FY26 Child Care Assistance Program Act Implementation and Data Report

September 1, 2026

New Mexico
Early Childhood
Education & Care Department

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Introduction

In November 2025, New Mexico became the first state in the nation to enact a policy of universal child care assistance eligibility for families with children birth to age thirteen. Under this structure, all families with a qualifying activity are eligible for free child care, regardless of their income. This bold step, led by Governor Michelle Lujan Grisham, acknowledges the reality that child care is essential infrastructure, and that child care costs strain the budgets of families across the income spectrum.

During the 2026 legislative session, New Mexico's lawmakers affirmed and codified the importance of Universal Child Care. With the passage of the Child Care Assistance Program Act (passed as Senate Bill 241), the legislature deepened its role in the administration of the Child Care Assistance Program through policy direction and new accountability requirements. Specifically, the Act requires the Early Childhood Education and Care Department (ECECD) to report on the following data points: program costs; payment rates; participation of families, children, and providers; provider operating hours; wages and levels of the early childhood workforce; and business characteristics of early childhood programs. This inaugural report fulfills the requirements of the Act by providing all available data and outlines the department's plan for collection and reporting of the data not yet available.

Program Cost Overview

In FY26, $509 million was spent on direct reimbursement to providers for children's care. In addition, the department spent $10.2 million on quality coaching and technical assistance for early childhood professionals, and $15.1 million on the personnel and other administrative costs required to run the program. Table 1 shows the distribution of payments for the fiscal year by child age and family income.

Table 1. FY26 Child Care Assistance Expenditures by Child Age and Income Category

Income Level by Poverty	Infant	Toddler	Preschool	School Age	Total
<100% FPL	$38,513,246	$22,818,960	$43,020,020	$26,536,251	**$130,888,478**
100%-200% FPL	$42,115,818	$26,817,394	$54,757,776	$36,520,254	**$160,211,242**
200%-300% FPL	$23,575,173	$16,028,447	$30,374,423	$17,154,351	**$87,132,393**
300%-400% FPL	$16,359,299	$10,762,127	$20,322,193	$9,010,340	**$56,453,959**
400%-500% FPL	$5,820,019	$4,339,899	$8,139,948	$3,436,275	**$21,736,141**
500%-600% FPL	$4,686,592	$2,716,073	$4,974,450	$1,863,716	**$14,240,831**
600%-700% FPL	$3,880,476	$2,414,961	$3,856,647	$1,376,703	**$11,528,787**
700%-800% FPL	$2,547,088	$1,540,722	$2,812,716	$870,006	**$7,770,533**
800%-900% FPL	$1,936,474	$1,197,294	$1,767,373	$714,927	**$5,616,069**
900%-1000% FPL	$1,241,814	$803,875	$1,330,392	$384,772	**$3,760,852**
>=1000% FPL	$3,383,706	$2,046,887	$3,437,899	$1,186,121	**$10,054,613**
Total	**$144,059,706**	**$91,486,640**	**$174,793,837**	**$99,053,717**	**$509,393,900**

Review of Cost Estimation Model and Payment Rates

In 2020, New Mexico was the first state in the nation to seek federal approval to move to a cost-based approach to rate setting for the Child Care Assistance subsidy program. This pathbreaking move shifted away from a historical precedent of setting rates based on the local market prices—a methodology that has been found to reproduce inequality by setting reimbursement rates higher in communities where families can afford higher tuition. Cost modeling approaches instead set rates based on estimates of what care actually costs to provide, as well as estimating what it would cost to provide care at higher levels of quality through staffing and compensation. New Mexico's ECECD successfully led an alternative methodology, or cost based, process in 2020 - 2021 which included both a cost study and dynamic cost estimation model to understand the actual costs of delivering high-quality child care in New Mexico. The cost study consisted of a survey process, input sessions, and interviews with providers across the state, as well as a review and integration of extant data sources. In response to the cost model outputs, the state increased provider reimbursement rates in 2021, 2023, and again in 2025 to ensure these rates more accurately reflected the true cost of care for providers.

New Mexico maintained its collaboration with national experts, Prenatal to Five Fiscal Strategies (P5FS), to refine its cost-based approach in 2024-25. ECECD updates its cost estimation model to generate cost estimates based on various program characteristics to inform subsidy rate setting. These characteristics include program size, program type, age of child, and FOCUS Level (New Mexico's quality rating system). The state has developed two distinct cost models: one for center-based child care and another for home-based settings. This approach ensures a comprehensive understanding of the true costs associated with different types of child care settings, enabling more accurate and equitable subsidy rate determinations. The models operate similarly and utilize the same data sources, but are tailored to reflect the distinct regulations and operational differences inherent to these types of care. The cost estimation model was used to inform rate setting in 2025 and as part of building out the Universal Child Care strategy.

By using cost estimation models, the cost-based approach is more robust than a cost analysis alone; data from the cost study are built into the cost estimation tool, allowing the state to understand the cost of services for different ages of children, across program types, and at different regulatory requirements, compared to current and proposed subsidy rates. Additionally, the cost model used in New Mexico includes the ability to run scenarios with increasing rates, increasing quality standards and other metrics to understand the impact of these potential policy choices on program operations. This provides a valuable tool that projects costs and informs decision-making for subsidy implementation.

Provider data collection has informed the cost model since the initial development and at every update. While current data from providers helps ensure a baseline, the model is not constrained solely by the data collection. This allows the model to reflect how programs *could* operate, not just how they are currently operating under their available funding. It also allows for thinking more expansively about the resources needed to maintain a robust and sustainable child care system in New Mexico. In particular, the cost model includes compensation levels that reflect goals for the workforce, thus are higher than current wage reality, and the model includes full program staffing and covering the cost of quality and professional development activities. For more information about New Mexico's cost modeling and rate setting approach, see the cost estimation report here. To view current payment reimbursement rates (Appendix A).

Program Participation and Uptake Data

This section of the report was prepared for ECECD by a research team at the Urban Institute, who are funded by the Heising-Simons Foundation to study the implementation of Universal Child Care in New Mexico. This external analysis supports additional rigor and independence of the findings, and was conducted by Justin B. Doromal, Elli Nikolopoulos, and Erica Greenberg.

This describes uptake of New Mexico's Child Care Assistance Program in FY 2026 (July 2025 through June 2026). The report was prepared for submission to the New Mexico state legislature to satisfy requirements put forth in New Mexico Senate Bill 241 to document the implementation of the Child Care Assistance Program Act in FY 2026. Specifically, the report examines:

- participation in the Child Care Assistance Program by child care facility type;
- the distribution of children and families served by the Child Care Assistance Program Act, by child care facility type;
- the distribution of Child Care Assistance by eligibility categories; and
- the distribution of participating children by income and race or ethnicity, based on New Mexico's tiered quality rating and improvement system, FOCUS.

The report addresses these aims by analyzing data on active Child Care Assistance contracts and licensed or registered child care providers. When interpreting this FY 2026 report, please note that Universal Child Care was introduced in November 2025, and SB 241 was signed into law in March 2026. Findings in this report primarily reflect the outcomes of these policy changes. In some sections, we present data from each quarter in the fiscal year; data from July 2025 and October 2025 reflect pre–Universal Child Care implementation.

Child Care Assistance Program Eligibility and Participation by Facility Type

This section begins by describing the landscape of all child care facilities active in FY 2026—including those with license or registration types authorized to serve children and families enrolled in Child Care Assistance as well as those with registration types that cannot serve these families (Box 1). It then summarizes characteristics of facilities authorized to accept Child Care Assistance contracts.

Box 1. Licensed Child Care Facility Types and Child Care Assistance Program Eligibility

The New Mexico Early Childhood Education & Care Department (ECECD) issues three types of child care licenses. Licensed programs are authorized to accept Child Care Assistance contracts as long as they have at least a 2-Star quality rating.

- **Licensed center**. Licensed non-residential child care, which has a quality rating and is eligible for child care and food assistance.
- **Licensed group child care home**. Care in private homes for seven to 12 children. Licensed by ECECD, with a quality rating, and eligible to participate in child care and food assistance. The capacity limit includes the home educator's own children if they are under age 6.
- **Licensed family child care home**. Care in private homes for up to six children, or up to four children under age two. Licensed by ECECD, with a quality rating, and eligible to participate in

child care and food assistance. The capacity limit includes the home educator's own children if they are under age 6.

Additionally, New Mexico defines four types of registered homes. Note that only the first two types listed below are authorized to accept Child Care Assistance contracts.[a] For all registered home types, capacity is limited to no more than four children who do not reside in the home. It is further limited to no more than two children under age 2 at any time and no more than six children under age 6 at any time, including the caregiver's own children.

Box 2. Licensed Child Care Facility Types and Child Care Assistance Program Eligibility

- **Registered home**. A registered home that is regulated and overseen by ECECD. They can accept both Child Care Assistance and the Child and Adult Care Food Program (CACFP).
- **Registered home exempt**. A registered home that can accept Child Care Assistance and has not historically been required to participate in CACFP (see page 20 for additional context).
- **CCSB registered home**. A registered home that is regulated and overseen by ECECD. They participate only in the food program; they are ***not*** authorized to accept Child Care Assistance contracts.
- **Non-registered home CACFP**. A registered home that can participate in CACFP but is not specifically regulated or registered by ECECD because they are overseen by another government entity, such as a military or Tribal entity; they are not authorized to accept Child Care Assistance contracts.

[a] *For the analyses in this report, we combine all registered homes that are authorized to accept Child Care Assistance contracts.*

Active Child Care Facilities in New Mexico

Across all facility types, the number of facilities with active licenses or registrations increased by 8 percent, from 1,904 in the first quarter (Q1) to 2,054 in the fourth quarter (Q4) (Table 2). The number of facilities authorized to accept Child Care Assistance contracts grew by 11 percent, from 1,572 to 1,746. Home-based facility types saw the greatest increases: a 24 percent increase in registered homes eligible to accept Child Care Assistance, a 17 percent increase in licensed group homes, and a 12 percent increase in licensed child care homes. The number of licensed centers increased by 2 percent. The number of registered homes not authorized to serve children and families through the Child Care Assistance Program decreased by 7 percent.

