



Child Care Provider Webinar

Overview of the Child Care Assistance Program Act

Frequently Asked Questions

The following captures some questions asked by child care providers during the Child Care Provider Webinar hosted by the Early Childhood Education and Care Department (ECECD) on March 31, 2026. This webinar gave an overview of major requirements and changes made to the Child Care Assistance program by the Child Care Assistance Program Act, or Senate Bill (SB) 241, passed during the 2026 New Mexico Regular Legislative Session, signed into law by Governor Michelle Lujan Grisham, and set to take effect on May 20, 2026.

Question

Answer

New Reporting Requirements

Are providers required to collect and report demographic information?

No. SB241 does not require providers to collect and report any demographic information on their employees or the children they serve.

Providers **are** required to report certain information about their business operations and employee credentials, salaries, and benefits. The law does require ECECD to collect certain demographic information about families who participate in the Child Care Assistance Program, but this is not a reporting requirement for providers.

Hours of Care

I am concerned that lack of limitations on the hours of care a family can receive will impact my ability to plan my program, anticipate staffing needs, and set appropriate schedules. What are providers allowed to do to make sure families keep reasonable and predictable hours of care?

Families with full-time Child Care Assistance contracts are allowed to choose consistent open-to-close attendance. However, providers are permitted and encouraged to work with families to understand their child care needs in order to balance the needs of families and programs. Providers can discuss with families their daily routines, commute times, typical care needs, and take steps to document attendance patterns for internal planning. Families should be encouraged to communicate changes in routines or needs, and providers can require families to communicate changes like early drop-off or late pick-up in their program policy.

Providers may also develop program policies and procedures to inform families of expectations for understanding families' care schedules. Program policies must be written, applied consistently, and shared with families at enrollment with a signed acknowledgement. However, providers may not request employer documentation or attempt to verify a family's qualifying activity. In addition, if a family is approved for full-time care, a provider cannot limit the amount of care a child receives during the hours a child care facility is open if the family expresses a need for care, with or without providing a schedule. **Continued on the next page.**

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Providers may also communicate to families how programs are impacted by unpredictable schedules and long hours of care, and how long hours can impact child well-being and behavior and exacerbate staffing challenges. Discussion should always focus on children’s safety, healthy development, and positive environments.

Are providers allowed to ask for a parent’s work or school schedule?

Providers may talk with families about their routines, commutes, and other scheduling needs. Providers can also ask families for a schedule of when they need child care in order to plan for necessary staff coverage. However, providers may not request employer documentation or attempt to verify a family’s qualifying activity. In addition, if a family is approved for full-time care, a provider cannot limit the amount of care a child receives during the hours a child care facility is open if the family expresses a need for care, with or without providing a schedule.

Are providers allowed to require families to stick to a particular agreed-upon schedule for care?

Providers may develop written program policies and procedures to inform families of expectations for setting predictable care schedules, and may request communication from families for certain changes. Program policies must be written, applied consistently, and shared with families at enrollment with a signed acknowledgement.

Providers may not pressure families to use less hours of care if the family expresses a need for such care and the family’s ECECD Child Care Assistance Contract permits such hours. Providers also may not ask ECECD to change the contract type to give a child fewer hours of care, unless there is an error in the contract placement type.

Can providers charge late fees if children stay past their agreed-upon schedule during operating hours?

No. Providers are not allowed to charge families receiving Child Care Assistance above the department rate for the hours listed on the child care placement agreement. Providers may only charge a late pick-up fee if a child stays past program operating hours.

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Double Billing

What should I do if a child in my program was issued a full-time contract but should really have a wrap-around-care contract? For example, a child in my program is enrolled in NM PreK and receives wrap-around child care, but was issued a full-time contract.

SB241 prohibits providers from accepting Child Care Assistance payments for the same hours a child is enrolled in Head Start or NM PreK. A provider cannot be paid twice for the same services—this is considered double billing. If a child needs additional care outside of the hours they are enrolled in NM PreK or Head Start, the child is only eligible for a Child Care Assistance wrap-around contract.

