recruitment. According to the RAND 2011 evaluation, First Born programs reported relative ease hiring home visitors, who are expected to have a high school credential equivalent and experience in social services, but struggled to recruit a staff registered nurse or program manager. In contrast, NFP, which operates in Albuquerque, reports recruiting nurses as home visitors has not been a challenge.

Recommendations

The Legislature should:

Adopt a GAA performance measure that reports the proportion of low-income families receiving home visiting services.

Direct CYFD to develop a state plan for home visiting expansion that considers numbers of at-risk, low-income families across counties, other risk factors, current community saturation rates, and existing services and identifies priority communities for future expansion.

Continue to increase home visiting funding to serve the established targets.

The Children Youth and Families Department should:

Target home visiting program expansion to communities with large numbers of target, at-risk families and with proportionally few families served to close service gaps and analyze existing services when awarding home visiting contracts. The department should focus attention on sub-county areas in investment zones where at-risk families are concentrated, and areas outside the investment zones should be targeted as programs expand.

The Human Services Department should:

Work with the federal Centers for Medicare and Medicaid Services (CMS) to amend the state plan or apply for a waiver to offer medical-based intensive home visiting services to first-time, at-risk mothers. Given the cost of this service and need for it to be well-targeted, HSD should also consider allowing managed care organizations to require prior approval before authorizing providers to deliver care.

PREKINDERGARTEN

New Mexico established a voluntary prekindergarten program for 4 year-olds through the New Mexico Prekindergarten Act. The program is jointly administered by PED and CYFD. New Mexico prekindergarten does not maintain individual eligibility requirements, though the program is targeted to serve communities in which at least two thirds of children live in a Title I elementary school attendance zone. Like many states, New Mexico has increased appropriations from the general fund for preschool in recent years. However, New Mexico continues to be a leader in year-over-year percent increases. In FY15, New Mexico appropriated $36.6 million to serve an estimated 10 thousand 4-year-old prekindergarten students, and the FY16 Legislative Finance Committee recommendation includes a prekindergarten appropriation of $30.4 million for half-day services for 4-year-olds and $15.4 million for extended-day services for 4-year-olds.

Chart 11. Prekindergarten Appropriations and Enrollment, FY12-15

Note: FY15 enrollment estimate based on enrollment projected in 2014 Post-Session Review
Source: PED, CYFD, and LFC Files

Enrollment in Prekindergarten has increased significantly from roughly 5 thousand in FY12 to an estimated 9 thousand in FY15. An estimated 27 thousand 4-year olds live in New Mexico, roughly 20 thousand of whom are low-income. By significantly expanding prekindergarten slots, New Mexico has substantially increased the number of low-income 4-year-olds who participate in preschool.

Chart 12. Prekindergarten Enrollment FY12-FY15

Note: FY15 enrollment based on updated LFC estimates published in 2015 LFC Volume III
Source: LFC Files

PED reported as of December 2014, 372 children remained on the department's waiting list for prekindergarten. School districts reporting 10 or more students on the waiting list include Albuquerque, Central Consolidated, Gadsden, Grants, Rio Rancho, and Roswell. New Mexico prekindergarten typically provides part-day program services. However, the New Mexico Legislature appropriated funds for an extended day prekindergarten pilot that will serve an estimated 660 students in FY15, and CYFD transferred $3 million in general fund revenue from childcare assistance to fund an estimated 400 additional extended day prekindergarten slots. In some cases, waiting lists may reflect family preferences for full-day programs. For example, PED reports that while roughly 120 children are currently included on the Albuquerque Public Schools waiting list, these students are seeking full-day slots, while the district has half-day slots available.

In addition to the state's prekindergarten program, low-income children in New Mexico may receive preschool services through the federally-administered Head Start program. Unlike the state's prekindergarten program, children must meet income eligibility requirements to receive services. Head Start funding is awarded directly to provider agencies by the federal government, bypassing state control. CYFD has no administrative role in Head Start but does house one federally-funded staff member to act as the state's Head Start Collaboration Director.

Chart 13. Head Start Enrollment FY09-FY13

Source: LFC Files

In 2013, an LFC evaluation found a lack of Head Start cooperation and coordination results in inefficient resource allocation and potentially hinders school readiness. This evaluation noted poor coordination and bifurcated funding hampers Head Start accountability and complicates New Mexico prekindergarten expansion. Because of unnecessary competition and lack of coordination between Head Start and prekindergarten providers, the state lost roughly $1 million in federal funds for Head Start in 2013.

Enough publicly-funded slots for 4-year-olds exist to provide nearly all low-income 4-year-olds with some form of early childhood education, however many children currently served are not low-income. An estimated 27 thousand 4-year-olds live in New Mexico, and 73 percent are low-income as measured by free or reduced lunch (FRL) status. Roughly 17,500 slots for 4-year old early care and education programs are funded annually, if prekindergarten, four and five-star childcare, Head Start, and special education preschool slots are included, though special education preschool may not provide comprehensive early learning programs.

This analysis concurs with the findings of a 2013 LFC evaluation, which reported 66 percent of low-income kindergarteners in FY12 received child care, prekindergarten, or Head Start. CYFD prekindergarten programs struggled to report the free or reduced lunch status of enrolled students within the PED student teacher accountability reporting system (STARS) data base, and FRL status is unknown for half of FY14 prekindergarten participants. The LFC was able to match FY13 prekindergarten participants to kindergarten low-income status and found roughly 18 percent of FY13 prekindergarten students did not match to kindergarten data and appear not to have attended New Mexico public schools in FY14. Of the students for which income data is available, 73 percent

of students enrolled in CYFD's prekindergarten programs were low-income and 85 percent of students enrolled in PED's prekindergarten programs were low-income.

Table 9. Comparison 4-Year-Olds and Funded Slots*

Estimated 4-year-olds	**27,000**
Estimated low-income 4-year-olds	**19,700**
Estimated four and five-star child care slots	804
Estimated Head Start slots	5,056
Estimated prekindergarten slots	8,980
Estimated special education preschool slots	2,676
Total 4-year-old slots	**17,516**

Source: LFC Analysis

*Assumes FY14 child care, head start, and special education preschool enrollment, and FY15 estimated PreK enrollment.

Chart 14. FY13 Prekindergarten Participation by Low-Income Status

Source: LFC Analysis

Considering these estimates, the Legislature may now wish to focus on improving program quality or extending hours for 4-year-olds or services to 3-year-olds, particularly because all 4-year-old programs are voluntary and will not likely experience 100 percent uptake. As the state expands prekindergarten, PED and CYFD should conduct community-level analysis to identify areas that may be reaching capacity for 4-year-old enrollment and communities that remain unserved to prevent future competition among programs and increase access for children.

Previous research has found New Mexico PreK is making a positive and cost-beneficial impact, however quality appears to be declining. LFC evaluations in 2012 and 2013 found investments in Prekindergarten have resulted in measurable and significant effects on kindergarten and third-grade academic performance and other improved outcomes, including reduced participation in special education and reduced grade retention. However, maintaining quality in prekindergarten is essential to ensure programs continue to produce desired outcomes, and prekindergarten environmental quality ratings have declined since FY10. Currently, the only performance measures reported for prekindergarten include the percent of children who demonstrate progress on the state's prekindergarten observational assessment tool, though benchmarks of progress are not reported. New Mexico has the ability to follow students receiving prekindergarten services through elementary school using the STARS ID assigned to all prekindergarten and K-12 students, but neither CYFD nor PED currently conduct such analysis. Beginning in FY16, PED plans to report the percentage of kindergarten students scoring as "ready for kindergarten" on the kindergarten observational tool. While this information is not yet available, LFC analysis suggests students who participated in prekindergarten continue to exhibit learning gains associated with program participation.

Kindergarteners who attended prekindergarten were more likely to score at benchmark on the DIBELS than those who did not. The Dynamic Indicators of Basic Early Literacy Skills (DIBELS) is an assessment of children's acquisition of various components of language and literacy and provides information about whether students are on track to develop literacy skills. Beginning-of-year kindergartener's DIBELS scores in New Mexico can be used as a proxy for early childhood learning and school readiness until the kindergarten observational tool is ready for statewide use. LFC staff analyzed data on students who took the DIBELS in 19 school districts around the state and found that in FY13, about 39 percent of kindergarteners in those districts who attended a New Mexico prekindergarten program scored at benchmark on the DIBELS, compared to 37 percent of kindergarteners who did not attend prekindergarten. Among low-income kindergarteners, those who attended prekindergarten continue to score higher on the DIBELS than those who did not. Thirty-eight percent of low-income kindergarteners who attended prekindergarten scored at benchmark, compared to about 33 percent of those who did not attend PreK, roughly a 5 percent gain.

Chart 15. FY13 DIBELS Composite Score by Previous Year Prekindergarten Enrollment

Source: LFC Analysis

Chart 16. Percent of Kindergarteners Achieving Benchmark on FY13 DIBELS by Prekindergarten and Low-Income Status

Source: LFC Analysis

Roughly 20 percent of low-income students entered kindergarten unable to name a single letter, but children who participate in prekindergarten are less likely to demonstrate this literacy risk-factor. A DIBELS letter naming fluency (LNF) score of 0 indicates that a child was unable to identify any letters, an indicator of literacy risk. Thirteen percent of low-income kindergarteners who attended prekindergarten had an LNF score of 0 on the FY13 DIBELS, similar to the percentage for all students. However, nearly 20 percent of low-income students who did not attend PreK had a score of zero, compared to just under 18 percent of all students who did not attend PreK. This difference, and the slightly larger gap in average LNF scores in the table below, could indicate that low-income kindergarteners experience greater gains in early literacy skills from prekindergarten attendance than kindergarteners as a whole.

