

FY26 Budget Request

Meeting the Moment, Building a Brighter Future for New Mexico

Elizabeth Groginsky,
ECECD Cabinet Secretary

House Appropriations and Finance Committee
Wednesday, February 12, 2025





Investments in early childhood education and care yield substantial long-term benefits for individuals and society—a 13% annual return on investment through improved outcomes in education, health, and economic productivity.



FY26 Budget Priorities



1. Build Capacity

Achieve universal access through greater capacity

- Attract, recruit, and retain a well compensated and credentialed Early Childhood workforce
- Grow the number of community based child care and NM PreK facilities



2. Improve Quality

Improve child outcomes through higher quality services

- Enhance the quality of services for children with special education needs
- Set rates at the true cost of care for child care, home visiting, NM PreK, and Family Infant Toddler (FIT)



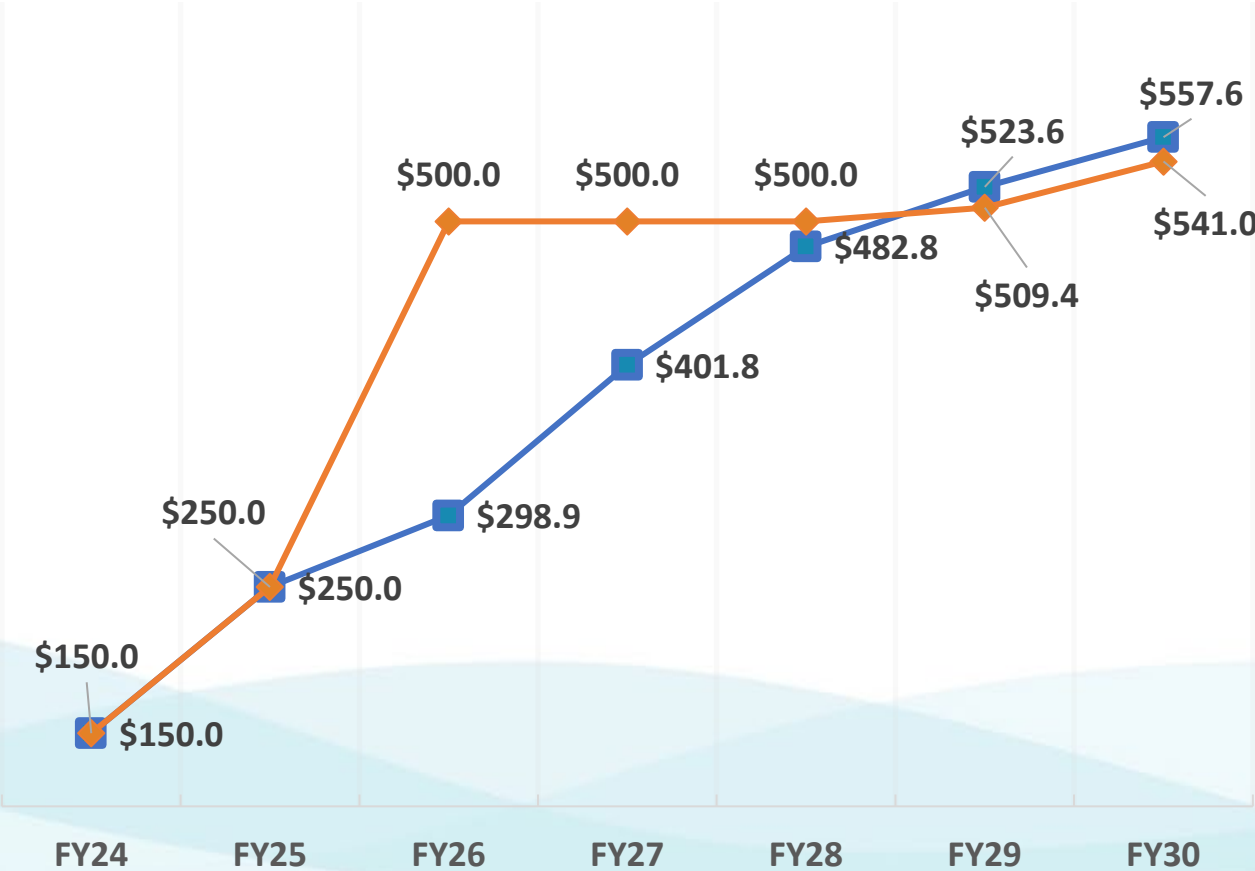
3. Enhance Outcomes

Use outcome-based measures to drive better decision-making and strategic investments

Integrate the Classroom Assessment Scoring System (CLASS) data in NM PreK and child care classrooms

HB71: Early Childhood Ed. and Care Fund Transfer Increase

Projected Early Childhood Education and Care Fund Distribution (ECECD)