Providers must notify the department by emailing child.care@ececd.nm.gov if they find a child’s contract placement type does not match the care they are providing.

Slot Limits for School-Age Children

What are the prioritization requirements for school-aged children?

SB241 requires the department to implement special prioritization procedures only for school-aged children between six and 12 years old.

ECECD is required to provide Child Care Assistance to school-aged children who are federally eligible for assistance. “Federally eligible” means families with incomes at or below 85% of state median income. The law then imposes a slot limit for school-aged children who are not federally eligible, or who are over 85% state median income. ECECD will not enroll more than 13,000 children who are not federally eligible. If this slot limit is met, ECECD will maintain a waitlist for school-aged children who are not federally eligible that prioritizes at-risk and low-income families. However, as required by SB241, if any waitlists must be created due to state law or funding shortfalls, ECECD will prioritize issuing contracts for children with disabilities, developmental delays, special needs, at-risk children, and certain other specified categories of children or families.



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Answer

Payment Rates

Can providers use child care assistance payments to fund program operations that are not related to child care? For example, could a school use funds from an after-school child care assistance program to for classroom materials during the school day?

ECECD does not set restrictions on how programs can use their money after child care services have been provided as agreed in the child care assistance and according to state law (SB241) and the applicable child care assistance (8.9.3 NMAC) and health and safety regulations (8.9.4 or 8.9.5 NMAC).

However, SB241 prohibits certain limited providers from “supplanting,” or replacing, other funding appropriated to them for specific purposes with money from Child Care Assistance. This means that providers who receive funds through the State Equalization Guarantee distribution, or receive other instructional or general funding, must use these funds for their designated purposes and cannot replace them with ECECD Child Care Assistance funding.

Does ECECD pay a differential rate for non-traditional hours?

Yes. ECECD pays a differential rate equivalent to 5%, 10%, or 15% of the applicable full or part-time rate to providers who provide care during non-traditional hours. You can review these differential rates in the child care assistance regulations at [8.9.3.17\(L\) NMAC](#).

The non-traditional hour differential rate is available to all providers on top of their current payment rate, including providers receiving enhanced rates, if they meet the applicable regulatory requirements.

Enhanced Rates

Are licensed child care homes with a primary educator but no other employees eligible for enhanced rates?

Yes. Licensed family child care homes that are run by a single primary educator—or one “employee”—can participate in enhanced rates by attesting that they will pay themselves the minimum wage requirement set forth in regulation and meeting and meet all other requirements.

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My program meets the ten hours a day, five days a week requirement for enhanced rates during the school year, but has shorter hours during the summer. Can my program still participate in enhanced rates?

Per **8.9.13(M) NMAC**, enhanced rates are still paid during holidays, breaks, or special programming like parent teacher conferences or professional development that necessarily reduce the hours of care to less than ten hours. Providers will still have to attest that they will meet the ten hours a day, five days a week requirement and meet wage requirements. Providers not providing a minimum of ten hours a day, five days a week during extended periods, like summer or for more than a month must opt out of the enhanced rate during this time period.

Do enhanced rate wage requirements apply to non-teaching staff?

No. The regulations at **8.9.13(M) NMAC** require providers to meet wage requirements for staff directly involved in the care and education of children, including floaters, assistant teachers, and assistant educators.

Workforce Support and Pay Parity

What pay parity programs are available, and how do you apply?

Pay parity programs are available to support early childhood professionals in receiving wages comparable to those paid to public school teachers with similar credentials. ECECD has pay parity programs available for many types of early childhood professionals, including infant and toddler teachers, NM PreK teachers, and Head Start teachers. Many program administrators can apply for these programs as well.

Please visit eceedscholarship.org/ for more information on these programs and how to apply.

Where do I go for regulatory and licensing support for my program?

Please visit ECECD's Regulatory Oversight Unit webpage at www.nmeccd.org/child-care-licensing-and-registered-homes/ for support with regulatory and licensing questions.