Table 10. Percentage of FY13 Kindergarteners who Could Not Name One Letter via the DIBELS

	All Students	Low-Income Students
Did Not Attend Prekindergarten	18%	20%
Attended Prekindergarten	13%	13%

Source: LFC Analysis

Children who participate in prekindergarten also continue to demonstrate benefits sustained through third grade. Among all third graders, students who attended prekindergarten were more likely to score at proficient levels on the New Mexico Standards-Based Assessment (SBA) than those who did not attend prekindergarten. Of the FY14 third graders who attended prekindergarten in FY10, 58 percent scored proficient in math, and 59 percent scored proficient in reading. This compares to 53 and 56 percent, a difference of 5 and 3 percentage points for math and reading, respectively, of third graders who did not attend prekindergarten. However, the difference in proficiency was most pronounced among low-income third graders. Among low-income third graders, 54 percent of those who attended prekindergarten achieved proficient scores on both the math and reading portions of the SBA. Among low-income third graders who did not attend prekindergarten, 45 percent scored proficient in math and 49 percent scored proficient in reading, a difference of 9 and 5 percentage points, respectively.

Chart 17. SY14 Third Grade SBA Reading and Math Proficiency, All Students

Source: LFC Analysis

Chart 18. SY14 Third Grade SBA Reading and Math Proficiency, Low-Income Students

Source: LFC Analysis

Additionally, prekindergarten students scored an average of 1.3 scaled score points higher in math and 0.6 scaled score points higher in reading, but gains were again greater among low-income students. Low-income students who attended prekindergarten scored an average of 2.1 points higher in math and 1.2 points higher in reading than low-income students who did not attend prekindergarten.

Chart 19. Mean Math and Reading Scores on 2014 Third Grade SBA by PreK and FRL Status

Source: LFC Analysis

Third grade students who attended prekindergarten remain less likely to be enrolled in special education and less likely to be retained than were students who did not attend prekindergarten. Not including students enrolled in gifted education, in FY14, 4 percent of third graders who attended prekindergarten and 4 percent of low-income third graders who attended prekindergarten were enrolled in a special education program. For third graders who did not attend prekindergarten, 5 percent of the total and 5 percent of low-income students were enrolled in special education.

Chart 20. Percentage of Third Graders in Special Education, FY14*

All Third Graders (N=21,004)   FRL Third Graders (N=15,612)

■ Attended PreK   ■ Did Not Attend PreK

* Excludes students enrolled in gifted programs
Source: LFC Analysis

In FY14, 1.1 percent of third graders were retained in third grade from the previous year. However, of the third graders in FY13 who attended prekindergarten, just 0.8 percent were retained in FY14, compared with 1.2 percent of third graders who did not attend prekindergarten. Additionally, among all students who attended kindergarten in FY11 and who therefore should have been in third grade in FY14, 12 percent were at least one grade level behind, indicating they had been retained at least once. Of the FY11 kindergarteners who attended prekindergarten, however, 7 percent were at least one grade level behind, compared to 13 percent of those who did not attend prekindergarten.

Chart 21. Percentage of FY13 Third Graders Who Repeated Third Grade in FY14

Attended PreK (N=3,136)   Did Not Attend PreK (N=20,917)

Source: LFC Analysis

Chart 22. Percentage of FY11 Kindergarteners Who Were Retained At Least Once by FY14

Attended PreK (N=3,034)   Did Not Attend PreK (N=16,480)

Source: LFC Analysis

Previously observed differences in SBA reading performance among students who received PED versus CYFD prekindergarten were not apparent among FY14 third graders, though differences in math performance exist. Previous LFC evaluations noted students who attended PED prekindergarten slightly outperformed students who attended CYFD prekindergarten in third grade reading performance after controlling for poverty. In FY14, however, low-income third graders who attended PED prekindergarten scored higher in math than those who attended CYFD prekindergarten, but data suggests no significant difference for reading. Low-income third graders who attended PED prekindergarten scored about a point higher, on average, on the math portion of the SBA than did low-income third graders who attended a CYFD prekindergarten program. LFC analysis found this to be a statistically significant difference.

**Table 11. Mean FY14 SBA Scores for Low-Income
Third Graders Who Attended Prekindergarten**

	CYFD	PED	Difference
Math	39.89	41.04	1.15
Reading	40.23	40.51	0.28

Source: LFC Analysis

Particularly among PED providers, classroom quality ratings suggest prekindergarten quality may be declining, which could reduce the program's impact on student outcomes. The Early Childhood Environmental Rating Scale- Revised Edition is a process quality assessment based on the observation of the ongoing daily program and serves as an indicator for the level of future success of the child in the elementary school grades; higher quality settings are associated with improved school success in language ability, pre-academic skills, relationships with caregivers, and social skills.

Several states, including Nebraska and Mississippi, use the ECERS as an indicator of early childhood program quality and establish minimum program standards using the ECERS. For example, Nebraska measures quality using the ECERS and requires that programs score at least a 5 on each of the seven subscales and a 5 overall to qualify for early childhood education grants, which partially fund programs.

> **The Early Childhood Environmental Rating Scale (ECERS)**
>
> The ECERS rates early childhood environments using 46 7-point scales, with the following score translations:
>
> | Score | Quality Level |
> |---|---|
> | 1 | inadequate |
> | 3 | minimal |
> | 5 | good |
> | 7 | excellent |
>
> Source: ECERS

New Mexico prekindergarten program standards currently require programs be rated according to the ECERS scale and previously required programs to earn a 5 on certain sub-scales. However, prekindergarten program standards published in FY13 indicate CYFD programs are no longer required to maintain a minimum score, and PED prekindergarten programs may report ECERS scores below the benchmark set by the department. Though ECERS evaluations were validated in the past, evaluations are conducted via self-assessment and are not independently validated. PED's ECERS scores experienced some fluctuating growth between 2008 and 2012 before declining in 2013. CYFD's ECERS scores increased in 2013, but are still below the levels seen from 2009 through 2011.

Chart 23. PED ECERS Overall Score Average, 2008-2013

Source: PED

Chart 24. CYFD ECERS Overall Score, 2008-2013

Source: CYFD

Table 12. FY 13 PED and CYFD ECERS Sub-Scores

	Average PED Score	Average CYFD Score
Space and Furnishings	3.51	3.84
Personal Care Routines	1.91	2.13
Language Reasoning	4.44	5.04
Activities	3.89	4.78
Interaction	4.29	4.13
Program Structure	4.56	5.60
Parents and Staff	5.00	5.35

Source: PED

Head Start programs are required to measure and report program quality using the CLASS, an assessment of the quality of interaction between students and teachers that is predictive of student cognitive development. The federal government requires programs meet certain CLASS score ratings indicating benchmarks of program quality. CYFD and PED should consider evaluating prekindergarten classrooms using the CLASS to align with Head Start requirements.

Evidence of a lack of state-level coordination in the prekindergarten expansion process may lead to misdistribution, unnecessary competition among programs, and wasted resources. CYFD and PED report collaboration when awarding prekindergarten slots to avoid the duplication of services in communities. When programs respond to prekindergarten requests for applications (RFAs), they are required to report other available early childhood programs and estimated slots in the community.

LFC analysis suggests certain communities have a surplus of 4-year-old slots when child care, prekindergarten, and Head Start opportunities are combined, while others, including Bernalillo and Dona Ana counties, have insufficient slots to serve the estimated low-income students in the community (Appendix I). Four-year-olds in communities with slot surpluses may remain unserved because children may participate in more than one program, non-low income children may fill prekindergarten slots, or programs may be geographically distant from unserved children. Additionally, communities with small numbers of 4-year-olds may be unable to enroll enough students to fund an entire classroom. To address this, the FY16 LFC budget recommendation includes expansions for 3-year-olds in communities where there are not enough 4-year-olds to fill a classroom.

Table 13. Counties with Apparent Surplus of High-Quality Slots for Low-Income 4-Year-Olds

County	Estimated 4-Year-Olds	Estimated Low-Income 4–Year-Olds	Estimated High-Quality Program Slots for 4-Year-Olds*
Cibola	302	252	278
Mora	43	43	113
Quay	108	92	241
San Miguel	329	257	304
Sandoval	1,643	804	896
Sierra	100	80	92
Socorro	165	117	139
Valencia	1,015	748	878

Source: LFC Analysis

* Includes PreK, four and five- star child care, and Head Start enrollment

Table 14. Counties with Apparent Shortage of High-Quality Slots for Low-Income 4-Year-Olds

County	Estimated 4-Year-Olds	Estimated Low-Income 4-Year-Olds	Estimated High-Quality Program Slots for 4-Year-Olds*
Bernalillo	8,035	5,799	3,524
Chaves	1,018	939	144
Dona Ana	3,179	2,622	1,926
Lea	1,299	833	338

Source: LFC Analysis

* Includes PreK, four and five-star child care, and Head Start enrollment

As programs for 4-year-olds begin to saturate markets in some communities, collaboration among PED, CYFD, and communities is especially critical to avoid supplanting existing programs. For example, the 2013 LFC evaluation of early childhood programs highlighted competition among early childhood programs that has resulted in the loss of federal revenue. This competition has continued, and may cause programs to struggle to fill all awarded slots. For example, West Las Vegas Head Start sent a letter to LFC staff in 2013 indicating that prekindergarten funding flooded the market in their area, and as a result the state lost $867 thousand in Head Start funding and 15 positions. Since FY12 Head Start revenue has declined from $61 million to $58 million and enrollment among 4-year olds has declined from 7,829 to 7,472. This decline may, in part, be explained by 4-year olds transitioning to state-funded PreK. Similarly, PED reported the department would need to redistribute half-day prekindergarten slots because certain communities were unable to fill slots after CYFD increased funds available for full-day prekindergarten slots, which parents often prefer.

