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Tale of Two States



**TRANSFORMING CHILD CARE IN
NEW MEXICO AND ALABAMA**

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Bipartisan Policy Center

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Advancing Opportunity

The David and Laura Merage Foundation believes all families should have access to affordable, high-quality early care and education and is committed to advancing public policies that will transform the supply, quality, and cost of care for all. Our founder, David Merage, is an unrelenting champion for this much needed societal change. "As a business leader, a human being, and a citizen of this country, I think it's a shame that we let our children fall through the cracks. We must come together to fix these issues." We know firsthand the complexity of reforming a private-public system that works for all families and have deep respect for how New Mexico's and Alabama's advocates, public officials, and business leaders have banded together. We hope the story of their journeys inspires other state leaders and advocates to take bold urgent policy actions and move mountains for our littlest learners.

—Sue Renner, Executive Director of the David and Laura Merage Foundation

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Foreword

Our nation's severe shortage of child care is putting unnecessary pressure on families. For a large percentage of these families, child care is neither affordable nor available. A lack of child care is also slowing economic growth. Women have left the workforce in droves post-pandemic, and our economy has suffered.

While the government flooded the child care industry with relief dollars in 2020 and 2021, those funds are drying up. It is time for a national dialogue about what we have learned about the current state of child care and how these learnings can and should guide future policy and investments.

The Bipartisan Policy Center's Early Childhood Initiative has been focused on how to inform better policies and facilitate a national dialogue. We examined and identified the gap in the supply of care and the lack of facilities in 35 states and analyzed the economic impact of it, highlighting potential lost revenue. We surveyed parents 10 times over the course of four years to fully understand their motivations in choosing child care, what factors impact their decision-making, and what barriers remain. We examined how states administer the myriad of federal funding streams pertaining to child care and recommended how states can efficiently streamline funding and improve services.

One thing we know is, states are making progress. And not only is there progress, but we are seeing similarities among states that are addressing child care in a more comprehensive way. Successful states have identified leaders who have clear, shared goals. They put up a big tent and invited everyone in to help identify solutions. They have "done their homework" and have a plan and data to support their goals. They recognize that doing the right thing will take time and are willing to invest the time to get the best solutions with a broad range of supportive partners.

In this report, the authors examine the actions of two states – one red, one blue – which have resulted in the transformative and sustainable change so many states and communities are seeking. One, New Mexico, is well on the road to making child care a public good by waiving child care subsidy copays and expanding eligibility. The other, Alabama, is using the success of their Pre-K investments to expand child care to more families. Different successful approaches, with a similar goal of increasing access to quality child care.

This report chronicles the evolution of child care in two very different states, summarizes each state’s major reforms, highlights commonalities, and describes next steps. Our goal is to help other states think strategically and use the lessons to inform their own work.

Decades of working in early childhood has taught me that there is NO magic bullet. There is not one single approach that can be successfully replicated in the other 49 states. Identifying the key ingredients that support long-term sustainability and building upon that foundation is the best way to guarantee success and community buy-in, and ultimately improve the lives of children and families.

Linda K. Smith



Executive Summary

PURPOSE OF THE BLUEPRINT AND HOW TO USE IT

This blueprint tells the tale of two states, Alabama and New Mexico. Each has defied expectations within the realm of early childhood policy. The blueprint focuses on the transformation of the early childhood and education system, and particularly child care, in New Mexico, where the story begins in 2011 and ends in 2022. To highlight the commonalities of such seemingly diverse states, the blueprint describes how Alabama is achieving bold reforms in child care.

Policymakers and legislators from both sides of the aisle, advocates, community organizers, parents, and philanthropists can borrow from this blueprint to expand access to quality child care. This blueprint is a guide for leaders who want to follow the paths that New Mexico and Alabama are creating for its youngest children.

WHAT'S THE GOAL IN NEW MEXICO AND ALABAMA?

New Mexico is on the road to making child care a public good, like public education. New Mexico is working to increase access to high-quality affordable child care for all families. Alabama's goal is to build and expand access to quality, affordable child care to more families.

WHY CHILD CARE?

A robust child care system benefits children, families, employers, and communities. High-quality child care keeps children safe and healthy and helps children develop skills needed for success in school and for later life. Additionally, child care is the workforce behind the workforce and helps keep businesses in business. Investments in child care benefit the employers and workers of today, while building the productive workforce of tomorrow.

MAJOR POLICY REFORMS

New Mexico

Building on a decade of leadership and progress, New Mexico recently adopted bold plans to expand access to quality child care to all children in the state. First, New Mexico's policymakers focused on ensuring the availability of data and established meaningful outcomes, paving the way to improve accountability for child care. Then, New Mexico created a cabinet-level early childhood department to consolidate early childhood functions under one agency to increase coordination and better spend government funds.

With the new department in place, the Early Childhood Trust Fund was established with an initial appropriation of \$300 million. And, in 2022, 70% of voters chose to pass a constitutional amendment allowing the state to begin dedicating roughly \$127 million a year to early childhood education from its existing Land Grant Permanent Fund, a pot of money funded by billions of dollars the state generates from fees on the public land New Mexico holds in trust.

New Mexico is working hard to build capacity in the child care system, increase access to child care, and improve the quality of child care. In 2021, New Mexico shifted its method of calculating reimbursement rates for child care providers. Instead of paying providers, particularly those in low-income communities, an artificially low market rate, the state began to pay providers for the actual cost of quality child care. This seemingly obvious, but critically important, measure positioned the state to help transform its entire system toward quality.

The state also expanded eligibility to a system newly focused on quality. The expansion of eligibility has created a need for more child care educators. Hence, New Mexico is building the capacity of child care providers to meet growing demand for child care. Public and private investments support the training, recruitment, and retention of the child care workforce.

Alabama

Focusing first on Pre-K and diverse delivery of its Pre-K program through partnerships with child care providers, Alabama has built capacity and infrastructure and improved accountability for early care and education. Improvements to the early care and education system now require greater investment in child care. The executive branch, policy makers, advocates, and others are committed to an ambitious transformation of child care—improving quality and expanding eligibility and access simultaneously.

In 2022, the Alabama Legislature approved a historic \$40 million investment of state dollars in quality Pre-K and child care. As part of this new investment, \$17.8 million will support an enhanced Alabama Quality Stars Quality Rating and Improvement System (QRIS) for child care. Recently, Alabama upgraded its licensing standards related to physical activity, screen time and daily nutrition. Through policy and partnership between two state agencies, Departments of Human Resources (DHR) and Early Childhood Education (DECE), the state has improved its QRIS and funded technical assistance to enhance quality.

Alabama is improving access to quality child care by increasing the number of licensed providers, supporting providers and early childhood educators, and expanding eligibility. The state has leveraged federal funding to make long-term improvements and will continue to base the child care subsidy on enrollment rather than attendance and eliminate parent co-pays for most families in the state. Alabama has increased the number of families that can access the child care subsidy by expanding eligibility up to 200% of the Federal Poverty Level (FPL) and expanding eligibility for children with special needs. The Department of Human Resources (DHR) is covering the cost of criminal background checks to help child care providers hire staff more easily. The state has also established apprenticeship programs at higher education institutions and designed career pathways for high school and college students to enter the child care workforce.

SEQUENCING MATTERS

New Mexico and Alabama have been successful in expanding access to quality child care because the states' leaders have been thoughtful in laying the groundwork for outcome-driven policy change and well-sequenced legislation, appropriations, and policy reforms. (See [Appendices 1 & 2](#). [Timelines](#).) Every step is planned and purposeful. Based on the trajectories in New Mexico and Alabama, the road to a high-quality equitable child care system in any state shall likely cover:

- Incorporating feedback from parents, child care educators, and child care providers
 - Using research and evaluation to define goals and outcomes and provide stable ground on which funders, policymakers, and stakeholders can stand
 - Building bipartisan legislative support
 - Building a big tent to move toward shared goals
 - Understanding the local, regional, and state context and using it to win
 - Strengthening the infrastructure for legislative success, which includes developing a strong policy framework and institutionalizing the issue
 - Establishing accountability measures and using rigorous data to highlight outcomes and results of government spending
- Forming a well-coordinated governance system for early childhood and education
 - Securing stable and predictable funding sources
 - Building capacity of the child care system and advancing the child care workforce, which includes:
 - Providing opportunities for apprenticeships and mentorships
 - Supporting higher education for current and future child care professionals
 - Offering higher wages or stipends for child care educators
 - Expanding access to affordable child care, which includes:
 - Paying child care providers, or operators, for actual cost of quality child care
 - Expanding eligibility to families living at or below 400% of the Federal Poverty Level
 - Assisting parents with child care co-payments
 - Promoting all of these new opportunities to families, educators, and providers



Background

PURPOSE OF THE BLUEPRINT AND HOW TO USE IT

This is a tale of how Alabama and New Mexico have defied many people's expectations and transformed access to and the quality of child care. The *2022 KIDS COUNT Data Book* ranks Alabama 46th and New Mexico 50th in overall child well-being, and these two states are trying to buck these rankings and drive economic development with innovation, accountability, and local investments to child care.

In both states, coalitions of locally elected officials, business leaders, parents, child care providers, philanthropists, and advocates have developed strategies to reach their shared and ambitious goals. They are committed to using early care and education as an economic driver. This commitment has enabled the issue to remain bipartisan. Good policy trumps politics.

Alabama and New Mexico rolled out reforms after infrastructure and accountability were in place. Alabama chose to focus, based on politics and momentum at the state and national levels, on Pre-K. The Alabama School Readiness Alliance's Pre-K Task

Force and others have helped to set the agenda for child care. Some aspects of child care are building off the success of Alabama's First Class Pre-K. In New Mexico, coalitions developed a strong policy framework and established accountability measures to highlight outcomes and results of government spending. Both states have leveraged federal funding to jumpstart programs and obtain long-term shared goals.

New Mexico's accomplishments for child care go beyond the political or administrative. There has been a cultural, social, and policy transformation in the state. By investing in children's earliest years, New Mexico is setting children up for success for their entire lives and for future generations and simultaneously strengthening communities and the state's economy. New Mexico now prioritizes the needs of young children and their families as a means to retaining and developing its economic viability. The story begins as Susana Martinez, a Republican, became Governor of New Mexico in 2011 and ends in the present day and the Governorship of Michelle Lujan Grisham, a Democrat.

In the case of New Mexico, the road toward a high-quality equitable child care system has included:

- Establishing accountability measures
- Creating a well-coordinated governance system for early childhood and education
- Securing stable and predictable funding sources
- Building capacity and advancing the child care workforce
- Expanding access to affordable quality child care

In the case of Alabama, the road has included:

- Promoting Pre-K that includes partnerships with child care providers
- Investment of state funds in the improvement of child care quality and support for parents and the child care workforce
- Expanding access to affordable quality child care

This blueprint for action summarizes major policy reforms related to child care in New Mexico and Alabama and details some of the rationales, strategies, and tactics that led to them. It highlights how key players in these two states achieved so much and lays out steps people in other states can take to replicate their successes.

The story is important to tell because policymakers are looking for leadership and proven strategies for transforming child care with bipartisan legislative support. Many states want to take bold steps to improve access to high-quality affordable child care. Policymakers, administrators, advocates, philanthropists, and others need clear and replicable examples of how to expand access for all families. They need a credible story that inspires and motivates.

IMPETUS FOR CHANGE

Alabama and New Mexico hit a breaking point. For decades, policymakers had largely ignored the long-term needs among children and working families for quality child care. The urgency of this pent up demand, combined with inadequate funding of programs over many years, drove action on child care in both states.

Alabama and New Mexico are some of the poorest states and have traditionally scored low on metrics of children’s education and well-being. In 2022, *Kids Count*, using older data, ranked Alabama 46th and New Mexico 50th in the nation on measures of child wellbeing.

The people of Alabama and New Mexico want more and better for their states. On behalf of their children, families, and business community, Alabama and New Mexico want to move up in national rankings of child well-being. Business leaders in New Mexico believe low rankings are an “impediment to diversification, economic investment, and workforce recruitment.” Both states are committed to closing the gaps by shifting resources to the early childhood field, including child care and the child care workforce.

Alabama is committed to economic development and the state needs skilled workers. The state understands that child care is economic development. In 2018, Governor Ivey announced a plan to grow Alabama’s skilled-labor pipeline by 500,000 workforce-ready employees by 2025. Child care is a key component of making this plan a reality. The labor force participation rate of women in Alabama (52%) is the lowest in the Southeast, and Alabama must increase women’s participation in the labor force to meet the state’s hiring needs. The pandemic highlighted the need for child care in Alabama among the chambers of commerce in Alabama, employers, and the Department of Commerce.

