



NEW MEXICO

Early Childhood

Education & Care Department

January 2026

House Appropriations and Finance Committee

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2026 Legislative and Budget Priorities

Building a Brighter Future for New Mexico Families and Young Children



The FY27 Executive Budget builds on the strategic and successful investments of the New Mexico Legislature and Governor Michelle Lujan Grisham, which have improved the lives of tens of thousands of New Mexico families and young children. The Executive Budget also supports ECECD's 2022–2027 Strategic Plan through targeted recurring and non-recurring investments.

	Line Item	Executive Budget	LFC Recommendation	Difference
Recurring	Universal Child Care	\$160.6M	10M	-\$150.6M
	Department Infrastructure	\$4.3M	\$2.4M	-\$1.9M
	Home Visiting	\$4M	\$3.9M	-\$100K
	Family Infant Toddler (FIT) Rate Change	\$3M	\$3M	\$0
	New Mexico PreK Expansion	\$7.5M	\$7M	-\$500K
Subtotal		\$179M	\$26.3M	-\$153.1M
Non-recurring	Wage Scale and Career Lattice (3 yrs, GRO)	\$57M	\$0	-\$57M
	Child Care Pilot	\$0	\$48M	+\$48M
	Child Care Facility Revolving Loan Fund	\$20M	\$5M	-\$15M
	FIT Professional Development and Support	\$3M	\$0	-\$3M
	Local Early Childhood System Building Coalitions (3 yrs, GRO)	\$3M	\$0	-\$3M
	Native American Early Childhood Convening	\$400K	\$0	-\$400K
Subtotal		\$83.4M	\$53M	-\$30.4M
Category 2 (C2)	FIT Data System Phase I	\$2.25M	\$0	-\$2.25M
	EPICS Replacement Discovery	\$250K	\$0	-\$250K
Subtotal		\$2.5M	\$0	-\$2.5M
Grand Total		\$256.5M	\$76.9M	-\$179.4M

86%

Infant care costs 86% more than in-state public university tuition. Using the U.S. Department of Health and Human Services affordability standard, only 10.8% of New Mexico families can afford infant care.

Economic Policy Institute. (2023). Child care is unaffordable for working families across the country, including in New Mexico.

New Child Care Contracts by Federal Poverty Level (FPL)

Families by FPL	Income Range for a Family of Four	# of New Family Applications	% of New Family Applications
<100%	\$0-\$32,150	1,316	14%
100% to 200%	\$32,151-\$64,300	1,190	13%
200% to 300%	\$64,301-\$96,450	877	9%
300% to 400%	\$96,451-\$128,600	823	9%
400% to 500%	\$128,601-\$160,750	1,165	12%
500% to 600%	\$160,751-\$192,900	1,021	11%
600% to 700%	\$192,901-\$225,050	846	9%
700% to 800%	\$225,051-\$257,200	595	6%
800% to 900%	\$257,201-\$289,350	399	4%
900% to 1000%	\$289,351-\$321,500	273	3%
1000%+ FPL	\$321,501+	712	8%
Presumptive Eligibility/ Income Unknown	-	173	2%
Total Families	-	9,390	100%

44%

of newly enrolled families were eligible before the launch of Universal Child Care on Nov. 1.

37%

of new child care contracts are for infants and toddlers

New Child Care Contracts by Age Group

Child Contracts by Age Group	Number of Children by Age Group	% of Children by Age Group
Infants	2,567	21.40%
Toddlers	1,793	14.90%
Preschool	4,552	37.90%
School Age	3,096	25.80%
Total Children	12,008	100.00%

What the \$160.6M FY27 Investment Delivers:

- Universal eligibility • Provider stability

56,800 Children Served Statewide

- Infants • Toddlers • Preschool • School-age •

Projected Increase in Children Served **+24K** by June 2027 Compared to Pre-UCC FY25 Baseline