New Mexico failed to receive a federal prekindergarten expansion grant in FY15 in part because of insufficient documentation of implementation planning. While reviewers of New Mexico's application noted many strengths, including the state's hybrid public-private prekindergarten system, its commitment to implementing wide-ranging quality standards through FOCUS, and its plans to continue improving data systems, the application's weaknesses centered on issues of coordination and planning. For example, one reviewer indicated that the application did not include information on a person or entity responsible for coordinating prekindergarten standards with other sectors, such as child health, mental health, family support, nutrition, child welfare, and adult education and training. Other comments note that New Mexico's application lacked specificity in its plan for implementing prekindergarten expansion, including plans for coordinating expansion with existing funding and services, and did not include a long-range plan for sustaining the services that would have been funded by the grant after the grant period was over.

Better coordination of early childhood education services may lead to improved learning opportunities for students. Initiatives at both the state and federal levels aim to serve both more children and younger students to address the detrimental effect of poverty on child well-being. Research conducted by the University of California-Irvine examined the impact of combined prekindergarten and Head Start programs in Oklahoma and found children attending Head Start at age 3 developed stronger pre-reading skills in a high quality pre-kindergarten program at age 4 compared with attending Head Start at age 4, or vice versa. These data suggest the sequencing of early children learning experiences may impact cognitive development, and planning at the state level would allow the coordination of resources and programs to maximize similar combinations of prekindergarten, Head Start, and child care services for children of different ages. For example, the state could aim to serve all eligible 4-year-olds in state-funded PreK, and devote Head Start slots to 3-year-olds to maximize educational benefits to low-income students.

PED reports capital outlay needs may prevent school districts from establishing or expanding PreK programs, particularly if the state transitions to full-day programs. According to PED, eight school districts and two charter schools could not expand because of reported insufficient classroom space, while Carlsbad and Alamogordo stated they could not apply for prekindergarten funds in FY15 as a result of limited classroom space.

Table 15. School Districts and Charter Schools That Reported Insufficient Prekindergarten Classroom Space for Expansion in FY15

Albuquerque
Gadsden
Grants
Hobbs
Pojoaque
Portales
Rio Rancho
Taos
Horizon Academy Charter
North Valley Academy
Carlsbad
Alamogordo

Source: PED

While previous evaluations have noted many school districts maintain excess space as a result of declining enrollment, school districts that have experienced growth in recent years may not have such space. Additionally, sufficient classroom space may become a greater challenge if the state transitions to full-day classrooms.

Lessons learned in other states emphasize the importance of thoughtful and well-coordinated program expansion. New York and Florida both have made universal preschool a statutory goal without dedicated revenue streams or including preschool programs in the state's public school funding formula. New York began this initiative in 1998 and prioritized funding to school districts with the most economically disadvantaged families, but as of 2014 roughly 27 percent of 4-year olds had access to full-day prekindergarten services. In contrast, Florida launched its voluntary prekindergarten program in 2005. Five years later, more than 155 thousand, roughly 68 percent of Florida's 4-year-olds, enrolled. The National Institute for Early Education Research (NIEER) reports that while Florida has enrolled a large number of children, per-child spending ranks among the lowest in the country and quality standards are low. Florida was able to rapidly expand prekindergarten services by enrolling children in existing child care programs with little or no increase in program quality. NIEER reports that while this strategy ensured children could enroll quickly, the educational quality of this program is questionable.

Virginia established a state prekindergarten program in 1996 to provide high-quality early learning experiences to at-risk 4-year-olds. However, despite bipartisan support and full-funding, almost one-third of children who could benefit from the state's preschool initiative remained unserved. Local leaders in Virginia identified several barriers to full enrollment, including insufficient school facility space, challenges addressing teacher requirements in non-school settings, and small numbers of eligible children in certain communities, which limits the cost-effectiveness of implementing the program. To address these barriers, the Virginia Assembly passed a bill that required the lead agency be responsible for developing a local plan for the delivery of quality preschool services which demonstrates the coordination of resources and combines funding from multiple sources. New Mexico appears to be facing similar challenges and should consider similar coordination efforts.

Expanding early childhood programs will require the training and development of a workforce, which will take time to scale-up. In FY14, the Workforce Solutions Department reports roughly 5,400 adults were employed in the early childhood education and care workforce in 2013, though this figure includes adults employed in both the public and private sectors. The state's workforce will require considerable expansion if the state wishes to serve all low-income children, transition to full-day prekindergarten, or expand access to 3-year-olds.

Table 16. New Mexico's 2013 Early Childhood Education and Care Workforce

Preschool and Child Care Center Administrators	320
Preschool Teachers, Excluding Special Education	1,770
Special Education Preschool Teachers	90
Childcare Educators	3,180
Total	5,360

Source: WSD

Continued funding needs for prekindergarten depend upon the state's goals. If New Mexico wishes to serve all remaining eligible low-income 4-year-olds not currently served by high-quality child care, prekindergarten, Head Start, or special education preschool, New Mexico will need roughly $10.2 million in additional funds over FY15. However, if the state aims to serve all 4-year-olds in Head Start or state-funded half-day PreK, funding needs increase.

Table 17. Prekindergarten Funding Needs In Three Scenarios

	Scenario 1: Combine Child Care/PreK/Head Start	Scenario 2: Combine PreK and Head Start	Scenario 3: All Kids to PreK
Total served in prekindergarten FY14	7,454	7,454	7,454
Assume 80% of served are low-income	5,963	5,963	5,963
Total estimated 4-year-olds served in Head Start	5,056	5,056	
Total estimated 4-year-olds served in four and five-star child care	804		
Estimated 4-year-olds served in special education preschools (assumes 73% are low-income)	1,953	1,953	1,953
Total 4-year-old slots for low-income students	**13,777**	**12,973**	**7,917**
Total low-income 4-year-olds	18,700	18,700	18,700
Unserved low -income children FY14	4,923	5,727	10,783
Estimated clients PreK FY15	8,980	8,980	8,980
Estimated low-income served FY15	14,997	14,193	9,137
Slots Needed After FY15	**3,703**	**4,507**	**9,563**
Aim to serve 80 percent	2,962	3,606	7,650
Cost to provide each child 1/2 day PreK ($3,450)	**$10,220,280**	**$12,439,320**	**$26,393,880**

Source: LFC Analysis

*Excludes 1000 FRL students who live outside Title I attendance zones

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Similarly, additional resources will be needed if the state wishes to expand full-day prekindergarten or provide 3-year olds with prekindergarten program services. If New Mexico were to transition to full-day prekindergarten services for four year olds, total prekindergarten cost estimates range between $46 million and $60 million annually. Developing the infrastructure to support such an expansion will take time, as facility and personnel needs would effectively double over current levels.

Table 18. Full-Day Prekindergarten Cost Estimates
(in millions)

Cost to fund existing half-day prekindergarten slots as full-day (@ $6,450 per slot)	$46.1
Cost to provide full-day prekindergarten to all eligible low-income 4-year-olds not receiving Head Start or special education preschool	$60.3

Source: LFC Analysis

> ### *New York Prekindergarten Expansion*
>
> New York first funded 1,000 full-day PreK slots in FY06 and prioritized funding to school districts with large populations of at-risk students. In FY14, New York City developed a plan to expand full-day pre-k services to 73 thousand students by 2016 through public and private providers.
>
> To ensure expanded slots met quality standards, New York awarded start-up and quality grants to support teacher and learning environment development and increased the number of state personnel conducting mandatory quality inspections. To expand its PreK workforce, New York developed a way for PreK providers to access a centralized pool of teacher applicants and partnered with local universities to recruit students to work toward early childhood certification.
>
> Source: NIEER

An estimated 31 percent of the state's low-income three year olds are currently receiving Head Start, special education prekindergarten services, or are enrolled in high-quality child care. An estimated 13 thousand low-income 3-year-olds are not receiving state-funded early childhood services annually. Providing these children with half-day PreK would cost roughly $47 million annually, while providing these children with a full day of PreK would cost roughly $87 million annually.

Table 19. Estimated Three Year Old Education and Care Enrollment

Estimated total 3-year olds	27,000
Estimated low-income	**19,700**
Estimated enrolled in Head Start	3,439
Estimated enrolled in special education preschool	1,898
Estimated enrolled in four and five-star child care assistance	700
Estimated Unserved	**13,463**

Source: LFC Analysis
* Assumes 73 percent FRL

The Legislature may wish to consider making incremental increases to prekindergarten to expand the number of full-day slots available to 4-year olds or expand services to 3-year-olds. Expanding full-day prekindergarten slots or offering services to 4-year-olds should follow a similar incremental strategy to allow time for the development of program capacity and infrastructure while maintaining program quality.

Recommendations

The Legislature should:

Prioritize incremental PreK appropriation increases to expand services for 3-year-olds and full-day services for low-income 4-year-olds or under achieving students in grades kindergarten through third.

