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**Early Educator Compensation Case Study Series**

**Bold Vision, Educator Power,  
and Focus on Compensation**

Laying Groundwork for  
Transformation in New Mexico

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# Bold Vision, Educator Power, and Focus on Compensation: Laying Groundwork for Transformation in New Mexico

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## About CSCCE

The Center for the Study of Child Care Employment (CSCCE), founded in 1999, is the national leader in early care and education workforce research and policy. CSCCE provides research and analysis on the preparation, working conditions, and compensation of the early care and education workforce. We develop policy solutions and create spaces for teaching, learning, and educator activism. Our vision is an effective public early care and education system that secures racial, gender, and economic justice for the women whose labor is the linchpin of stable, quality services.

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# Main Findings

Building on more than a decade of grassroots organizing and advocacy, New Mexico leaders have initiated several early care and education policy reforms dedicated to supporting early educator compensation since 2019. The state established a number of ongoing targeted wage supplement programs and used time-limited federal pandemic relief funds to provide a \$3/hour raise for educators across the sector. New Mexico has also reformed its subsidy system by dramatically broadening eligibility for families and using a cost model accounting for increased compensation to establish higher reimbursement rates, the first state in the country to do so.

Several elements were key to achieving these reforms and laying the groundwork for long-term change, including:

- Leadership and a centralized state agency have maintained a bold vision for systemic reforms and advancement of workforce compensation; and
- Educator- and community-led organizing proved critical to winning necessary state funding to make good on New Mexico's commitment to compensation.

The state's recent initiatives do not yet amount to sustained, transformative changes to compensation. However, by establishing key elements for progress and identifying challenges along the way, this case study highlights one state's journey to advancing early educator compensation.

# I. Introduction

Teaching and caring for young children (birth to five) is intellectually, physically, and emotionally demanding work. Yet the early care and education (ECE) field is one of the most underpaid and undervalued in the country: 98 percent of other occupations in the United States are paid more than child care teachers (McLean et al., 2021). Before the COVID-19 pandemic, child care workers earned an average hourly wage of \$11.65 for a median annual salary of \$24,230 (McLean et al., 2021). Although benefits like health insurance, paid sick time, and retirement are standard for many sectors, they are inconsistently available for early educators (McLean et al., 2021). This precariousness has led to high educator turnover rates, as early educators leave their jobs in search of more sustainable employment (U.S. Department of the Treasury, 2021).

The COVID-19 pandemic only exacerbated the poor pay and difficult working conditions of early educators. During this time, an estimated 20,000 child care programs closed, and thousands of early educators lost their jobs (Kashen & Malik, 2022). In March 2021, Congress passed the American Rescue Plan Act (ARPA), which included child care stabilization grants to help child care programs remain open and families access the care they needed. The child care stabilization grants enabled some 220,000 child care providers to continue offering services and raised real wages for many educators (The White House, 2023).

The end of federal funding in 2023 threatens closure of many programs, meaning the loss of services for families and jobs for educators (Kashen et al., 2023). And the short-term initiatives many states implemented to increase educator wages will end as federal relief funds run dry. Against this backdrop, some states are taking action toward a more sustainable and equitable ECE system at the state level (Kashen et al., 2024). One such model state, New Mexico, provides an example of what other states can do to initiate reforms towards universal ECE access for families and increased compensation for early educators.

## About This Case Study

New Mexico made headlines in 2022 as the first state in the nation to pass a ballot measure amending the state constitution to guarantee funding for early childhood education (Cohen, 2022; Covert, 2022). The state leadership's intention to make child care affordable for most families in New Mexico was widely celebrated (Prenatal-to-3 Policy Impact Center, 2023). Not as well known, however, is the story of how a vision for fair educator compensation was central to grassroots campaigns, advocates, and the state's ECE reform strategy. New Mexico's groundwork for reform and the continuing challenges to implementation offer insight at the leading edge of states' efforts to address ECE compensation.

To learn more, we spoke with policy experts in New Mexico to understand the political and economic realities for policymakers working on ECE compensation, garnering their insights on the process and on the challenges to implementation. We also spoke with early educators to learn about their experiences with the recent compensation initiatives and their visions for ECE compensation reform moving forward. Given the recency and limited scope of data, this case study does not intend to conclusively analyze the impact of workforce compensation initiatives throughout the state, but rather to offer insights on implementation for other states that wish to improve ECE compensation.

## Methodology

This case study of New Mexico documents recent advancements in early educator compensation and explores key elements of progress as well as considerations for other states. It is informed by extensive background research using publicly available documentation and data as well as interviews with key stakeholders. During July-August 2023, the research team conducted interviews with four individuals representing the state's Early Childhood Education and Care Department (ECECD) and prominent advocacy organizations. We also spoke with five members of the ECE workforce, primarily Latina and Native/Indigenous early educators, representing home-based family child care providers and center-based directors, teachers, and assistant teachers working in child care, pre-K, or Head Start classrooms. The interviews with these early educators are intended to provide an illustration of educator perspectives, with an emphasis on uplifting perspectives of educators of color, but are not intended to represent the population of early educators in the state.