Table 2. FY 2026 Number of Active Facilities by Facility Type and by Quarter

Facility Type	Q1	Q2	Q3	Q4	% Change Q1 to Q4
Types eligible to accept Child Care Assistance	1,572	1,633	1,686	1,746	+11%
Licensed centers	797	800	804	812	+2%
Licensed group homes	163	180	181	190	+17%

Facility Type	Q1	Q2	Q3	Q4	% Change Q1 to Q4
Licensed family homes	122	121	136	137	+12%
Registered homes (Child Care Assistance eligible)	490	532	565	607	+24%
Registered homes (Not Child Care Assistance eligible)	332	327	314	308	–7%
All Facility Types	**1,904**	**1,960**	**2,000**	**2,054**	**+8%**

Source: Analysis of child care provider data, New Mexico Early Childhood Education & Care Department.

Notes: FY 2026 runs from July 2025 through June 2026; table presents data from the first day of each of the four quarters in the fiscal year.

Table 3 presents cumulative licensed capacity across active facilities, by license type. Note that licensed capacity may differ from child care providers' desired capacity and enrollment given staffing and other resource constraints. Although FY 2026 saw the biggest increase in the number of active facilities among home-based child care providers, the majority of new capacity across the state was still located in child care centers given their larger facility size.

Home-based child care providers (both those authorized and not authorized to serve children and families through the Child Care Assistance Program) are uniform in their licensed capacity. Therefore, the percent changes in licensed capacity for these facility types resemble the percent change in the number of active facilities in Table 2.

In contrast, licensed centers have more variation in their licensed capacity, and it may also be easier for individual centers to increase their capacity. For licensed centers, there was about a 4 percent increase (2,473 more slots) in cumulative licensed capacity, from 68,811 slots in Q1 to 71,284 in Q4.

Table 3. FY26 Cumulative Total Licensed Capacity Across Active Facilities by Facility Type and Quarter

Facility Types	Q1	Q2	Q3	Q4	% Change Q1 to Q4
Types eligible to serve children and families through Child Care Assistance	74,350	74,942	75,632	77,929	+5%
Licensed centers	68,811	68,963	69,361	71,284	+4%
Licensed group homes	1,913	2,112	2,125	2,231	+17%
Licensed family homes	686	675	756	772	+13%
Registered homes (Child Care Assistance eligible)	1,960	2,128	2,260	2,428	+24%
Registered homes (Not Child Care Assistance eligible)	2,064	2,034	1,968	1,920	–7%
All Facility Types	**75,434**	**75,912**	**76,470**	**78,635**	**+4%**

Source: Analysis of child care provider data, New Mexico Early Childhood Education & Care Department.

Notes: FY 2026 runs from July 2025 through June 2026; table presents data from the first day of each of the four quarters in the fiscal year.

Facilities Serving Families and Children Enrolled in Child Care Assistance

Box 3. New Mexico's Tiered Quality Rating and Improvement System, FOCUS

This section describes facilities according to (a) their participation level in FOCUS, New Mexico's tiered quality rating and improvement system (Box 3); (b) their uptake of the Child Care Assistance Program's enhanced reimbursement rate (Box 4); and (c) their participation in the Child Care Assistance Program.

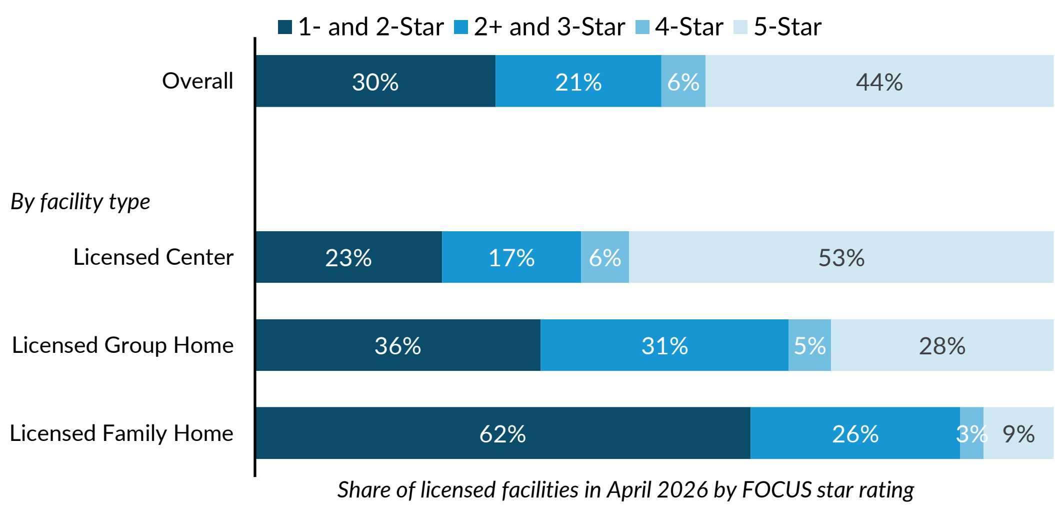
Licensed child care facilities participate in FOCUS, which is New Mexico's tiered quality rating and improvement system.

- A 2-Star rating represents minimum licensing standards[a]; quality coaching and support are not available to facilities until they obtain at least a 2+ Star rating.
- The rating "2+ Star" represents facilities that are progressing toward (but have not yet received) a 3-Star rating; however, they receive rates equivalent to those paid to 3-Star facilities, to support their progress toward 3-Star.
- A 5-star rating designates facilities that meet the highest standard of quality.

[a] While 1-Star programs are not eligible to participate in Child Care Assistance, ECECD is phasing out this rating and thus 1-Star programs are relatively rare; in April 2026, only 9 facilities operated with a 1-Star rating. In this report, we combine 1-Star and 2-Star programs.

Figure 1 shows the distribution of licensed facilities active in Q4 of FY26, by their FOCUS rating. Overall, 30 percent of all active facilities are at the base licensure level. The majority of licensed family homes (62 percent) and just over one-third of licensed group homes (36 percent) have basic licensure ratings. When they do move to a higher star rating, most stay at a 3-Star rating (26 percent of all active licensed family homes and 31 percent of active licensed group homes). In contrast, the majority of licensed centers (53 percent) have a 5-Star rating.

Figure 1. Distribution of Active Facilities by FOCUS Star Level, April 2026



Source: Analysis of child care provider data, New Mexico Early Childhood Education & Care Department.

Notes: Figure presents data from the first day of April 2026. FOCUS Star ratings were combined to aid interpretation (see Box 3).

Box 4. Enhanced Reimbursement Rates in the Child Care Assistance Program
Beginning in Q2 of FY 2026 (November 2025), facilities eligible to serve families through the Child Care Assistance Program could opt into receiving an enhanced reimbursement rate. To receive this higher rate, facilities must:

- have at least a 2-Star rating
- offer care for a minimum of 10 hours a day and five days a week; and
- pay entry-level staff the basic wage floor according to the provider's level of quality[a].

[a] Minimum and enhanced reimbursement rates by facility type and star rating, as well as the wage requirements, can be found at: https://www.nmececd.org/wp-content/uploads/2025/10/Proposed-Provider-Rate-Tables_REV4.pdf (accessed 13 August 2026).

Table 4 shows take-up of the enhanced reimbursement rate across all eligible facilities and by license type. In Q2 of FY26, when the enhanced reimbursement rate was first introduced, 42 percent of eligible facilities were receiving the enhanced rate. By Q4, 48 percent of eligible facilities received the enhanced rate. A majority of licensed group homes took up the enhanced rate in all quarters. Take-up of the enhanced rate increased across the fiscal year for all facility types and grew the most among licensed family homes and licensed group homes (8 percentage points for each group).

Table 4. FY26 Uptake of the Enhanced Reimbursement Rate, by Facility Type and by Quarter

Facility Type	Q1	Q2	Q3	Q4
Licensed center	N/A	40%	45%	46%
Licensed group home	N/A	52%	57%	60%
Licensed family home	N/A	35%	37%	42%
All Facility Types	**N/A**	**42%**	**46%**	**48%**

Source: Analysis of child care provider data, New Mexico Early Childhood Education & Care Department.

Notes: FY 2026 runs from July 2025 through June 2026; table presents data from the first day of each of the four quarters in the fiscal year.

To understand the uptake and participation of providers in the Child Care Assistance Program more generally, Table 5 examines the share of providers with at least one enrolled child whose care was funded by the program. In the first quarter of FY26, 76 percent of facilities eligible to accept children through the program enrolled at least one child funded through Child Care Assistance. This share grew to 84 percent by the fourth quarter.

Whether facilities participated in Child Care Assistance varied by facility license type. For example, licensed family homes (96 percent) and licensed group homes (97 percent) were the most likely to serve at least one child whose family was using Child Care Assistance in quarter four. Licensed child care centers (83 percent) and registered homes (79 percent) participated in the Child Care Assistance program at high rates in Q4, though these facilities were generally less likely than licensed home-based providers to do so. Child care enrollment generally has seasonal patterns. Because only FY 2026 data are analyzed in this report, it is difficult to explore the extent to which trends in this table, either overall or by facility type, reflect any seasonality.

Table 5. FY26 Share of Eligible Facilities Serving At Least One Child with Subsidized Care

Facility Type	Q1	Q2	Q3	Q4
Licensed center	69%	79%	82%	83%
Licensed group home	97%	96%	98%	97%
Licensed family home	92%	92%	86%	96%
Registered home	76%	71%	74%	79%
All Facility Types	**76%**	**80%**	**81%**	**84%**

Source: Analysis of child care provider data and Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department.

Notes: FY 2026 runs from July 2025 through June 2026; table presents data from the first day of each of the four quarters in the fiscal year. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter.

Table 6 shows, among facilities with at least one child funded through Child Care Assistance, the average number of enrolled children served with subsidized care, as a percentage of total licensed capacity. Licensed family homes and group homes enrolled a greater share of children through the program than did licensed child care centers or registered homes.

Licensed child care centers are generally accepting a greater share of children through the program over time (52 percent in Q1 compared to 63 percent in Q4). Given their greater licensed capacity, centers are also enrolling a larger number of children through the program (see Figure 3 for more information).

Facilities that took up the enhanced reimbursement rate also enrolled a larger share of their total capacity through the Child Care Assistance Program compared with those that did not take up the enhanced rate (73 percent versus 52 percent in Q4).

Table 6. Average Number of Children Served through the Child Care Assistance Program, as a Percentage of Eligible Facilities' Licensed Capacity, by Facility Type and Quarter

Facility Type	Q1	Q2	Q3	Q4
Licensed center	52%	49%	61%	63%
Licensed group home	80%	79%	85%	88%
Licensed family home	76%	77%	84%	82%
Registered home	60%	60%	61%	59%
By uptake of enhanced reimbursement rate (for eligible facilities only)				
Enhanced reimbursement rate	N/A	58%	70%	73%
Base service rate only	N/A	41%	50%	52%
All facility types	**60%**	**58%**	**66%**	**67%**

Source: Analysis of child care provider data and Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department.