The Public Education Department and the Children, Youth, and Families Department should:

Work with the LFC and the Department of Finance and Administration to develop new performance measures including, but not limited to, kindergarten entry assessment scores, third grade reading and math achievement scores, special education participation, and retention by third grade among prekindergarten participants, and average CLASS assessment scores to align with Head Start reporting requirements.

Verify Head Start, high-quality child care assistance, and prekindergarten slots existing in the community prior to awarding prekindergarten grants and prioritize funding to communities demonstrating existing shortages of high-quality services for 4-year-olds.

K-3 PLUS

Initiated in 2007 as an extended school year program pilot, K-3 Plus was first implemented in four school districts. Currently, the K-3 Plus program provides 25 additional instructional days prior to the start of the school year. Though the program does not maintain eligibility requirements for participating students, schools must have earned a D or an F according to the state's school grading system or be composed of 80 percent or more free or reduce lunch students to apply for program funding, which is allocated by the Public Education Department (PED). In FY15, the Legislature appropriated $21.3 million to serve roughly 18 thousand students, a significant increase over FY14.

Chart 25. K-3 Plus Appropriations and Enrollment, FY12-15

*estimate
Source: LFC Files

K-3 Plus programs are now operated in most eligible schools, and the majority of eligible students who do not receive services attend elementary schools with K-3 Plus programs. Since FY08, K-3 Plus enrollment has increased 625 percent from 2,491 to 18,056 in FY14. Roughly 26 percent of the 71 thousand students eligible for K-3 Plus received services. The majority of schools eligible for K-3 Plus funds applied, 234 of 329, but often did not receive enough funding to serve all eligible students; 73 percent of eligible students who did not receive K-3 Plus attend schools that have K-3 Plus programs. If schools are unable to offer enough slots to serve the majority of students, they likely will not see sufficient school-wide academic gains to improve overall school performance.

> *K-3 Plus is serving the targeted student population.* In FY14, 94 percent of the students enrolled in K-3Plus qualified for free or reduced lunch and 42 percent were English-language learners.

Chart 26. FY14 Eligible Students who Did Not Receive K-3 Plus

Students in Schools without K-3+ 27%

Students in Funded Schools 73%

Source: LFC Analysis

K-3 Plus slots generally are not distributed in a way that will produce concentrated benefits that will lead to school-wide performance improvements. While a few school districts are able to reach the majority of eligible elementary school students, most do not, and 26 of the state's 89 school districts serve less than 15 percent of eligible students. Many of the school districts that do not provide K-3 Plus services are small, with relatively few students, but several mid-sized districts, including Farmington, Rio Rancho, and Hobbs, are serving less than 15 percent of eligible students in their districts. Albuquerque Public Schools currently serves 23 percent of all eligible students, and Las Cruces Public Schools serves roughly 37 percent. Continuing needs exist in these communities. Twenty-one school districts are currently operating K-3 Plus programs in all eligible schools, even though these schools are often not able to offer K-3 Plus to all eligible students or operate K-3 Plus programs in all eligible grades. Schools may also use Title I funds to expand program slots. Deming Public Schools is using Title I funds to offer K-5 Plus services school-wide at Columbus Elementary.

Table 20. FY14 School Districts Serving More Than 50 Percent of K-3 Plus Eligible Students

School District	Percent Eligible Students Served
Alamogordo	54%
Carrizozo	82%
Deming	55%
Vaughn	50%
Wagon Mound	59%

Source: LFC Analysis

Table 21. FY14 School Districts Serving Less Than 15 Percent of K-3 Plus Eligible Students

School District	Percent Eligible Students Served
Animas	0%
Aztec	0%
Bloomfield	0%
Chama	0%
Clovis	0%
Corona	0%
Cuba	0%
Estancia	0%
Farmington	0%
Hobbs	12%
Hondo	0%
Jal	0%
Lake Arthur	0%
Magdelena	0%
Maxwell	0%
Moriarty-	0%
Mosquero	0%
Quemado	0%
Raton	0%
Reserve	0%
Rio Rancho	13%
San Jon	0%
Springer	0%
Socorro	14%
Tucumcari	0%
Tularosa	0%
Zuni	0%

Source: LFC Analysis

Table 22. FY 14 School Districts Operating K-3 Plus Programs in All Eligible Schools

Artesia
Carlsbad
Central Consolidated
Cobre Consolidated
Deming
Espanola
Eunice
Gadsden
Gallup
Hagerman
Hatch
Lordsburg
Los Lunas
Mountain Air
Pecos
Penasco
Roswell
Ruidoso
Santa Fe
Silver City
Vaughn
Wagon Mound

Source: LFC Analysis

In FY15, requested K-3 Plus slots exceeded available funds. As a result, PED funded requested slots according to historical ability to fill slots, suggesting voluntary enrollment may be a barrier to future expansion, as schools have not always been able to fill awarded slots, and participation is voluntary. Recognizing voluntary enrollment may be a barrier to expansion, PED has begun to implement training for schools and school districts to promote and improve recruitment efforts.

Given the large state investment in K-3 Plus, the program needs more regular performance reporting. Previous evaluations of the K-3 Plus program have noted though the program requires an annual report, weak monitoring of program outcomes has been a continued issue. Currently, K-3 Plus programs administer the DIBELS to measure the development of early literacy skills, including phonological awareness, but PED does not link K-3 Plus performance to third grade reading or math achievement or grade retention.

In 2010, the U.S. Department of Education awarded an i3 Innovations in Education Validation Grant to Utah State University to evaluate the cost-effectiveness of the program. Utah State University has been conducting a randomized control study of the program, known as StartSmart K-3 Plus. Findings from the Utah State University evaluation released in 2011 found positive effects, though final evaluation results have not been completed. However, Utah State University evaluators have reported K-3 Plus has positive effects on kindergarten readiness and first grade performance, and a 2012 LFC evaluation found students who attended K-3 Plus for two years were estimated to score 0.8 scaled score points higher than students who attended K-3 Plus for only one year.

LFC analysis also suggests that K-3 Plus could have benefits for low-income student literacy. In FY13, only about 34 percent of low-income kindergarteners enrolled in K-3 Plus scored at benchmark on the DIBELS, compared to nearly 40 percent of all kindergarteners in the program. Among first graders in K-3 Plus, however, this gap was essentially nonexistent, with about 53 percent of both low-income students and all first graders in the program scoring at benchmark.

Chart 27. Percent of K-3 Plus Students at DIBELS Benchmark, FY13

Source: LFC Analysis

Continued expansion of K-3 Plus will require state and local leadership and district support to make available 100 extra days of school to all students in high poverty schools by third grade. K-3 Plus programs operate in existing infrastructure with existing staff, some of whom are already on a year-round salary schedule, and should not require new buildings or the training of new professional staff. Because of the voluntary nature of K-3 Plus programs, however, considerable school, district, and state leadership will be required to recruit teachers and students to participate in the program.

Currently, the program operates sporadically in schools, and few students have access to multiple years of K-3 Plus. Of the students not entering kindergarten and participating in K-3 Plus in FY14, 42 percent had participated in one or more years of the program.

**Chart 28. Percent of FY14 Students
Ever Enrolled in K-3 Plus For More
Than One Year**

Enrolled
for More
Than One
Year, 42%

Enrolled
for One
Year, 58%

Source: LFC Analysis

An evaluation of K-3 Plus in Albuquerque found when K-3 Plus teachers were paired with the same students they were teaching in the upcoming year, students were more successful. However, not all early elementary teachers in eligible schools participate in K-3 Plus. Though the program does require teachers to give-up 25 days during the summer, they increase their annual pay by roughly 15 percent.

An estimated 70,343 students are eligible to receive K-3Plus services, while a total of 18,056 received services in the summer of 2014. The K-3 Plus cost per student will increase as the unit value increases, and serving all eligible K-3Plus students would currently cost roughly $84 million, assuming an annual cost of $1,190 per student.

Table 23. K-3 Plus Enrollment

Total eligible children	70,343
Estimated slots funded in FY14	13,400
Eligible children served summer 2014	18,056
Estimated slots funded in FY15	18,854
Eligible children not receiving services	51,489

Source: LFC and PED Files

Because the program is voluntary, it is unlikely that all eligible children will enroll. If the state aimed to serve 50 percent of all eligible students, New Mexico would need to invest a total of $42 million annually, or an additional $21 million over whatever time period the state can afford. Given saturation in schools that have been able to reach the greatest proportion of eligible students, a 50 percent saturation rate statewide over the next five years seems reasonable and would require the state add roughly 3,300 slots annually. This assumption follows the incremental strategy the Legislature has used to expand the program, adding roughly 3,800 slots in FY14 and 5,500 in FY15. Program expansion may be accelerated with considerable leadership from school districts that establish program participation as a district norm for students and teachers or slowed, based on available revenue.

**Chart 29. Funding Estimate to Reach 50
Percent of K-3 Plus Eligible Students in Five
Years**

Source: LFC Analysis

Prioritizing funding to school districts currently operating K-3 Plus programs in all schools could allow these districts to reach district-wide enrollment, which should produce significant population changes in student performance in these schools and districts. Serving all eligible children in the school districts currently operating K-3 Plus programs in all eligible schools would cost roughly $20.7 million, while serving 50 percent of all eligible students in these school districts would cost roughly $2.7 million.

Recommendations

The Legislature should:

Continue to incrementally increase appropriations for K-3 Plus as funding is available.

The Public Education Department should:

Work with the Department of Finance and Administration and the Legislative Finance Committee to develop a set of performance measures for K-3 Plus to include third grade reading and math achievement, grade retention, and special education participation.