## Why New Mexico?

New Mexico has initiated transformative ECE reform by unlocking state revenue for early childhood education and increasing access to ECE programs. Within that context, the state has adopted multiple initiatives to increase educator compensation and is laying the groundwork to transform how early educators are compensated in the long term. New Mexico shows that making progress is possible, even in a state that previously has not made early care and education a priority. New Mexico faced many challenges to ECE reform: the state has high poverty rates, particularly among households with children, and historically has had a fiscally conservative legislature that was not friendly to financing child care reform (Alliance for Early Success, 2022).

As a border state with tremendous racial and ethnic diversity—with many immigrant communities, non-English-speaking communities, bilingual or multilingual communities, and 23 Native American tribes, pueblos, and nations—New Mexico also affords an opportunity to understand how ECE reforms can work to advance racial equity. New Mexican early educators are mostly women of color, primarily Latina. In terms of race and ethnicity, the composition of the ECE workforce aligns with the children they serve, though the early educators themselves are more likely to be people of color than the statewide population.<sup>1</sup>

Across the United States, ECE systems—and, in particular, the treatment of the workforce—are inextricably linked to historical and contemporary systemic racism (Center for the Study of Child Care Employment, 2022; Lloyd et al., 2021). A deep dive into New Mexico leadership, advocacy, and community-based organizing provides an opportunity to learn from those who understand the interconnectedness of racial equity and the fight to transform early educators' compensation and working conditions.

Leaders in the state have been forging a path for reform of early childhood systems for more than a decade, and they have learned much along the way. Their policy victories and challenges can serve as learning opportunities for other states striving to improve early educator compensation.

## Overview of Findings

Building on more than a decade of grassroots organizing and advocacy, New Mexico leaders have initiated several ECE policy reforms since 2019, including:

- Use of federal ARPA funds to implement a limited-time grant program for \$3/hour wage raises for all staff working in licensed child care settings;
- Provision of ongoing direct-to-educator wage supplements, including stipends intended to bring community-based pre-K and Head Start teachers' pay in line with that of elementary school teachers;
- Development of a sector-wide wage and career lattice with proposed minimum salaries representing average annual increases of \$4,000-\$27,000, depending on role and credentials;
- Passage of a state law to create an Early Childhood Education and Care Fund, as well as Amendment 1, a state ballot measure to amend the state constitution to direct state revenue to early childhood education;
- Broadened child care assistance eligibility so the majority of families in New Mexico have access; and
- Increase of care subsidy reimbursement rates to ECE programs using a cost estimation model rather than relying on a market survey that is not based on the actual cost to operate programs (the first state in the country to do so).

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<sup>1</sup>American Community Survey data on the racial and ethnic identities of the early childhood workforce in New Mexico are as follows: 53.2-percent Latine; 28.7-percent White; 13.5-percent American Indian/Alaska Native; 2.0-percent multiracial; 1.6-percent Black; 0.1-percent Other. The statewide population demographics are as follows: 49.6-percent Latine; 36.0-percent White; 8.5-percent American Indian/Alaska Native; 2.3-percent multiracial; 1.8-percent Black; 1.8-percent Other. Authors' analysis of public use microdata, accessed through IPUMS (Ruggles et al., 2023).

Several elements were key to achieving these reforms and laying the groundwork for long-term change.

- **Leadership and Governance:** ECE champions in policymaking and a consolidated agency held a bold vision for ECE reform and uplifting the workforce.
- **Community- and Educator-Led Organizing:** Decades of organizing as a broad coalition brought about reform and elevated educator voices in policymaking.
- **Sustained Funding:** New Mexico strategically used federal relief funds for compensation and secured long-term state revenue for early childhood, some of which may be used to advance compensation.
- **Commitment to Equity:** Messaging and proposed solutions from advocates and policy leaders conveyed the importance of racial equity for communities and early educators in New Mexico.
- **Compensation-Focused Policy Solutions:** New Mexico leaders advanced policy solutions that specifically targeted increasing educator pay and access to benefits.

## The Path Ahead

Regardless of these many gains, New Mexico has still not solved the issue of early educator compensation. Despite a commitment to advancing workforce compensation, the state's recent initiatives do not amount to sustained transformative changes to ECE compensation, and inequities in access to existing wage supplements continue. Political roadblocks remain in terms of anticipated turnover in government leadership, the defense of recently secured state funding, and implementation of a sector-wide wage and career lattice. However, by establishing key elements for progress and identifying roadblocks along the way, New Mexico shows great potential to fulfill its commitment to making early education a sustainable and equitable career.



## II. The New Mexico Approach: 2019–2023

### Pre-Pandemic: Laying the Groundwork

Just as other early educators throughout the country, New Mexico early educators are more likely to live in poverty than elementary school teachers or the statewide population.<sup>2</sup> However, this finding is especially staggering in the context of a state with high poverty rates. Prior to the pandemic, early educators in New Mexico faced low pay and a lack of benefits. In 2019, the median hourly wage for a child care worker in New Mexico was \$10.00 and for a preschool teacher, \$13.66 (McLean et al., 2021). In addition, a workforce study conducted as part of New Mexico’s Preschool Development Grant (PDG) B-5 estimated that about 60 percent of the ECE professionals surveyed did not have access to health benefits through their employer (New Mexico Early Childhood Development Partnership, 2020).

This economic precariousness is reflected in the stories educators shared during their interviews. They spoke of the pre-pandemic challenges of low salaries and lack of health insurance benefits, retirement benefits, paid vacation time, or paid sick time. Financial instability contributed to stress and poor health among these early educators, and some found it necessary to seek out secondary or alternate employment to support themselves and their families.