Notes: FY 2026 runs from July 2025 through June 2026; table presents data from the first day of each of the four quarters in the fiscal year. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. Only facilities serving at least one child funded through the Child Care Assistance Program in a given quarter are included.

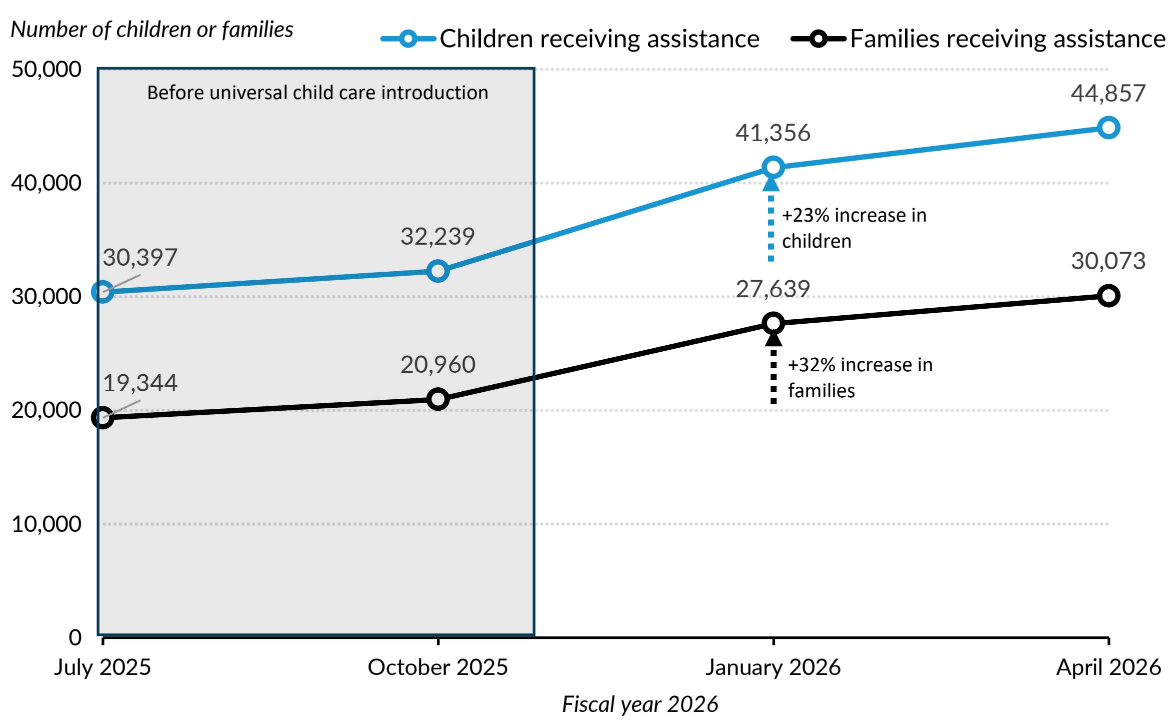
Finally, Tables 5 and 6 together imply that although many registered homes serve at least one child whose care is funded by the Child Care Assistance Program, these children represent a smaller share of these facilities' total licensed capacity. This may be because these facility types do not enroll up to their licensed capacity, because their enrollment includes a larger share of privately paying families, or both.

Distribution of Children and Families Served by the Child Care Assistance Program

This section reports counts of the children and families served by the Child Care Assistance Program. Figure 2 shows the number of children and families using Child Care Assistance across FY 2026. Both increased considerably in FY 2026, especially after the introduction of Universal Child Care. In all, the program saw an increase of roughly 50 percent in the number of children and families served.

The number of children served by Child Care Assistance rose from 32,239 in October 2025 to 41,356 in January 2026, a 23-percent increase. During that same period, the number of families served by Child Care Assistance rose from 20,960 to 27,639, a 32-percent increase. By April 2026, 44,857 children and 30,073 families were receiving Child Care Assistance—a 39 percent increase in children served from the start of Universal Child Care.

Figure 2. Number of Children and Families Served by the Child Care Assistance Program, by Quarter



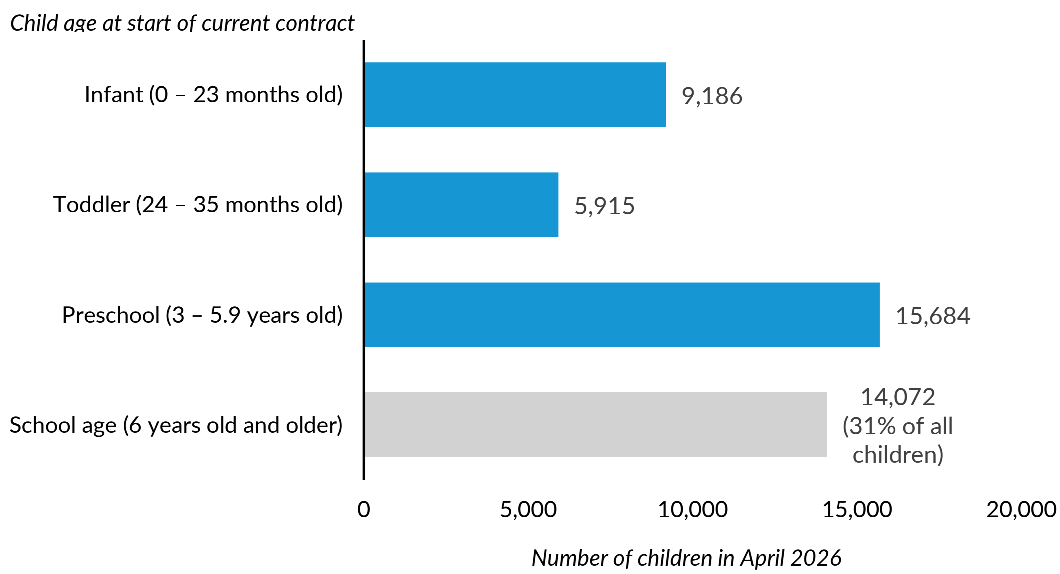
Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: FY 2026 runs from July 2025 through June 2026; table presents data from the first day of each of the four quarters in the fiscal year. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter.

Figure 3 shows the distribution of children by age at the start of their family's current contract. Ages were constructed to align with reimbursement rate categories. In interpreting the figure, please note that each bar does not represent the same number of cohorts of children—some bars represent a wider age band than others.

Most children served (69 percent) are between 0–5, with only 14,072 (31 percent) being age six or older. Preschool was the largest age category, representing 35 percent of children enrolled in Child Care Assistance. Toddler is the smallest age category (13 percent), though it is also the smallest age band, representing only one year of children.

Figure 3. Number of Children Enrolled in Child Care Assistance in April 2026, by Age at Start of Current Contract

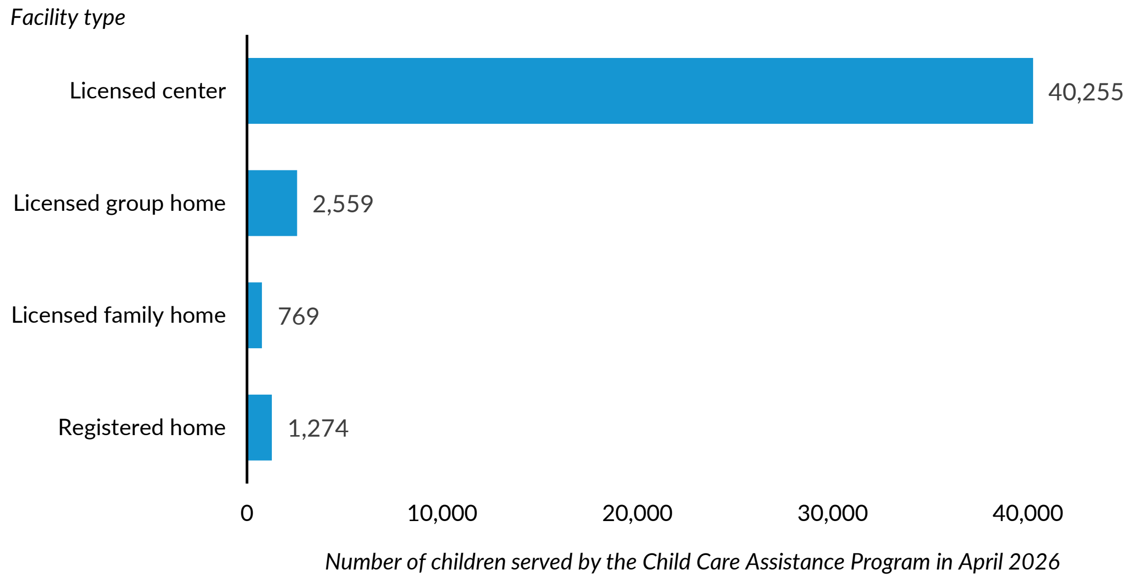


Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: Based on n=44,857 children. We define subsidized enrollment as a child whose family has an active Child Care Assistance

Figure 4 presents the distribution of children with active Child Care Assistance contracts by facility type, as of the beginning of FY 2026 quarter four. The majority of children (90 percent) served by the Child Care Assistance Program were enrolled in licensed centers, which is where most of the state's child care capacity is located (see Table 3 for more details on this).

Figure 4. Number of Children Enrolled in Child Care Assistance in Q4, by Facility Type



Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: Based on n=44,857 children. We define enrollment in Child Care Assistance as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. For children enrolled in multiple facilities as of April 1, 2026, we assigned them to the facility associated with the contract with the most recent contract end date. In the event of a tie, we assigned them to the facility with the higher quality rating.