■ ECECF Base Current Projected Distribution ◆ ECECF HB 71 Projected Distribution

What the increase will invest in:

- **\$98 million** for Child Care assistance
- **\$33.5 million** for PreK
- **\$10 million** for Family Infant Toddler (FIT)
- **\$10 million** for Wage Scale and Career lattice
- **\$7.5 million** for Child Care/PreK Quality
- **\$4.8 million** for Home Visiting
- **\$4.7 million** for FIT Medicaid state match
- **\$3 million** for Tribal Investment Strategy
- **\$2.5 million** for Educator Incentives
- **\$2 million** for Local Early Childhood Coalitions
- **\$.5 million** for Dolly Parton’s Imagination Library
- **\$4 million** for Operational Support
- **\$69.5 million Special Appropriation-** Child Care Quality Pilot

Special Appropriation Request

Comparison between Exec and LFC recommendations

In Thousands

	Exec	LFC	Under /Over
Child Care Quality Pilot	\$104,600 (\$69,487 ECTF) (\$35,113 GF)	0	(\$104,600)
Child Care Revolving Loan Fund	\$10,000	\$10,000*	-
Professional Development	\$2,000	\$2,000	-
Total	116,600	\$2,000	(\$104,600)

By not supporting the child care quality pilot program, the entry level wage for child care providers would remain at \$15 per hour instead of the proposed \$18. This would also affect teacher-to-child ratios and, ECECD would be unable to better support children with special needs.

*appropriated directly to the New Mexico Finance Authority

FY25 Supplemental Request

Executive and Legislative Finance Committee (LFC) Differences

Without supplemental funding the agency will not be able to pay FIT providers for their services to the state's infants and toddlers with developmental delays and disabilities. Current projections show the agency exhausting its available funding by March 2025 due to the increased number of eligible children served.

In thousands

	Exec	LFC	Under/Over
FIT Provider rate increase	\$1,092.7	\$2,000.0	\$907.3
Funding to address the 8% increase in children eligible for FIT services	\$7,630	-	(\$7,630)
Total	\$8,722.7	\$2,000.0	(\$6,722.7)

Early Childhood Professionals

Workforce Growth FY25-FY26

Program	FY25	FY26
FIT	1,000	1,000
PreK	2,660	3,159
Home Visiting	381	465
Child Care	14,791	15,479
Total	18,832	20,103



