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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**54th Legislature, 2nd Session, 2020**

<b>Bill Number</b>	<u>HB86</u>	<b>Sponsor</b>	<u>Trujillo, C./Roybal Caballero</u>
<b>Tracking Number</b>	<u>.215646.8</u>	<b>Committee Referrals</b>	<u>HEC/HAFC</u>
<b>Short Title</b>	<u>Early Childhood Care Workforce Support Pgm</u>		
<b>Analyst</b>	<u>Andrews</u>	<b>Original Date</b>	<u>1/31/2020</u>
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## **BILL SUMMARY**

### Synopsis of Bill

House Bill 86 (HB86) amends the Early Childhood Care and Education Act to create an advisory council to develop a voluntary early childhood care and education workforce support program to include compensation incentives for pursuing higher education as well as a wage and career ladder.

## **FISCAL IMPACT**

HB86 appropriates \$18 million from the general fund to the early childhood care and education fund for expenditure in FY21 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

This bill creates the early childhood education workforce fund, and stipulates that the early childhood education workforce fund would be administered by The Early Childhood Education and Care Department (ECECD), but does not require appropriation by the Legislature.

## **SUBSTANTIVE ISSUES**

HB86 would require the voluntary early childhood care and education workforce support program to provide compensation incentives to early childhood care and education teachers and staff who have attained advanced credentials or are engaged in professional development toward advanced credentials. HB86 requires the advisory council to establish an early childhood workforce wage and career ladder designed to yield hourly compensation for early childhood workers between \$15 and \$23 per hour.

ECECD would be required to contract with one or more nonprofit institutions to administer the compensation incentives. The contracting institution(s) would conduct outreach about the program, review applications, provide counseling to assist staff in securing appropriate professional development and associated scholarship, provide compensation incentives, and obtain certifications from eligible providers that compensation incentives will not supplant compensation

or raises. Early childhood care and education teachers who earn less than \$23 per hour and have been employed for 35 hours or more per week for at least one month would be eligible to apply for compensation incentives. ECECD would be required to prioritize compensation incentives to support early childhood care and education teachers and staff who serve the highest percentage of children whose parents receive childcare subsidies from ECECD. ECECD would be required to perform an annual performance evaluation of the voluntary early childhood care and education workforce support program, and report these findings to LESC.

Lastly, HB86 creates the early childhood care and education workforce fund to be administered by ECECD to carry out the provisions of the voluntary early childhood education care and education workforce support program. The effective date of this bill would be July 1, 2020.

HB86 would create a voluntary early childhood care and education workforce support program to provide compensation incentives and a wage and career ladder for early childhood care and education workers. HB86 may help retain early childhood care and education workers. According to the *2016 New Mexico Child Care Data Report*, the most recent report from the University of New Mexico's Center for Education Policy Research and the Children, Youth and Families Department (CYFD), about 31 percent of the childcare workforce turns over annually due to low wages and lack of benefits.

CYFD currently provides supplemental wages to low-paid early childhood teachers, teacher's assistants, and family childcare home professionals working with children from birth to five-years-old. To qualify, applicants must earn less than \$16 an hour, be working 20 hours a week or more, and have five credits of early childhood education classes or have 70 credit hours of well-rounded coursework from a higher education institution. CYFD configures awards based on an internal CYFD wage supplement scale; awarded applications receive a supplement based on regular hours worked in two pay periods a year.

**Early Childhood Education and Care Department (ECECD).** The Early Childhood Education and Care Department Act, enacted in Laws 2019, Chapter 48, (Senate Bill 22), created a new cabinet agency to better coordinate early childhood programs. The act creating ECECD consolidates early childhood education and care programs that have historically been administered by CYFD, the Department of Health, the Human Services Department (HSD), and the Public Education Department (PED) under ECECD to reduce duplication and fragmentation of services. Starting in FY21, ECECD will be responsible for coordinating and aligning childcare, early prekindergarten, prekindergarten, home visits for parental education and child health and support, Early Head Start, Head Start, early childhood special education, and early intervention and family support. It is important to note ECECD will receive federal funds for some of these programs.