Distribution of Child Care Assistance by Eligibility Categories

This section describes the distribution of children enrolled in Child Care Assistance by their eligibility reporting category (Box 5) and family income relative to the federal poverty level (FPL).[1]

Box 5. FY 2026 Child Care Assistance Program Reporting Categories

In FY 2026, eligibility reporting categories are defined as follows:

- Category 1A: TANF/TANF-diversion recipients[a]
- Category 1B: Income-eligible families at or below 100% FPL
- Category 2: Families transitioning off TANF
- Category 4A: Income above 100% FPL but at or below 200% FPL
- Category 4B: Income above 200% FPL but at or below 400% FPL[b]
- Category 4C: Income above 400% FPL[b]

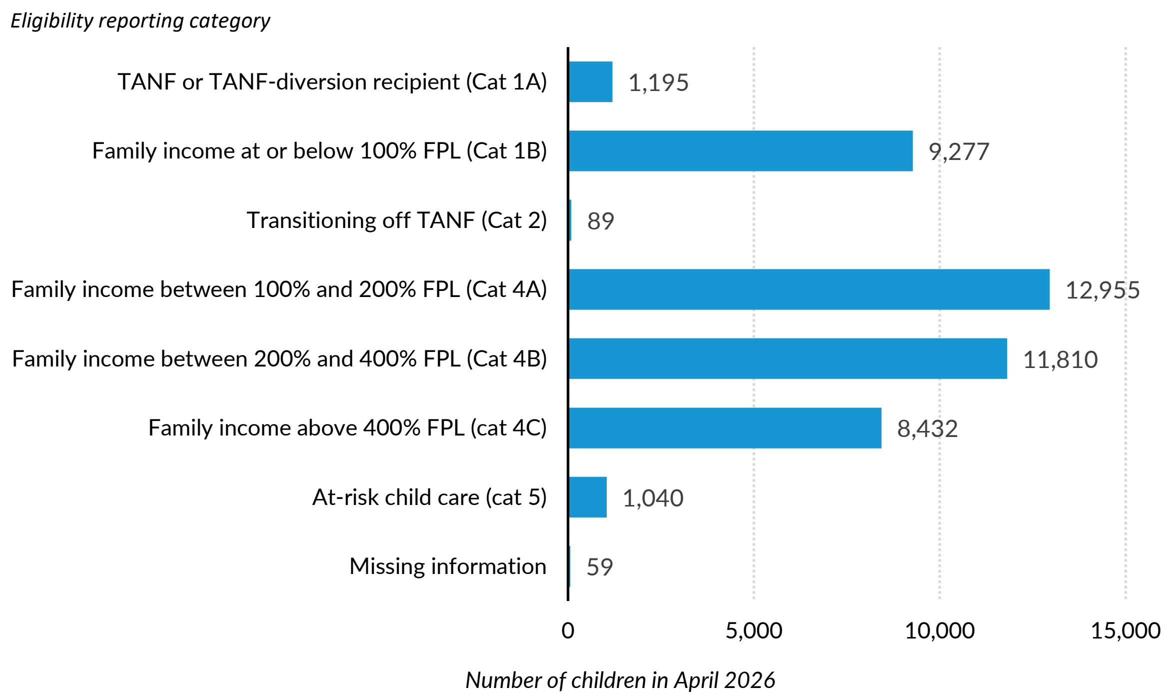
Category 5: At-risk child care, including: Families/children involved with Child Protective Services, families experiencing homelessness, families with children born substance exposed, other Department-designated at-risk circumstances, and grandparents with legal custody/kinship guardianship

[1] Prior to Universal Child Care, applicants were required to provide schedule data, which created information on families' reasons for care, such as pursuing work or education. With Universal Child Care implementation, this became required only for individuals above 600% FPL; everyone else was no longer required to provide their daily schedules, thus reason for care data were no longer collected and cannot be reported on reliably for FY 2026.

[a] TANF = Temporary Assistance for Needy Families
[b] Reporting categories were revised when universal child care was implemented, meaning definitions changed during FY 2026. Previously, the groups "Priority 4" and "Priority 4+" were used, with incomes above 200% FPL not distinguished. Even as of April 2026, some families of children using assistance had not yet been redetermined since the categories were changed. To harmonize families' eligibility across category definitions, individuals in the "Priority 4+" group were manually coded into either of the Category 4B and 4C groups, based on their reported family income.

Figure 5 displays the distribution of children enrolled in Child Care Assistance by their eligibility reporting category. In general, most children qualified for income-related reasons, rather than for reasons such as TANF participation or at-risk status.

Figure 5. Number of Children Enrolled in Child Care Assistance in April 2026, by Eligibility Reporting Category



Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

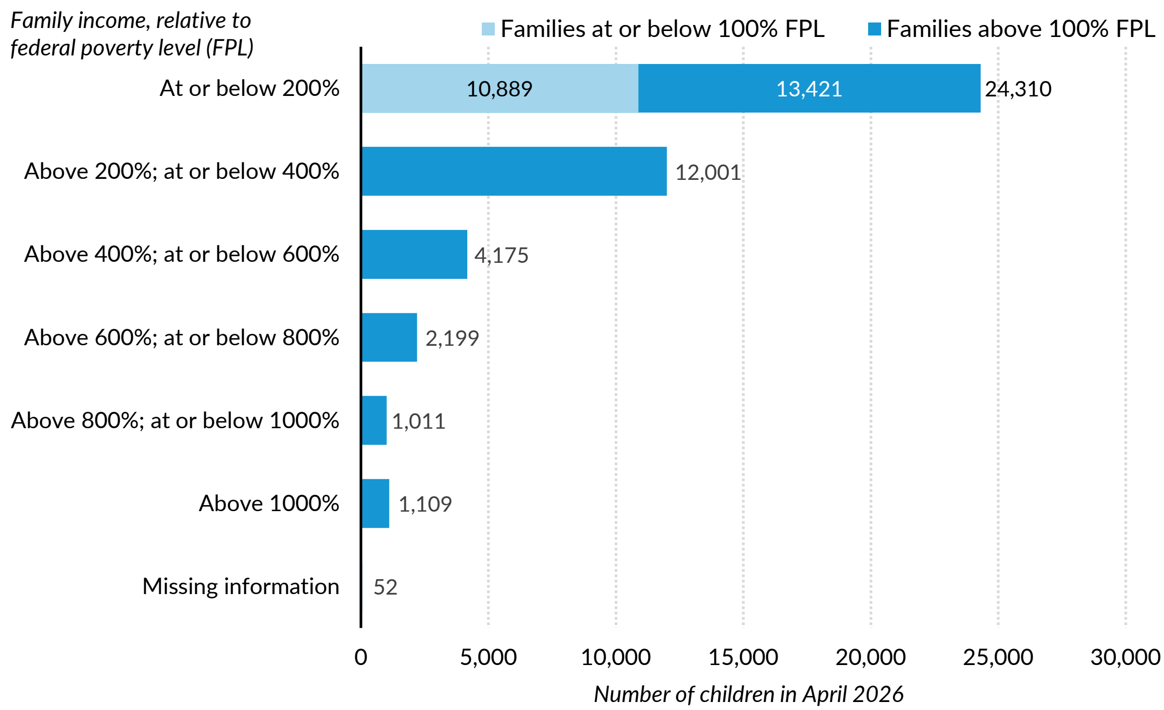
Notes: Based on n=44,857 children. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. See Box 5 for FY 2026 reporting eligibility category definitions.

When Universal Child Care was implemented in November 2025, ECECD also extended categorical eligibility for Child Care Assistance to grandparents raising grandchildren—regardless of whether they are working. In FY26, 650 families headed by grandparents were determined eligible for Child Care Assistance.

Because eligibility categories capture both income-related and non-income-related pathways into the program, Figure 6 shows a more detailed breakdown of children's family income relative to the federal poverty level. This provides a clearer view of the income distribution of children using assistance after Universal Child Care expanded eligibility.

The majority of children using Child Care Assistance have family incomes at or below 400% of the federal poverty level. These are families with incomes previously eligible under prior Child Care Assistance Program rules. Nearly one-quarter (24 percent) were from families with incomes at or below 100% FPL, and another 30 percent were from families with incomes between 100% and 200% FPL. About 19 percent of children had family incomes above 400% FPL, and half of these children were from families with incomes between 400% and 600% FPL.

Figure 6. Number of Children Enrolled in Child Care Assistance in April 2026, by Family Income

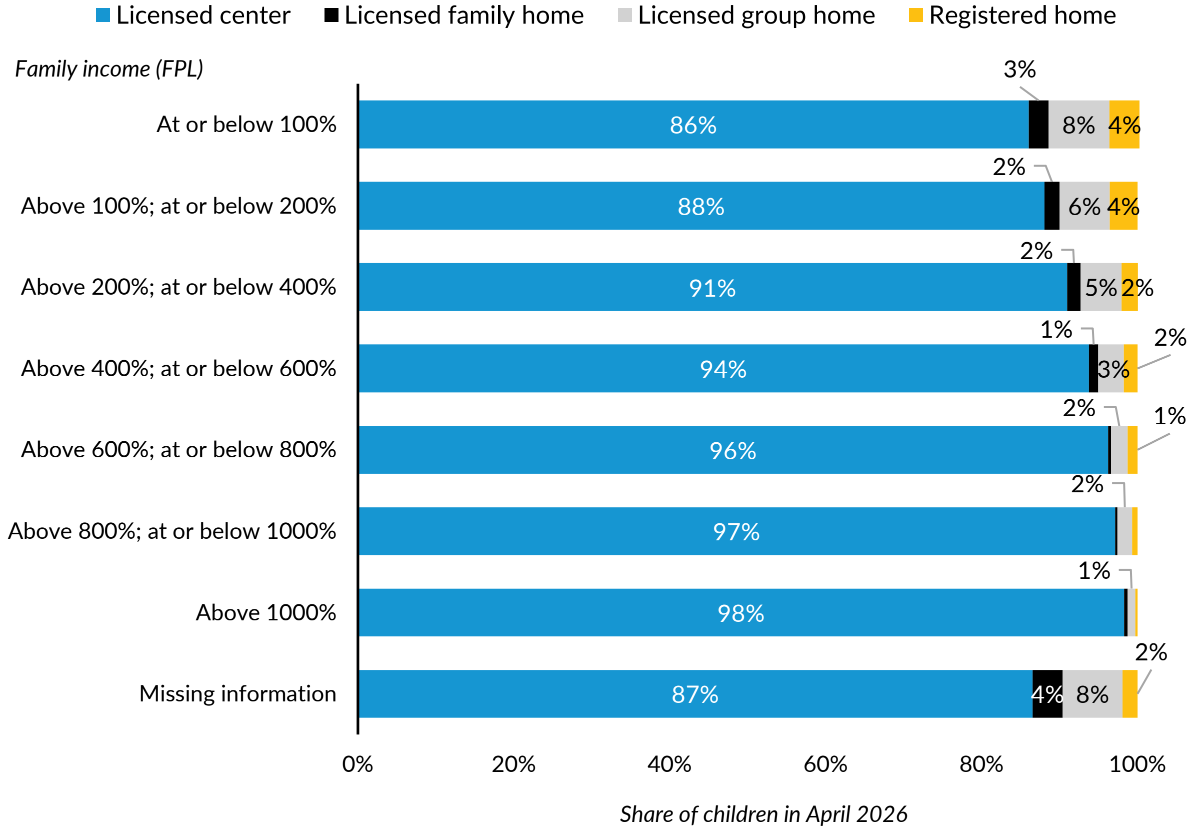


Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: Based on n=44,857 children. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. Note that counts in Exhibit 3.2 will not align perfectly with counts presented in Exhibit 3.1, because this figure also shows the family incomes for families who qualified for assistance for reasons other than their income.

