



NEW MEXICO

## Early Childhood Education & Care Department

January 2026

# Senate Finance Committee

## *FY27 Department Priorities*

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# 2026 Legislative Session 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

## Measures of Success

### Health

- Child well-being:** About 81 percent of New Mexico's children ages 0–5 are flourishing, showing curiosity, resilience, and positive social-emotional development.
- Infant mortality decreased** from 5.9 deaths per 1,000 births in 2022 to 4.4 in 2023.
- Adverse Childhood Experiences (ACEs):** Children with two or more ACEs declined from 27.3 percent in 2021 to 23 percent in 2024.
- Safe sleep practices:** Infants sleeping on a safe surface rose from 80 percent in 2021 to 89 percent in 2023. Back-sleeping increased from 87 percent to 92 percent.
- Maternal mortality:** Pregnancy-associated deaths fell from 224 to 144 per 100,000 live births in 2022.



### Ready to Learn

70 percent of New Mexico kindergarteners are developmentally on track across key domains: physical health, social competence, emotional maturity, language and cognitive development, and communication skills.



### Educated

Percent of kindergarteners reading proficiently end of year:

- SY 2023–24 = 37 percent
- SY 2024–25 = 50 percent



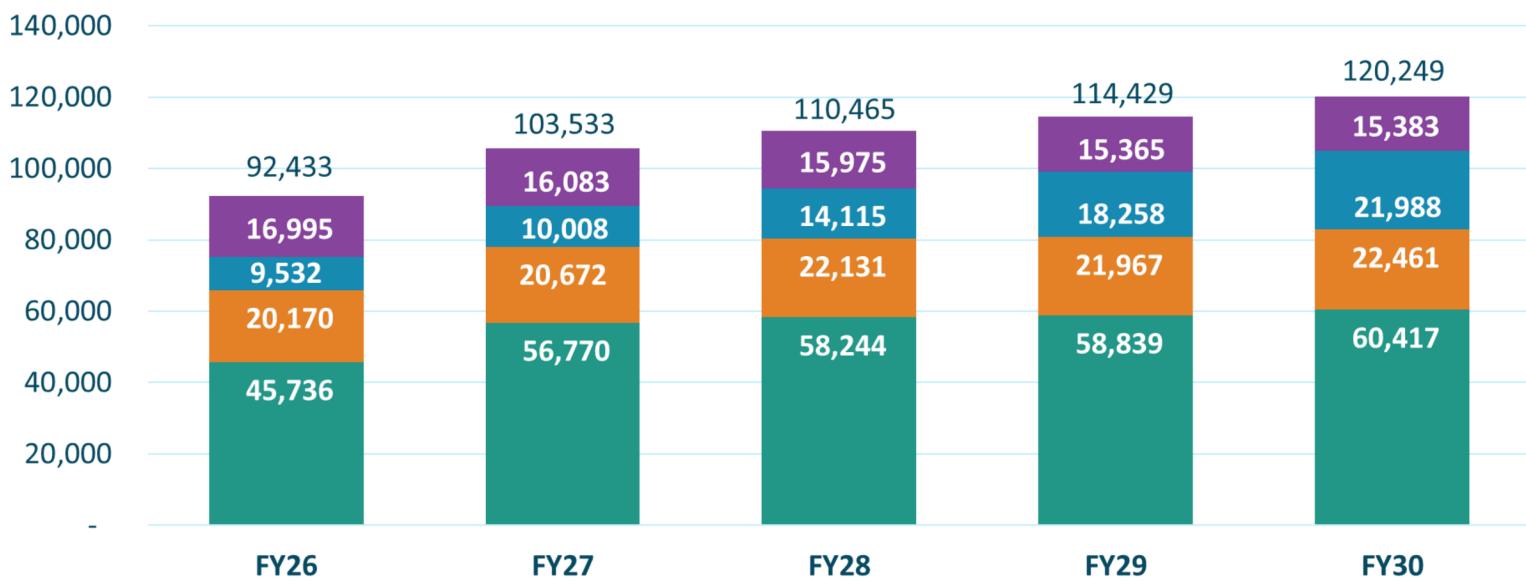
Percent of 3rd graders reading proficiently:

- SY 2023–24 = 32.5 percent
- SY 2024–25 = 39.88 percent

### Growth Towards Universal Access

■ Child Care ■ NM PreK ■ Home Visiting ■ FIT

#### Projected Estimates of Children to be Served by Program Type and Fiscal Year FY26-FY30



**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.*

## Universal Child Care (UCC)

## 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**

State + federal funds combined

**Total Child Care Spending**



## Child Care Facility Revolving Loan Fund

The Child Care Facility Revolving Loan Fund was created by the legislature to support expansion of New Mexico's child care supply, and was funded with approximately \$12.5 million for FY26. In fall 2025, ECECD and the New Mexico Finance Authority (NMFA) partnered to administer the funds.

- Demand for the loans was overwhelming, with 113 applications requesting \$116.1 million statewide, more than nine times the available funding.
- To date, nine projects totaling \$10.4 million have been approved by NMFA's board and are moving into the closing phase, with one additional project still in underwriting.
- The nine approved projects are projected to create 914 new child care slots, including 598 for infants and toddlers.
- Approved projects are geographically diverse, representing Alamogordo, Albuquerque, Carlsbad, Clovis, Española, Farmington, Los Lunas, and Sunland Park.