*“Estaba yo casi cayendo en depresión porque yo tengo un hijo de doce años [y] estoy viviendo con mis papás, pero [...] tenía que sostener a mi hijo [con] calzado y ropa. Mi hijo estaba en la escuela y era bien estresante. Entonces, yo buscaba la manera de cómo obtener otros ingresos. Yendo, a lo mejor, a limpiar una casa o yendo a ayudarlo a alguien más porque el sueldo era insuficiente.”*

*“I was really almost getting depressed, because I have a twelve-year-old son [and] I am living with my parents, but [...] I had to support my son, [with] shoes and clothes. My son was at school, and I was very stressed. So, I was looking for a way to bring in other income, perhaps going to clean a house or going to help someone else, because my salary wasn’t enough.”*

— Early educator in a center-based classroom

Recognizing these and other challenges, advocates had already been working for more than a decade before the pandemic to push the state on ECE reforms and to make early care and education a priority. In the past decade, advocates were instrumental in presenting progressive, scalable ideas to reform the ECE system in New Mexico. Even as far back as 2011, legislation was proposed to use the state’s Land Grant Permanent Fund as a resource for early care and education, a seed that would come to fruition in 2022.

<sup>2</sup>The ECE workforce is 2.1 times as likely as other workers in the state to live below the Federal Poverty Line (FPL): 11 percent of the New Mexico workforce lives at or below FPL, compared to 23 percent of child care workers, preschool teachers, and other members of the ECE workforce. The gap is even wider when comparing early educators with teachers in elementary and middle schools: only 5 percent of teachers in elementary and middle schools fall below FPL in New Mexico. Authors’ analysis of American Community Survey public-use microdata, accessed through IPUMS (Ruggles et al., 2023).

Governor Michelle Lujan Grisham was elected in 2019 and is the first Latina Democrat to hold the position in the nation. She made early care and education a state funding priority and supported the creation of the Early Childhood Education and Care Department (ECECD), which centralized ECE governance at the cabinet level, making New Mexico one of only a few states in the country to do so (New Mexico Early Childhood Education and Care Department, 2020; Early Childhood Education and Care Department Act. S.B. 22, 2019). The new department was also notable for its staffing, bringing in strong leaders with a history of progressive child care reform from other locations and creating the nation's first Assistant Secretary of Native American Early Care and Education position. ECECD is funded in part by the new Early Childhood Trust Fund, a significant commitment of sustained state funds to support this crucial work (Office of the Governor, 2020).

## During the Pandemic: Responding to the Crisis and Continuing Steps Toward Reform

ECECD officially opened in July 2020, mere months after the COVID-19 pandemic was declared a national emergency. Early educators who were already experiencing poverty-level wages and limited access to benefits risked their lives to continue to provide essential services, educating and caring for children. In response to the immediate onset of the pandemic, organizers and educators met with the new Secretary of ECECD to demand that relief funds be used for hazard pay for those still working in child care programs. In the spring of 2020, ECECD announced initial payments of [\\$700/month](#) for educators in open programs. The department also temporarily allowed enrollment in the New Mexico Medical Insurance Pool (NMMIP), the state's high-risk pool that covers premiums, for uninsured child care workers and their families who tested positive for COVID-19, regardless of income or immigration status (Khan, 2020).

Thus, the pandemic provided the impetus for New Mexico to implement immediate, albeit limited, ECE workforce payments and access to benefits. In addition to meeting the crisis of the moment, ECECD identified two long-term workforce priorities in their strategic and financial plans. The first priority was to advance a diverse, well-compensated, and credentialed workforce framed as a matter of racial equity. The second emerging priority was to decouple market-rate-based and subsidy reimbursement systems to address the underfunding that drives inequities in outcomes for educators and families (Capito et al., 2021b; New Mexico Early Childhood Development Partnership, 2021).

In 2021, New Mexico received \$320 million in ARPA funds for child care (Children's Funding Project, 2022). While all states were allocated such funds, the decision to put them towards groundwork for a universal ECE system was unique to New Mexico. Using ARPA and other state funds, ECECD raised the income threshold for families' eligibility for child care assistance without copayment from 200 percent to 350-400 percent of the federal poverty level (FPL) (Office of the Governor, 2021). The state increased the income threshold again in 2022 to a solid 400 percent of the FPL, a change that became permanent in 2023 (Office of the Governor, 2022).

This dramatic increase in eligibility, the highest in the nation at the time, means the majority of families in New Mexico can receive child care free of cost and the programs they enroll in have access to state subsidies (Prenatal-to-3 Policy Impact Center, 2023). Every expansion of public funding for child care programs and the educators who work in those programs is a step toward universally accessible child care, a priority for ECECD.

But New Mexico did not just raise access to subsidies, the state also remodeled the way subsidy reimbursements are calculated to better account for the cost of programs. In 2021, ECECD worked with Prenatal to Five Fiscal Strategies to produce a cost estimation model to inform subsidy rate setting (Capito et al., 2021a). At first, they used the latest average wage estimates from the Bureau of Labor Statistics, adjusted to account for a \$12.10 state minimum wage. The department subsequently released a financing plan that set the intention to increase rates to accommodate a wage floor of \$18/hour for the lowest-paid employees in a licensed setting, calibrating up to \$24.89/hour for lead teachers by FY2026 (Capito et al., 2021b).