In 2022, the Alabama Workforce and Wage Gap Task Force made the statement, “Quality, affordable, child care is essential to a healthy and productive workforce and is particularly important for women who are more likely to step back from the workforce to shoulder family responsibilities.”

WHY CHILD CARE AND WHAT ARE THE GOALS IN NEW MEXICO AND ALABAMA?

Access to high-quality child care is critical for children, families, employers, and communities at large. We all depend on child care, even if we don't have young children living in our homes. High-quality child care keeps children safe and healthy, and it helps children develop skills for success in school and for later life. Quality child care can increase the likelihood of future academic success and workforce participation.

Without quality child care, parents cannot work. Without working parents, the economy cannot function. Child care is the workforce behind the workforce. Without access to affordable high-quality child care, people are forced to avoid or leave the workforce. Across the nation, the lack of accessible infant- and toddler-child care accounts for an annual loss of over \$57 billion in lost earnings, business productivity, and tax revenue each year (ReadyNation, 2019).

New Mexico is on the road to making child care a public good, like public education. New Mexico's goal is to increase quality and access to high-quality affordable child care, so that all families can access it, and employers can rely on a well-supported workforce.

Alabama's goal is to build and expand access to quality, affordable child care. Investments in children are seen as a smart way to support and grow Alabama's workforce of today and tomorrow.

For this blueprint, child care refers to those programs and arrangements that serve children before they enter kindergarten.

THE PLAYERS

This blueprint highlights the actions of advocates, child care providers, governors, legislators, organizers, parents, philanthropists, researchers, and state agency administrators to expand access to high-quality child care in New Mexico and Alabama. Many of the key individuals and organizations responsible for increasing access to quality child care were interviewed for this report. (See [Appendix 3](#) for methodology.)



Summary of Recent Major Reforms

NEW MEXICO

Building on a decade of leadership and progress, New Mexico has set the course for the nation. Through executive leadership, legislative action, and the ballot box, New Mexico has methodically adopted bold plans to strengthen the child care system and expand access to quality child care in the state. (See [Appendix 1](#) for a timeline of achievements and policy wins.)

First, the legislature focused on measures and outcomes and passed accountability acts. These acts call for the prioritization of reporting, provision of data on outcomes, and the highlighting of results for government spending. Then, it created a cabinet-level early childhood department to increase efficiency, consolidate early childhood functions under one state agency, and provide focus.

With the new department in place, the Early Childhood Trust Fund was established with an initial appropriation of \$300 million. And, in 2022, 70% of New Mexico voters chose to pass a constitutional amendment to allow the state to begin dedicating roughly \$127 million a year to early childhood

education from its existing Land Grant Permanent Fund, a pot of money funded by billions of dollars the state generates from fees on the public land it holds in trust. Legislators will decide how to invest these dollars in early childhood education (E. Groginsky, personal communication, Nov. 16, 2022).

“THERE HAS BEEN A POLITICAL, CULTURAL, AND LANGUAGE SHIFT AROUND EARLY CHILDHOOD IN NEW MEXICO”

(EXECUTIVE DIRECTOR, THORNBURG FOUNDATION).

New Mexico is working hard to build capacity in the child care system, increase access to child care, and improve the quality of child care. In 2021, New Mexico shifted its method of calculating reimbursement rates for child care providers. Instead of paying providers, particularly those in low-income communities, an artificially low market rate, the state began to pay providers for the actual cost of quality child care. This seemingly obvious, but critically

important, measure positioned the state to help transform its entire system toward quality. As the state expanded eligibility to more families, it has worked to build capacity by bolstering the number and quality of child care providers and supporting the recruitment, training, and retention of the child care workforce.

ALABAMA

Focusing first on Pre-K and diverse delivery of its Pre-K program through partnerships with child care providers, Alabama has built capacity and infrastructure and improved accountability for early care and education. Improvements to the early care and education system now require greater investment in child care.

Alabama has a coordinated mixed delivery system of Pre-K programs and early childhood care programs. Pre-k can be delivered by Head Start providers, state and local governments, Indian tribes and tribal organizations, private faith- and community-based entities, child care providers, institutions of higher education, state agencies, and local education agencies. Any entity in the mixed-delivery system can apply for public funding. To grow Pre-K, high-quality child care programs must be able to apply for Pre-K grants, which requires ramping up the Quality Stars Quality Rating and Improvement System (QRIS) and greater investment in child care. “Alabama’s private child care system is needed to provide most of the additional classrooms and teachers remaining in the expansion of First Class Pre-K” (“Child care providers...”, 2023).

The executive branch, policy makers, advocates, and others are in the process of building an ambitious transformation of child care—improving quality and expanding eligibility and access.

Recently, Alabama incorporated Health & Safety requirements into the licensing process. The Department of Human Resources (DHR) now uses its resources in the licensing program to help meet the child care subsidy requirements. The change has

improved quality via greater exchange of knowledge and skills related to health and safety among licensing staff, greater ability for licensing staff to educate providers, and improved professionalism of the child care workforce. Alabama also has upgraded its licensing standards related to physical activity, screen time, and daily nutrition.

In 2022, the Alabama Legislature approved a historic \$40 million investment in quality Pre-K and child care. As part of this new investment, \$17.8 million will support an enhanced Alabama QRIS for child care. The program, administered by DHR in partnership with the Department of Early Childhood Education (DECE), has been redesigned based on research, evaluation, and feedback from child care providers. Through policy and partnership between the two state agencies, the state has also funded technical assistance to enhance quality. Alabama Quality Stars, Alabama’s QRIS, offers coaching, support, and assessment to help child care programs improve and demonstrate quality along a one-to-five star rating system. Participating child care providers receive payments of up to \$80,000 a year, depending on their star level and licensed capacity (ASRA, 2022). Increased funding allows programs to enhance, build, and grow their child care programs.

Alabama is improving access to quality child care by increasing the number of licensed providers and supporting providers. The number of licensed child care providers has increased since the months before the pandemic, from 1,200 to 1,300 plus. DHR promotes the QRIS in terms of building blocks of quality. Alabama “created a regulatory tent, set out a nice dinner, and the providers keep coming.” DHR made child care licensing an automatic first star in Quality Stars. This means that all licensed providers receive a much-needed funding boost from the program (ASRA, 2022). Additionally, many providers, like faith-based centers, are taking advantage of QRIS-related stabilization grants to re-invest in their sites, improve training, and increase pay for staff. DHR also covers the cost of criminal background checks to help child care providers hire staff more easily.

Increased access to child care has also been achieved by supporting early childhood educators and expanding eligibility. The state has established apprenticeship programs at higher education institutions and designed career pathways for high school and college students. Alabama has leveraged federal funding and will continue to base the child care subsidy on enrollment rather than attendance and eliminate parent co-pays for most families in the

state. It has also increased the number of families that can access the child care subsidy by expanding eligibility up to 200% FPL and expanding eligibility for children with special needs (see [Appendix 2](#) for Alabama's Timeline).



Blueprint for Action: Different States, Similar Objectives

This section focuses and describes the incremental policy wins related to child care during the past decade in New Mexico, and it highlights similar steps and wins in Alabama. The section lays out the steps and strategies that people in New Mexico used to achieve the wins and the bold reforms of the past few years. Individually, these incremental steps may seem like small achievements, but in total they represent an intentional and purposeful effort to create positive change for child care in New Mexico.

BUILD A BIG TENT TO MOVE TOWARD SHARED GOALS

The groundbreaking success in Alabama and New Mexico to expand access to quality child care is the result of different and diverse people from every corner of both states working for years together. This success would not have been possible without visionary leadership from all sectors and from every community of the states. Leadership coming from both the public and private sectors and from both inside and outside government kept the ball rolling from the early landscape analyses to agenda setting,

to building coalitions, to passing legislation, and ultimately to electoral success.

LEADERSHIP FROM INSIDE AND OUTSIDE GOVERNMENT IS CRITICAL.

Child care has many passionate, diverse, and powerful constituencies in both Alabama and New Mexico. Supporters have had disagreements. Regardless of approach, stakeholders have maintained the shared goal of expanded access to high-quality child care for all families. Some organizations have used their relationships and power to operate largely within government. Others, such as community organizers, have used their power and relationships with communities, educators, parents, providers, and voters to reach goals.

The Players

Executive Branch and Agencies Engaged in Early Childhood

Two governors, Republican and Democrat, helped propel legislative reform in New Mexico. The state agencies operating within their administrations had direction to operate differently. That flexibility allowed for child care policy reform, including increased data, more accountability, and improved coordination and efficiency.

“GOVERNOR LUJAN GRISHAM ESTABLISHED REALLY HIGH GOALS FOR THE NEW DEPARTMENT AT THE STATE. SHE INDICATED THAT SHE WANTED UNIVERSAL CHILD CARE. WHEN YOU HAVE YOUR TOP LEADER IN THE STATE COME IN AND SAY, ‘THIS IS WHAT WE’RE GOING TO DO, AND THIS IS WHY,’ IT REALLY PROPELS [DEPARTMENT STAFF] INTO FIGURING OUT HOW TO GET THERE.”

In Alabama, the governor leads with a focused goal to build the workforce and is highly engaged in expanding high-quality child care. In 2018, the governor announced a plan to grow Alabama’s skilled-labor pipeline by 500,000 workforce-ready employees by 2025 (Office of Alabama Governor, 2018). DHR, which oversees the licensing of child care, and the DECE, which provides expertise on Alabama’s Quality Rating System and coaching for child care providers, partner to maximize what the state can do to promote quality affordable child care.

Legislators

“You need the legislature on board.” During the past decade, New Mexico has had “really strong legislators on both sides of the aisle who are informed and experiencing the needs of child care themselves. They can speak to that.”

WANT TO BUILD RELATIONSHIPS WITH LEGISLATORS AND STAFFERS?

See [*Advocates Share Best Practices for Establishing Credibility with New Legislators*](#) from the Alliance for Early Success.

Philanthropists and advocates for child care reform in New Mexico worked for a decade to build political will among legislators. Ongoing education of legislators included those who supported and opposed increased access to quality child care. In New Mexico, philanthropists and advocates brought respected leaders and advocates to educate members of the legislature and the Legislative Finance Committee. At the invitation of philanthropists and child care providers, legislators observed child care centers and personally met children and families who benefit from child care. These efforts helped “build the bench of legislative champions,” led to the creation of the New Mexico Early Childhood Legislative Caucus, and ultimately informed policy reforms for child care.

BUILD POLITICAL WILL, EDUCATE LEGISLATORS, AND NURTURE THE LEGISLATIVE CHAMPIONS.

Philanthropy

The Complementary Role of Foundations

New Mexico is fortunate to have strong partners in philanthropy, both based in New Mexico and nationally, that have helped fund research and convenings and helped state government communicate the importance of child care. During the Martinez administration, the Los Alamos National Laboratory (LANL) Foundation hosted

and facilitated stakeholder meetings that state agencies could not host themselves. The timeline in [Appendix 1](#) highlights several key strategies and associated grants from foundations. According to those in state government,

“Foundations have been key in what [New Mexico has] been able to do, because there are limitations with federal and state money. It’s not as nimble. We can’t roll it out quickly, and philanthropy has been critical. It has been critical to getting this work done quickly and not having to wait an additional fiscal year to figure out funding. Moving forward, as we look at the next phase of what we’re doing, [philanthropic partners], such as W.K. Kellogg Foundation, are investing in New Mexico in a big way, and that’s been huge for us.”

Foundations Are Stronger Together

The New Mexico Early Childhood Funders Group

By creating the [Early Childhood Funders Group](#) in 2014, the Thornburg Foundation and its partners in philanthropy were instrumental in bringing more local, state-based, and national funders to the issue and getting them to think along the same path. The Funders Group provided an effective mechanism to develop a shared long-term funding agenda, avoid duplication of efforts, and stretch grant dollars to have the most “bang for the buck.”

The Funders Group engaged government from the start. It included government officials in its discussions from the outset. Fiscal analysts from state government routinely participated. These meetings helped everyone (Funders Group members, agency staff, and legislators) better understand the overall landscape of child care, needed reforms, the players’ strengths, and how to move forward with necessary reforms. Member foundations responded by funding several research and evaluation efforts. Findings from the research and evaluation were shared with government representatives, who used the information to develop recommendations for legislative action. Members of the Funders Group regularly visited the Round House, as the New Mexico

State Capitol is commonly known, and delivered consistent messages to legislators and staff.