**86%**

Infant care costs 86% more than in-state public university tuition in New Mexico.

Using the U.S. Department of Health and Human Services affordability standard, only 10.8% of New Mexico families can afford infant care.



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

### 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



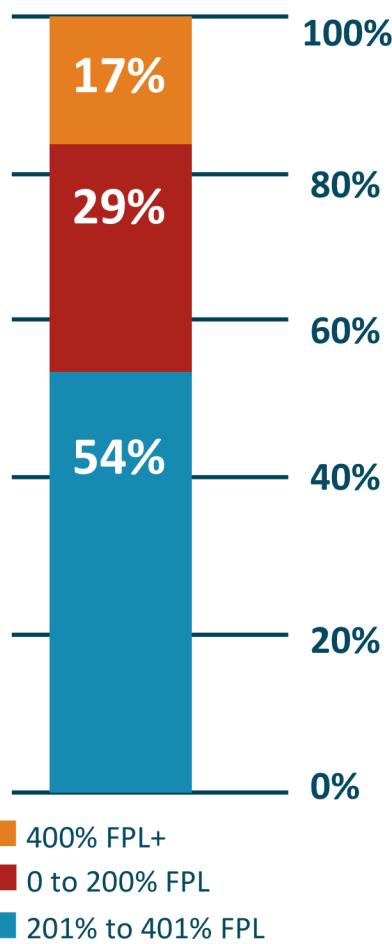
Framework and Implementation Recommendations  
(scan QR code to view)

## Universal Child Care Trends

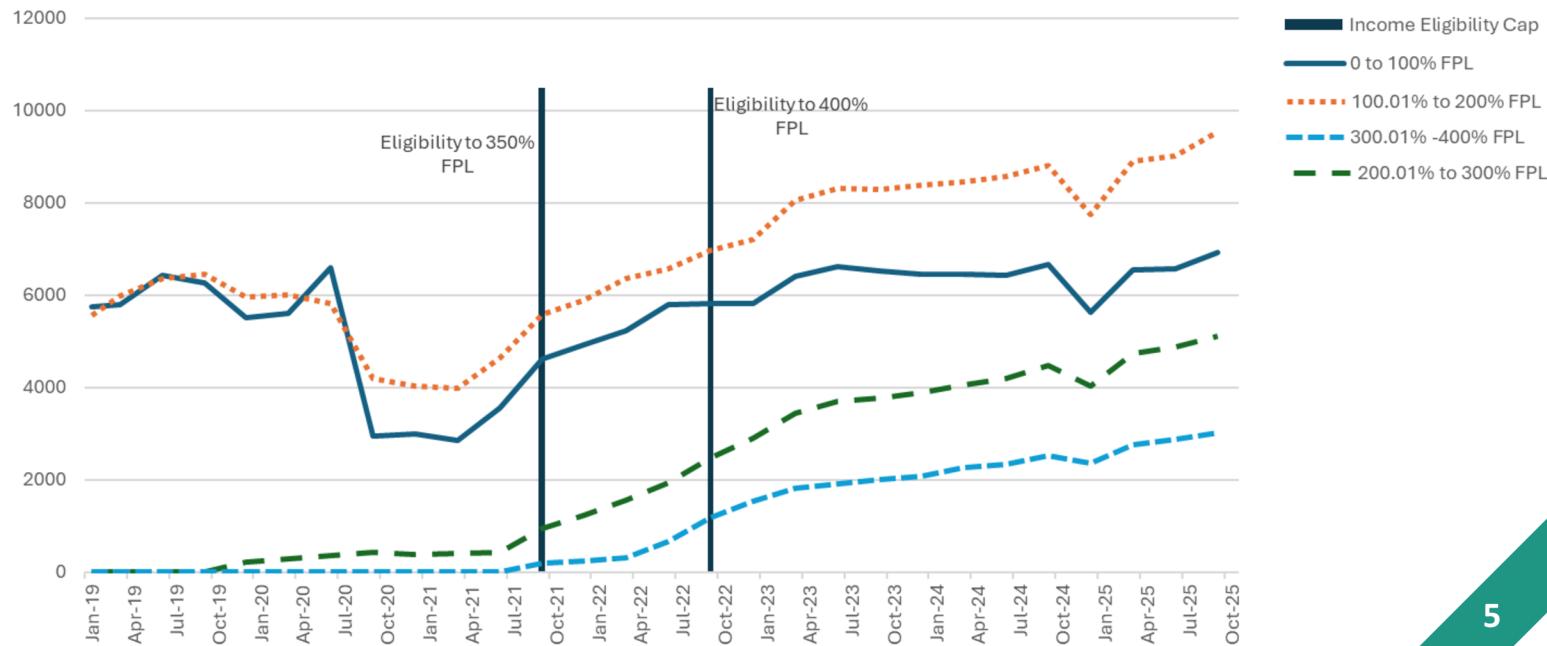
### New Child Care Contracts by Federal Poverty Level (FPL)

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	-	173	2%
<b>Total Families</b>	-	<b>9,390</b>	<b>100%</b>

### Income Levels of Children Served, December 2025



### Distribution of Families Served by Income Level





## 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**

## Annual Loss When care is *Unavailable*

# \$586M

*Each year, New Mexico loses an estimated \$586 million in productivity, wages, and revenue due to child care shortages.*