

CHILD CARE ASSISTANCE PROGRAM ACT

SB241 Overview

During the 2026 legislative session, the New Mexico legislature approved Senate Bill 241- The Child Care Assistance Program Act: a historic accomplishment that not only codified the Child Care Assistance program—preserving the integrity and quality of the program across administrations—but also codified universal child care for families working or in school regardless of income.



Codifies Universal Child Care with a Focus on Equity

- Provides long-term, sustainable investment by allowing the legislature to appropriate up to \$700 million from the Early Childhood Trust Fund over the next five years—providing certainty for families and providers allowing them to plan and expand their businesses.
- Establish guardrails to preserve the fiscal integrity of universal child care in times of economic uncertainty. These safeguards include copayments for higher income families and/or a prioritized waitlist.
- Waives copayments for families with annual household incomes at or below 600% Federal Poverty Level and sets requirements for when the Early Childhood Education and Care Department (ECECD) must implement copayments, including a 90 day notice to families and a sliding scale for higher-income households.
- Prioritizes children with developmental delays or disabilities, at-risk children, and children birth to age three in households below 400% FPL if waitlists are enacted.
- Enhances monitoring and compliance and requires improved coordination for children at risk of developmental delays and disabilities.



Strengthens Transparency and Accountability

- Implements new reporting requirements for child care providers including daily hours of operation and days of care provided annually.
- Funds received through the child care assistance program shall not supplant funds pursuant to the state equalization guarantee distribution or funds appropriated for instructional or general funding.
- Requires licensed child care programs to submit an annual report to ECECD by July 1 of each year that includes ownership interest, legal structure of the business, funding sources, and debt that exceeds ten percent of the annual revenue of the business.
- By September 1 of each year ECECD will report to the Legislative Health and Human Services Committee and the Legislative Finance Committee a report on program costs and the distribution of child care assistance participation by facility type and by income, race and ethnicity, and quality level.



Requires the use of a Cost Estimation Model and Reporting of Salaries and Benefits

- Requires the use of a cost estimation model to inform reimbursement rates, anchoring funding decisions in evidence-based rates that reflect the true cost of delivering quality care, including adequate wages for child care staff.
- Requires the collection of workforce data from providers in alignment with the Wage Scale and Career Ladder, including staff roles and levels, professional qualifications, and salaries and benefits, to strengthen our understanding of the early childhood workforce.