Effective July 1, 2020, ECECD must convene an advisory council, and as part of the work of the council must develop a workforce development plan to include a career ladder, wage structure and professional development plan that applies to the full continuum of programs within ECECD. HB86 would convene an advisory council pursuant to Section 9-29-11 NMSA 1978 to establish a wage and career ladder. However, it is unclear if HB86 was drafted in consultation with ECECD. If HB86 was not drafted in consultation with ECECD, HB86 may result in duplication.

**Early Childhood Issues.** HB86 seeks to reduce turnover of early childhood workers. High-quality early childhood education is a cornerstone to closing the achievement gap and ensuring all children are ready for kindergarten. The National Conference of State Legislatures international study of world-class educational systems, *No Time to Lose*, identified four common elements for

educational success, the first of which is students come to school ready to learn, with extra support given to struggling students so all students have the opportunity to achieve high standards.

The early childhood years provide the foundation for literacy skills and are critical for brain development. When children do not have adequate opportunities to create brain connections – or experience adverse childhood experiences (ACEs) – their future educational achievement and life outcomes can be harmed. According to Child Trends, a nonpartisan research center, 18 percent of children in New Mexico experienced three or more ACEs, outpacing the national average of 11 percent. However, research indicates some educational supports, such as trauma-informed instruction and secure attachment relationships, can help ameliorate the negative effects of ACEs. A highly-qualified educator can mitigate negative experiences and provide resources to families. The Legislature has prioritized early childhood education funding even through two economic downturns because some early childhood interventions have proven successful at narrowing the achievement gap between low-income students and their more affluent peers.

**Early Childhood Workforce.** This bill seeks to increase and stabilize the early childhood workforce. Research shows teachers influence student outcomes more than anything else within a school. New Mexico has a limited educator workforce qualified in early childhood. Disparities in workforce qualifications, licensure requirements, and compensation can create an environment in which programs compete for highly-qualified early childhood educational service providers. New Mexico was awarded a \$5.4 million federal grant to study and plan for an integrated early childhood learning system that includes an assessment of current workforce capacity, increased training and workforce development. During the transition in FY20, ECECD is working with CYFD, PED, and HSD to develop uniform procedures for early childhood programs and their workforce. Expansion of early childhood educational services cannot outpace the development of a well-paid, highly-qualified early childhood workforce.

According to LFC’s recent *Childcare Assistance Effectiveness* program evaluation, despite having one of the highest childcare assistance reimbursement rates in the country, New Mexico early childhood educators are paid below national rates. LFC reports that New Mexico reimbursement rates are above the national average ranging from being 20 percent above the national average for preschooler care, to 40 percent above the national average for toddler care. According to the federal Administration for Children and Families, New Mexico ranks 13th in the nation for maximum reimbursement rates for infants, ninth for toddlers, 18th for preschoolers, and 14th for after school care. However, early childcare teachers have low wages nationally and in New Mexico. The annual median wage for childcare teachers in New Mexico is \$19.7 thousand, 13 percent below the national average of \$22.3 thousand.

## **TECHNICAL ISSUES**

HB86 does not define “participants”: see page 3 line 12 and page 4 line 12. HB86 should define eligible participants.

## **POSSIBLE QUESTIONS**

Why does HB86 require ECECD to contract with one or more nonprofit institutions to administer compensation incentives instead of having ECECD administer compensation incentives themselves?

## **RELATED BILLS**

Relates to HJR1, Permanent Funds for Early Childhood, CA, which would increase annual distributions from the land grant permanent fund by 1 percent for all beneficiaries, provided that the amount of the additional distribution from the permanent school fund for public schools would be designated for early childhood services that are administered by the state for children until they are eligible for kindergarten.

Relates to HB83, Early Childhood Education & Care Fund, which would create the early childhood education and care fund, a funding source that would create a long-term, revenue producing asset for early childhood and care services and programs.

Relates to HB200, Early Childhood Worker Income Tax Credit, which creates a refundable income tax credit for childcare workers employed by a childcare provider that is licensed by or registered with ECECD.

Relates to SB3, Early Childhood Education & Care Fund, which duplicates HB83.

Relates to SB18, Renewable Energy Production Tax, which imposes an excise tax on electricity generated from renewable energy sources and distributes revenue to the early childhood program fund.

#### **SOURCES OF INFORMATION**

- LESC Files

**MCA/tb/mc/my**