Finally, Figure 7 shows how children are distributed across facility types within family income groups. While most children overall using Child Care Assistance continue to be enrolled in licensed centers, the share of children enrolled in licensed centers increases with family income. For example, 86 percent of children in families with incomes at or below 100% FPL use centers, compared to 98 percent of those in families with incomes above 1000% FPL. Conversely, families with lower household incomes are more likely to use licensed group homes, registered homes, or licensed family child care homes.

Figure 7. Share of Children Enrolled in Child Care Assistance in April 2026, by Family Income and Facility Type



Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: Based on n=44,857 children. Value labels for bars representing less than 1 percent are not shown. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. See Exhibit 3.2 for counts by family income. For children enrolled in multiple facilities as of April 1, 2026, we assigned them to the facility associated with the contract with the most recent contract end date. In the event of a tie, we assigned them to the facility with the higher quality rating.

Distribution of Children Receiving Child Care Assistance Across Quality Rating, by Income and Race or Ethnicity

This final section examines the distribution of children's care settings by quality level, disaggregated by family income and by race and ethnicity. Analyses in this section offer insights into the quality of care used by children and families with different characteristics, with an eye toward continuously monitoring the system for equity in access to care. To facilitate interpretation, we first examine which facilities children enroll in and then describe the FOCUS star ratings of their child care programs to assess access to quality care by income and race or ethnicity.

Table 7 describes the facilities children enroll in and their family incomes, based on child race or ethnicity.[2] Across all racial and ethnic groups, most children are enrolled in licensed centers. Hispanic

2 When combining race and ethnicity information, we classify children as Hispanic if their family indicated Yes to this field, regardless of their response to child race. Conversely, we define a child as belonging to a race category regardless of their response to the child Hispanic ethnicity question (including no Child Hispanic ethnicity information, as it is not a required

children had the lowest probability of using a licensed center (85 percent), with a significant share using licensed family homes (8 percent). Children who identified as American Indian or Alaska Native had high probabilities of receiving their care at a licensed center (97 percent). A greater share of White children and children whose race fell in the "Another race" category—which includes families who selected Other as well as families reporting either Middle Eastern or North African, Native Hawaiian, or other Pacific Islander—were in higher income categories, especially the 400% to 600% FPL category.

Table 7. Facility Type and Family Income of Child Care Assistance Participants in April 2026, by Child Race

	Hispanic, any race	Not Hispanic				Missing race/ethnicity information
		American Indian or Alaskan Native	Black	White	Another race	
Facility Type						
Licensed center	85%	97%	95%	93%	93%	94%
Licensed group home	2%	0.2%	1%	1%	2%	1%
Licensed family home	8%	2%	2%	4%	3%	4%
Registered home	4%	1%	2%	2%	2%	1%
Family Income (Based on FPL)						
At or below 100%	30%	30%	32%	19%	19%	17%
Above 100%; at or below 200%	37%	38%	30%	25%	22%	21%
Above 200%; at or below 400%	25%	26%	26%	28%	26%	29%
Above 400%; at or below 600%	5%	5%	7%	13%	14%	14%
Above 600%; at or below 800%	2%	1%	3%	7%	9%	9%
Above 800%; at or below 1000%	0.6%	0.4%	1%	3%	5%	4%
Above 1000%	0.5%	0.3%	1%	3%	6%	5%
Missing income information	0.1%	0.2%	0.2%	0.1%	0.1%	0.2%
Total number of children	**19,885**	**1,845**	**1,080**	**9,074**	**4,851**	**8,122**
(% of children in each race and ethnicity category)	(44%)	(4%)	(2%)	(20%)	(11%)	(18%)

Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: Based on n=44,857 children. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. Children are categorized according to their reported ethnicity and, for non-Hispanic children, their reported race. For reporting purposes, Another race includes families who identified their child's race as either Middle Eastern or North African, Native Hawaiian or other Pacific Islander, or "Other." Reported percentages sum to 100 within each race or ethnicity category, with the exception of the last row, which sums to 100 across all race and ethnicity categories.

Finally, Figure 9 presents distributions of children by quality rating, child race or ethnicity, and family income. Overall, across all groups, the majority of children are in 5-Star facilities, ranging from 54

field when families apply for Child Care Assistance, resulting in significantly more missing data). Even with this inclusive approach, 18 percent of children in April 2026 did not have information on either race or Hispanic ethnicity.

percent (at or below 100% FPL; missing race information) to 75 percent (above 200% but at or below 400% FPL; American Indian or Alaska Native, but not Hispanic). Much of the trends by quality rating are driven by the ratings of licensed centers, because they enroll the vast majority of children enrolled in Child Care Assistance.

As shown in Exhibit 1.3, licensed family homes and licensed group homes are less likely to have 5-Star ratings. This may help explain the slightly lower enrollment of Hispanic children in 5-Star facilities, because Hispanic children were also more likely to enroll in home-based child care.

Together, these distributions help assess whether access to higher rated care differs across groups of children enrolled in Child Care Assistance. Because facility type and quality rating are related, differences by race, ethnicity, or income should be interpreted alongside the facility-type patterns shown in Table 7.

Figure 8. Distribution of Children Enrolled in Child Care Assistance Across Quality Rating, by Child Race or Ethnicity and by Family Income

		Family Income (% FPL)				
		At or below 100%	Above 100%; at or below 200%	Above 200%; at or below 400%	Above 400%; at or below 600%	Above 600%
Hispanic, any race	Registered Home	5%	5%	3%	3%	3%
	1 or 2 Star	12%	12%	13%	15%	15%
	2+ or 3 Star	16%	15%	17%	17%	17%
	4 Star	9%	9%	7%	5%	4%
	5 Star	58%	59%	60%	59%	61%
American Indian or Alaskan Native; not Hispanic	Registered Home	0.4%	1%	2%	1%	0%
	1 or 2 Star	9%	8%	6%	18%	3%
	2+ or 3 Star	13%	14%	11%	14%	13%
	4 Star	10%	7%	5%	2%	10%
	5 Star	68%	70%	75%	65%	74%
Black; not Hispanic	Registered Home	4%	2%	1%	0%	3%
	1 or 2 Star	10%	8%	8%	10%	19%
	2+ or 3 Star	13%	11%	18%	18%	15%
	4 Star	13%	13%	6%	3%	3%
	5 Star	60%	66%	68%	69%	59%
White; not Hispanic	Registered Home	3%	2%	1%	1%	1%
	1 or 2 Star	14%	13%	13%	14%	13%
	2+ or 3 Star	16%	17%	17%	16%	12%
	4 Star	10%	8%	6%	4%	4%
	5 Star	57%	59%	63%	66%	70%
Another race; not Hispanic	Registered Home	3%	2%	2%	2%	1%
	1 or 2 Star	14%	14%	14%	18%	13%
	2+ or 3 Star	20%	20%	16%	17%	15%
	4 Star	7%	8%	6%	6%	2%
	5 Star	55%	56%	62%	58%	69%
Missing race information	Registered Home	2%	2%	1%	1%	0.4%
	1 or 2 Star	17%	11%	16%	17%	12%
	2+ or 3 Star	18%	20%	16%	17%	12%
	4 Star	8%	7%	5%	3%	3%
	5 Star	54%	60%	62%	63%	73%

Source: Analysis of Child Care Assistance contracts data, New Mexico Early Childhood Education & Care Department

Notes: Based on n=44,805 children. Percentages should be interpreted within each race/ethnicity x FPL category cell. We define subsidized enrollment as a child whose family has an active Child Care Assistance contract with a provider, with start and end dates encompassing the first day of the given quarter. For children enrolled in multiple facilities as of April 1, 2026, we assigned them to the facility associated with the contract with the most recent contract end date. In the event of a tie, we assigned them to the facility with the higher quality rating. Children are categorized according to their reported ethnicity and, for non-Hispanic children, their reported race. For reporting purposes, Another race includes families who identified their child's race as either Middle Eastern or North African, Native Hawaiian or other Pacific Islander, or "Other." Reported percentages sum to 100 within each race or ethnicity category. Following guidance from the New Mexico Rule for Small Numbers and Public Data Release, children with missing income information (n=52) are not included in this exhibit due to small sample sizes, and income categories above 600% FPL were collapsed for the purposes of this exhibit. See Exhibit 3.2 for distributions by FPL, and Exhibit 4.1 for distributions by child race or ethnicity.

This concludes the portion of the report prepared by the Urban Institute team.

Hours and Days of Operation

Table 8 shows data on child care programs' operating hours. The data show that about three-quarters of programs with available data are open Monday through Friday, at least 10 hours per day, and about 18 percent of programs are open on weekends. The data further show that extended and weekend hours are concentrated among home-based providers, who account for about 60 percent of the programs open at least 10 hours per day on all weekdays, and about 94 percent of the programs open on weekends.

Table 8. Program Hours of Operation by Provider Type

Provider Type	Total Providers	Providers with Hours Data	Providers Open Mon – Fri 10 or more Hours/Day	% of Providers Open Mon – Fri 10 or more Hours/Day with Hours Data	Providers Open Sat and/or Sun	% of Providers Open Sat and/or Sun
Center	834	800	542	68%	19	2%
Licensed Home	137	136	123	90%	33	24%
Group Home	216	213	201	94%	56	26%
Registered Home	651	646	487	75%	207	32%
Total	**1,838**	**1,795**	**1,353**	**75%**	**315**	**18%**

Data are more limited concerning the days of care that programs provide each year. In response to this new requirement of the Child Care Assistance Program Act, ECECD moved quickly in spring 2026 to build new data fields into the department's EPICS data system to collect this information. A new feature was launched in May 2026, allowing programs to report their operating calendars. Because this feature had only been live for about six weeks at the close of the fiscal year, provider usage is relatively low, with only 107 programs entering data for FY26. Importantly, 43 of these programs (40 percent) were all sites run by a large provider of wrap-around care for school-age children. Therefore, the data are heavily skewed toward the operating hours of programs for school-age children, and likely reflect a disproportionately high incidence of summer closures. Among those 107 providers for whom data are available, the average number of operating days per year was 225. Conversely, programs were closed for an average of 140 days per year. The summer months were a significant driver of closure data, with 41 of the 107 programs in the data (38 percent) reporting that they were closed every day of July.