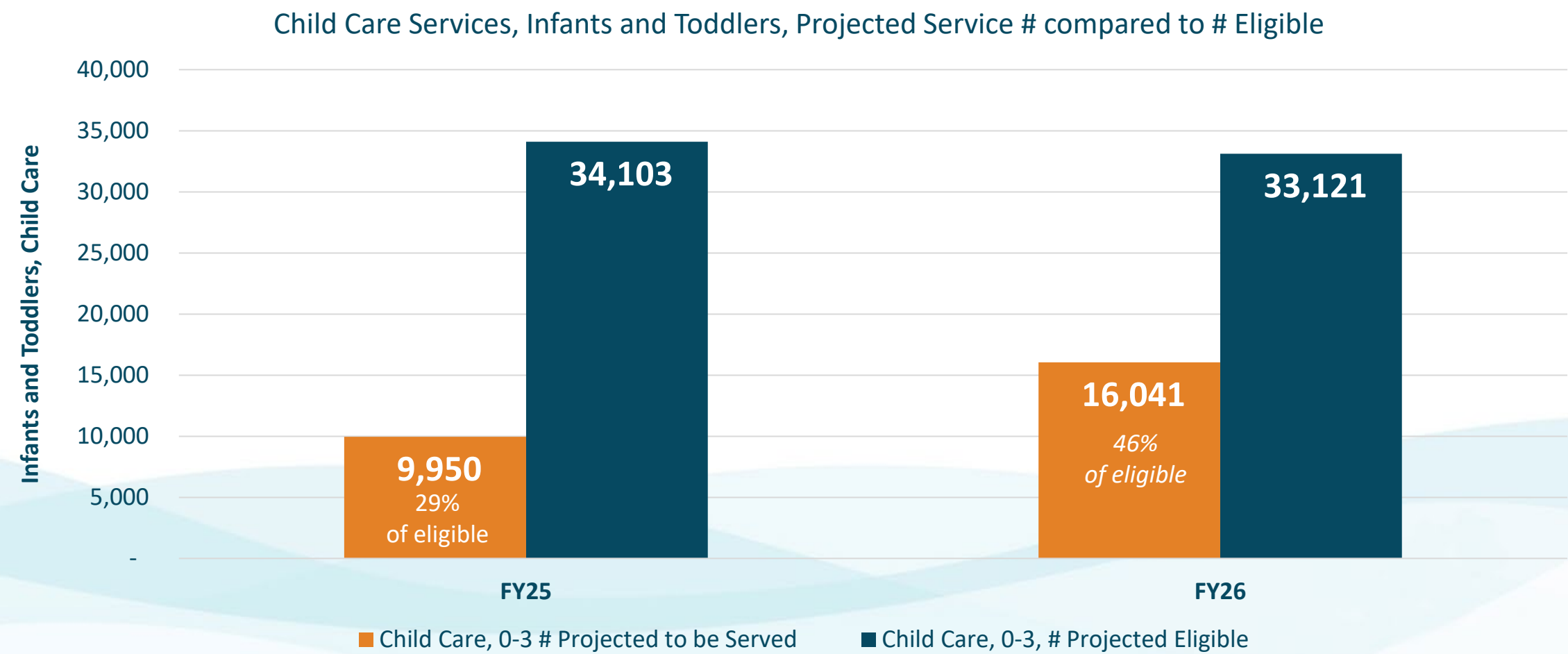
Wage Scale and Career Lattice

Implement statutorily required wage scale and career lattice to ensure all early childhood professionals **earn wages that are comparable** to their K-12 colleagues.

	FY25	Total paid to date	Total Awarded	Average Award Amount
PreK Parity	\$2,561,937	\$1,315,279	192	\$14,479
Head Start Parity	\$1,055,831	\$538,936.06	85	\$16,474
Infant Toddler Parity	\$1,670,462	\$727,840	154	\$10,847
Scholarships	\$2,743,272	\$1,443,197	3,245	\$845
Bilingual Incentive Payment	\$150,000	\$123,949	96	\$1,562
Total	\$8,181,503	\$4,149,201	3,772	

Projected Services and Eligibility

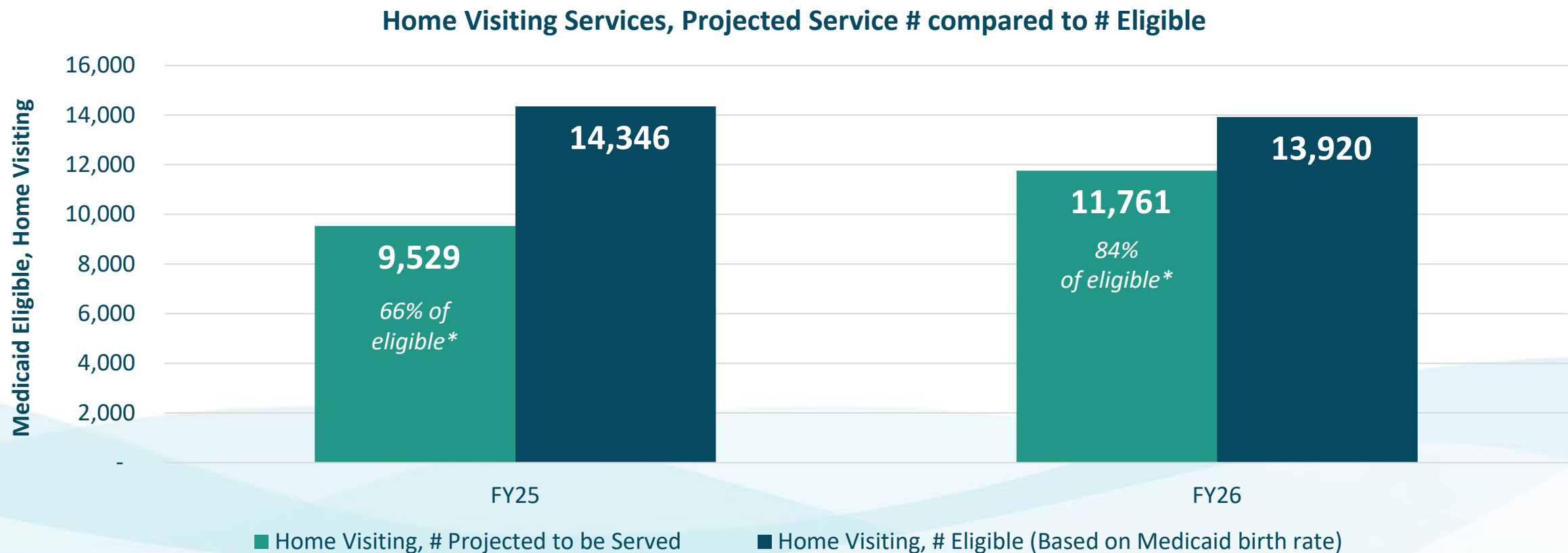
Child Care for Infants and Toddlers, FY25 and FY26