The strategy of philanthropy and advocacy to engage government from the beginning facilitated buy-in among elected officials and allowed advocates the opportunity to insert their perspectives into legislative agenda setting. These stronger relationships paid off during legislative sessions as policies were being debated and voted on and with state agencies as new laws and policies were being implemented on the ground. This partnership and cooperation benefited both the public and private sectors.

LOOKING TO KICK-START AN EFFECTIVE ADVOCACY COALITION OF FUNDERS?

See Exponent Philanthropy’s “Starting an Advocacy Coalition” in the [Advocacy Field Manual for Small-Staffed Funders](#).

Legislators came to trust and respect the Funders Group, and the group used this credibility to make the case for big actions on early childhood (capita, 2022). The Early Childhood Funders Group celebrated several milestones that led to systems change in early childhood. The group supported the Business Plan for Early Childhood in New Mexico (2018), helped to institutionalize the New Mexico Early Childhood Legislative Caucus with 20 members of the state legislature, and influenced the creation of the new department.

Local and National Funders Work to Improve Early Care and Education in Alabama

Alabama Giving, an association of grantmaking organizations, works to increase, promote, and encourage philanthropy by helping its members share knowledge, collaborate and advocate to improve

conditions in Alabama. Since its inception in 2011, Alabama Giving’s membership has grown to over thirty private, corporate, and community foundations from across the state.

Alabama Giving helped create the Alabama School Readiness Alliance (ASRA), whose public awareness campaign was instrumental in increasing the state’s funding for preschool sites in Alabama from approximately 4.5 million to over 96 million in 13 years. With the support of three different governors, legislators, and community leaders, Alabama Giving and other advocates in the nonprofit and business communities have been successful in making high-quality Pre-K a continuing priority in Alabama. This successful partnership began with a contribution by Pew Charitable Trusts in collaboration with foundations in Alabama to ASRA. Alabama Giving continues to support the Alabama School Readiness Alliance as it works to improve access to quality of child care. National funders that support efforts to expand high-quality child care include the Blue Cross Blue Shield, Conrad Hilton Foundation, and the W.K. Kellogg Foundation.

The Raising Child Care Fund

Organizing power in New Mexico has received a big boost since 2021 when 13 grant makers, including the Annie E. Casey Foundation, the Heising-Simons Foundation, the Irving Harris Foundation, and the Pritzker Children’s Initiative, donated \$8 million to the [Raising Child Care Fund](#). The fund’s grants help build the leadership power of parents, caregivers, and educators to fight for change, so all families have access to affordable quality care, and educators earn livable wages (Stiffman, 2022). The power of this organizing effort was made clearest during New Mexico’s successful campaign to approve consistent and predictable funding for child care in 2022.

In Alabama, the [Alabama Institute for Social Justice](#) received a [grant](#) from the Raising Child Care Fund to provide support to child care providers impacted by the COVID-19 pandemic and to increase public investment in early learning by engaging in workforce organizing through child care centers, directors and staff in 15 of Alabama’s Black Belt counties.

The Business Community

The importance of “unexpected messengers” like the New Mexico Chamber of Commerce and the Greater Albuquerque Chamber of Commerce cannot be overstated. The business community has been a driving force behind the expansion of quality child care in New Mexico. The New Mexico business community clearly understands that investments in child care are one of the state’s best hopes against economic stagnation and continued loss of population. During the Lujan Grisham administration, [the business community] “helped immensely. Having them say, ‘Look, we cannot stay open. We cannot keep our businesses staffed up without having child care.’ They were incredible partners in telling that story.”

GENERALLY, LOCAL, STATE, AND NATIONAL CHAMBERS OF COMMERCE “WANT A CULTURE OF DATA-DRIVEN DECISION MAKING AND ACCOUNTABILITY MORE INTEGRATED IN ALL ASPECTS OF GOVERNMENT.”

Early Childhood Advocates—501(c)(3)s

New Mexico has a long history of successful advocacy for young children, including for the expansion of high-quality child care. Advocates long ago embraced the importance of accountability and were instrumental in promoting the availability of good data on the outcomes and impacts of public investments in children.

Organizations like [Growing Up New Mexico](#) and [New Mexico Voices for Children](#) paved the way for others to join the movement for child care access. Nonprofit early childhood education advocates were instrumental in changing the narrative around child care in New Mexico, and they paved the way for national and state-based foundations to engage in policy reform. Advocates were the first to extend

the olive branch of cooperation to their longstanding partners in the business community when industry's needs for child care became immediate and pressing. Without strong and savvy advocates, philanthropists would not have had partners in whom they could invest to press for change.

Parents, Child Care Educators, and Community Organizers—501(c)(3)s

Parents, child care educators, home-based child care providers, and grassroots organizers have rarely received the credit and support they deserve as drivers of policy reform. New Mexico has set the bar high for other states, leaders, and organizations interested in genuinely engaging those with lived experience in changing state law.

Grassroots organizing had a huge role in both securing legislative reform and in promoting and securing long-term, sustainable state funding for early childhood. OLÉ and New Mexico Voices for Children were instrumental in getting the amendment on the ballot so voters could decide whether to create a permanent fund for child care. Then, they and the parents, educators, and home-based child care providers who volunteer for them were instrumental in drumming up support for the amendment among voters, which passed overwhelmingly, in part thanks to their efforts.

In Alabama, the Alabama Institute for Social Justice seeks to launch The Alabama Movement for Child Care and build a more expansive movement for child care that will initially focus on child care as a public good to increase access and affordability; workforce development to address training and skill-set needs, wage issues, etc.; and removing the Market Rate Survey tool (Early Childhood Funders Collaborative, n.d).

501(c)(4)s

Nonprofit organizations classified as 501(c)(4) have more legal freedom to pursue an active role in lobbying for government financing than charitable organizations, or 501(c)(3)s. 501(c)(4) organizations can operate more like the corporations and special interests that traditionally garner the most political attention and achieve bigger

results faster. Advocates with 501(c)(4) dollars can play on a more level playing field with their special interest counterparts. 501(c)(4) funders can close the “power gap” confronted by advocates for children and change the trajectory for millions of young children. OLÉ and [NMVC Action Fund](#) relied on their 501(c)(4) status in New Mexico to make gains for child care. [Community Change Action](#), [Impact Fellows Action Fund](#), and others supported the c4 work.

Child Care Association and Affiliated Child Care Providers

Child care is a business, and the businesses engaged in providing child care fiercely protect their interests. Without the support of the child care industry and its influential lobbyists, reform to the child care system would be difficult if not impossible. Fortunately, New Mexico's providers see the benefit from the proposed system of child care in New Mexico. Thanks to state efforts to ensure that providers are reimbursed for the actual cost of child care, many child care providers, or operators, in New Mexico see the new system as a lifeline, not business-killing competition.

According to the current Cabinet Director, the administration has been “really connected with providers since the beginning of the administration. There's a lot of communication across all levels. A lot of input was given about what we need to do...[The New Mexico Child Care and Education Association](#) was incredibly effective and organized...They played a significant role in helping tell the story.”

Recruit Unexpected and Historically Marginalized Messengers

The best messengers are often people who have nothing to gain or lose by promoting a social movement's priorities. Policymakers hear from paid staff of traditional nonprofit advocacy organizations or their paid lobbyists over and over and may come to question their connection to community. It's best if policymakers consider: “Why in the world does this person visiting me—teacher, minister, police officer, school counselor, parent, business CEO, foundation

donor or trustee—care about this issue? She won't make any money, and it won't help her directly. It must matter to ordinary folks.”

Foundations and advocacy coalitions should find and aggressively recruit people beyond the usual, professional advocates and professional lobbyists to support their policy goals and help build public will for increased access to quality child care. For example, in 2017, the W.K. Kellogg Foundation supported the U.S. Chamber of Commerce Foundation in its efforts to inform and activate state and local chambers of commerce and the business community to support high-quality child care as a critical component of the early education system.

In New Mexico, unexpected messengers for early childhood issues included the Pediatric Society, Council for a Strong America, and chambers of commerce (Greater Albuquerque, Hispanic, New Mexico, Santa Fe), and others.

Funders and advocacy coalitions have a responsibility to use their influence and resources to broaden political conversations to include people and organizations who are often left out. The ethos of “nothing about us without us” became more than a slogan in New Mexico. Historically marginalized communities do not want or need foundations or advocacy organizations to speak for them. Instead, they need funders who will support their efforts to build the power of communities to speak on their own behalf (Sabo, et al., 2020).

Leverage National Networks around the Issue

Funders, advocates, and community organizers can leverage national networks in support of child care. The New Mexico Early Childhood Funders Group looked to other states and national models for inspiration and replicable models of effective funding collaboratives. The Alliance for Early Success and Frontera Strategy provided technical assistance to the Funders Group. Funders and advocates can bring national experts to speak to funders and advocates in New Mexico and to testify in front of the appropriate

committees at the Round House. With regard to passing the amendment related to the Land Grant Permanent Fund, 501(c)(4) organizations in New Mexico, like OLÉ and NMVC Action Fund, sought and received funding from the Impact Fellows Action Fund and Community Change Action.

ADOPT A SHARED GOAL THAT REFLECTS INTERESTS OF KEY CONSTITUENCIES

Leaders for improved access to quality child care in New Mexico “organized in a meaningful way that moved people together toward defined outcome goals.” Shared goals must be identified and defined with a reliance on feedback from people and organizations inside and outside government, child care educators and providers, parents, and a review of the relevant research. In considering a long-term goal, players should acknowledge that child care is an essential component of the early childhood and education system, and the fight will be a long game.

BE PATIENT. CHANGE CAN TAKE TIME. EXPECT TO ACHIEVE RESULTS OVER SEVERAL LEGISLATIVE SESSIONS, AND SEQUENCE ACTION ACCORDINGLY.

New Mexico's shared goal is to allocate adequate funding for child care and provide it as a public good. This means providing all families with access to affordable high-quality child care and advancing child care educators in all settings, including home-based settings run by family, friends, and neighbors. All players embracing the shared goal must understand and accept that groups within the “big tent” answer to their own constituencies and will adopt different, but complementary, strategies to meet a shared goal.

DO THE RESEARCH AND PROMOTE ITS FINDINGS

Few issues have garnered comparable support across political parties, across executive administrations, and even between legislative chambers as quality child care. New Mexico has proven that smart and thoughtful people can agree on smart and forward-thinking public policies, if they are grounded in data and have broad public and voter support.

Rigorous research conducted throughout the “long game” is key. Policy work in early childhood in New Mexico has been firmly anchored in the best available research. Policies have been evidence-based and have reflected stakeholder interests. Data build confidence across sectors.

Participatory research has gathered and incorporated feedback from people with lived experience, like child care educators and providers and parents. Policymakers in New Mexico prefer primary research completed in New Mexico over the application of the country’s or another state’s data to the New Mexican context.

Understand and Define Problems and Examine Potential Solutions

Academia, advocates, the business community, legislators and other state policymakers, and philanthropy contributed to research on different aspects of early childhood in New Mexico. Economist Kelly O’Donnell authored an early landscape analysis of early childhood. It was the first comprehensive analysis of early childhood in New Mexico and addressed these topics:

- Issue areas and unmet needs
- Actors, allies, and potential opponents
- Funders and funding sources
- Opportunities to address and momentum
- Costs and return on investment
- Political issues and opportunities for bipartisan efforts and bipartisan consensus

Research can contribute to common understanding. For example, research can help people adopt shared definitions of concepts, such as consensus on definitions of access and quality and how to measure them. Research can define what it means to be an early childhood educator, suggest how educators should be prepared, and suggest how to compensate educators. Research can show policymakers what does and does not work in the state’s efforts to maximize its scarce resources.

WANT TO IMPROVE THE IMPACT OF DATA AND RESEARCH IN THE POLICY ARENA?

See [Exponent Philanthropy’s “Develop and Use Good Data”](#) in the *Advocacy Field Manual for Small-Staffed Funders*.

Generally, rigorous research around issue areas:

- Creates important foundations on which to build
- Provides stable ground on which other funders, policymakers, and stakeholders can stand
- Makes it easier for the issue to be accepted by people on both sides of the political isle
- Lends itself and the associated issue to fewer criticisms
- Facilitates targeted requests for funding from policymakers and other funders

Conduct Evaluation

Evaluation is critical during and after policy reform. As policy reforms kicked in, New Mexico conducted program and project evaluations to ensure programs were being implemented as intended and defined measurable interim outcomes were being met. Previously developed strategic plans should be used to design the evaluations. Evaluations can emphasize

challenges and lessons learned, so that stakeholders can make mid-course corrections.