Participation in the Child and Adult Care Food Program

ECECD supports child care programs in participating in the federal Child and Adult Care Food Program (CACFP). Through the department's Food and Nutrition Bureau, programs are supported in meeting nutrition guidelines and receiving federal reimbursement for the meals and snacks they serve to children in their care. Table 9 shows participation in CACFP by facility type in FY26, as required by the Child Care Assistance Program Act.

These data reflect a shifting landscape for CACFP participation, particularly among registered homes. Until November 2025, New Mexico had for many years required all non-exempt registered homes to participate in CACFP as a strategy to address food insecurity. Over time, however, required participation in this federal program had been identified as burdensome and as a barrier to becoming a registered home. ECECD dropped this requirement in November 2025.

Note that there is nearly universal uptake of CACFP in the registered home categories that are not eligible for Child Care Assistance (see page 6 for definitions of registered home types). For these providers, eligibility for CACFP and the food reimbursement it provides is a primary incentive to register their home formally with ECECD. Note additionally that the "Exempt Registered Home" category, which has almost no CACFP uptake, is a small category that was developed expressly to exempt a small number of registered homes from mandatory participation in CACFP. This category has decreasing relevance since ECECD eliminated the requirement that all non-exempt registered homes participate in CACFP.

Table 9. Number and Percentage of Providers Participating in CACFP by Provider Setting, FY26

Provider Setting	# of Providers	# of Providers Participating in CACFP	% of Providers Participating in CACFP
Licensed Providers			
Child Care Centers	818	527	64%
Licensed Family Homes	141	110	78%
Licensed Group Homes	200	183	92%
Registered Homes Eligible to Accept Child Care Assistance			
Registered Homes	606	472	78%
Exempt Registered Homes	46	1	2%
Registered Homes Not Eligible for Child Care Assistance			
CCSB Registered Homes	156	156	100%
Non-Registered Homes	147	143	97%
Total	**2,114**	**1,592**	**75%**

Note: Data pulled internally by ECECD analysts.

Early Childhood Workforce Data

This section of the report was prepared for ECECD by a research team at the University of New Mexico Cradle to Career Policy Institute (CCPI), who are partnering with ECECD to study policy impacts on the child care workforce through a five-year U.S. Health and Human Services Administration for Children and Families research grant awarded to CCPI in 2024. This external analysis supports additional rigor and independence of the Child Care Assistance Program Act reporting, and the primary author of this section is Dr. Kevin Estes.

This section examines data from New Mexico's recently introduced Professional Development Information System (PDIS), an online platform designed to track and support the careers of the state's early childhood workforce. In specific, it analyzes data collected through the PDIS as of June 30, 2026 that report on the compensation and benefits earned by child care professionals in the state, according to their workplace affiliations and roles.

Data analyzed here focus on reporting elements required by The Child Care Assistance Program Act passed during the 2026 Legislative Session, as Senate Bill 241 (SB241). Under this law, child care facilities participating in the state's Child Care Assistance program are required annually to report specified data to the New Mexico Early Childhood Education and Care Department (ECECD). Child care providers, pursuant to the Act are directed to, by July 1 of each year to:

Report to the department program participation, daily hours of operation, days of care provided annually, professional qualifications of staff members, including staff members' roles and levels as established in the department's wage scale and career ladder framework, salaries and benefits for each employee and the employee benefit structure *(SB241, Section 7, subsection A, paragraph 7).*

Providers are directed by ECECD to report the bolded elements above by entering data directly into the PDIS platform. ECECD are in turn required by SB241 to provide summary data annually by September 1 to the New Mexico Legislative Health and Human Services Committee and the New Mexico Legislative Finance Committee. **Because this is the first year such reporting has been required, data on many workforce elements are based on an incomplete sample and should be interpreted with caution.** See page 27 for more detail on data limitations.

Data and Methods

Workforce information is reported to the PDIS directly from child care providers and the professionals they employ, with reporting beginning in February 2026. ECECD provided CCPI on June 30, 2026 with an export of relevant FY26 PDIS data. The export contains data from the initial four months of PDIS launch, with an estimated 16 percent of child care programs having claimed and entered data into their PDIS profiles.

Individuals affiliated with child centers, licensed family homes, licensed group homes, and registered (license-exempt) homes that accept subsidized children are required to create a profile in PDIS. Within PDIS, individual workers can have multiple profiles if they work across several locations or have different roles. For this analysis, CCPI included workers who had a current or pending affiliation with a child care provider. In cases where individuals had multiple current or pending affiliations, CCPI prioritized the affiliation associated with the estimated highest annual earnings and leadership type role, then we removed the other affiliations. This left a final sample of 3,967 individuals. This sample represents a very small portion of the workforce in the state, due to the limited number of child care providers who had populated data in their PDIS profiles as of June 30, 2026.

Most workers (92% of the sample) reported their pay in the form of an hourly wage. For those who reported an annual salary and were employed full time we assumed that these workers worked an average of 40 hours per week for 52 weeks per year, and thus their annual reported wage was divided by 2,080 to derive an hourly wage. Part-time salaried workers, contractors, and those who reported payments made "per visit" were not included in estimates due to insufficient information available to derive an hourly rate. Finally, we excluded from the analysis any wage values that were implausibly low (hourly rates below $12) or implausibly high (hourly rates $300 and above for staff). Each hourly rate was multiplied by 2,080 hours to estimate the full-time equivalent annual earnings.

Summary of Key Findings

Overall Sample

The PDIS has data available only for a partial sample of child care professionals as of June 30, 2026, as only about 16% of child care programs had claimed their agency profiles in PDIS at fiscal year end. FY26 is the first year for which such data reporting is required, and the PDIS had been operational for only four months when these data were pulled. We anticipate that more complete data will be available in time for FY27 reporting, and ECECD has finalized the rules that explicitly require providers to report these data by July 1, 2027.

We identified **3,967 child care workers** with current or pending affiliations in their estimated highest paying role in the available FY26 data. Of those professionals:

- 98% are affiliated with child care centers (the rest were affiliated with home-based care providers).
- Nearly 95% are women and approximately 70% identify as Hispanic or Latino.
- More than 80% are full-time employees.

Data Available for Reporting

Data on employees' current roles and wages were complete for the sample of providers in PDIS:

- 41.6% of those reporting currently serve as lead early childhood professionals, 35.7% as early childhood professionals, 9.3% in leadership roles, 6.3% as support staff, and 1.1% in specialist roles.
- Estimated annual earnings for full-time workers was approximately $41,200, with those in leadership positions or roles earning higher salaries than others.
- Salaries of lead teachers increased with length of tenure in their current role.

Insufficient Data for Reporting

Data were insufficiently reported or unavailable for the sample of providers in PDIS on:

- Overall years of tenure in the early childhood field
- Highest education or credentials earned
- Benefits offered

Detailed Findings

Workforce Demographics

Key demographic information reported by the 3,967 child care professionals identified as having current or pending affiliations in the PDIS as of June 30, 2026 are as follows.

Table 10. Gender of Child Care Professionals in PDIS

Gender	Frequency	Percentage
Female	3,758	94.7%
Male	164	4.1%
Nonbinary	15	0.4%
Other	1	0.0%
Prefer not to say	25	0.6%
Missing	4	0.1%
Total	**3,967**	**100%**

Note. 3,967 total individuals. Nearly 95% of child care professionals in PDIS are female.

Table 11. Age of Child Care Professionals in PDIS

Age Range	Frequency	Percentage
18 - <24	1,022	25.8%
24 – <35	1,400	35.3%
35 - <50	987	24.9%
50 - <65	455	11.5%
65 +	98	2.5%
Missing	5	0.1%
Total	**3,967**	**100%**

Note. 3,967 total individuals

The largest age category was the 24-to 35-year-old group with approximately 35% of all child care professionals in our sample. The 18-24 and 35-50 categories were the next largest groups, with approximately 25% each.

Table 12. Race and Ethnicity of Child Care Professionals in PDIS

Race and Ethnicity	Frequency	Percentage
Hispanic or Latino	2,780	70.1%
American Indian or Alaska Native	215	5.4%
Asian/Pacific Islander	50	1.3%
Black or African American	62	1.6%
White (non-Hispanic)	630	15.9%

Race and Ethnicity	Frequency	Percentage
Some other race	74	1.9%
Prefer not to say	116	2.9%
More than one race	36	0.9%
Missing	4	0.1%
Total	**3,967**	**100%**

Note. 3,967 total individuals. Mutually exclusive logic was applied where those who reported a Hispanic or Latino ethnicity were coded as Hispanic or Latino regardless of races reported. Approximately 70% of child care professionals in our sample reported a Hispanic or Latino ethnicity. The next largest groups were White non-Hispanic (16%) and American Indian or Alaska Native (5%).

Workforce Roles and Employment

Table 13. Years in Current Role for Child Care Professionals in PDIS

Years in Role	Frequency	Percentage
Less than 1 year	1,455	36.7%
1 - <3 years	1,200	30.2%
3 - <5 years	528	13.3%
5 - <10 years	436	11.0%
10 years +	312	7.9%
Missing	36	0.9%
Total	**3,967**	**100%**

Note. 3,967 total individuals

Child care professionals in the sample were most likely to have been in their current role for less than one year (37%). However, this should not be interpreted as total years of professional experience. There were a few examples in PDIS where individuals reported their full working history, but the majority of individuals only reported the start date of their current role.

Table 14. Current Role for Child Care Professionals in PDIS

Current Role	Frequency	Percentage
Leadership	367	9.3%
Lead Early Childhood Professional	1,652	41.6%
Early Childhood Professional	1,417	35.7%
Specialist	45	1.1%
Support Staff	248	6.3%
Missing	238	6.0%
Total	**3,967**	**100%**

Note. 3,967 total individuals. Job titles of individuals were mapped to the Wage Scale and Career Lattice Framework's role categories for reporting.