The switch to rate setting based on a cost model that takes into account the actual cost of running a program (including higher wages and benefits for employees), rather than the prices families are able to afford, was a rare yet significant break from the status quo. It also signified an important step toward ensuring sufficient public funding for ECE services.

Between 2021 and 2023, while ECECD was laying the groundwork for long-term reform with this new subsidy system, the department also deployed pandemic relief funds (ARPA, CRRSA) and the newly established state Early Childhood Trust Fund to combat low pay in the field by providing payments directly to educators through various programs:

- [Pre-K Pay Parity Program](#): A wage supplement for early childhood educators with a bachelor's degree who work as teachers or directors in a community-based or tribal pre-K setting, intended to align their pay with pre-K teachers working in public school settings;
- [Wage Supplement Program](#): An education-based wage supplement for early childhood educators who work as teachers, assistants, or family child care providers with children from birth to age five, across ECE settings and funding streams; and
- Two distinct programs providing one-time incentive payments, one for [all early educators](#) and one specifically for [bilingual educators](#).

Significantly, ECECD used ARPA funding to introduce the [Competitive Pay for Professionals](#) (CPP) program, which provided grants to any of the state's 951 licensed child care programs that committed to giving their staff a \$3/hour wage increase in 2022. More than 7,000 child care professionals received these pay boosts at a time when the workforce badly needed recognition and support (New Mexico Early Childhood Education and Care Department, 2023d). Because the program was funded with time-limited ARPA money, however, a strategy and funding mechanism to continue the increased wages was needed when the CPP program closed in the fall of 2023.

*“[The \$3/hour raise] brought hope. It brought up my morale just knowing that my job is important. Because we’re setting the foundation for these young children, and I know that I was making a difference.... It trickled down to the staff’s mood and teaching. I think the kids noticed that, and then they would just behave and participate. It trickled down even to the parents who were being very appreciative and noticing what was going on.”*

— Early educator in a center-based classroom

## Pandemic Aftermath: Looking Ahead

With the understanding that ARPA funds had an expiration date, ECECD intended for the CPP program to serve as a jumpstart toward the department’s vision, which included a \$15/hour base wage for all ECE staff and a \$20/hour base wage for lead teachers. The intention was also to create incentives for programs to sustain the \$3/hour raise by using the expanded funding available through higher child care subsidy rates. These rates had been increased by 20 to 30 percent in July 2023 in line with an updated cost model. While there is no explicit requirement that the increased reimbursement rates be used for higher wages, the hope was that the CPP grant would create precedent—and demand—for keeping the raise.

One specific tool that New Mexico is pursuing to support long-term compensation increases is a wage and career lattice (sometimes referred to in the field as a salary scale). In the original statute establishing the department, advocates incorporated language requiring ECECD to promulgate a wage and career lattice.<sup>3</sup> And as part of the department’s 2022-2027 Strategic Plan, ECECD lays out the objective: “to complete the design of the career and compensation lattice in collaboration with providers, advocates, and policymakers” (New Mexico Early Childhood Development Partnership, 2022, p. 8).

A recent report commissioned by OLE, a grassroots organization working on issues of economic and racial justice, proposes just such a wage and career lattice for the ECE sector in New Mexico. The report projected an annual cost for implementation of approximately \$86 million, a target figure that is useful for advocates and the department as they talk with the legislature about annual funding in the 2024 legislative session (O’Donnell, 2023). This wage and career lattice aims to set a wage floor at \$15/hour for assistant educators and \$20/hour for lead educators, with projected increases over time. The OLE report used data from the CPP program to make estimates about the universe of eligible educators—including their current compensation, educational levels, and years of experience—offering a useful demonstration of how a time-limited initiative can set the stage for sustained reform through thoughtful data collection.

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<sup>3</sup>“Section 11, A.3: (3) as part of the work of the council, a workforce development plan shall be developed to include a career ladder, wage structure, and professional development plan that applies to the full continuum of programs within the department, as well as other items deemed appropriate by the secretary” (Early Childhood Education and Care Department Act, 2019).