\$606M Total Child Care Spending
State + federal funds combined

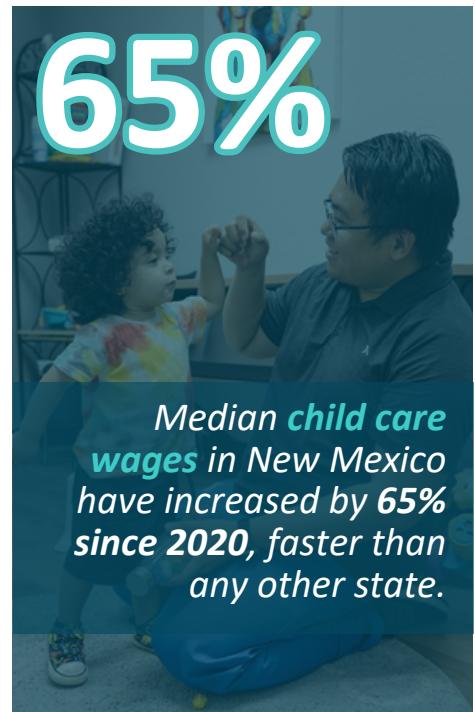


Child Care Assistance Rate Broken Down by Operating Expense Categories

At the 4-Star Enhanced rate, a child care provider receives \$23,100 per year for one infant slot. This amount must cover all staffing, program, facility, and operational costs required to deliver high-quality care.

Breakdown of Expenses, by category

Category	Expense Type	% of Total
Personnel	Salaries	50%
	Mandatory personnel costs	5%
	Discretionary personnel costs	6%
Nonpersonnel	Education program (children and staff)	18%
	Occupancy	14%
	Program administration	2%
	Operating reserve	5%
Total		100%



\$57B

Across the country, **child care shortages push parents out of the workforce**, with total economic costs reaching up to \$57 billion per year.

Wage Scale and Career Lattice

A core ECECD priority for FY27 is to implement 1978 NMSA § 9-29-11(A)(3) that “requires a workforce development plan to include a career ladder, wage structure and professional development plan that applies to the full continuum of programs in the department.” The wage scale and career lattice aligns early childhood professionals’ wages to K-12 educators’ wages. The foundation of the wage scale is the wages paid to professionals. In addition to these infrastructure supports, ECECD invests in wages through direct service payment rates based on competitive compensation.

The Executive FY27 budget request includes \$57 million over three years to implement the Wage Scale and Career Lattice Framework, which has been developed and finalized.

	FY25 Actual	FY26 Projected	FY27 Proposed
Wage Scale and Career Lattice	--	--	\$19,000,000
Infant Toddler Parity	\$5,000,000	\$5,000,000	\$5,000,000
Scholarships	\$3,364,761	\$3,850,000	\$4,235,000
NM PreK and Head Start Parity	\$3,569,969	\$4,100,000	\$4,175,008
Bilingual Incentive Payment	\$170,935	\$550,000	\$605,000
Wage Supplement and Mentor Network	\$439,149	\$575,000	\$575,000
Total	\$12,544,814	\$14,075,000	\$33,590,008

Next Steps

ECECD in spring 2026 will lead a small, cross-sector working group focused on four key implementation areas:

- **Establish** the administrative structures needed to flow funding to early childhood professionals according to the wage scale
- **Identify** feasible approaches to track and monitor wages and credentials using the Professional Development Information System (PDIS)
- **Generate** policies and procedures for measuring and crediting professional competencies gained through experience and education
- **Institute** a phased and targeted approach to full wage scale implementation

Progress to Date:

- Lattice developed with cross-sector partners
- Refined with Early Childhood Education and Care Advisory Council
- Published final report: Wage Scale and Career Lattice Framework and Implementation Recommendations



(scan QR code to view)



Newly Enrolled Children by County

A - G

County	Newly Enrolled Families
Bernalillo	6,526
Catron	0
Chaves	272
Cibola	31
Colfax	11
Curry	271
De Baca	35
Dona Ana	1,192
Eddy	156
Grant	49
Guadalupe	16

H - R

County	Newly Enrolled Families
Harding	0
Hidalgo	0
Lea	276
Lincoln	54
Los Alamos	139
Luna	43
McKinley	63
Mora	1
Otero	262
Quay	4
Rio Arriba	88

R-V

County	Newly Enrolled Families
Roosevelt	83
San Juan	462
San Miguel	76
Sandoval	723
Santa Fe	603
Sierra	9
Socorro	44
Taos	94
Torrance	9
Union	0
Valencia	416

TOTAL 12,008

13%

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.