Lead early childhood professionals (42%) and early childhood professionals (36%) were the two most common role categories for child care professionals in the sample. Lead early childhood professionals included those with job titles such as “Teacher” and “Lead Teacher”, whereas early childhood professionals included job titles such as “Teaching Assistant,” “Substitute,” and “Floater.” Leadership included job titles such as “Agency Owner,” “Director,” and “Assistant Director.” Specialists included job titles such as “Speech Language Pathologist,” “Social Worker,” and “Developmental Specialist.” Support staff included job titles such as “Biller,” “Administrative Assistant,” and “Custodian.” In cases where individuals had multiple roles, the role that provided the highest estimated annual salary was retained.

Table 15. Employment Status for Child Care Professionals in PDIS

Employment Status	Frequency	Percentage
Full Time	3,291	83.0%
Independent Contractor	8	0.2%
Other	30	0.7%
Part Time	627	15.8%
PRN[1]	11	0.3%
Total	**3,967**	**100%**

Note. 3,967 total individuals.[1] PRN is an employment status where the worker is available on a flexible schedule that can be on-call or as needed (although this varies by employer and position). Nearly 83% of individuals had a full-time role and 16% had a part-time role.

Compensation

Table 16. Average Salary by Role for Child Care Professionals in PDIS

Role	Mean Hourly Rate ($)	Full Time Equivalent - Annual Earnings ($)
Leadership	25.70	53,453.17
Lead Early Childhood Professional	19.88	41,358.78
Early Childhood Professional	18.39	38,241.37
Specialist	20.00	41,593.93
Support Staff	20.39	42,407.10
Total Average	**19.81**	**41,199.46**

Note. Job titles of individuals were mapped to the Wage Scale and Career Lattice Framework’s role categories for reporting. Estimates come from 3,594 individuals in PDIS whose entered information could be mapped to role categories and who reported an average hourly wage between $12 and $300. This represents 90.1% of the 3,967 persons with affiliations entered into PDIS.

Across all roles, the average salary for child care professionals in PDIS was $41,199.46.

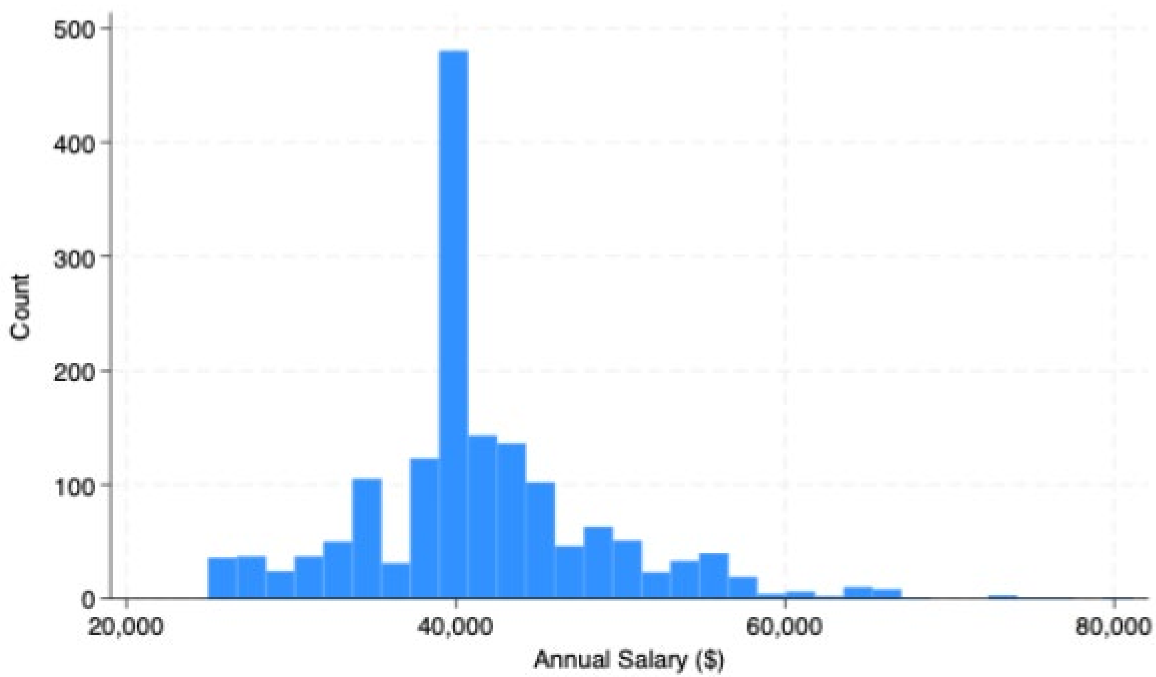
Table 17. Average Salary by Years in Current Role for Lead Early Childhood Professionals in PDIS

Years in Role	Mean Hourly Rate ($)	Full Time Equivalent - Annual Earnings ($)
Less than 1 year	18.85	39,203.14
1 - <3 years	19.76	41,100.82
3 - <5 years	20.26	42,147.60
5 - <10 years	20.86	43,388.27
10 years +	22.28	46,347.23
Total Average	**19.90**	**41,383.42**

Note. Job titles of individuals were mapped to the Wage Scale and Career Lattice Framework's role categories for reporting. Estimates come from 1,603 individuals who were mapped to the "Lead Early Childhood Professional" role category and reported an average hourly wage between $12 and $300. This represents 97% of a reported 1,652 Lead Teachers.

Across all years in their current role, the estimated average annual earnings for lead early child care professionals in PDIS was $41,383.42.

Figure 9. Distribution of Estimated Annual Salaries for Lead Early Childhood Professionals in PDIS



Note. Job titles of individuals were mapped to the Wage Scale and Career Lattice Framework's role categories for reporting. Estimates come from 1,603 individuals who were mapped to the "Lead Early Childhood Professional" role category and reported an average hourly wage between $12 and $300.

Most lead early childhood professionals earn wages within a narrow range, while a smaller number earn substantially higher wages. Nearly 30% of the sample of lead early childhood professionals (480) were estimated to have an annual salary between $39,000 and $40,755, Ongoing efforts to support competitive compensation and career advancement through the Wage Scale and Career Lattice Framework may be expected to increase opportunities for New Mexico's early childhood workforce.

Insufficient Data for SB241 Reporting

The data entered into PDIS on the educational attainment and credentials of the workforce was insufficient to be reported in aggregate. As shown in Table 8, these data were almost wholly missing from the full sample of 3,967 individuals.

Table 18. Characteristics Not Sufficiently Reported in PDIS to Include in Report

Characteristic	Missing Frequency
Educational Attainment	3,932
Credentials	3,966
Years of Experience	Not Collected

Note. Full sample includes 3,967 individuals. Credentials include dual language certification, certification in trauma-informed care, and credentials entered into PDIS by individual reporters.

In addition, we were unable to analyze the overall years of experience of the child care professionals in the PDIS sample, nor variation in wages by tenure in the profession, as that information is not currently collected through the PDIS; at present, providers are required to report start date only for current roles in which professionals are employed. ECECD is actively planning refinements to the PDIS to capture early childhood professionals' years of experience in the field before entering their current roles.

Limitations and Conclusions

The PDIS database is in its first months of implementation and is still undergoing changes that include how data are collected, what data are collected, and efforts to increase uptake and awareness among child care providers about PDIS. Therefore, not all child care providers are present in PDIS this year and not all data fields are yet reported, limiting the present ability of PDIS to track compensation advances or to inform implementation of the state's Early Childhood Workforce Wage and Career Framework. Without full reporting from all child care providers in the state, findings from this analysis should be considered with reservation.

However, the wage data reported through PDIS appear to support findings from other data sources that suggest child care worker wages have increased in New Mexico. In previous briefs, CCPI conducted analysis of administrative datasets related to child care workforce wages and found complementary results. We estimated an overall child care worker 2024 wage of $31,110 in New Mexico using state Unemployment Insurance Wage data, and a mean wage of $34,240 using 2024 U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) data. Though the PDIS data reported in FY26 reflect only a partial segment of the overall child care workforce, the estimated mean earnings reported suggest that wages have subsequently increased. The PDIS data show wages increasing with length of time in current role, and for a large portion of full-time child care providers. The PDIS also offers the first data that enable examination of wages across job roles within child care. As PDIS implementation continues with a fuller range of providers and with additional data reported on credentials, tenure in the field, and overall compensation (wages plus benefits), the state and sector will be provided with important data to guide policy and funding decisions.

This concludes the report section prepared by the UNM Cradle to Career Policy Institute.

Data Limitations and Plans for Further Collection and Reporting

The Child Care Assistance Program Act was passed during the 2026 regular legislative session and signed into law in March of 2026. While many required reporting elements have been collected and are reported here, several elements are not yet available and will be reported in FY27. Other elements are reported for FY26 but are based on relatively incomplete data, with more complete reporting anticipated in FY27.

Specifically, this initial FY26 report does not include reporting on the characteristics of child care businesses, such as information on debts and liens, transfers of ownership, and disclosure of individuals or entities with ownership stakes in child care programs. Data collection procedures and protocols for collecting this potentially sensitive data are currently being designed by ECECD, with a target deployment date of fall 2026 and an initial reporting deadline for providers of July 1, 2027.

While this report includes new, important data on programs' operational schedules, data on the days of care provided annually is relatively incomplete, reflecting only the 107 programs who have provided these data through the EPICS dashboard. The data fields for collecting these data are relatively new (launched in May 2026), and we anticipate more complete data in FY27, with a July 1, 2027 reporting deadline for providers.

This report offers the first public look at workforce data collected through the PDIS and represents a significant advancement in New Mexico's knowledge about the job roles and compensation of its early childhood workforce. However, the PDIS rollout is still in its infancy, having launched in February 2026. As such, workforce data remain incomplete. Since the passage of the Child Care Assistance Program Act, ECECD has worked quickly to add new data fields in PDIS to collect required reporting elements including the benefits structure offered by programs, benefits used by early childhood professionals, alignment of job roles with the job roles outlined in the early childhood wage scale and career lattice, professionals' highest level of educational attainment, and their years of overall early childhood experience. While these data fields have been built and deployed in PDIS, they have not yet been used by the field in sufficient numbers to generate useful data. We anticipate data across these domains will be available as part of FY27 reporting, with a July 1, 2027, reporting deadline for providers.

Conclusion

This inaugural Child Care Assistance Program Act report represents a key milestone in New Mexico's shared commitment to Universal Child Care. The data show dramatic gains in Child Care Assistance enrollment, clear growth in New Mexico's supply of high-quality care, and early indications that workforce compensation strategies are working. With the passage of the Child Care Assistance Program Act, the legislature and the executive have assumed shared stewardship of the Child Care Assistance Program, guided in part by the data and information supplied in this report. In addition to reporting on data currently available, this report sets a timeline and parameters for collection of additional required data to guide Universal Child Care implementation going forward, and to ensure the sustainability of this momentous and unprecedented investment in the wellbeing of New Mexico's families and children.