Projected Services and Eligibility

Home Visiting, FY25 and FY26

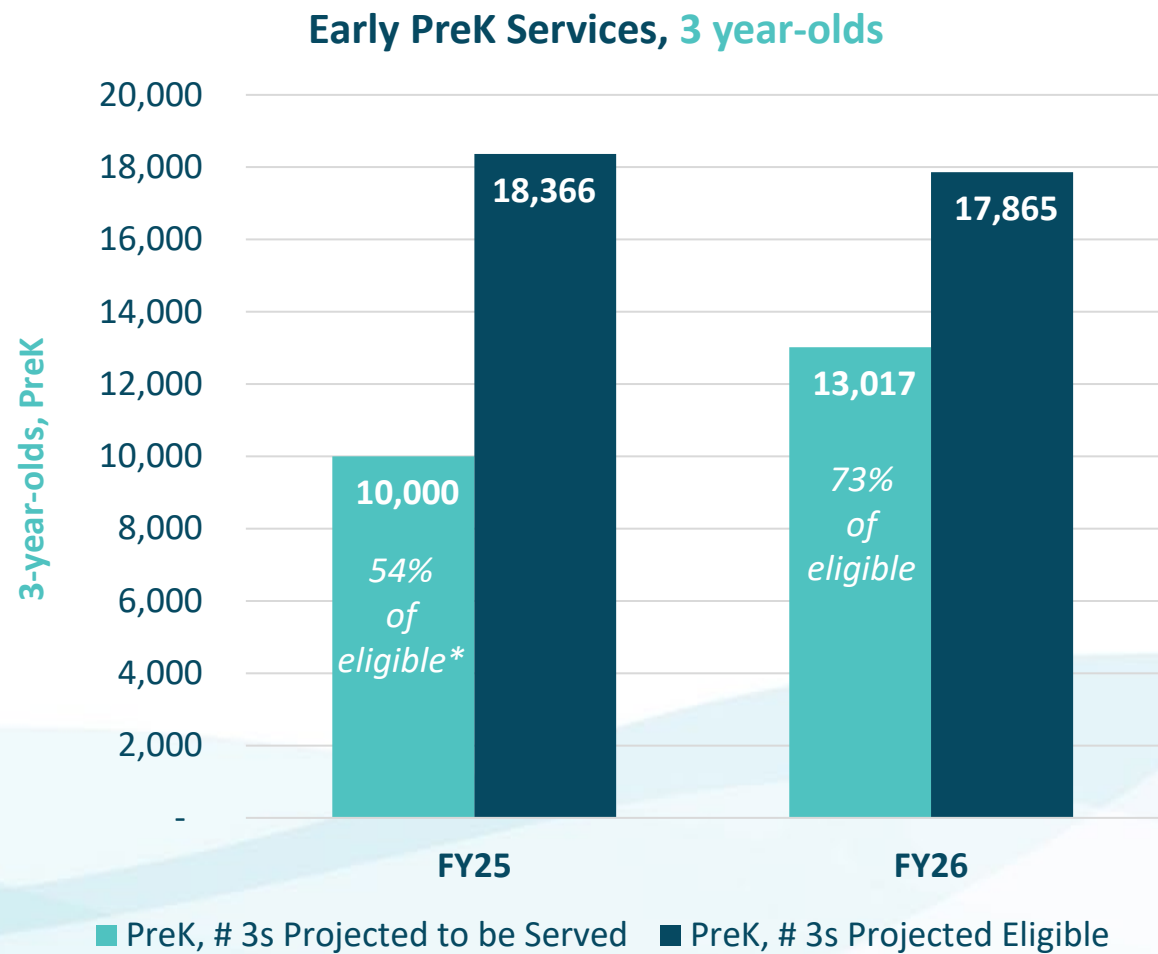
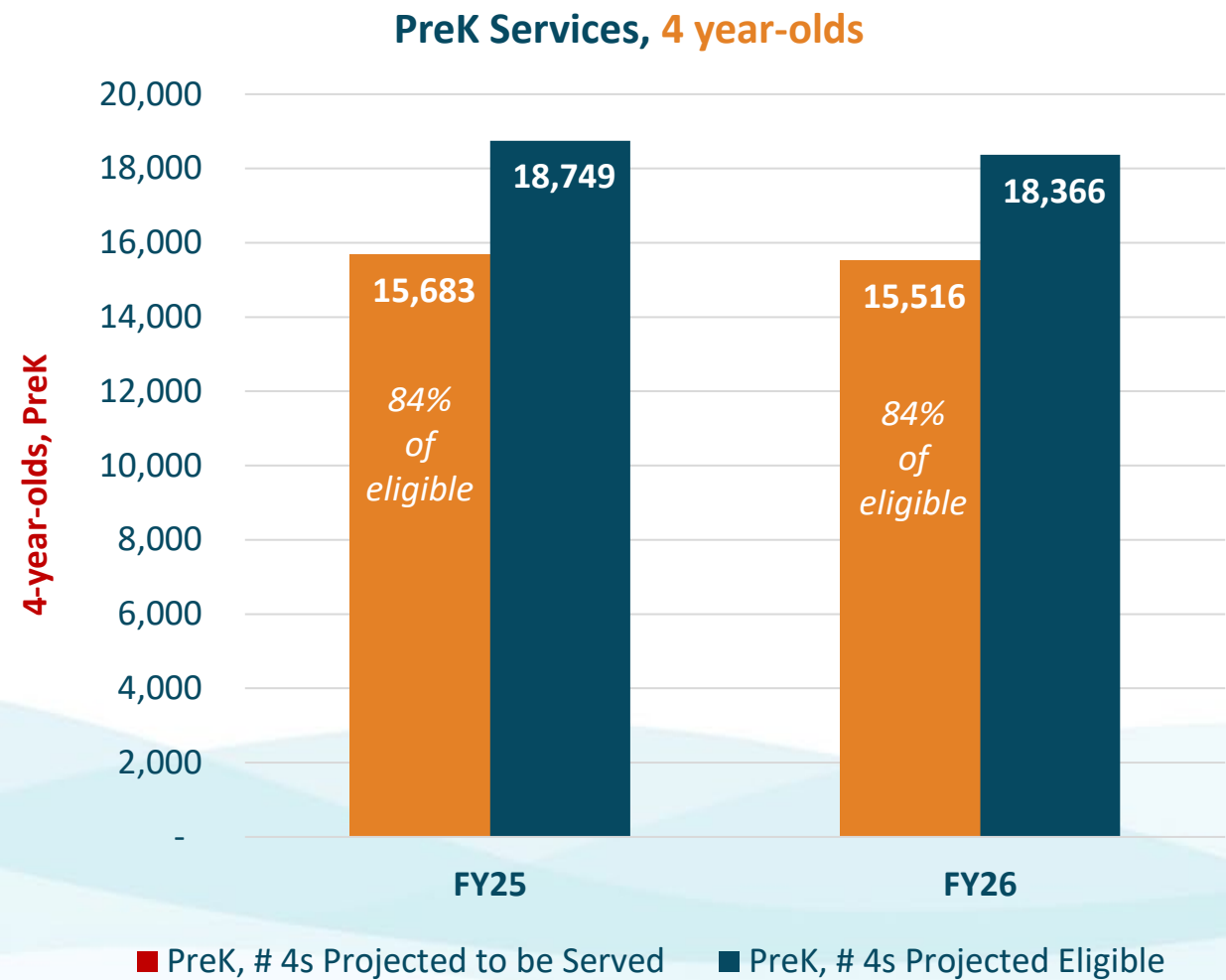
*The percent served reflects the % of children projected to be served in the highest need population (defined by the % of annual Medicaid eligible births). **Percent Served** includes children served through privately funded and tribal home visiting programs.