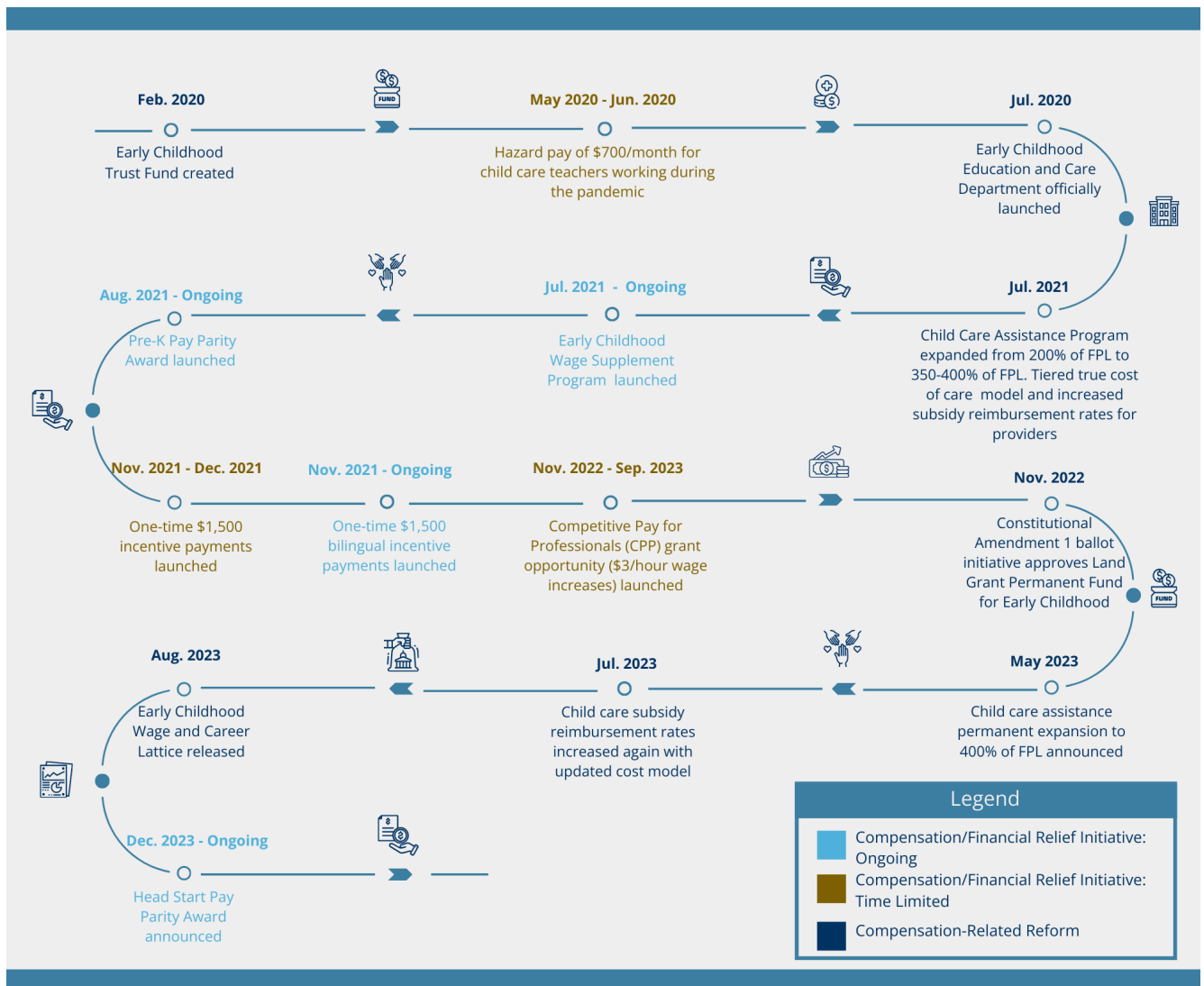
Meanwhile, New Mexico continues to try new initiatives to address disparities in low pay. In December 2023, after the conclusion of data collection for this case study, ECECD announced the [Head Start Pay Parity Program](#), a new wage supplement program similar to the program designed for educators working in community-based pre-K settings. New Mexico's 2024 legislative session, currently in progress as this case study goes to publication, will determine the FY2025 budget appropriations for ECECD and the programs the department administers. ECECD's budget request includes increased funding to sustain the 400-percent FPL eligibility for families and an additional \$40 million to invest in quality initiatives, including a wage and career lattice for infant and toddler teachers and assistant teachers (New Mexico Early Childhood Education and Care Department, 2023c). These upcoming decisions reflect a historic inflection point in New Mexico early childhood systems reform.

The policymakers, advocates, and educators with whom we spoke shared an aligned vision for long-term goals in ECE reform. The recent compensation initiatives point toward a structured and universal ECE system that strives to work for both educators and families. With adequate funding, this universal care system would:

- Expand subsidy eligibility and limit copayments to ensure that all eligible families (about 80 percent of the state) have access to early care and education;
- Establish a wage and career lattice for educators with a salary floor; and
- Make early care and education a funding priority and ensure that ECECD has sustained funding to support the higher target wages.

New Mexico has yet to fully achieve this vision. Early educators still face low compensation and inequities in access to programs intended to boost pay across the field. Our interviews identified various potential roadblocks to defending the gains made, in particular political barriers such as coalition disagreements, anticipated turnover in ECECD and state government leadership, and the continued political battle over annual funding appropriation to early care and education. In the following section, we discuss key elements for progress as well as challenges to implementation.

## A BRIEF TIMELINE: KEY NEW MEXICO INITIATIVES, 2019-2023



(FOR THE FULL TIMELINE, SEE **APPENDIX 1**)

Graphic by Center for the Study of Child Care Employment

# III. Key Elements for New Mexico’s Progress

## Bold Advocacy, Leadership, and Governance

**The New Mexico story highlights the importance of strong leadership on early care and education in key government positions and the role of an electoral strategy among advocates.**

In the last five years, there has been a significant shift in elected and appointed leadership in New Mexico. This change did not come about overnight. Community-based organizers and advocates pursued a deliberate electoral strategy, helping to unseat specific legislators from the legislative finance committee—the committee that allocates state funds—and supporting the election of state legislators favorable to increasing ECE funding.