Prioritize funding K-3 Plus applications for school-wide or district-wide programs. For schools and school districts not fully implementing either, require or give additional priority to those willing to implement best-practices, including employing the school-year teacher of record for K-3 Plus.

Research and pilot incentives for districts to improve enrollment of eligible children and report results to the Legislative Finance Committee.

Public School Districts should:

Consider using Title I funds to supplement K-3 Plus funds and expand available program slots for upper elementary grades.

CHILD CARE ASSISTANCE

The Children, Youth, and Families Department (CYFD) administers the childcare assistance program in New Mexico, which subsidizes the cost of child care for families with incomes at or below 200 percent of the federal poverty line (FPL), or about $48 thousand for a family of four. New Mexico relies upon several funding sources for child care assistance and currently serves families who earn up to 150 percent of the federal poverty level. The majority of these funds come from three sources: state general fund, the federal Child Care and Development Fund (CCDF) block grant, and the Temporary Assistance for Needy Families (TANF) block grant. To draw down federal funds, states must meet match and maintenance-of-effort requirements.

Additionally, New Mexico will receive $37 million over five years for a federal Race–to-the-Top Early Learning Challenge grant (RTT-ELC) to improve early childhood care and education programs through workforce development, a new tiered quality rating system (QRIS), and data systems improvement. The new QRIS, called FOCUS, will be implemented among some providers voluntarily over the five year RTT-ELC grant period and includes new quality benchmarks for child care providers. The 2013 LFC evaluation of child care highlighted concern that the majority of childcare providers will not have transitioned to FOCUS by the end of the RTT-ELC grant period.

Enrollment in childcare assistance has consistently declined in recent years and is predicted to reach less than 18 thousand next year. The 2013 evaluation of early childhood programs found declining enrollment despite increased investments in child care assistance. In FY10, enrollment in child care assistance was nearly 25 thousand, while enrollment remained below 18 thousand for all of calendar year 2014. As of September 2014, CYFD maintained a childcare waiting list, but the clients on the list did not meet current eligibility requirements and have incomes above 150 percent of the federal poverty line.

Child Care Assistance Waiting List

As of September 2014, the child care assistance waiting list contained 821 children statewide.

100% to 125% FPL	0
126% to 149% FPL	5
150% to 175% FPL	564
176% to 200% FPL	252
Total	**821**

Source: CYFD

Declining childcare enrollment in New Mexico reflects national trends, as data from the U.S. Department of Health and Human Services suggests the number of children receiving child care assistance nationally has declined by 20 percent since 2006.

Chart 30. New Mexico Child Care Children Served and Cost Per Child

Source: CYFD

While childcare enrollment has declined, costs per child have steadily increased as a result of quality improvements and provider rate increases. In FY12 the average cost per child receiving child care assistance was $3,958, while the average cost per child in FY14 increased to $4,056. As a result of declining enrollment, the child care assistance program has experienced fund surpluses, which have primarily been used to increase provider reimbursement rates. Additionally, CYFD has increased subsidy rates for providers participating in the new TQRIS FOCUS to offset costs associated with quality improvements.

Table 24. Licensed Childcare Subsidy Rates

Star Level	Subsidy Rate 2012	Current AIM HIGH Subsidy Rate	Current FOCUS Subsidy Rate
Two-star (base rate)	$326-$521	$379-$720	$379-$720
Three-star	$70	$88	$100
Four-star	$105	$123	$180
Five-star	$132	$150	$250
Approved National Accreditation		$250*	$250*

Source: NMAC 8.15.2

*Providers accredited by organizations not approved by the PED will receive $150 until 2017

Savings from declining enrollment have also been used to expand prekindergarten services. The 2013 evaluation of child care assistance recommended the state use the provision of federal regulation that up to 30 percent of the child care development block grant funds for state match be used for prekindergarten because students who participated in prekindergarten experienced statistically significant gains in third grade reading scores, while students who participated in child care did not. While CYFD did not fully use this provision in FY15, the department shifted $3 million in child care assistance funding to prekindergarten to expand full-day prekindergarten slots.

Given the current and forecasted level of child care assistance enrollment, New Mexico may wish to prioritize investments in other early childhood programs and choose not to increase appropriations for child care assistance in the near future. In FY15, the Legislature appropriated $97.7 million to serve roughly 20,250 clients, though enrollment never exceeded 18 thousand in FY14 and is projected to never exceed 18 thousand in FY15 and FY16. Given this assumption, child care appropriations per child will reach $4,825 per child in FY15 compared to $4,163 per child in FY13. Additional funds per child should provide considerable revenues to support child care quality improvements and the transition of providers to higher quality ratings in the new FOCUS system.

Table 25. Childcare Assistance and Clients,
FY13 and FY15

	FY13 Appropriation (in millions)	FY13 Clients Served	FY15 Estimated Clients Served	FY15 Appropriation (in millions)
Child Care Assistance	$87.1	20,922	20,248	$97.7

Source: LFC Files

Currently, the state does not collect or report performance measures related to the outcomes of children participating in child care assistance programs. Instead, CYFD only reports the proportion of children enrolled in four or five star care and the proportion of licensed child care providers holding national accreditation. A 2013 LFC evaluation of child care assistance found the program had no effect on third grade academic performance, regardless of quality level. Since this time, New Mexico has begun to implement FOCUS, which will increase child care quality standards, particularly at the four and five-star levels. The state continues to work toward plans to assign unique identifiers to children participating in child care assistance, which would allow the state to track children into the state's public school system. This activity is scheduled for completion in FY16.

Despite a trend of more providers participating in the state's quality rating system, the majority of children enrolled in child care assistance continue to receive care in lower levels of quality. One goal of the state's RTT-ELC grant was to align child care programmatic goals with the state's PreK programs, using New Mexico's Early Learning Guidelines. A previous LFC evaluation noted the most dramatic child care quality improvements will take place at the four and five-star levels in the state's quality rating system, where standards will approach those of the state's prekindergarten programs. In FY14 only 7 percent of all child care providers received four or five-star ratings through the state's QRIS, albeit an increase over the FY12 level of roughly 5 percent. Further, 15 percent received care in unlicensed, registered homes. Roughly 27 percent of children enrolled in child care received four or five-star care in FY14, and access to child care quality varies by county (Appendix K).

Chart 31. Percent of Child Care Providers Rated Four or Five Stars

Source: LFC Analysis

Chart 32. FY14 Child Care Assistance Enrollment by Star Level, All Ages

Source: LFC Analysis

Children currently receive child care assistance in short doses, which is detrimental to child well-being and educational impacts. The combination of low-dosage and quality for many children served by childcare services is a barrier to achieving the state's goals of transitioning the purpose of childcare assistance to provide early education opportunities for children to ultimately improve their school readiness.

In FY14, a total of 35 thousand unique students received childcare assistance, although an average of 16,823 children were enrolled each month**.** Statewide, children enrolled in child care assistance received an average of 5.7 months of care during the fiscal year. However, roughly 36 percent of all FY14 child care recipients were enrolled for one to two months during the fiscal year. Child churn through the system likely contributes to low monthly enrollment.

Chart 33. FY14 Child Care Length of Enrollment
(in months)
N=35,359

- 11 to 12: 22%
- 1 to 2: 36%
- 9 to 10: 12%
- 3 to 4: 12%
- 7 to 8: 8%
- 5 to 6: 10%

Source: LFC Analysis

Family instability, including changes in income, availability of transportation, secure employment, and other factors can result in children moving in and out of child care settings, and research conducted by the University of North Carolina suggests disruptions in child care can negatively impact a child's social development and ability to form secure attachments.

Recommendations

The Legislature should:

Consider a child care accountability act to ensure the program produces the desired benefits to child well-being and school readiness, among others.

The Children, Youth, and Families Department should:

Work with the LFC and the Department of Finance and Administration to develop new performance measures including, but not limited to, kindergarten readiness, third grade reading and math achievement scores, special education participation, and retention by third grade among child care participants, and average CLASS assessment scores to align with Head Start reporting requirements.

Maximize federal funds to prevent the de-obligation of federal funds in light of declining child care enrollment.

State of New Mexico
CHILDREN, YOUTH and FAMILIES DEPARTMENT

SUSANA MARTINEZ
GOVERNOR

JOHN SANCHEZ
LIEUTENANT GOVERNOR

MONIQUE JACOBSON
CABINET SECRETARY- DESIGNATE

JENNIFER PADGETT
DEPUTY CABINET SECRETARY

January 15, 2015

Representative Luciano "Lucky" Varela, Chairman
Legislative Finance Committee
State Capitol Building, Suite 101
Santa Fe, New Mexico 87501

Dear Representative Varela,

The Children, Youth and Families Department (CYFD) has received a preliminary copy of *the Report to the Legislative Finance Committee, Special Review: Early Childhood Services Accountability Report Card, Gap Analysis and Spending Plan.* The special report describes the results of the program review recently conducted by the Legislative Finance Committee Program Evaluation Team.

This special review of early childhood programs in New Mexico analyzed continued needs and gaps in services around the state, assessed current accountability and outcome data being collected for various programs, analyzed barriers to continued program expansion, and includes funding options for expanding programs to meet continued needs. The report highlights the need to scale program expansion to match community demand and infrastructure, ensure sufficient coordination among programs, and maintain program fidelity and quality.

Upon review of the preliminary report, we would like to acknowledge the depth of the analysis conducted by the LFC Program Evaluation Team. It is evident that much time and effort was put into the report based on the data and recommendations presented.