Projected Services and Eligibility

PreK Three and Four Year Olds, FY25 and FY26

*84% of 4-year-olds and 54% of 3-year-olds served statewide. Includes NM PreK, Head Start, and Title I.



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Appendix

Slides 13-23



NEW MEXICO

Early Childhood

Education & Care Department

61100 - FY26 Appropriation Request- Sources

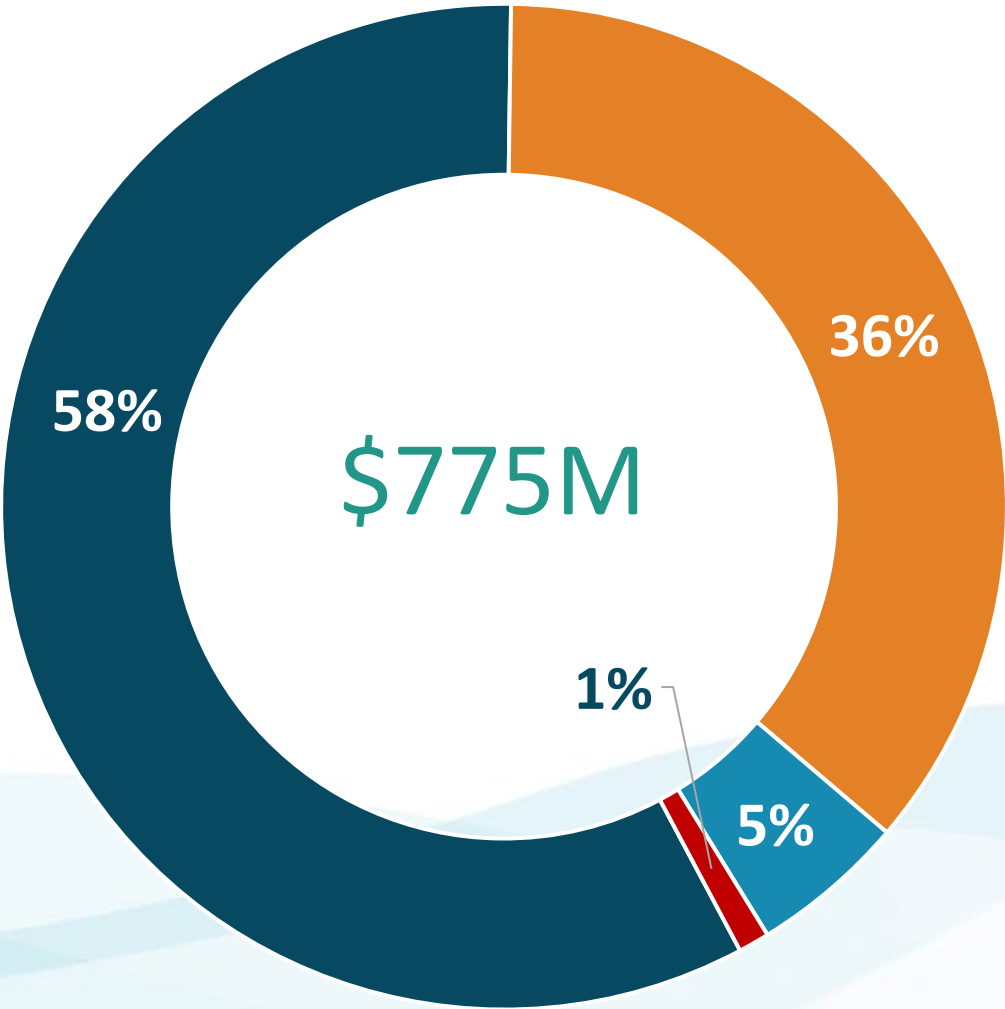
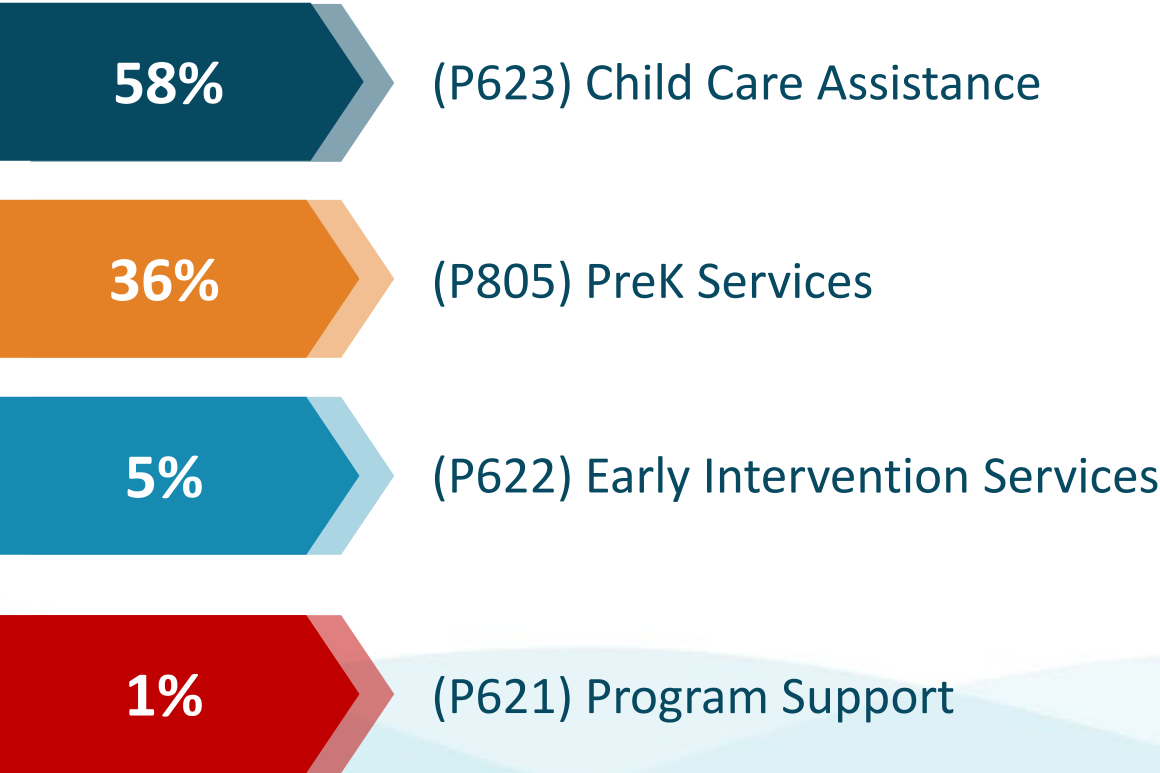
	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
General Fund Includes Land Grant Permanent Fund	\$348,074	\$365,274	\$351,034	(\$14,240)
Other Transfers Includes Revenue from Temporary Assistance for Needy Families (TANF) and Early Childhood Trust Fund (ECTF)	\$284,028	\$466,186	\$342,828	(\$123,358)
Federal Revenue	\$147,154	\$151,923	\$152,624	\$701
Other Revenue Revenue from other agencies per stature in HB2, and private sector grants.	\$5,914	\$7,560	\$7,560	-
Total	\$785,170	\$990,943	\$854,045	(\$136,898)