Evaluations must address return on investment. In New Mexico, policymakers use outcomes data to drive further improvements to child care. Examples of shorter-term outcomes include longitudinal analyses of state and federal spending on child care assistance, average monthly cost of child care assistance per child, child care assistance enrollment, child care educator and center director wages, and parental workforce participation (NMLFC, 2021). Longer-term outcomes can include those related to child welfare, school readiness, reading levels by third grade, and increased workforce participation and productivity.

The impacts of the early childhood department and the influx of state and federal funding will likely be hugely impactful in New Mexico. However, it's going to take time to assess these impacts on the state's children and families. All assessments, including those named above, must consider the impacts of Covid-19, New Mexico's relatively slow population growth, and its declining birth rate, which between 2010 and 2019, fell by 19% (NMLFC, 2021, April).

Build Evidence Base of Programs and Test Innovative Programs

Evaluations and pilots of innovative programs can help to create and strengthen the evidence base for programs and increase the likelihood of expansion and funding from other sources. They are often instrumental in moving policy and obtaining funding from state government. The business community, for example, has demanded measurable outcomes to ensure that investments in quality child care are achieving promised results. Private funders in New Mexico supported evaluations by academic institutions and private research firms and nonprofits for projects such as supplemental pay incentives for child care workers. Often, foundations can support the testing of innovative programs with pilots when government is unable to accept the risk.

Promote the Research and Evaluation

Do not leave research findings lost on a website. Early on, develop a communications plan. While the research is in the field, start planning for the dissemination of its findings. Funders of research can support a champion to carry the message forward and promote research findings to appropriate audiences. If the research firm or university does not excel at promotion, find a communications firm to ensure that the right audiences understand and can apply the research.

“CHILD CARE AFFECTS EVERY FAMILY MEMBER, EVERY BUSINESS. PEOPLE UNDERSTAND THE NEED AND CAN RELATE TO IT ON SOME LEVEL, WHETHER THEY NEED CHILD CARE, THEY’RE EMPLOYING PEOPLE THAT NEED IT, OR THEY’RE AN AUNT, UNCLE, OR GRANDPARENT. IT’S NOT A HARD ISSUE TO EXPLAIN WHEN EDUCATING LEGISLATORS ... IT’S A BASIC ISSUE. EVERYBODY IS TRYING TO NAVIGATE THIS IN ONE WAY OR ANOTHER.”

BUILD BIPARTISAN LEGISLATIVE SUPPORT

Even in states with one political party in firm control, bipartisan support helps to pass reforms, then helps ensure that the reforms last. For many years, the Early Childhood Funders Group continued to be viewed as an honest broker of information regardless of whether there was a Republican or Democratic administration. Foundations within the group remained as independent as possible and were seen as trusted resources for nonpartisan data, research,

and information. To build long-lasting bipartisan support for early childhood, the Legislative Caucus launched with Republican and Democrat co-chairs. “Making sure you have champions on both sides of the aisle is important.”

Suggestions to maintain bipartisan:

- “Listen to and understand as many perspectives as possible. ‘What are the issues that are bothering you? What is the situation?’”
- Determine common issues and start working from there.
- Determine “common themes that are going to bring people together and allow you to build relationships.”
- Understand the motivations and interests of the constituencies to whom elected officials are most accountable, then adopt their language.
- Be patient and continue to build relationships. “Some people are going to be your ‘frenemies,’ and you must continue building those relationships.”

Created during the Martinez administration, the [Early Learning Advisory Council \(ELAC\)](#) is a group that makes recommendations and advises the government and legislature regarding early learning issues in New Mexico. When it began, it encouraged an equal number of members affiliated with each political party to promote bipartisanship. Members included providers of child care, home visiting services, and Pre-K, people from the business community, and state agency staff. The meetings encouraged “different points of view, and it was just a beautiful mess.” The focus was on the shared goal of increasing access to high-quality programs.

After Council meetings, members took the discussion back to their own constituencies. The ELAC allowed agency staff to educate legislators regardless of political party. Many felt that the original ELAC could have been more effective, yet proponents felt it was a good bipartisan venue to send the message out to different groups of people across New Mexico. According to some, relationships were built, which later contributed to achieving goals.

Consistent messaging from multiple voices contributes to traction on both sides of the aisle. In Alabama, effective messages to promote child care include its contributions to brain development, improving equity in rural areas, and achieving outcomes for children, families, and the state. “In Alabama, the magic word, aside from ‘football,’ is ‘workforce.’”

KNOW THE LOCAL, REGIONAL, AND STATE CONTEXT AND USE IT TO YOUR ADVANTAGE

In New Mexico, statewide leaders gathered feedback from diverse constituencies to inform their policy agendas. They collected input from people across the state, tribal communities, parents, child care providers, and other groups and incorporated their perspectives into decisions. Much of this work is relationship-based, especially regarding tribal communities, and “any hiccup can break that relationship. It can break, and it’s very hard to bring it back.”

“IT’S NOT JUST ABOUT SEQUENCING. IT’S ABOUT DOING THINGS IN THE RIGHT ORDER, AT THE RIGHT PACE IN YOUR PARTICULAR STATE.”

In the movement to provide access to affordable quality child care to all families, statewide leaders in government and advocacy must “understand their state, its population, the workforce, the stakeholders, and the movers and shakers of each community. Those are the kinds of people you need to get to know. Part of the state will be able to move forward, and another big part will not be ready.”

In Alabama, DHR solicits feedback from the Child Care Citizens Coordinating Committee, a group

with a broad base of stakeholders. Feedback from this committee allows DHR to gauge opportunities, support, and opposition.

STRENGTHEN THE INFRASTRUCTURE FOR SUCCESS

Develop and Vet a Strong Policy Framework

[*The Business Plan for Early Childhood in New Mexico*](#) is viewed by many in New Mexico as a successful framework and as a key lever in ultimately achieving the Early Childhood Education and Care Department. It was the first time a document positioned early childhood as a system in New Mexico and planted the idea of the department.

To engage government in planning and increase buy-in from government, the plan did not spell out all details of how to move forward. Rather, it described the funding landscape and how to grow it. The plan focused on improving governance as a precursor to requests for additional funding. It offered strategies for improving the early childhood system. It described potential steps New Mexico could follow to strengthen its early childhood system and included metrics and accountability measures. A cost calculator estimated costs and time frames of different assumptions on participation rates, salaries, and many other facets of the early childhood system (capita, 2022). Growing Up New Mexico vetted and promoted the *Business Plan for Early Childhood in New Mexico* to legislators, advocates, community members, and other stakeholders.

Institutionalize the Issue

The creation of the New Mexico Early Childhood Legislative Caucus institutionalized early childhood and policy conversations about the issue at the Round House. Caucuses provide a space for House and Senate leaders, Democrats and Republicans, to safely discuss issues and hash out differences behind the scenes instead of in committee hearing

rooms. Smart scheduling around other meetings during the session encouraged participation in the caucus, and legislation drove discussions. Meetings outside of session can allow caucus members to share perspectives and take deep dives into subjects. To be successful, caucus members must be held accountable or duly rewarded for their votes.

The Early Childhood Funders Group helped to set up and supported the caucus by providing data and research to it, running the logistics and administering the caucus, and inviting relevant stakeholders and agency staff to share information. Representative Rebecca Dow (R) and Senator Michael Padilla (D) were the first co-chairs, highlighting the bipartisan nature of the proceedings.

SEQUENCING MATTERS

New Mexico has been successful in expanding access to quality child care because the state's leaders were thoughtful in sequencing legislation, appropriations, and policy reforms. Programmatic expansion did not happen without research on needs and effective strategies. Funding was not secured until governance reforms were in place to ensure the best use of public funds. Though key players around child care were flexible and ready to pivot in a rapidly changing political landscape, in retrospect, the achievements seem intentionally aligned. Refer to [Appendix 1](#) for New Mexico's timeline.

Accountability, Data, and Measurement

Under Governor Martinez, New Mexico built a framework for data and accountability. Good data are the foundation of accountability for the expenditure of public funds. Accountability and measurable and meaningful outcomes can increase confidence among the public and legislators for increased appropriations.

- The 2011 Early Childhood Care and Education Act ([SB 120](#)) created a State Early Learning Advisory Council to establish a comprehensive early

childhood care and education system through an aligned continuum of state and private programs.

- The 2013 Home Visiting Accountability Act ([HB 333](#)) created a framework for standards-based home visiting, ensuring a level of quality and consistency in home visiting programs across the state. New Mexico's Home Visiting Accountability Act is viewed as a model for other accountability plans and measures.
- The 2018 Child Care Accountability Act ([HB 193](#)) requires a report on outcomes and data to improve its quality rating improvement system and the support it provides to home- and center-based child care providers. Much of HB 193 was incorporated into the new department via SB 22.

These acts set the groundwork for the state to prioritize reporting, provide data on outcomes, and highlight results of government spending for programs for young children. The 2018 act strengthened policy infrastructure and led to increased capacity in child care. Since enacting these three accountability acts for early childhood, New Mexico has been working to ensure that data on performance will be available to policymakers and educators on a real-time basis.

Governance

The New Mexico Early Childhood Education and Care Department

People across the state were frustrated. Key players in early childhood wanted a well-coordinated governance system. Leaders from across the state, particularly in the business community, openly questioned the wisdom of investing in the existing uncoordinated system of governance.

In New Mexico, there were different departments trying to address the same issue, no consistent messaging, no alignment, no databases communicating with each other, no case management processes, and none of the metrics aligned. And so, structurally, we were spending a ton more money per capita than other states and

getting worse outcomes. This was nuts. This was grossly inefficient.

Preliminary work leading to this well-coordinated governance system included the landscape analysis, the framework for accountability, and the development and vetting of the Business Plan that explained benefits of and opportunities for reform. As understanding and momentum grew, key players began to advocate for a consolidated department that focused on early childhood.

FOR A STATE-BY-STATE ANALYSIS AND RANKINGS OF EARLY CARE AND EDUCATION GOVERNANCE SYSTEMS

See BPC's [*Revisiting Integrated Efficient Early Care and Education Systems*](#).

During the 2019 Legislative Session ([SB 22](#)), New Mexico created a stand-alone, cabinet-level department, the fourth of its kind in the United States. The New Mexico Early Childhood Education and Care Department (ECECD), which began in July 2020, oversees New Mexico's home visiting, early intervention, child care licensing and assistance, mixed delivery Pre-K, food and nutrition, quality initiatives and the Head Start State Collaboration Office. The department also has an Assistant Secretary for Native American Early Childhood Education and Care. The accountability acts for early childhood, home visiting, and child care are now the department's responsibility. It must prepare and regularly update a strategic plan and a detailed four-year finance plan, specify outcomes, and provide performance data.

In 2020, as the new department was launching, stakeholders engaged in a year-long process to develop a priority framework for the department. The Hunt Institute facilitated the process and

developed [the final framework](#). Participants, some of whom viewed this process as a “key step” in good governance, included legislators, department secretaries, business leaders, experts in early childhood, and representatives from tribal communities and college and universities.

The cabinet-level department of early childhood in New Mexico has led to improved governance and has had a “domino effect,” helping pave the way for increased public resources devoted to early childhood. It has reduced duplication, increased efficiency, and greatly improved coordination. Like the focus on data that preceded it, the newly focused governance structure has been a critical part of the foundation upon which the state has been able to prioritize and then expand access to quality child care.

The Children’s Cabinet

Children’s cabinets are designed to break down silos across government agencies and service providers to improve outcomes for children and families. They can help maintain children’s issues as priorities for the government, and they can advance a coherent vision for orienting all programs serving children and families (Aspen Institute & Forum for Youth, 2022).

Governor Lujan Grisham revived the Children’s Cabinet (originally created in 2003) in New Mexico in 2019 and elevated it to the executive office. The Children’s Cabinet studies and makes recommendations to maximize outcomes for children and youth under age 21. The cabinet emphasizes collaboration at all levels of government, alignment of efforts with the philanthropic and non-profit community so that the government’s efforts are better coordinated and impactful, creative approaches and partnerships, and information sharing and support from the National Governors Association and other states (Padilla, 2019). The Children’s Cabinet includes the governor, lieutenant governor, and secretaries of

multiple departments. The director of the Children’s Cabinet supervises coordination among every department that touches on the lives of children in New Mexico (Solovitch, 2019).

FOR MORE ON DEVELOPING A CHILDREN’S CABINET

See *[Strong and Sustainable Children’s Cabinets](#)* by the Aspen Institute and Forum for Youth Investment.