We appreciate the detailed recommendations within the report and agree that further investment and work is required to reduce gaps in the service delivery system and improve program quality. At the same time, it is important to acknowledge the tremendous progress that has been made – usually with very limited resources - and note that many of the recommendations are already in process. Others are longer term goals and initiatives, which will take serious consideration and planning to implement and achieve.

Overall, we appreciate the evaluation team's understanding of the complexities inherent in the early childhood care and education "system of systems." On behalf of the children and families of New Mexico, we look forward to our continued work together.

Sincerely,

Jennifer Padgett
Deputy Secretary

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SECRETARY OF EDUCATION

SUSANA MARTINEZ
GOVERNOR

January 19, 2015

David Abbey, Director
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, NM   87501

Dear Director Abbey:

Thank you for the opportunity to respond to the draft report: *Special Review: Early Childhood Services Accountability Report Card, Gap Analysis and Spending* plan. Please accept my compliments to your staff for their professionalism and collaborative approach throughout the evaluation process. As always, the Public Education Department (PED) is committed to continuous quality improvement, best practices, and improving outcomes for all New Mexico students.

PED provides three early learning programs: PreK, K-3 Plus and Reads to Lead. While the report addressed PreK and K-3 Plus, we were disappointed that there was no mention of Reads to Lead. For the past three years, the state investment in early reading through the Reads to Lead program has grown to $14,460,100 in FY15. Those dollars are used to support a common short-cycle assessment that is available in English and Spanish at no cost to districts, principals and instructional leaders, and better interventions to support struggling readers. 87 school districts are fully participating in Reads to Lead and 33 charter schools are as well. Simply stated, Reads to Lead has higher participation than both K-3 Plus and PreK, and is an integral piece of PED's work to improve student outcomes through effective early literacy and early learning programs. In the future we encourage your committee to include Reads to Lead in other analysis of early learning programs.

In regards to PreK and the discussion in the Report related to serving 3-year-olds or expanding the number of full-day slots, it would be more beneficial to expand the numbers of full-day PreK slots rather than expand services to 3-year-olds. In FY15 PED had more demand for full-day PreK slots than funding available, further underscoring the need to focus on expansion of full day versus jump-starting PreK for 3-year-olds. Public school districts do not have the appropriate classroom facilities or enough licensed early childhood education teachers to accommodate 3-year-olds.

The Report indicated that PreK quality has decreased. PED does not agree with that assertion. Annually we ensure that all PreK programs complete the ECERS-E self-assessment. In recent years, the legislature has capped the amount of funding that can be targeted to administrative support. While we agree that more dollars should be targeted to serving children, if quality is of concern, this cap should be reconsidered. Due to limitations on spending for program support and administration set by the legislature, classrooms are no longer assessed by inter-rater reliable assessors from the University of New Mexico. Allowing flexibility to target funds where they are

needed will help to ensure that ECERS is fully utilized and address the quality concerns outlined in the Report. In 2013-2014, 91.55 % of PED PreK children scored as "demonstrating measurable progress overall" on the PreK Observational Assessment completed at the beginning and end of year. Further, 56.8% of PED PreK children demonstrated growth from beginning to end of year with an increased rubric score of "accomplishing" or "exceeds", thereby illustrating that quality is not decreasing.

Year	% of PED PreK Children Demonstrating Measureable Progress **Overall** (average of six domains)		% of PED PreK Children Demonstrating Measureable Progress in **Literacy** (average of seven essential indicators of early literacy skills)
FY15	Target: 93%		Target: 93%
FY14	91.55%		91.61%
FY13	90%		90%

In recent years PED has provided direct to support to K-3 Plus programs on effective instructional practices, as well as recruitment and retention best practices. While K-3 Plus enrollment has increased, programs have struggled to maintain full enrollment due to conflicts families often have during the summer months. PED is confident that the increase in enrollment is, at least in part, related to the recruitment and retention support that districts have received.

As the legislature considers program expansion we encourage them to follow the path they have utilized in the past several years – targeted investments that are responsive to the demand of schools and districts. Unilaterally increasing a program will risk quality of services to children, as well as put undo infrastructure demand on both programs and PED administrative support.

Thank you for the opportunity to respond to the report. We look forward to continuing to partner with the LFC as we work to improve outcomes for New Mexico's more than 336,000 students.

All my best,

Leighann C. Lenti

Deputy Secretary for Policy and Program

Public Education Department

Evaluation Objectives.
- Assess needs and gaps in services in early childhood programs, including home visiting, child care assistance, PreK, and K-3 Plus
- Analyze future funding and accountability needs of child care assistance, home visiting, PreK , and K-3 Plus
- Identify challenges to effective scale-up of early childhood programs, including child care assistance, PreK, and K-3 Plus

Scope and Methodology.
- Reviewed applicable laws and regulations
- Reviewed prior LFC reports
- Reviewed external program evaluations, reports, and other literature
- Analyzed Medicaid, home visiting, child care assistance, PreK, K-3 Plus data
- Interviewed key PED personnel
- Met with LFC staff, including analysts and LFC staff leadership

Evaluation Team.
Rachel Mercer-Smith, Program Evaluator
Brian Hoffmeister, Program Evaluator

Authority for Evaluation. LFC is authorized under the provisions of 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 subdivisions; the effects of laws on the proper functioning of these governmental units; and the policies and costs. LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state laws.

Exit Conferences. The contents of this report were discussed with CYFD on January 12th, 2015 and PED on January 15th, 2015.

Report Distribution. This report is intended for the information of the Office of the Governor; the Public Education Department and the Children, Youth, and Families Department; 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.

Charles Sallee
Deputy Director for Program Evaluation

APPENDIX B: FY13 MEDICAID BIRTHS BY COUNTY

Bernalillo	5,419
Dona Ana	2,447
San Juan	1,426
McKinley	1,043
Santa Fe	956
Sandoval	955
Lea	801
Chaves	789
Valencia	656
Eddy	640
Curry	486
Rio Arriba	472
Otero	408
Cibola	354
Luna	331
San Miguel	278
Taos	258
Grant	211
Roosevelt	187
Socorro	182
Torrance	177
Lincoln	160
Sierra	120
Colfax	96
Quay	79
Guadalupe	47
Hidalgo	39
Out of State	35
Mora	27
Union	22
Los Alamos	21
Catron	14
De Baca	*13*
Harding	1
Total	**19,150**

Source: HSD

APPENDIX C: PERCENTAGE OF BIRTHS TO ADOLESCENTS AGE 15-19, 2013

Luna	20%
Socorro	18%
Quay	17%
Eddy	15%
Roosevelt	15%
Lea	15%
Dona Ana	14%
Chaves	14%
Union	14%
Colfax	13%
Curry	13%
Hidalgo	13%
Cibola	13%
McKinley	13%
Grant	12%
Rio Arriba	12%
Valencia	12%
Mora	11%
Statewide	**11%**
San Juan	11%
Otero	11%
Torrance	10%
Lincoln	10%
Santa Fe	9%
San Miguel	9%
Sandoval	9%
Sierra	9%
Bernalillo	9%
Taos	8%
Guadalupe	5%
Catron	5%
Los Alamos	3%
De Baca	0%
Harding	0%

Source: DOH

Special Review: Early Childhood Services Accountability Report Card, Gap Analysis, and Spending Plan
January 19, 2015

Harding	40%
Los Alamos	22%
Taos	18%
Colfax	18%
Santa Fe	14%
Bernalillo	13%
Lincoln	13%
Sandoval	13%
San Miguel	12%
Guadalupe	12%
Chaves	12%
Otero	12%
Mora	11%
San Juan	11%
Valencia	11%
Eddy	11%
Quay	10%
Cibola	10%
Statewide	**10%**
Rio Arriba	9%
Roosevelt	9%
Union	8%
Curry	8%
Torrance	8%
Lea	8%
De Baca	7%
Luna	6%
Socorro	6%
Catron	5%
McKinley	3%
Sierra	3%
Grant	2%
Hidalgo	2%
Dona Ana	1%

Source: DOH

APPENDIX E: PERCENT OF 4 YEAR OLD CHILD CARE PARTICIPANTS ENROLLED IN 4 AND 5 STAR CARE, FY14

County	Total Children Enrolled	Percent Enrolled 4 and 5 Star
Bernalillo	828	38%
Catron	0	
Chaves	92	33%
Cibola	16	19%
Colfax	8	25%
Curry	48	13%
De Baca	0	
Dona Ana	501	41%
Eddy	30	0%
Grant	33	27%
Guadalupe	0	
Harding	0	
Hidalgo	2	50%
Lea	28	32%
Lincoln	61	25%
Los Alamos	10	40%
Luna	8	50%
McKinley	18	39%
Mora	20	20%
Otero	44	43%
Quay	24	38%
Rio Arriba	22	45%
Roosevelt	21	5%
San Juan	96	19%
San Miguel	43	26%
Sandoval	90	61%
Santa Fe	68	49%
Sierra	7	100%
Socorro	5	60%
Taos	15	73%
Torrance	3	0%
Union	0	
Valencia	53	25%
Total	**2,194**	37%