61100 - FY26 Appropriation Request by Budget Category - Uses

	FY25 Budget	Exec Rec.	LFC Rec.	LFC (Under) / Over Exec
200 Personnel Services and Employee Benefits	\$35,082	\$38,861	\$35,666	(\$3,195)
300 Contractual Services	\$111,666	\$137,475	\$108,340	(\$29,135)
400 Other Expenses: Care and Support/Grants	\$603,121	\$774,617	\$659,137	(\$115,479)
500 Other Financing Uses	\$35,302	\$39,989	\$50,901	\$10,912
Total	\$785,169	\$990,943	\$854,045	(\$136,897)

FY26 Appropriation Request

400 Category Breakdown



Includes all funding sources

FY26 Appropriation Request

P623 - Early Childhood Education Care and Nutrition - Sources	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
General Fund - Includes Land Grant Permanent Fund	\$40,474	\$40,474	\$24,774	(\$15,700)
Other Transfers - Includes Revenue from Temporary Assistance for Needy Families (TANF) and Early Childhood Trust Fund (ECTF)	\$211,415	\$307,151	\$252,515	(\$54,637)
Federal Revenue	\$127,208	\$125,273	\$125,273	-
Other Revenue - Revenue from other agencies per stature in HB2, and private sector grants.	\$1,100	\$1,100	\$1,100	-
Total	\$380,196	\$473,998	\$403,662	(\$70,337)

P623 - Early Childhood Education Care and Nutrition - Uses	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
200 - Personnel Services and Employee Benefits	\$14,358	\$14,858	\$12,768	(\$2,090)
300 - Contractual Services	\$3,980	\$4,524	\$3,599	(\$925)
400 - Other Costs	\$361,859	\$454,616	\$387,295	(\$67,322)
500 - Other Financing Uses	-	-	-	-
Total	\$380,196	\$473,998	\$ 403,662	(\$70,337)

FY26 Appropriation Request

P805 - Pre-Kindergarten - Sources	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
General Fund Includes Land Grant Permanent Fund	\$222,470	\$234,470	\$232,470	(\$2,000)
Other Transfers Early Childhood Trust Fund (ECTF)	\$15,704	\$49,290	\$15,704	(\$33,586)
Federal Revenue	-	-	-	-
Other Revenue Revenue from other agencies per stature in HB2, and private sector grants.	-	-	-	-
Total	\$238,174	\$283,760	\$248,174	(\$35,586)

P805 - Pre-Kindergarten - Uses	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
200 - Personnel Services & Employee Benefits	\$1,991	\$2,335	\$1,991	(\$344)
300 - Contractual Services	\$22,920	\$2,600	\$2,600	-
400 - Other Costs	\$213,263	\$ 278,825	\$243,583	(\$35,242)
500 - Other Financing Uses	-	-	-	-
Total	\$238,174	\$283,760	\$248,174	(\$35,586)

FY26 Appropriation Request

P622 - Family Support & Early Intervention Sources	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
General Fund - Includes Land Grant Permanent Fund	\$59,682	\$64,882	\$62,682	(\$2,200)
Other Transfers - Includes Revenue from Temporary Assistance for Needy Families (TANF) and Early Childhood Trust Fund (ECTF)	\$7,443	\$31,164	\$18,643	(\$12,521)
Federal Revenue	\$8,475	\$8,370	\$8,370	-
Other Revenue - Revenue from other agencies per stature in HB2, and private sector grants.	\$2,517	\$2,517	\$2,517	-
Total	\$78,117	\$106,933	\$ 92,212	(\$14,721)

P622 - Family Support & Early Intervention - Uses	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
200 - Personnel Services & Employee Benefits	\$6,199	\$6,369	\$6,435	\$66
300 - Contractual Services	\$37,433	\$49,806	\$41,229	(\$8,577)
400 - Other Costs	\$23,584	\$35,170	\$23,647	(\$11,522)
500 - Other Financing Uses	\$10,902	\$15,589	\$20,902	\$5,312
Total	\$78,117	\$106,933	\$92,212	(\$14,721)

FY26 Appropriation Request-

P624 - Policy, Research and Quality Initiatives - Sources	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
General Fund - Includes Land Grant Permanent Fund	\$16,027	\$16,027	\$19,527	\$3,500
Other Transfers - Early Childhood Trust Fund (ECTF)	\$17,000	\$41,399	\$17,000	(\$24,399)
Federal Revenue	\$4,249	\$11,813	\$12,514	\$701
Other Revenue - Revenue from other agencies per statute in HB2, and private sector grants.	-	-	-	-
Total	\$37,276	\$69,239	\$49,041	(\$20,198)