Financing

Securing Adequate Funding

Funding for child care in New Mexico may be unique and difficult to replicate, but every state has revenue sources into which it can tap. Ultimately, it’s about political will and priorities. All states can adopt equitable, robust, stable, and durable revenue-generating policies that infuse significant, additional public investment into increasing access to quality child care. States should find creative opportunities to expand funding, not supplant funding for public education or health and human services.

“Sometimes, governments make the mistake of thinking that an effective organization will result in effective programs and practices, but early childhood programs, and specifically child care, have been historically underfunded forever” in New Mexico. Hence, initial efforts in New Mexico focused on adequately funding its early childhood system.

The Early Childhood Trust Fund: A Dedicated Fund to Early Childhood

“THERE WAS BROAD SUPPORT FOR THE EARLY CHILDHOOD TRUST FUND [FROM THE BUSINESS COMMUNITY] AND OTHERS. IT IS BASICALLY A SAVINGS ACCOUNT WITH SURPLUS REVENUES DEDICATED TO EARLY CHILDHOOD. WE THOUGHT IT WAS A FISCALLY RESPONSIBLE THING TO DO.”

After years of improving the collection and use of data and creating the new department, New Mexico was ready for the big lift. Business, parents, legislators, and the governor agreed it was time to act on securing a stable and consistent source of funding for quality child care.

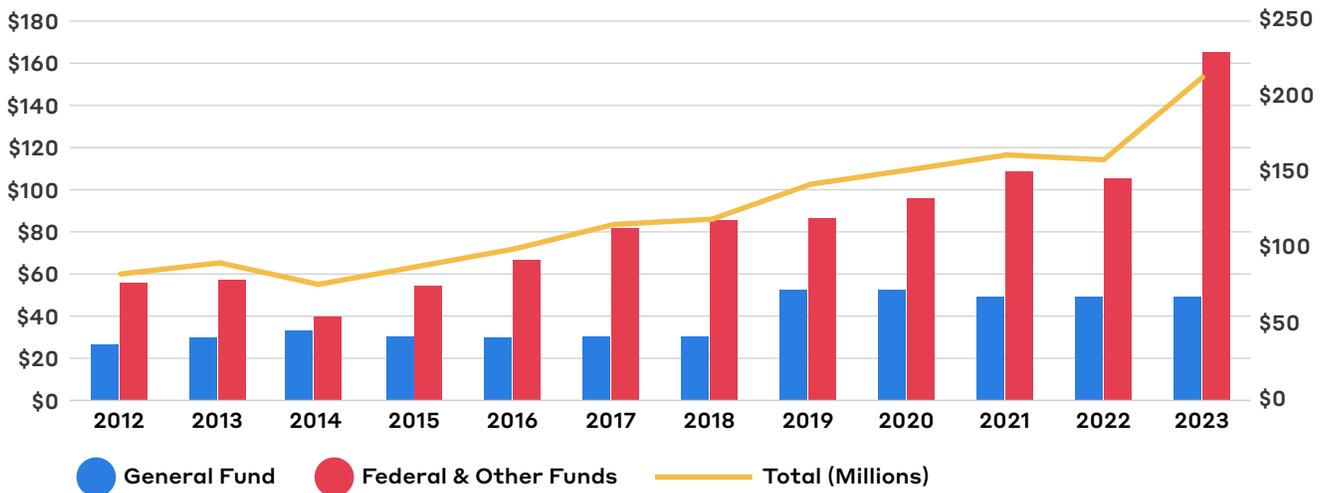
In 2020, [HB 83](#) established the Early Childhood Trust Fund with an initial appropriation of \$300 million. The program provides a stable funding source to

augment federal funds for prenatal-to-five services and the state’s annual appropriations to the Early Childhood Education and Care Department (ECECD) (Zero to Three, 2020). It receives energy-related tax collections in years when total state cash reserves exceed 25% of spending levels. The Trust Fund is one of the first of its kind in the United States. In Fiscal Year (FY) 2022, the fund distributed \$20 million to the ECECD. After FY22, the Trust Fund will distribute the greater of \$30 million or 5% of the 3-year average of the fund to the department (Office of the Governor, 2020). The Early Childhood Trust Fund is growing due to increasing oil and gas revenues, and legislators can decide to invest these funds in child care.

Increased and Recurring Appropriations for Child Care

Figure 1 depicts increased funding for child care in New Mexico. Since 2012, total Child Care Assistance appropriations increased from \$82.9 million to \$214.8 million. The American Rescue Plan Act (ARPA) of 2021 Child Care and Development Fund (CCDF) Discretionary Supplemental Funds added a surplus of \$62 million to the child care assistance budget. Within the total, federal and other funding almost

Fig 1. Appropriations (in Millions of Dollars) for Child Care Assistance Direct Payments by Funding Source, New Mexico, 2012-2023



Source: NM Legislative Finance Committee. *Legislating for Results: Post-Session Review, 55th Legislature, Second Session, April 2022*, Appendix P. Other funds include: OSF, USDA Employment & Training, Temporary Assistance for Needy Families (TANF), ARPA, and CCDBG.

tripled, and General Fund allocation toward Child Care Assistance almost doubled (\$26.8 million to \$49.5 million) (NMLFC, 2022).

WANT TO REFORM CHILD CARE FINANCING IN YOUR STATE?

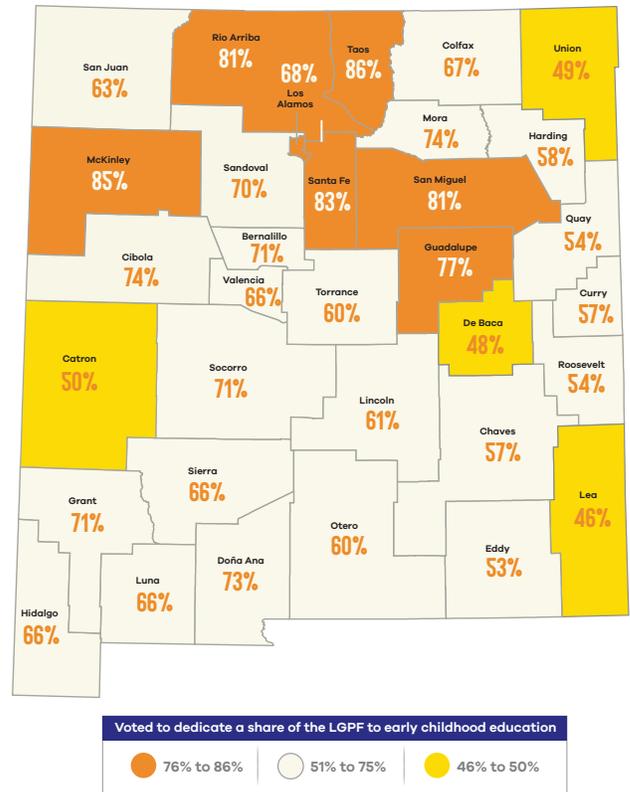
For ideas and strategies, see *Build Stronger: A Child Care Policy Roadmap for Transforming our Nation's Child Care System* by the Alliance for Early Success.

Recent policy changes have been funded by Child Care and Development Fund (CCDF) and ARPA/ Coronavirus Response & Relief Supplemental Appropriations Act (CRRSA) dollars to expand access and increase rates. New Mexico took the wise step of using federal funds to invest in system reform, not in non-recurring grants to child care programs like many other states. Moving forward, the early childhood system will need additional revenues from the Early Childhood Trust Fund or the General Fund to sustain the policy changes. With meaningful accountability measures in place and a consolidated department, legislators will likely have greater confidence in passing appropriations and securing sustainable funding sources for child care.

Tapping into the Land Grant Permanent Fund: Moving toward Early Childhood Education as a Public Good

The New Mexico Land Grant Permanent Fund, at around \$25 billion, is one of the largest sovereign wealth funds in the world. It grows annually based on a rolling five-year average, which protects the fund from drops in the stock market and reductions in oil and gas revenues. The state currently distributes 5% of the fund, annually, to the New Mexico Public Education Department and 20 other public institutions (Dunlap, 2022).

In 2021, the New Mexico legislature approved a constitutional amendment that permitted the state to tap its Permanent Land Grant Fund (LGPF) for early childhood education and at-risk children. In November 2022, 70% of voters chose to devote an additional 1.25% of distribution of the Land Grant Permanent Fund to these issues. For early childhood education, that's more than \$125 million a year.



Voters in New Mexico went to the polls to demonstrate their support for early childhood education and care. The map shows a strong majority of voters in counties across the state supported the amendment. In only 4 counties, less than a majority of voters (46% to 50%) supported the amendment. In 8 counties, over 75% of voters supported the amendment.

With 70% approval statewide in New Mexico, policymakers can expect more Americans to vote for early childhood education and care in other

states in the coming years. That electoral tailwind will come via support for ballot measures or in support of candidates who work to expand access to quality child care for all families. For over 10 years, legislators, child care advocates, and community organizers worked to achieve stable and consistent funding for early childhood education and care. Now an executive was in place who agreed. Governor Lujan Grisham publicly supported the amendment when it mattered most.

The New Mexico Legislature must choose to sustain the Permanent Land Grant Fund's dedication of funds to early childhood. They must also approve gains made in recent years, like increased subsidies, expanded eligibility, and waiving of co-pays. This support will be put to the test. The 2023 legislative session will be the first time that the Lujan Grisham administration asks for the state's General Fund to support child care (E. Groginsky, personal communication, Nov. 16, 2022).

In 2010-2011, New Mexico Voices for Children conducted initial research for tapping into the LGPF. New Mexico Voices for Children and their partners provided extensive public education through media events over the years that built support for the policy, both to get the amendment through the legislature and approved by voters once on the ballot. "Base-building" began a decade ago, and community organizers used their broad networks on a host of other issues, like completing the Census, to build their base for early childhood issues, including child care.

Overwhelming voter support for early childhood education and care is not an accident. Long-term organizing built a statewide base of early educators and parents who led the fight, filling earned and paid media with the faces and stories of real New Mexicans who would benefit from the measure's passage. Staff and countless volunteers knocked, called, and texted potential voters to remind them not to skip the question on the ballot. Community organizers and advocacy organizations filled

the digital sphere with their video testimonies and "I Voted" photos (M. Henderson, personal communication, Nov. 10, 2022). OLÉ, New Mexico Voices for Children, the [Center for Civic Policy](#), [Semilla Strategies](#), and others were key in the successful campaign. Key funders included the W.K. Kellogg Foundation and the Raising Child Care Fund.

"A GOOD IDEA IS NOT ENOUGH TO MAKE CHANGE. OLÉ HAD A STRATEGY TO BUILD POWER."

Successes could not have happened without aligned c3 and c4 work. The early and consistent work of community organizers positioned aligned 501(c)(4)s to unseat obstructionist legislators in 2020 who kept the amendment off the ballot for 10 years.

Building Child Care Capacity

Build Capacity before Expanding Access

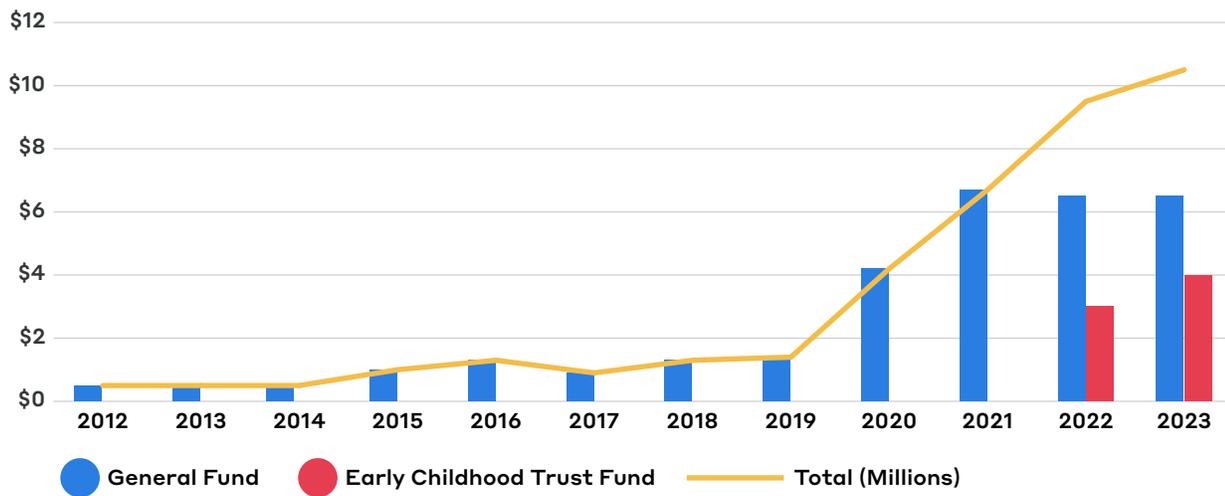
New Mexico understands that without a child care supply, expanded eligibility is irrelevant at best and frustrating for working parents at worst. For years, the state has aggressively invested in supporting the child care workforce, in stabilizing child care providers, and in building a strong system of home-based child care. While more work needs to be done to ensure that supply meets growing demand, New Mexico is building capacity as fast as it can.