Source: LFC analysis

APPENDIX F: FY14 HOME VISITING ENROLLMENT BY COUNTY

	Estimated Target Population	Home Visiting Clients Served	Percent Eligible Population Served
Bernalillo	6517	318	5%
Dona Ana	2940	251	9%
San Juan	1677	63	4%
McKinley	1267	167	13%
Santa Fe	1165	217	19%
Sandoval	1151	26	2%
Lea	979	35	4%
Chaves	932	0	0%
Valencia	815	2	0%
Eddy	692	25	4%
Curry	610	22	4%
Rio Arriba	582	62	11%
Otero	520	2	0%
Cibola	414	10	2%
Luna	398	175	44%
Taos	327	150	46%
San Miguel	326	25	8%
Grant	266	136	51%
Roosevelt	228	8	4%
Torrance	222	49	22%
Socorro	209	94	45%
Lincoln	188	0	0%
Sierra	128	32	25%
Colfax	115	26	23%
Quay	112	43	39%
Hidalgo	53	0	0%
Guadalupe	50	5	10%
Out of State	38		0%
Mora	36	2	6%
Union	29	1	3%
Los Alamos	23	0	0%
Catron	20	0	0%
De Baca	18	3	17%
Harding	2	0	0%
Total	**23,050**	**1,949**	**8%**

Source: LFC analysis

Number of Children per County Served by CYFD Home Visiting, FY14

Source: LFC analysis

APPENDIX H: HOME VISITING PERFORMANCE MEASURES

Comparison of Performance Measures in the Home Visiting Accountability Act and Home Visiting Annual Outcomes Report			
HomVEE Outcome Domain	**Measures Required by HVAA**	**Measures Reported in Annual Outcomes Report (Measurement Tool Used)**	**Corresponding GAA Measures**
Child Development/School Readiness	Number of children that received an Ages and Stages Questionnaire and what percent scored age appropriately in all developmental domains	Percentage of children screened for potential delay in development with the ASQ-3 screening tool who are identified with scores below cutoff (ASQ-3)	
Child Development/School Readiness		Percentage of children screened for potential delay in development with the ASQ-3 screening tool who are identified and referred for further assessment or services (ASQ-3, Home visiting Database referral records)	
Child Development/School Readiness	Number of children identified with potential developmental delay and, of those, how many began services within two months of the screening	Percentage of children screened for potential delay in development with the ASQ-3 screening tool who are identified and receive further assessment or services within two months of the screening (ASQ-3, Home visiting Database referral records)	
Child Development/School Readiness	Any increases in school readiness, child development, and literacy*	Percentage of children entering kindergarten at or above grade level on state school readiness assessments (not collected) *	Number of eligible children served in state-funded prekindergarten
Child Development/School Readiness	Percentage of children receiving home visiting services who are enrolled in high-quality licensed child care programs*	Percentage of children receiving home visiting services who are enrolled in high-quality licensed child care programs (not collected)*	Percentage of children receiving state subsidy in Stars/Aim High programs level three through five or with national accreditation
Child Health	Percentage of infants on schedule to be fully immunized by age two	Percentage of infants on schedule to be fully immunized by age two (Maternal Child Health Form)	
Child Health	Percentage of children receiving regular well-child exams, as recommended by the American Academy of Pediatrics*	Percentage of children receiving regular well-child exams, as recommended by the American Academy of Pediatrics (not collected)*	
Child Health		Percentage of mothers who initiate breastfeeding (Perinatal Questionnaire)	

Comparison of Performance Measures in the Home Visiting Accountability Act and Home Visiting Annual Outcomes Report			
HomVEE Outcome Domain	**Measures Required by HVAA**	**Measures Reported in Annual Outcomes Report (Measurement Tool Used)**	**Corresponding GAA Measures**
Linkages and Referrals		Number of families identified for referral to support services available in their community, by type (Home Visiting Database Activity Records)	
Linkages and Referrals		Number of families identified who receive referral to available community supports, by type (Home Visiting Database Activity Records)	
Linkages and Referrals		Number of families referred who are actively engaged in referral services, by type (Home Visiting Database Activity Records)	
Maternal Health		Percentage of mothers enrolled prenatally who receive prenatal care (Prenatal Questionnaire)	
Maternal Health		Percentage of mothers enrolled prenatally who discontinue reported substance use by end of pregnancy (Prenatal Questionnaire)	
Maternal Health		Percentage of postpartum mothers screened for postpartum depression (Edinburgh Postpartum Depression Scale)	Percentage of mothers participating in home visiting identified as having symptoms of postpartum depression and referred to services and receiving services
Maternal Health		Percentage of postpartum mothers identified at risk for postpartum depression who are referred to services (Edinburgh Postpartum Depression Scale & Home Visiting Database referral records)	Percentage of mothers participating in home visiting identified as having symptoms of postpartum depression and referred to services and receiving services
Maternal Health		Percentage of postpartum mothers identified at risk for postpartum depression who receive services (Edinburgh Postpartum Depression Scale & Home Visiting Database referral records)	Percentage of mothers participating in home visiting identified as having symptoms of postpartum depression and referred to services and receiving services

Comparison of Performance Measures in the Home Visiting Accountability Act and Home Visiting Annual Outcomes Report			
HomVEE Outcome Domain	**Measures Required by HVAA**	**Measures Reported in Annual Outcomes Report (Measurement Tool Used)**	**Corresponding GAA Measures**
Positive Parenting Practices	Any reductions in risky parental behavior	Percentage of parents who show positive parent-child interactions as measured by the PICCOLO (Parenting Interactions with Children: Checklist of Observations Linked to Outcomes (PICCOLO))	
Reduction in Child Maltreatment	Decreases in child maltreatment or child abuse*	Number of substantiated cases of maltreatment suffered by children after entry into program (not collected)*	Percentage of children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment
Reduction in Child Maltreatment		Percentage of families engaged in discussion of injury prevention (Home Visiting Database activity records)	
Reduction in Juvenile Delinquency, Family Violence, and Crime		Percentage of families identified at risk of domestic violence (Woman Abuse Screening Tool)	
Reduction in Juvenile Delinquency, Family Violence, and Crime		Percentage of families identified at risk of domestic violence who receive support services (Woman Abuse Screening Tool; Home Visiting Database referral records)	Percentage of adult victims or survivors receiving domestic violence services who are made aware of other available community services
Reduction in Juvenile Delinquency, Family Violence, and Crime		Percentage of families identified at risk of domestic violence who have a safety plan in place (Woman Abuse Screening Tool; Home Visiting Database referral records)	Percentage of adult victims or survivors receiving domestic violence services who have an individualizes safety plan
Other	Cost per eligible family served	Cost per eligible family served (CYFD and Home Visiting Database)	
Other	Number of eligible families served	Number of eligible families served (Home Visiting Database)	
Other	Demographic data on eligible families served	Demographic data on eligible families served (Home Visiting Database)	
Other	Duration of participation by eligible families in the program	Duration of participation by eligible families in the program (Home Visiting Database)	

Comparison of Performance Measures in the Home Visiting Accountability Act and Home Visiting Annual Outcomes Report			
HomVEE Outcome Domain	**Measures Required by HVAA**	**Measures Reported in Annual Outcomes Report (Measurement Tool Used)**	**Corresponding GAA Measures**
Other	Number and type of programs that CYFD has funded	Number and type of programs that CYFD has funded (CYFD)	
Other		Number of families funded (openings) (CYFD)	
Other		Number of active families (Home Visiting Database)	
Other		Home visitors/supervisors by level of educational training (Home Visiting Database)	

* Measures identified by CEPR as in need of additional data development

Source: Home Visiting Annual Outcomes Report; LFC Analysis

County	FY14 Kindergarteners	FY14 FRL Kindergarteners	FY14 1,2,3 Star Child Care Enrollment (3 month average)	FY14 4 and 5 Star Child Care Slots	PreK PED Slots	PreK CYFD Slots	FY14 Head Start 4 and 5 year Olds	4 year old Slots (high quality)*	4 Year-Old Slots Total
Bernalillo	8035	5799	513	315	916	966	1205	3402	3915
Catron	17	15	0					0	0
Chaves	1018	939	62	30	68			98	160
Cibola	302	252	13	3	80	40	173	296	309
Colfax	159	122	6	2				2	8
Curry	781	596	42	6	18			24	66
De Baca	17	15	0		15			15	15
Dona Ana	3179	2622	296	205	470	670	499	1844	2140
Eddy	966	616	30	0			595	595	625
Grant	382	296	24	9	120	40	100	269	293
Guadalupe	69	66	0			6	10	16	16
Harding	8	2	0					0	0
Hidalgo	65	46	1	1	30			31	32
Lea	1299	833	19	9	148	20	179	356	375
Lincoln	244	195	46	15		32	87	134	180
Los Alamos	255	6	6	4				4	10
Luna	476	476	4	4	80	123		207	211
McKinley	1002	867	11	7	209	77	160	453	464
Mora	43	43	16	4			105	109	125
Otero	654	465	25	19		226	59	304	329
Quay	108	92	15	9	27		217	253	268
Rio Arriba	544	388	12	10	48	117	147	322	334
Roosevelt	266	202	20	1	26	20		47	67
San Juan	1550	1022	78	18	600	294		912	990
San Miguel	329	257	32	11	100		195	306	338
Sandoval	1643	804	35	55	641		265	961	996
Santa Fe	1343	1022	35	33	255	136	567	991	1026
Sierra	100	80	0	7	60	35		102	102
Socorro	165	117	2	3	80	20	49	152	154
Taos	333	248	4	11	73	55	35	174	178
Torrance	276	215	3	0				0	3
Union	48	41						0	0
Valencia	1015	748	40	13	160	343	419	935	975
Total	26691	19507	1390	804	4230	3224	5056	13314	14704