P624 - Policy, Research and Quality Initiatives - Uses	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
200 - Personnel Services & Employee Benefits	\$3,114	\$3,800	\$2,724	(\$1,076)
300 - Contractual Services	\$33,000	\$63,938	\$45,153	(\$18,785)
400 - Other Costs	\$1,162	\$1,501	\$1,164	(\$337)
500 - Other Financing Uses	-	-	-	-
Total	\$37,276	\$69,239	\$49,041	(\$20,198)

FY26 Appropriation Request

P-Code 621 - Program Support - Sources	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
General Fund - Includes Land Grant Permanent Fund	\$9,422	\$9,422	\$11,582	\$2,160
Other Transfers - Includes Revenue from Temporary Assistance for Needy Families (TANF) and Early Childhood Trust Fund (ECTF)	\$32,466	\$37,181	\$38,966	\$1,785
Federal Revenue	\$7,223	\$6,466	\$6,466	-
Other Revenue - Revenue from other agencies per stature in HB2, and private sector grants.	\$2,297	\$3,943	\$3,943	-
Total	\$51,408	\$57,012	\$60,957	\$3,945

P-Code 621 - Program Support - Uses	FY25	EXEC Rec	LFC Rec	LFC (Under) / Over Exec
200 - Personnel Services and Employee Benefits	\$10,375	\$11,500	\$11,750	\$250
300 - Contractual Services	\$12,529	\$16,607	\$15,759	(\$848)
400 - Other Costs: Care and Support / Grants	\$4,105	\$4,505	\$3,448	(\$1,056)
500 - Other Financing Uses	\$24,400	\$24,400	\$30,000	\$5,600
Total	\$51,408	\$57,012	\$60,957	\$3,945

Tribal Investments FY24 and FY25

Includes Tribal Investment Strategy Funds, PreK Funding, Preschool Development Grant funds and Hilton Foundation funds.

Language and Culture

- Walatowa (Jemez)
- Mescalero Apache Tribe
- Isleta Pueblo
- Laguna Pueblo
- Zia Pueblo
- Santa Ana
- San Felipe
- Saad K'idilye
- Pojoaque Pueblo

FY24 – FY25 Total Award
\$1,350,297

Early Intervention

- Isleta Pueblo
- Laguna Pueblo
- Ramah Navajo School
- Pueblo of Sandia
- Mescalero Apache Tribe
- Santa Ana
- Growing In Beauty (MOU only)

FY24 – FY25 Total Award
\$331,500

Capacity Building

- Mescalero
- Isleta Pueblo
- Santa Clara Pueblo
- Zia Pueblo
- Santa Ana
- San Felipe
- Shoreline Consulting
- NABPI
- Pojoaque

FY24 – FY25 Total Award
\$1,350,297

Capital Outlay Funding

- San Ildefonso
- Acoma
- Laguna
- Kewa-SD
- Ohkay Owingeh
- Tesuque
- Santa Clara
- Jicarilla *pending*
- Cochiti (KCLC) *pending*

FY24 – FY25 Total Award
\$303,975

Home Visiting

- Laguna Pueblo
- LANL Home (Jemez, Nambe, Pojoaque, San Ildefonso, and Tesuque)

FY24 – FY25 Total Award
\$303,975

PreK

- To'hajiilee
- Mescalero
- Navajo Nation
- Nambe'
- Tesuque
- Keres ELC

FY24 – FY25 Total Award
\$1,350,297

Construction Renovation Support

- Thrive Consulting

FY24 – FY25 Total Award
\$60,000

Local Early Childhood Coalitions

- **Bernalillo** – Bernalillo County Home Visiting Work Group Coalition
- **Bernalillo** – Coalition for Science Learning in Early Childhood
- **Bernalillo** – Early Childhood Coalition Cuidando Los Niños
- **Bernalillo** – PB&J Family Services
- **Doña Ana** – Doña Ana County Early Childhood Education Coalition
- **Doña Ana** – Proveedoras Unidas de Southern NM
- **Los Alamos** – Family Strengths Network: Baby NetGrant – Community Partnership for Children
- **Lincoln** – Partners in Early Childhood Education Coalition
- **McKinley** – McKinley County Early Childhood Coalition
- **Rio Arriba** – Rio Arriba County Early Childhood Collaborative
- **Otero** – 100% Otero
- **San Miguel** – San Miguel Early Childhood Coalition
- **Santa Fe** – Santa Fe Early Childhood Steering Committee
- **Taos** – Paso a Paso Network
- **Valencia** – Valencia County Early Childhood Community Partnership