Appendix A: Reimbursement Rates

Provider Rates

*To help providers understand how rates are applied, there are two sets of rates — **Standard** and **Enhanced** — shown on the following pages. The enhanced reimbursement rate is available to providers that meet two conditions:*

1. Pay all education and care entry-level employees at least the basic wage floor according to the provider's level of quality, *and*
2. Offer care ten hours a day, five days a week

Parent Enrollment Options

Families can choose to enroll their child in one of the following options, regardless of the hours in their work or school schedule.

Full-Time Care

- **How it's paid:** The full-time rate applies when a child is in full-time care for 29 hours or more a week.
- **How it works for Head Start, Pre-K, and School Age children:** When the child is only in care during the summer or breaks; the provider receives the full-time monthly amount for those months only.

Wrap-Around Care

- **How it's paid:** When a child is enrolled with the same Provider throughout the year, the Provider will receive the wrap-around monthly rate year-round for an eligible child in Head Start, Pre-K, or School.
- **How it works:** A single child may average about 2–3 hours of care per day during the school year, and then more hours during summer, holidays, and breaks. The provider is paid the same monthly wrap-around rate all year. The rate isn't tied to the exact number of hours used each month — it is a flat monthly payment intended to balance lower costs during the school year and higher costs during summer months.

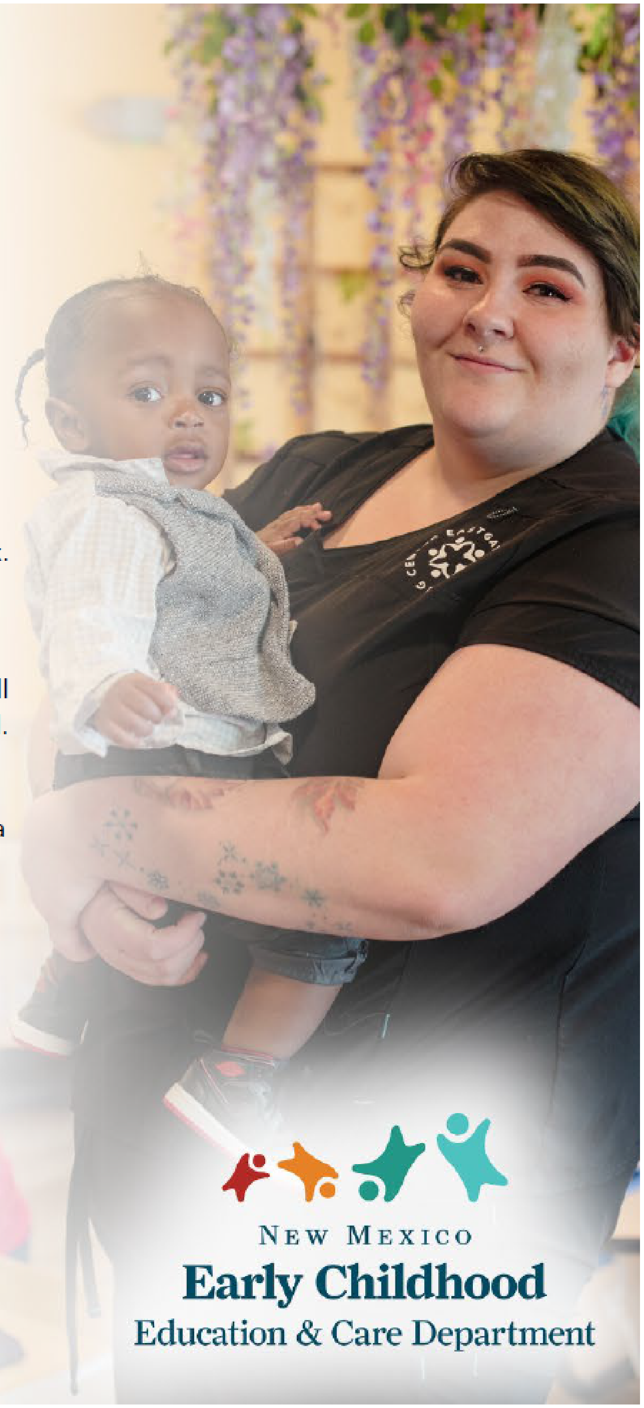
Part-Time Care

- **How it's paid:** Providers receive the part-time monthly rate for a child approved for less than 29 hours per week.
- **How it works for Head Start, Pre-K, and School Age children:** This option is for families who only need care for holidays, breaks, early release days, in-service days, or other limited schedules — but not full-time summer care. Drop-in care can be provided under this rate, including in summer, but it is not considered full-time summer care.

Non-Traditional Hours Differential

Providers may also earn an additional 5%, 10%, or 15% of the applicable standard rate if they provide care during evening, overnight, or weekend hours, depending on the number of non-traditional hours provided weekly.

Rate Charts



Proposed Provider STANDARD Rates

LICENSED CENTERS—STANDARD RATES

Star Rating	Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part-time	School Age Wrap-Around Care Full Year
Licensed 2 Star	$1,200	$600	$720	$875	$438	$525	$735	$368	$552	$689	$263	$525
2+ Star	$1,300	$650	$780	$975	$488	$585	$840	$420	$630	$758	$263	$578
3 Star	$1,300	$650	$780	$975	$488	$585	$840	$420	$630	$758	$289	$578
4 Star	$1,650	$825	$990	$1,250	$625	$750	$1,051	$525	$788	$895	$289	$683
5 Star	$2,175	$1,088	$1,305	$1,700	$850	$1,020	$1,182	$591	$886	$1,033	$341	$788

LICENSED FAMILY HOMES—STANDARD RATES

Star Rating	Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part Time	School Age Wrap-Around Care Full Year
Licensed 2 Star	$1,325	$663	$795	$1,275	$638	$765	$914	$457	$686	$730	$278	$557
2+ Star	$1,450	$725	$870	$1,375	$688	$825	$998	$499	$749	$826	$315	$630
3 Star	$1,450	$725	$870	$1,375	$688	$825	$998	$499	$749	$826	$315	$630
4 Star	$1,700	$850	$1,020	$ 1,575	$788	$945	$1,129	$565	$847	$937	$357	$714
5 Star	$1,900	$950	$1,140	$1,800	$900	$1,080	$1,219	$609	$914	$999	$381	$762

LICENSED GROUP HOMES—STANDARD RATES

Star Rating	Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part Time	School Age Wrap-Around Care Full Year
Licensed 2 Star	$1,200	$600	$720	$1,150	$575	$690	$872	$436	$654	$654	$249.52	$499
2+ Star	$1,300	$650	$780	$1,250	$625	$750	$956	$478	$717	$751	$286.29	$573
3 Star	$1,300	$650	$780	$1,250	$625	$750	$956	$478	$717	$751	$286.29	$573
4 Star	$1,575	$788	$945	$1,500	$750	$900	$1,087	$544	$816	$861	$328.32	$657
5 Star	$1,750	$875	$1,050	$1,700	$850	$1,020	$1,177	$588	$883	$923	$351.95	$704

REGISTERED HOMES—STANDARD RATES

Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part Time	School Age Wrap-Around Care Full Year
$750	$375	$450	$750	$375	$450	$425	$213	$255	$459	$175	$350

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Proposed Provider ENHANCED Rates

LICENSED CENTERS—ENHANCED RATE												
Star Rating	Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part Time	School Age Wrap-Around Care
2 Star	$1,350.00	$ 675	$810	$1,015	$508	$609	$825	$413	$619	$699	$268	$535
2+ Star	$ 1,400.00	$ 700	$840	$1,075	$538	$645	$890	$445	$668	$768	$294	$588
3 Star	$1,400.00	$700	$840	$1,075	$538	$645	$890	$445	$668	$768	$294	$588
4 Star	$1,950.00	$ 975	$1,170	$1,525	$763	$915	$1,150	$575	$863	$905	$347	$693
5 Star	$2,500.00	$1,250	$1,500	$1,975	$988	$1,185	$1,375	$688	$1,031	$1,043	$399	$798

LICENSED FAMILY HOMES—ENHANCED RATE												
Star Rating	Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part Time	School Age Wrap-Around Care
2 Star	$1,500	$750	$900	$1,425	$713	$855	$1,050	$525	$788	$740	$284	$567
2+ Star	$1,625	$813	$975	$1,525	$763	$915	$1,175	$588	$881	$836	$320	$640
3 Star	$1,625	$813	$975	$1,525	$763	$915	$1,175	$588	$881	$836	$320	$640
4 Star	$1,975	$988	$1,185	$1,850	$925	$1,110	$1,375	$688	$1031	$947	$362	$724
5 Star	$2,175	$1,088	$1,305	$2,025	$1,013	$1,215	$1,450	$725	$1088	$1,009	$386	$772

LICENSED GROUP HOMES—ENHANCED RATE												
Star Rating	Infant Full Time	Infant Part Time	Infant Wrap-Around Care	Toddler Full Time	Toddler Part Time	Toddler Wrap-Around Care	Preschool Full Time	Preschool Part Time	Preschool Wrap-Around Care	School Age Full Time	School Age Part Time	School Age Wrap-Around Care
2 Star	$1,375	$688	$825	$1,300	$650	$780	$975	$488	$731	$664	$255	$509
2+ Star	$1,475	$738	$885	$1,400	$700	$840	$1,075	$538	$806	$761	$292	$583
3 Star	$1,475	$738	$885	$1,400	$700	$840	$1,075	$538	$806	$761	$292	$583
4 Star	$1,775	$888	$1,065	$1,700	$850	$1,020	$1,200	$600	$900	$871	$334	$667
5 Star	$1,940	$970	$1,164	$1,850	$925	$1,110	$1,300	$650	$975	$933	$357	$714

Enhanced rates are available to all licensed providers, regardless of quality level.

Wage Requirements for Entry-Level Education and Care Staff by Quality Level				Non-Traditional After Hours			Non-Traditional Weekend Hours		
2 Star	2+/3 Star	4 Star	5 Star	1–10 hours/week	11–20 hours/week	21 or more hours/week	1–10 hours/week	11–20 hours/week	21 or more hours/week
$16/hour	$17/hour	$18/hour	$19/hour	5%	10%	15%	5%	10%	15%

Rev. January 2026