*PreK, Head Start, 4 and 5 Star Child Care

APPENDIX J: ADOLESCENT BIRTHS AND MATERNAL ALCOHOL USE

**Percentage of Births to
Adolescents Age 15-19, 2013**

Luna	20%
Socorro	18%
Quay	17%
Eddy	15%
Roosevelt	15%
Lea	15%
Dona Ana	14%
Chaves	14%
Union	14%
Colfax	13%
Curry	13%
Hidalgo	13%
Cibola	13%
McKinley	13%
Grant	12%
Rio Arriba	12%
Valencia	12%
Mora	11%
Statewide	**11%**

Source: DOH

**Percentage of Births in which the
Mother Used Alcohol, 2013**

Harding	40%
Los Alamos	22%
Taos	18%
Colfax	18%
Santa Fe	14%
Bernalillo	13%
Lincoln	13%
Sandoval	13%
San Miguel	12%
Guadalupe	12%
Chaves	12%
Otero	12%
Mora	11%
San Juan	11%
Valencia	11%
Statewide	**10%**

Source: DOH

APPENDIX K: JUNE FY14 CHILD CARE ASSISTANCE ENROLLMENT BY STAR LEVEL AND COUNTY

	2 Star	2+ Star	3 Star	4 Star	5 Star	RH	Total
Bernalillo	1802	388	1020	295	1802	424	5731
Chaves	295	0	62	62	133	72	624
Cibola	39	0	36	42	3	57	177
Colfax	21	0	1	7	1	12	42
Curry	270	0	10	21	14	58	373
De Baca	6	1	0	1	0	0	8
Dona Ana	865	248	303	167	1094	1041	3718
Eddy	166	29	0	4	0	15	214
Grant	92	0	26	6	6	40	170
Guadalupe	19	0	2	0	0	5	26
Hidalgo	2	0	0	9	0	13	24
Lea	159	189	8	101	0	50	507
Lincoln	83	1	0	22	2	1	109
Los Alamos	2	6	0	3	0	0	11
Luna	13	1	1	63	2	58	138
McKinley	29	0	11	17	1	62	120
Mora	1	2	0	1	2	4	10
Otero	137	79	1	35	138	19	409
Out of Country	1	0	0	0	0	0	1
Out of State	0	0	0	2	0	0	2
Quay	1	9	0	0	0	5	15
Rio Arriba	50	3	0	0	34	19	106
Roosevelt	94	0	1	4	2	3	104
San Juan	234	76	192	1	63	25	591
San Miguel	79	85	11	5	58	53	291
Sandoval	228	72	28	66	253	29	676
Santa Fe	105	64	5	3	139	14	330
Sierra	24	0	0	0	32	3	59
Socorro	4	1	3	9	1	14	32
Taos	8	0	17	15	28	12	80
Torrance	45	11	2	0	3	4	65
Union	1	0	0	0	0	1	2
Valencia	131	106	37	80	17	57	428
Total	**5006**	**1371**	**1777**	**1041**	**3828**	**2170**	**15193**

Source: LFC analysis

Special Review: Early Childhood Services Accountability Report Card, Gap Analysis, and Spending Plan
January 19, 2015

Early Childhood Program Appropriations
(in millions of dollars)

	FY12 Actuals	FY13 Actuals	FY14 Revised* Operating	FY14 Actuals	FY16 Operating	FY16 Agency Request	FY16 LFC Rec.
Children, Youth and Families Department - Early Childhood Services Programs							
Childcare Assistance							
General Fund	$ 26.8	$ 29.8	$ 33.3	$ 33.3	$ 30.3	$ 30.3	$ 30.3
Federal Funds	$ 30.4	$ 31.6	$ 31.6	$ 15.1	$ 36.4	$ 36.1	$ 36.1
OSF	$ 0.8	$ 1.4	$ 0.8	$ 0.8	$ 0.8	$ -	$ -
USDA E&T	$ 0.6	$ 0.6	$ 0.6	$ 0.6	$ -	$ -	$ -
TANF	$ 24.3	$ 23.8	$ 29.3	$ 23.2	$ 30.5	$ 30.5	$ 30.5
Total Childcare Assistance	$ 82.9	$ 87.2	$ 95.6	$ 73.0	$ 97.9	$ 96.9	$ 96.9
Home Visiting							
General Fund	$ 2.3	$ 3.2	$ 5.0	$ 4.5	$ 7.5	$ 7.5	$ 9.0
Federal Funds	$ -	$ 2.7	$ 1.1	$ 2.5	$ 2.5	$ 2.3	$ 2.3
TANF	$ -	$ -	$ 2.0	$ -	$ 2.0	$ 2.0	$ 4.5
Tobacco Settlement Fund	$ -	$ -	$ -	$ 1.1	$ -	$ -	$ -
Total Home Visiting	$ 2.3	$ 5.9	$ 8.1	$ 8.1	$ 12.0	$ 11.8	$ 15.8
Early Childhood Professional Development							
General Fund	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 1.1	$ 1.1	$ 1.4
Prekindergarten: Four Year Old Basic Services							
General Fund	$ 8.2	$ 9.2	$ 9.2	$ 8.5	$ 4.6	$ 4.6	$ 4.6
TANF	$ -	$ -	$ 5.8	$ -	$ 6.1	$ 6.1	$ 6.1
Tobacco Settlement Fund	$ -	$ -	$ -	$ 3.1	$ -	$ -	$ -
Total	$ 8.2	$ 9.2	$ 15.0	$ 11.6	$ 10.7	$ 10.7	$ 10.7
Prekindergarten: Four Year Old Extended Day Services							
General Fund	$ -	$ -	$ -	$ -	$ 8.4	$ 8.4	$ 8.4
TANF	$ -	$ -	$ -	$ -	$ -	$ -	$ 5.5
Total	$ -	$ -	$ -	$ -	$ 8.4	$ 8.4	$ 13.9
Prekindergarten: Three Year Old Services							
General Fund	$ -	$ -	$ -	$ -	$ 1.3	$ 1.3	$ 1.8
TANF	$ -	$ -	$ -	$ -	$ -	$ -	$ 2.0
Total	$ -	$ -	$ -	$ -	$ 1.3	$ 1.3	$ 3.8
Total CYFD PreK	$ 8.2	$ 9.2	$ 15.0	$ 11.6	$ 20.4	$ 20.4	$ 28.4
Planning Grant: High Quality Early Childhood Development Centers							
General Fund	$ -	$ -	$ -	$ -	$ 0.6	$ 0.6	$ 0.6
TOTAL CYFD	$ 93.9	$ 102.8	$ 119.2	$ 93.1	$ 131.9	$ 130.7	$ 143.0
Public Education Department - Special Appropriations *							
Prekindergarten: Four Year Old Basic Services							
General Fund	$ 6.3	$ 10.0	$ 15.0	$ 15.0	$ 17.7	$ 21.0	$ 19.7
Fund Balance[1]							$ 0.5
Total	$ 6.3	$ 10.0	$ 15.0	$ 15.0	$ 17.7	$ 21.0	$ 19.7
TANF	$ -	$ -	$ -	$ -	$ -	$ -	$ 3.5
Prekindergarten: Four Year Old Extended Day Services							
General Fund	$ -	$ -	$ -	$ -	$ 1.5		$ 1.5
Total	$ -	$ -	$ -	$ -	$ 1.5	$ -	$ 1.5
Prekindergarten: Three Year Old Services							
General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total PED PreK	$ 6.3	$ 10.0	$ 15.0	$ 15.0	$ 19.2	$ 21.0	$ 24.7
Early Childhood Education							
General Fund	$ 0.5	$ -	$ -	$ -	$ -	$ -	$ -
K-3 Plus							
General Fund	$ 5.3	$ 11.0	$ 16.0	$ 16.0	$ 21.2	$ 22.2	$ 27.2
Fund Balance[1]							$ 0.5
Total	$ 5.3	$ 11.0	$ 16.0	$ 16.0	$ 21.2	$ 22.2	$ 27.7
Early Literacy							
General Fund	$ -	$ 8.5	$ 11.5	$ 11.5	$ 14.5	$ 15.5	$ 15.0
TOTAL PED	$ 12.1	$ 29.5	$ 42.5	$ 42.5	$ 54.9	$ 58.7	$ 67.5
Department of Health							
FIT (birth to 3)							
General Fund	$ 14.5	$ 14.0	$ 14.5	$ 14.5	$ 20.1	$ 20.0	$ 20.0
all other funds	$ 16.5	$ 19.6	$ 19.6	$ 19.6	$ 19.6	$ 19.6	$ 19.6
Total FIT	$ 31.0	$ 33.6	$ 34.1	$ 34.1	$ 39.7	$ 39.6	$ 39.6
Human Services Department							
Evidenced-Based Home Visiting (prenatal to 3)							
General Fund	$ -	$ -	~~0.5~~	~~0.5~~	~~0.5~~	$ -	$ 0.5
Federal Funds	$ -	$ -	-	-	~~1.1~~	$ -	$ 1.1
TOTAL HSD	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.6
Race to the Top- Early Learning Challenge							
Federal Funds	$ -	$ -	$ 9.4	$ 9.4	$ 9.4	$ 9.4	$ 9.4
Early Childhood Programs Grand Total	$ 137.0	$ 165.9	$ 205.1	$ 179.1	$ 238.0	$ 238.4	$ 261.1

Source: LFC Files

*FY14 reflects replacement of Laws 2013 Chapter 228 (Senate Bill 113) tobacco settlement funds with TANF funds.
[1] For FY16, the LFC recommendations for prekindergarten and K-3 Plus include $500 thousand in teacher professional development fund balance.