More Money, Education, and Training for the Child Care Workforce

Child care educators are historically under-paid and under-appreciated. Child care educators often work for poverty wages and operate in high-poverty communities where parents simply cannot afford to pay for quality child care.

Supporting the early childhood workforce is key to expanding quality child care. Without staff, there is no child care. Without well-trained and well-compensated staff, there is no quality child care. Post-

Fig 2. Appropriations (in Millions of Dollars) for Early Childhood Professional Development by Funding Source, New Mexico, 2012-2023



Source: NM Legislative Finance Committee. *Legislating for Results: Post-Session Review, 55th Legislature, Second Session, April 2022, Appendix P.*

pandemic, support for the workforce added urgency as providers struggle to find and keep staff. In New Mexico, General Fund allocation to Early Childhood Professional Development increased by 12 times since 2012. Total allocation, including the Early Childhood Trust Fund, has increased by 20 times (Figure 2) (NMLFC, 2022).

THE “WORKFORCE IS THE BIGGEST BARRIER TO GROWTH. THERE’S A LOT OF OPPORTUNITY TO BE MORE CREATIVE AND INNOVATIVE” WHEN ADVANCING THE WORKFORCE.

New Mexico has expanded the pipeline to train and prepare a highly effective early childhood workforce. For example, the Thornburg Foundation and its partners established an early childhood educator mentorship program at Central New Mexico Community College (CNM). From 2015 to 2018, private philanthropic funds supported the

planning, creation, and growth of the professional development program for early educators at CNM. This led to funding to create and grow CNM’s Early Childhood Mentorship Network, which encompasses a credentialing process and stipends for mentors. The state created sustainable funding streams for professionalization.

Accomplishments (noted in [Appendix 1](#). Timeline) that advanced the workforce include private, philanthropic investments to:

- Endow early childhood faculty positions.
- Revise the early childhood teacher preparation system through the Higher Education Task Force. Revisions included creation of practicum guidelines and awarding higher education credit for training completed.
- Establish early childhood teacher residency models and apprenticeship and mentorship programs at colleges and universities in New Mexico.
- Increase number of bilingual early childhood educators through a degree and bilingual certification pathway.

State investments that advanced the workforce include:

- Incentives for college students to complete their program in early childhood or infant family studies.
- Incentives for early childhood educators who receive certification in Teaching English to Speakers of Other Languages (TESOL) or tribal certified.
- One-time \$1,500 payments to child care workers in New Mexico to support those who provided services through the pandemic.

Following New Mexico's example, other states can:

- Develop a salary scale for early childhood educators and program directors (including benefits) that is aligned with the professional designations included in the state's career ladder and with compensation levels commensurate with other professions requiring similar education levels and responsibilities. Use this to drive advocacy, subsidy rate levels, and revenue strategies.
- Institute salary parity when early childhood educators have the same or similar education requirements and job responsibilities as K-12 teachers, regardless of where the work takes place. In New Mexico, the state created the [Competitive Pay for Professionals Grant](#). The application to this grant program is built into the licensing system, and providers who take up the opportunity will see a \$3 an hour wage increase for all their employees. Early childhood professionals in New Mexico could see their pay levels increase by more than \$6,000 per year under Governor Lujan Grisham's plan that will use federal relief funds, at least for now, to pay for the salary bumps (Boyd, 2022; Brown, 2022).
- Secure public investment specifically for educators' compensation and benefits.
- Invest in educators' career and educational advancement, especially for educators of color and multilingual educators (Wat, 2020). In New Mexico, in 2021, the W.K. Kellogg Foundation provided funding to the New Mexico Early Childhood Education and Care Department.

With this funding, the ECECD will address the early educator shortage while also preserving and enhancing quality early education services for children by increasing the number of bilingual early childhood educators in New Mexico through an Associate in Arts degree and bilingual certification pathway. The current administration is helping to create the early childhood bilingual certificate and has offered one-time incentives for bilingual educators and for early childhood educators who are TESOL or tribal certified.

**WANT MORE
INFORMATION ON
SHORT- AND LONG-TERM
STRATEGIES TO ADVANCE
THE CHILD CARE
PROFESSION?**

Read [Build Stronger: A Child Care Policy Roadmap for Transforming Our Nation's Child Care System](#) by the Alliance for Early Success.

To promote opportunities in the workforce, the Lujan Grisham administration launched the Developing Futures multimedia campaign, which highlights early childhood professionals in the prenatal to five system. According to state government officials, for the multimedia campaign to succeed, there must be competitive pay for child care educators.

Stabilizing the Industry and Building Child Care Supply

The state applied ARPA funding to build capacity among child care providers. These early investments are the basis for long-term systemic improvements, not one shot non-recurring grants seen in many other states. In 2021, the New Mexico Early Childhood Education and Care Department (ECECD) invested \$157 million to stabilize the child care Industry in New Mexico. The funds went to 1,004 qualifying child care businesses across the state, constituting

one of the largest investments in early care and education in New Mexico history. This funding helped stabilize child care businesses still reeling from the economic impact of Covid-19, improved recruitment and retention of child care educators, grew child care capacity, and increased access to quality child care for New Mexico families (NMECECD, 2022).

The ECECD moved quickly to create a formula to equitably distribute these relief dollars, considering provider type, licensed capacity, continued operation during the pandemic, quality level, availability of infant and toddler care, and the location of businesses using the Centers for Disease Control and Prevention Social Vulnerability Index. The department created an online portal to provide a streamlined application process, which opened in fall 2021. ECECD received applications from providers in all 30 counties where there are child care programs. Providers receiving grants included licensed centers, large family child care homes, family child care homes, and registered homes that were open or temporarily closed as of March 11, 2021 and in good standing with Child Care Licensing (NMECECD, 2022).

In 2022, the administration announced \$10 million in grants to build child care supply. The purpose of the new funding is to build high-quality child care supply throughout New Mexico, especially in child care deserts, where demand for care far outpaces capacity. The New Mexico Child Care Supply Building Grant provides funding for licensed child care providers to expand existing programs and encourage statewide businesses to create or expand child care for their employees. This grant will create an estimated 800 child care slots across the state.

Expanding Access

FOR THE SUPPLY OF, POTENTIAL NEED FOR, AND GAPS IN CHILD CARE ACROSS THE COUNTRY

See BPC's [*Child Care in 35 States: What we know and don't know.*](#)

The waiving of co-pays and expanded eligibility will continue to help families secure child care. From August 2021 to April 2022, the state waived copayment for families up to 200% of the Federal Poverty Level (FPL) (E. Groginsky, personal communication, Nov. 16, 2022). Also, in 2021, using ARPA funds, New Mexico raised the Child Care Assistance income eligibility from 200% FPL to 350% FPL with a phase-out at 400% FPL, meaning a modest increase in income won't cause families to lose access to assistance. The median household income in New Mexico is \$51,243, and most young children in New Mexico live in households at or below 400%, or \$111,000 a year for a family of four.

In April 2022, the governor announced that New Mexico, relying on federal relief dollars, will waive child care subsidy copays and expand eligibility to provide a year of free child care to virtually every child in the state. It's the first state to offer no-cost care to almost all its young children. The benefit covers families earning up to 400% FPL. Officials estimate both changes will make child care free for a total of 30,000 families (Parks, 2022, April). These qualifying families temporarily pay no out-of-pocket costs for child care.

Improving Quality and Increasing Access: You Can Have It Both Ways

If states do not pay child care providers the actual cost of providing child care, quality child care is impossible. New Mexico understands that expanding child care without a focus on quality is a bad investment. The state is choosing to expand access at a higher cost because it is choosing to not sacrifice the quality of child care for the sake of more slots. New Mexico is proving that states that focus on quantity and quality can expect the biggest returns in family engagement, workforce participation, and positive outcomes for kids. A key component of the emerging New Mexico model is the recognition that current investments in providers were insufficient and had to be transformed, particularly for those providers offering services in the state's poorest communities.

WANT TO MAKE THE CHILD CARE SUBSIDY SYSTEM MORE EQUITABLE AND EFFECTIVE IN YOUR STATE?

See [*Assessing Child Care Subsidies through an Equity Lens*](#) for policy strategies.

Child care subsidies provide financial assistance to help make child care more affordable for low-income families with parents who are working or enrolled in education or training programs. According to the Prenatal-to-3 Policy Impact Center, New Mexico is a leader in implementing an affordable child care subsidy program for families based on its high eligibility threshold, [use of a cost-estimation model](#), and significant efforts to lower family costs over the last year. The state has the highest eligibility threshold in the country as measured by the percentage of the state median income (Prenatal-to-3 Policy Impact Center, 2022).

In New Mexico, the administration acknowledged the significant underfunding of the child care system before the pandemic. They knew they had to strike a delicate balance of providing expanded eligibility and building child care capacity during the national shutdown.

TO BETTER UNDERSTAND COST MODELS AND HOW THEY CAN BE USED AS A TOOL TO SECURE NEW FUNDING

See BPC's [*Using Cost Modeling to Design New Solutions for Child Care*](#).

In 2021, New Mexico shifted its method of calculating reimbursement rates for child care providers who participate in the state-supported child care subsidy system. Historically, the state paid providers what their low-income parents could afford to pay. Often this market rate was less than the actual cost of providing quality child care. Under the new system, the state reimburses providers for the actual cost of doing it right—allowing providers to afford to offer quality child care.

As of fall 2022, only Delaware, the District of Columbia, New Mexico, and Virginia are using cost estimation models to set their reimbursement rates (Prenatal-to-3 Policy Impact Center, 2022; Rodel, 2022). In New Mexico, this model is applied to providers in all child care settings. The increases in subsidies deriving from the new model allow businesses to better provide high-quality education and care and better able to staff their classrooms with credentialed and well-compensated professionals. Kids, parents, employers, and taxpayers all benefit from the improved investments.

New Mexico's decision to both set its reimbursement rates at the actual cost of care and expand eligibility up to 350% FPL and then 400% FPL is

key to increasing both capacity and access. It is the combination of these two policy changes and the waiving of parent copayments that provide child care operators the amount of revenues they need to break even while supporting higher wages for their staff. The state used \$12.10 as the floor wage in its cost model, which is why the state needed to implement the [Competitive Pay for Professionals grant](#) to allow child care providers to better compete with almost all other industries paying \$14 to \$17 per hour for entry-level positions (E. Groginsky, personal communication, Nov. 16, 2022).

THE COMBINATION OF SETTING REIMBURSEMENT RATES AT THE ACTUAL COST OF CARE AND EXPANDING ELIGIBILITY UP TO 350% FPL AND THEN 400% FPL IS KEY TO INCREASING BOTH CAPACITY AND ACCESS.”

Efforts to expand access to and improve the quality of child care have been embraced by many for-profit providers. New Mexico chose to partner with and support “private pay” providers as a key component of an expanded publicly funded or subsidized market. In the long term, the client base of these private-pay providers can grow, even as number of families who need to pay on their own may dwindle.

“YOU CAN’T KEEP EXPANDING ACCESS TO A SYSTEM THAT IS BROKEN AND UNDERFUNDED. YOU CAN, BUT YOU’RE NOT GOING TO GET BETTER RESULTS.”

SOLIDIFY GAINS MADE WITH FEDERAL FUNDING

The federal Child Care and Development Block Grant has long been a backbone of funding for child care in New Mexico. Both Presidents Donald J. Trump and Joe Biden significantly increased federal support for child care assistance for working families. New Mexico and other states received additional hundreds of millions in federal assistance for child care during the pandemic. Without these funds, even more of New Mexico’s child care providers would have closed as a result of Covid-19.

With this massive influx of new child care funding, states had a choice to make. States could choose to spend the money on one-time, non-recurring strategies like emergency grants to child care providers teetering on the brink of closure. Or state leaders could use the federal funds as a lever for long-needed policy reform. Even in crisis, improvement is possible.