*“[Progress] is definitely owed to who’s in office, but a lot of those people were put in there by the Early Ed reform movement... We’re going to continue to just expand the space of elected [officials] who really get where we’re going with early childhood reforms. And I think we’re going to continue to build a deeper bench, not a smaller bench.”*

— Advocate

**A more favorable legislature combined with a supportive governor led to the establishment of the Early Childhood Education and Care Department (ECECD), a centralized cabinet-level governance structure that offers a strong foundation for advancing compensation initiatives in New Mexico.**

From the outset, ECECD articulated a forward-thinking vision for early care and education that uplift the ECE workforce. The department then worked toward a cohesive strategy for reaching that vision, one step at a time. Goals to improve workforce compensation and equity, moving away from market-rate reimbursements, were strategically embedded within the primary mission of increasing access to high-quality and affordable care.

Leaders in ECECD exemplified a vision for ECE reform and a willingness to try compensation initiatives, even if they were imperfect. There was a concerted effort to take clear steps that built towards a set of goals and a larger vision for the ECE system, with a well-compensated workforce as a key lever for change.

Advocates have worked within this new political context to bring bold ideas to voters and to keep policymakers accountable. Taking advantage of this political energy, the 2022 ballot win was significant for securing state funding for early childhood, and it did even more: a constitutional amendment made funding for early childhood education *constitutionally guaranteed*, a novel advancement in early care and education similar to the access to publicly funded K-12 education enshrined in every state constitution (Covert, 2022).

*“Tenemos esas dos mujeres [la Gobernadora Lujan Grisham y la Secretaria Groginsky] que sí nos están apoyando y [...] espero que en otros estados los representantes también se pongan las pilas y vean por su gente.”*

*“We have those two women [Governor Lujan Grisham and Secretary Groginsky] who are supporting us, and I hope that in other states, the representatives also get their act together and look out for their people.”*

— Early educator, family child care provider

## Community- and Educator-Led Organizing

### **None of New Mexico’s foundational progress could have been possible without strong community-based organizing, particularly the development of leadership and advocacy among early educators.**

Community organizers in New Mexico spoke with us about how reform requires building power with a broad partner coalition unified on ECE goals. In New Mexico, the coalition consisted of ECE professionals, parents, and non-ECE labor groups. Organizers and educators who were part of the coalition told us that reform took years of laying the groundwork for change, never giving up on making progress, and actively defending the progress that had been made.

Of the many groups working in the field of early care and education in New Mexico, one in particular was repeatedly identified as instrumental in organizing for long-term ECE investment, as well as building political power among communities of color, workers, and immigrants. [Organizers in the Land of Enchantment](#) (OLÉ) brought together members who were teachers, providers, and parents across the ECE sector and throughout the state. Within their movement-building efforts, educator leadership played a key role. OLÉ organized educators in direct engagement roles, such as mobilizing other educators, knocking on doors to reach voters, engaging media outlets, and speaking at public events.

*“Me tocaba salir del trabajo e ir a tocar las puertas, hablar con las familias que nos apoyaran, que apoyaran el fondo para los niños. Yo creo que esa fue la tarea más importante que hicimos para lograr la enmienda.”*

*“I had to leave work and go knock on doors, to talk to the families, to get them to support us, to support the children’s fund. I think that was the most important task we did to achieve the amendment.”*

— Early educator, family child care provider

*“I worked tirelessly during the campaign, talking to people, discussing the issue with my colleagues, and educating people about the amendment. We had to inform, educate, and convince people to vote for the amendment.”*

— Early educator in a center-based classroom



As part of their grassroots mobilization, OLÉ empowered educators to work with and inform state legislators on the value of using ECE data and listening to educator testimonials. Educator advocates learned about the policy process and organized to attend hearings on policies that would impact them as a way of demonstrating “people power.”

*“By being a regular presence, even in multi-hour committee hearings where we weren’t given the opportunity to speak, we found it was very disruptive in a helpful way even though our members never said a thing... I think it is important to be mindful about ways to really open up [budget and policymaking] spaces and make them more transparent and friendly to the folks who are organizing and folks who will benefit from these changes.”*

— Advocate

Philanthropy also played a role by supporting grassroots organizing, in particular organizations with a 501(c)(4) status that permits endorsements of political campaigns. As far back as 2014, funders rallied around early childhood issues in New Mexico through the Early Childhood Funders Collaborative. Other funders like the W.K. Kellogg Foundation and Alliance for Early Success’ Child Care NEXT Program have supported groups like OLÉ to organize in a coalition. And in 2021, many key funders—including the Kellogg Foundation, the Heising-Simons Foundation, the Annie E. Casey Foundation, and the Pritzker Children’s Initiative—pooled funds for the Raising Child Care Fund that supported OLÉ (Schumacher, 2020).

## Sustainable Funding

**New Mexico identified and unlocked state revenue sources for early care and education. Other states that wish to reform their ECE systems must do the same.**

Established around the same time as the Early Childhood Education and Care Department, the New Mexico Early Childhood Trust Fund provides annual funding for ECE programs and ECECD’s administration (New Mexico State Investment Council, 2020). Additionally, a vision of universal access to child care inspired New Mexico advocates to run a successful campaign to use the state’s Land Grant Permanent Fund for early childhood education. With majority voter approval, the 2022 ballot measure passed a constitutional amendment to ensure annual state funding for early childhood education from the Land Grant Permanent Fund (Prenatal-to-3 Policy Impact Center, 2023)

Using the increased state resources, ECECD ensures more funding reaches programs by raising reimbursement rates based on a cost model, last updated in July 2023 (New Mexico Early Childhood Education and Care Department, 2023f). Taken alongside the expansions in subsidy eligibility, increased reimbursement rates are a step towards guaranteeing that programs have the public funding needed to provide fair wages and supportive working conditions. While the Land Grant Permanent Fund may be unique to New Mexico, all states can identify other revenue sources in their own contexts.

The New Mexico story highlights the need for savvy advocacy around revenue and budget processes. An important piece of this advocacy included understanding these complex processes in order to advocate effectively for where and how to find revenue. The advocates we spoke with also mentioned the importance of not assuming a fixed amount, but taking into account the need to scale up programs and rising costs (i.e., inflation, cost of living). And the challenge remains for the advocacy community to defend the funding for early childhood and ensure it is allocated in ways that are accountable to the needs of communities and educators.

*“It’s been really important for us to continue working with allies who really understand the budget process better than we do and really work to force our way into those committees.”*

— Advocate

*“The voters approved [using the Land Grant Permanent Fund for early childhood], but then we knew that we had to continue to defend and protect that funding and make sure the legislature didn’t supplant general fund dollars with this new permanent fund and make sure that they were spending that permanent fund in ways that reflected what communities said they wanted.”*

— Advocate

## NEW MEXICO’S KEY FUNDING INITIATIVES FOR EARLY CARE AND EDUCATION

Funding Initiative	Funding Amount and Description
<p><b><u>Early Childhood Trust Fund</u></b></p>	<p><b>~\$20-30 million annually</b></p> <p>Launched with \$320 million as established in House Bill 83, the Early Childhood Trust Fund began annual distributions to ECECD in FY2022. The Trust Fund was initially sustained by the surplus of two revenue sources: the Land Grant Permanent Fund and leasing revenues.</p>
<p><b><u>Land Grant Permanent Fund</u></b></p>	<p><b>~\$150 million annually</b></p> <p>In November 2022, 70% of voters approved Amendment 1, which allocates an additional 1.25% of revenue from the New Mexico Land Grant Permanent Fund (LGPF) to education each year. Currently valued at nearly \$26 billion, the LGPF comes from leases and royalties on oil, gas, and mineral production on state land as well as return on invested capital (New Mexico State Investment Council, n.d.).</p>
<p><b><u>Cost Estimation Model for Reimbursement Rates</u></b></p>	<p>The state switched to child care assistance rate setting based on a cost model that took into account the actual cost of running a program—such as the age of the children being served, licensing requirements, and personnel costs, including living wages and benefits for employees—rather than the prices families are able to afford.</p>

Table by Center for the Study of Child Care Employment

## Commitment to Equity

**Organized educators and advocates in New Mexico have been fighting under the premise that investing in early care and education means investing in the people—often women of color and immigrant women—who are doing this work.**

Alongside advocates for the ECE workforce, ECECD has been clear on the shared goal of centering racial and linguistic equity and understanding that this goal requires removing systemic barriers for educators and families of color. In many publications and initiatives, ECECD has recognized that the racial and ethnic diversity of the ECE workforce is one of its many assets and that strengthening the field means supporting educators of color and their communities. For example, the 2023-2025 Financing Plan makes the case for approval of the Land Grant funds for early childhood and frames the issue of low compensation for the workforce as an inequitable reliance on the undervaluing of work done by women and, in particular, women of color (Capito, 2021b). In more immediate ways, ECECD compensation initiatives—like the bilingual incentive payment or the expansion of the Pre-K Parity Award to include tribal pre-K—demonstrate concerted efforts to address pay disparities and inequitable access to resources for immigrant and Indigenous educators.

Another key strategy for equity is ECECD's investment in access to higher education. This approach is important for compensation as higher compensation is often aligned with advanced education and certification. Too often, however, low-income educators, educators of color, and educators who speak languages other than English face barriers to accessing education. To partially address this inequity, ECECD offers [scholarships](#) as well as additional financial support through the [Early Childhood Educator Success Grant](#) for qualifying students enrolled in an early childhood program at an eligible Institution of Higher Education (IHE). They also offer a [stipend](#) for bilingual and Indigenous early educators who are enrolled in early childhood degree or certificate coursework. These investments, coupled with New Mexico's commitment to tuition-free college access for all, support early educators to access higher education (New Mexico Higher Education Department, n.d.).

**While the state's commitment to equity in messaging and strategy is evident, the impact in terms of equitable outcomes remains unclear. Our conversations with educators revealed inequities in access to some compensation initiatives.**

Direct grants to ECE programs provide necessary funding to advance improvements in compensation, but equitable access may be complicated by misinformation or mistrust between employers and employees. When the state directed program-level funding to employers through the CPP grant program, some early educators expressed concern that not all employers applied for the money, even though the CPP funding was eligible for all licensed settings. Educators we spoke with conveyed their feelings that this shortcoming contributed to confusion, frustration, and a sense of the need to make changes, for example, by advocating within the workplace or leaving for another workplace. Improved mechanisms for accountability, transparency, and data collection may provide solutions to these concerns about equity.