In consultation with child care providers and employers, the Lujan Grisham administration took a strategic approach and used its regulatory powers to both save child care and prepare it for a more stable and equitable future. Instead of spending scarce funds on one-time expenses, the Lujan Grisham administration applied New Mexico’s share of federal Covid-19 relief funds (\$436 million) to transform the child care industry and expand capacity (Parks, 2022, Nov.).

These efforts to maximize federal funds to plant seeds for permanent systemic reform ensure that one-time federal investments will have a long-term impact. Advocates, like New Mexico Voices for Children, are encouraging “lawmakers to use this additional funding to continue the expansion of child care assistance once the federal funds expire.” They request that lawmakers not use these new funds to replace or supplant existing funds for cradle-to-career education (A. Wallin, personal communication, Nov. 9, 2022).

Alabama has built on the successes of federal funding. Several initiatives promoting quality and increased access initially supported by federal dollars are continuing after federal dollars are exhausted.



Next Steps: Bringing the Transformation Home

SUCCESSSES OF NEW MEXICO AND ALABAMA ARE REPLICABLE

Like any state, New Mexico and Alabama are unique. Their politics and communities have made child care reform possible. Their demographic transformations and economies have made child care reform critical. The pandemic fundamentally changed how child care is delivered in all states. The people, leaders, and business community in New Mexico and Alabama chose to use this tumultuous period to expand access to child care for all its children. Much of this success is replicable.

Policymakers everywhere can learn from New Mexico and Alabama. While the specifics of some policies and reforms may be most suitable for New Mexico or Alabama, the process of transformation provides examples and lessons for leaders in other states and localities. Leaders must be patient and understand that undertaking even one of these lessons may be considered significant instrumental change in some states. There is no wrong way to implement lessons from New Mexico and Alabama, only the way most

suitable for each state and its own politics, economy, and communities.

PUT COMMUNITY IN THE DRIVER'S SEAT

While the state's leaders get much deserved credit, the people of New Mexico and Alabama drove efforts to expand child care access. Business groups, child care educators, community organizers, parents, and others demanded big change, not just internal governance reform. Grassroots and grasstops leaders demanded quality child care and provided political leaders with a mandate for action. Communities across New Mexico and Alabama remind elected officials that quality child care is a public good. In New Mexico, electoral results show that significant numbers of voters support public funding for early childhood education and care.

HAVE A PLAN AND SEQUENCE REFORMS ACCORDINGLY

New Mexico and Alabama have been successful because they have been methodical. New Mexico's leaders had a vision for improving access to quality child care that was grounded in data and accountability. The business community came on board with support for improved government coordination and efficiency. Better governance paved the way for expansion of access and bold new support for child care educators and providers. Real world implementation engaged communities, and in turn voters supported increased funding for early childhood care and education.

FIGHT TO KEEP CHILD CARE BIPARTISAN

Early childhood education, including child care, has long been bipartisan in New Mexico and Alabama. The last decade has seen progress on expanding access to quality child care under multiple administrations. In New Mexico, these administrations were Republican and Democrat. Broad voter support for sustainable funding for early childhood education and care in New Mexico suggests that child care is an issue that plays well with conservative and progressive voters.

PAY PROVIDERS FOR ACTUAL COST OF QUALITY CHILD CARE

In 2021, New Mexico shifted its method of calculating reimbursement rates for child care providers. Instead of paying providers, particularly those in low-income communities, an artificially low market rate, the state began to pay providers for the actual cost of quality child care. This seemingly obvious, but critically important, measure positioned the state to help transform its entire system toward quality and will enable providers to better compensate staff.

INVEST IN WORKFORCE AND BUILD CAPACITY

Despite years of investment and effort, all states are struggling to maintain child care capacity in the wake of the pandemic. Growth of capacity is limited by the availability of a trained and well compensated workforce. New Mexico and Alabama are no exceptions. New Mexico is a test case for expanding the capacity of the child care sector to deliver quality child care while simultaneously expanding access to more families. To pay educators and provide quality child care require that the state pay providers for the actual cost of quality child care. States and localities looking to expand access to quality child care must start early and invest heavily to build child care capacity and recruit and retain the workforce necessary to provide the child care for which families are now eligible.

CREATE A RESPONSIBLE AGENCY OR STATUTORILY REQUIRE THAT RESPONSIBLE AGENCIES COORDINATE

The New Mexico transformation of child care may not be feasible in some states for a host of reasons. Regardless, the New Mexico story offers interesting lessons for states where expansion of eligibility may be a longer-term proposition. The consolidation and enhanced efficiency of state agency control of child care is a practical step that could be undertaken under a variety of political circumstances. New Mexico built confidence in expanding quality child care by first making sure that the government agencies managing programs were coordinating and not duplicating efforts. In Alabama, under Governor Ivey's leadership, the Department of Human Resources and the Department of Early Childhood Education closely collaborate and engage in formal partnerships.

VOTERS WILL LIKELY SUPPORT SUSTAINABLE FUNDING FOR QUALITY CHILD CARE

Finally, in what is perhaps most transformational of all reforms, the people of New Mexico have supported state investments for improving the early childhood and education system. Through the ballot box, the state made a long-term commitment to its children. Now, New Mexico can purposefully build a quality system of child care, a well-trained and well-compensated child care workforce, and the economy it will need to remain competitive in the challenging years ahead.

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Appendix 1. Timeline for New Mexico

Timeline of Achievements and Policy Wins related to Child Care and Child Care Workforce in New Mexico, 2011-2022

ACHIEVEMENT
2011
Susana Martinez becomes governor.
SB 120 . Early Childhood Care and Education Act creates a State Early Learning Advisory Council to establish a comprehensive early childhood care and education system through an aligned continuum of state and private programs.
NM Voices for Children first proposes tapping into Land Grant Permanent Fund to pay for early child care and education programs.
2014
NM Early Childhood Development Partnership (NMECDP) created w/ funding from W.K. Kellogg Foundation. NMECDP (now Growing Up NM) was a public-private partnership devoted to creating public awareness and political will for ECE programs in NM.
NM Early Childhood Funders Group created.
Thornburg Foundation & W.K. Kellogg Foundation support research by NMECDP for Child Care Accountability Act and sustainable funding sources for EC programs.
SB 252 . Early Childhood Care and Education Act introduced (not passed) was to develop legislative recommendations to improve accountability for EC education & care: defining goals of EC care & education system, planning to measure progress, and recommending licensure requirements for providers, strategies to improve workforce capacity, and administration of EC system.
2015
Thornburg Foundation supports Growing Up NM to analyze best practices in other states' EC governance models .
To strengthen workforce, Thornburg Foundation supports research on workforce and establishment of apprenticeship & mentorship programs at higher ed institutes (NMSU, Western, UNM, CNM).
Economist O'Donnell completes NM's first EC landscape analysis.
HM 92 . Requests a task force and report on cost & implementation of USHHS guidelines and recommendations for eligibility, level of subsidy, and parental copayments under federal Child Care & Development Fund program (NCSL).
2016
Thornburg Foundation supports mentorship & apprenticeship programs and social-emotional learning research at UNM to inform teacher preparation.
2017
With philanthropic support, Early Childhood Legislative Caucus established. Senator Michael Padilla (D) and Rep. Rebecca Dow (R) are first co-chairs.
Thornburg Foundation supports workforce by expanding mentorship/apprenticeship programs and funding external evaluators to build evidence base for teacher preparation and curricular pathways.

<p>SM 23. Requests Dept. of Children, Youth and Families to convene a task force to study how to increase communication, coordination, & collaboration among EC service providers (NMLEGIS).</p>
<p>HB 394. Relating to kinship guardianship; amending caregiver's authorization affidavit to include preschool care (NMLEGIS).</p>
<p>2018</p>
<p><i>Business Plan for Early Childhood in NM</i> completed w/ support from NM Early Childhood Funders Group.</p>
<p>HB 193. Child Care Accountability Act enacted, paving way to improve accountability for child care. Annually, Children, Youth & Families Dept. will report on outcomes and use data to improve its quality rating improvement system and support it provides to home- and center-based child care providers.</p>
<p>2019</p>
<p>Michelle Lujan Grisham becomes governor.</p>
<p>SB 22. Creates Early Childhood Education and Care Dept. (ECECD), transfers EC-related functions of state agencies & personnel, functions, money, appropriations, or property, and contractual obligations to new dept. (NCSL).</p>
<p>2019 Legislative Session saw historic funding gains for EC. Appropriations for EC programs from FY19-FY20 increased \$45M, or 16%. This outpaced 11% overall increase to state's budget. Increases included \$10M for child care and \$3M for EC scholarships & wage supplements (Start Early, 2019).</p>
<p>Governor Lujan Grisham revives the Children's Cabinet and elevates it to executive office.</p>
<p>2020</p>
<p>NM Early Childhood Education and Care Department (ECECD) launches.</p>
<p>ECECD publishes <i>NM Early Childhood Needs Assessment</i>.</p>
<p>HB 2. Funding for mentoring and scholarships expands dramatically.</p>
<p>HB 83. Early Childhood Trust Fund established w/ initial appropriation of \$300M.</p>
<p>Wage supplement program expands. EC educators making less than \$16 an hour are eligible to receive supplement.</p>
<p>Governor announces measures to safeguard against COVID-19 and strengthen insurance protections for New Mexicans, including offering free treatment coverage to child care workers diagnosed w/ COVID-19, by adding uninsured child care workers and their immediate household members to state's high risk insurance pool.</p>
<p>ECECD provides \$700 one-time payments for full-time and \$350 for part-time providers. ECECD also pays providers based on Feb. 2020 enrollment until June 30, 2020 and provides \$200 incentive for every contract. ECECD waives parent copayments from March-June 2020.</p>
<p>2021</p>
<p>ECECD publishes <i>NM Early Childhood Strategic Plan 2021-2024</i>.</p>
<p>HB 2. Increases funding by nearly \$26M for Pre-K, HV, child care professional development and retention, early intervention. Most increases are funded through Early Childhood Trust Fund.</p>
<p>Thornburg Foundation supports Fast Track workforce preparation and residency model to strengthen child care workforce.</p>
<p>NM Early Childhood Funders Group and Hilton and Stranahan Foundations support development of Registered Apprenticeship Program at Santa Fe Community College.</p>
<p>Administration enacts a one-time bilingual incentive (\$1,500) for any EC educator who receives certification in TESOL or is tribal certified.</p>

W.K. Kellogg Foundation provides funding to ECECD to address early educator shortage and preserve and enhance quality EC services for children by increasing number of bilingual EC educators through a degree and bilingual certification pathway.

[HJR 1](#). Joint resolution passes to put Land Grant Permanent Fund on Nov. 2022 ballot.

Using ARP funds, NM raises [Child Care Assistance income eligibility](#) from 200% FPL to 350% FPL w/ phase-out at 400% FPL, meaning a modest increase in income won't mean losing access to assistance.

[Cutting-edge cost estimation model](#) to set new child care subsidy rates paid to providers, increasing payments to providers in all settings. Increases allow businesses to better support true costs of providing high-quality child care and better able to staff their classrooms w/ credentialed & well-compensated professionals.

[ECECD invests \\$157M](#) to stabilize NM child care Industry. Grants funded by ARPA to help NM child care businesses recruit & retain staff and recover from pandemic.

ECECD began accepting applications for [one-time \\$1,500 payments](#) to child care workers in NM to support those who provided services through pandemic. Payments are funded by nearly \$18M in pandemic relief funds awarded to state. An estimated 11,500 child care workers (administrators, teachers & support staff such as bus drivers and cooks) are eligible.

2022

[SB 118](#). Bill was tabled in committee and did not become law. It would have removed "early" from "early childhood education" and broadened uses for Early Childhood Trust Fund.

[SB 140](#). NM Opportunity Scholarship Act makes college tuition-free for most New Mexicans and establishes most wide-reaching tuition-free scholarship program in U.S.

[SB 38](#). Clarifies ECECD's responsibilities for infants, toddlers, & children w/ developmental delays, authorizes ECECD to perform criminal history investigations for child care facility licensure.

Using federal relief dollars to increase access to child care, state waives child care subsidy copays, making child care free for one year for nearly all residents.

Administration opens [\\$10M grant to build child care supply](#) in NM. Purpose is to build high-quality child care supply, especially in child care deserts, where demand for care far outpaces capacity. W/ funding from ARPA Child Care Stabilization Administration Funds, grant will provide funding for licensed child care providers to expand existing programs and encourage statewide businesses to create or expand child care for employees. Grant is estimated to create 800 child care slots.

To expand state's EC workforce, state launched a program offering stipends of up to \$2,000 per semester for students enrolled in ECE programs at state colleges & universities. An estimated 3,600 students will receive this benefit, plus one-time payments of \$1,500.

In FY22, ECECD receives \$20M from Early Childhood Trust Fund (ECTF). In FY23 ECECD receives \$30M from ECTF. ECECD's budget request from the ECTF includes a tribal investment strategy for early learning.

[Competitive Pay for Professionals grant](#): Governor announces competitive pay for child care professionals, w/ grant application built into NM's licensing system. Providers must choose to take up opportunity to be reimbursed by state. All employees (cooks, janitors, administrators, teachers) can receive a \$3-an-hour wage increase.

[70% of voters support](#) a constitutional amendment to devote an additional 1.25% of distribution of Land Grant Permanent Fund to help support EC care and education & at-risk students in NM.

Appendix 2. Timeline for Alabama

Timeline of Achievements and Policy Wins related to Child Care and Child Care Workforce in Alabama, 2011-2022

2011
<p>Robert Bentley is sworn in as 53rd Governor. During Bentley’s tenure (2011-2017), investments in First Class Pre-K grow from \$18.3M to \$63.5M (Ross, 2019).</p>
<p>Alabama Early Childhood Advisory Council conducts needs assessment to assess capacity and effectiveness of EC workforce. It shows a lack of alignment between 2- and 4-year institution programs leading EC students to lose credits, take duplicative courses, and lengthen their time to degree completion (Ross, 2019).</p>
<p>Alabama’s Ages & States Questionnaire (ASQ) promotes a reliable and valid developmental assessment on children at appropriate intervals. The Help Me Grow program, managed by Alabama Partnership for Children, has built out the program. Families can obtain free developmental screening for their children through pediatric and obstetric practices. Because centers are buying into the enhanced ASQ, Alabama’s developmental screening numbers are now in 2023 higher than U.S. average. ASQ is a required component of First Class Pre-K.</p>
2012
<p>Pre-K Task Force is formed. As part of Pre-K expansion plan, Alabama School Readiness Alliance (ASRA) Pre-K Task Force includes 40 leaders from across the state in business, education, medical, legal, philanthropic, military, and child advocacy communities (Ross, 2019).</p>
<p>The Pre-K Task Force releases its recommendation for a 10-year “business plan” for Pre-K expansion. Plan is informed by a cost study authored by National Institute for Early Education Research (Ross, 2019).</p>
<p>SB 60. DHR implements new background check policy for child care providers, which requires all new employees and volunteers to undergo a criminal background check before they can work with children.</p>
<p>HB 560. Increases funding for Children First Trust Fund. Alabama Child Care Management Agencies to fund child care programs using trained, qualified, and licensed child care facilities. These child care providers shall have specific emphasis on early intervention and nutrition services.</p>
2014
<p>DECE begins supporting DHR in implementing federally funded Early Head Start–Child Care Partnership (EHS-CCP) grant by providing specialized coaches who meet standards set forth by Administration of Children and Families through updated Head Start Performance standards. DECE provides TA to 10% of classrooms included in EHS-CCP grant (Ross, 2019).</p>
2015
<p>Inaugural Early Educator Workforce Summit expands upon work of previous groups to define possible solutions and steps to build strong transfer pathways, or articulation agreements, for EC majors across Alabama (Ross, 2019).</p>
<p>HB 233. Expands duties of DECE Secretary’s duties to include development of a cohesive and comprehensive system of high-quality early learning and care and coordination with regulatory division for licensing of child care centers and with administration of U.S. child and adult care food programs at child care centers participating in Pre-K program.</p>
2016
<p>Executive Order 17. Creates Alabama Children’s Cabinet to serve as an advisory body in formulating policies, encouraging innovation, and discussing issues critical to needs of Alabama’s children. Cabinet will align systems of children’s programs and services, creating a unified and cohesive delivery of services through a comprehensive approach.</p>

2017

Kay Ivey is sworn in as the 54th Governor and establishes Pre-K as the pillar of state's education initiative.

Governor Ivey's "Strong Start, Strong Finish" launches to support a comprehensive approach of collaboration that improves education from Pre-K to the workforce. Through Strong Start, Strong Finish, Alabama implements First Class Pre-K model as a bridge to develop and expand a birth to 8 continuum, creating an alignment spanning Pre-K to 3rd grade ("P-3") and prenatal to age 3 (Ross, 2019).

Alabama Legislature approves an increase in budget to expand and increase number of classrooms for First Class Pre-K (Ross, 2019).

2018

DECE creates a new Office of Early Childhood Development & Professional Support to support specialized staff to provide TA to licensed child care programs including family child care. Moving in partnership with DHR, new initiative allows DECE to reach more children and more efficiently utilize federal grant dollars awarded to DHR. Purpose of new partnership between DECE and DHR is to provide support statewide to child care providers and families through 4 projects: Child Care Quality Coaching, Challenging Behavior Project, Family Engagement Project, and High Quality Professional Development (Ross, 2019).

Alabama Legislature approves Governor's request to expand First Class Pre-K, increasing the FY19 program budget from \$18.5M to \$96M (Ross, 2019).

[HB 76](#). Child Care Safety Act. Providers that receive state or federal dollars must be licensed, which has tremendous impact on quality and safety.

2019

DECE expands upon existing Pre-K conference to launch Alabama Early Childhood Education Conference with over 3,000 participants, expanding scope of Alabama's practice and work beyond Pre-K to encompass 0-8 learning and care (Ross, 2019).

Preschool Development Grant ([PDG](#)) allows partnership between DECE and Dept. of Education's Career Tech program to bring national Child Development Associate credentials to high school students, which will lead to high school graduates entering workforce with solid foundational knowledge and certification in EC development.

Alabama Legislature approved Governor's recommended budget increase for DECE, including the largest ever single-year expansion of First Class Pre-K (Ross, 2020).

DHR announces new child care subsidy rates for low-income families, which increases maximum subsidy amount and expands eligibility criteria.

2020

With CARES funding, DHR expands subsidy eligibility to hospital personnel and first responders to pay 100% of their child care costs at a licensed facility regardless of income and with no copay. More than 1,100 children benefited from program (Alliance for Early Success, 2020 and Child Care Assistance for Healthcare Community, 2020).

\$6M increase in Pre-K funding during 2020 legislative session, despite COVID-19 crisis and level funding across almost state agency budgets. This adds 55 classrooms to First Class Pre-K, bringing access level to 38% of four-year olds (Alliance for Early Success, 2020).

With CARES funding, Governor's Office and DHR create sustaining funding for subsidy child care providers, a specific child care subsidy program for essential personnel. A 50% sustaining payment is made to every subsidy provider from April-July 2020, based on their pre-pandemic enrollment in subsidy, and parent copays are suspended (Alliance for Early Success, 2020). DHR is covering copays, which were eliminated for parents, during pandemic and now going forward.

With CARES funding, DHR announces a \$13M Temporary Assistance for Supporting Child Care grant program for private pay facilities based on their licensed capacity (Alliance for Early Success, 2020), leading to a better business model and greater stability among providers. Payment based on enrollment will continue after pandemic.

2021

DHR uses ARP funding to redesign state's Quality Stars QRIS program (Alliance for Early Success, 2021).

DHR uses federal dollars to substantially increase amount of money that agency pays for incentives for child care providers to participate in QRIS (Alliance for Early Success, 2021).

With federal funds, DHR covers costs (\$47) for criminal background checks for potential employees. This program will continue after federal funds are exhausted.

Education Trust Fund budget ([SB 189](#)) includes a \$24.4M increase for First Class Pre-K, offering sufficient space for 44% of Alabama's 4-year-olds and adding nearly 200 new Pre-K classrooms. Some 3,600 additional four-year-olds can enroll in First Class Pre-K (Alliance for Early Success, 2021).

Apprenticeship programs for Early Childhood (0-5) Educators established in partnership with Troy University, Wallace Community College, and Alabama Office of Apprenticeship. In alignment with Governor's Strong Start, Strong Finish initiative, this apprenticeship will increase quality of care in EC settings, create opportunities to upskill incumbent workers, and articulate coursework seamlessly between community colleges and universities. Apprenticeship allows apprentices to complete stackable credentials, a Child Development Associate certification, an associate's degree, and a bachelor's degree in Early Childhood Education, all while employed with a child care provider (Alabama Works, 2021).

To address health, wellness, and obesity rates in the state, DHR [upgrades standards](#) around physical activity, screen time and daily nutrition for day care and nighttime centers (Alabama DHR, 2021).

Alabama [expands eligibility](#) for state's child care subsidy program. Families living at or below 180% FPL are now eligible. Cutoff for continuing eligibility is 200% FPL.

DHR consolidates Licensing and Health & Safety. This consolidation helps to get providers on board. It is "remarkable and that [DHR] can use its resources in the licensing program to help meet child care subsidy requirements." The change has improved child care quality via greater exchange of knowledge and skills related to health and safety among licensing staff, greater ability for licensing staff to educate providers, and improved professionalism of the child care workforce.

To align child care licensing, QRIS, and school accountability systems, DHR forms formal partnership with DECE. Using federal Child Care Block Grant funds and renewal PDG B-5 funds, DECE begins to manage statewide QRIS program for early care and education programs, specifically child care centers.

DHR makes child care licensing an automatic first star in Quality Stars. This means all licensed providers receive a much-needed funding boost from the program (ASRA, 2022).

2022

Alabama Legislature gives final approval to a historic \$40M investment in quality Pre-K and child care. Investments are part of FY23 Education Trust Fund budget bill. This includes \$17.8M to support quality child care. New investment goes to DHR to support an enhanced Alabama QRIS for child care. The program, administered in partnership with DECE, has been redesigned based on research, evaluation, and feedback from child care providers. Alabama Quality Stars offers coaching, support, and assessment to help child care programs improve and demonstrate quality along a one-to-five star rating system. Participating child care providers will receive payments of up to \$80,000 a year, depending on their star level and licensed capacity (ASRA, 2022).

To address expulsion of children with special needs based on their disabilities, DHR institutes a new Special Needs Child Care Subsidy. The program, a component of [Childcare Enhancement with a Purpose](#), currently funds 500 child care slots. Child care centers receive \$250 per week for each child with identified special needs, regardless of child's age and family income. CRRSA dollars currently funds program. CCDF dollars will fund program after CRRSA dollars are exhausted. For this program, DHR partners with United Cerebral Palsy Huntsville, a subject matter expert, that recruits and supports families and child care providers.

Appendix 3. Methodology

To develop the blueprint, the authors reviewed and incorporated information from publicly available reports and proprietary reports authored by Luminosa Research and Frontera Strategy for the Alliance for Early Success, Impact Fellows Action Fund, and the Thornburg Foundation. We also reviewed and incorporated information from dashboards, traditional media, and social media. We interviewed people from various sectors who have expertise and knowledge of child care and child care workforce policy in New Mexico and Alabama.

New Mexico

We interviewed ten people who represent diverse sectors and time frames (2011-2022) during New Mexico’s journey to provide child care as a public good. These interviews took place between September 12 and November 18, 2022.

Name	Position(s)
Rob Black	President & CEO, New Mexico Chamber of Commerce
Claire Dudley-Chavez	Consultant for Early Childhood Policy and Advocacy, chaired Children’s Cabinet for Lt. Gov. Denish, served as Deputy Secretary under Secretary Groginsky
Angela Garcia	CEO & Owner of The Toy Box, Early Learning Child Care Center and President, NM Child Care and Education Association
Elizabeth Groginsky	Cabinet Secretary, Early Childhood Education and Care Department under Governor Lujan-Grisham
Matthew Henderson	Executive Director, OLÉ
Monique Jacobson	Secretary of the Children, Youth, and Families Department under Governor Martinez
Kim Legant	Government Relations Director, New Mexico Child Care & Education Association
Mariana Padilla	Director, Children’s Cabinet
Alejandra Rebolleda-Rea	Deputy Secretary for Early Childhood under Governor Martinez
Michael Weinberg	Education Policy Officer, Thornburg Foundation

Alabama

To highlight Alabama’s achievements in child care, we interviewed these five experts in early care and education in Alabama in April 2023.

Name	Position
Barbara Cooper	Former Secretary, Alabama Department of Early Childhood Education
Bernard Houston	Child Care Services Administrator, Alabama Department of Human Resources
Faye Nelson	Deputy Commissioner, Family Resources, Alabama Department of Human Resources
Gail Piggott	Executive Director, Alabama Partnership for Children
Jeana Ross	Former Secretary, Alabama Department of Early Childhood Education



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