*“Ever since the governor’s announcement about those additional three dollars last year, there was widespread excitement within my company. Many of us were looking forward to those extra funds and had even started planning to use them for things like advancing vehicle payments. Surprisingly, our company didn’t proactively communicate that we wouldn’t be receiving those funds. Instead, we learned about it through an email.... Numerous employees banded together to demand the compensation that had been promised. We held several meetings to discuss the matter, but the company’s response was limited to a \$1,000 bonus.”*

— Early educator in a center-based classroom

As described on page 9, ECECD also created a number of compensation and financial relief initiatives that provide direct-to-educator payments, like New Mexico’s wage supplement, bilingual incentive payment, and the Pre-K Parity Award. While direct payments provide recognition for many early educators, they may (inadvertently) recreate inequities based on language, access to technology, and the ability to meet program requirements, just like many other publicly administered programs.

Educators in New Mexico spoke about their frustrations with the administrative burden of keeping up with individual applications. Some educators also shared experiences of accessibility burdens related to language and technology as well as confusing information about their eligibility or application status when applying for direct-to-educator payments. One educator shared that she was discontinued from the wage supplement program for missing one monthly deadline to upload a pay stub to the online portal:

*“It can be disheartening because they should already have this information from the submitted documents, and facing rejection solely based on a minor error without considering your ongoing efforts to meet the criteria is discouraging.... As a working mother also studying, finding the time to keep up with all the paperwork and schedules is challenging. The system is a little unfair and unbalanced.”*

— Early educator in a center-based classroom

## Compensation-Focused Policies

**Far too many state agencies have goals or priorities to support the workforce but do not clearly articulate the connection between those priorities and affordability and access for families.**

ECECD and advocates in New Mexico set themselves apart by clearly naming low workforce compensation as a core problem facing the sector. ECECD has also explicitly connected equitable workforce compensation (particularly for community-based, infant/toddler, and assistant teachers) to their vision for universal access and quality programs.

Clear objectives around supporting the workforce make ECECD well positioned to use pandemic relief funds in innovative, albeit time-limited, ways to support compensation, most notably through the \$3/hour raises via the CPP grant. Other continuing compensation-focused initiatives like the Pre-K and Head Start Parity Awards acknowledge the importance of raising compensation further, in line with school-based teachers. In targeting different parts of the sector, these strategies explicitly acknowledge inequities built into the ECE system: inequities in access to educational opportunities; the marginalization of languages other than English; and pay disparities between educators working in community- and school-based programs. The more recent pursuit of the wage and career lattice demonstrates the understanding that long-term compensation reform is needed. For a summary table of New Mexico’s compensation initiatives see **Appendix 2**.

**To date, New Mexico’s recent initiatives fall short of transformative and sustainable changes to early educator compensation. Nonetheless, they offer a prelude to grander (though uncertain) plans to systematically improve compensation for the ECE workforce.**

Educators we spoke with are glad they are finally being recognized and improvements are being made, but as of our interviews, the initiatives still fall short of long-term and sustained changes to compensation. Concerns about equitable access and implementation remain. Salaries are still low and vary according to the type of program and funding source(s). Our interviewees spoke about how inflation—and for some, losing access to public assistance programs alongside slightly higher wages—has eroded many of their wage gains. Though ECECD took steps to increase access to health benefits during the pandemic, access to benefits remains out of reach for many early educators. The educators we spoke with shared a desire for initiatives that provide greater, broader, and longer-lasting compensation improvements: not only increased salaries, but also benefits like health insurance and a retirement fund.

*“[El bono de \$3 por hora de CPP] es un programa que ayudó bastante. Sí nos ayudó, pero creo que lo correcto era no darlo como un bono temporal, sino establecerlo como un salario fijo.”*

*“[The CPP \$3/hour raise] is a program that helped a lot. It did help us, but I think the right thing to do was not to give it as a temporary bonus, but to establish it as a fixed salary.”*

*— Early educator in a center-based classroom*

We are not alone in pointing out these concerns. The recently released *Early Childhood Wage & Career Lattice Cost Estimates for New Mexico* emphasizes that the existing compensation and financial relief initiatives have been beneficial, but “none have provided the comprehensive salary structure and support needed to meaningfully increase the supply of highly qualified early educators over the long term” (O’Donnell, 2023, p. 2).

While the recently developed wage and career lattice portends a tool for sustained compensation reform, educators, advocates, and policymakers alike raised concerns about how the scale would be funded and implemented. As this case study goes to press, the amount of available funding for the department to implement this initiative in the coming years is still unclear.

*“I think we’re kind of balancing trying to make our child care system more universal and recognizing that it’s going to build slowly over time—it’s not going to build as quickly as we may want it to because of budget constraints. So we are asking for that in this next fiscal year—to go beyond what we were able to do with relief funding.”*

— State Administrator

## **Lack of adequate data on educator compensation and working conditions remains a problem. Investing in transparent data systems and evaluation of current initiatives provides an important tool to create long-term changes in compensation.**

To advance compensation policies that are responsive to educators’ needs, it is crucial that available data on the impact of compensation initiatives be transparent and available for advocates to use. One state administrator pointed out the importance of data on the recipients of the CPP grant to the advocacy community:

*“Creo que hacer algo como el programa CPP, aunque haya sido pensado como una medida de corto plazo, lo convierte en una demanda para el largo plazo también y eso ayuda. Diría que las defensoras tienen fundamentos suficientes para promover una mejora, porque se sostienen con información e impacto.”*

*“I think doing something like CPP, even though it was designed to be short term, does become a demand for longer term, too, and that helps. I would say advocates kind of have a leg to stand on in terms of promoting improvement, using data and impact.”*

— State administrator

That said, the CPP grant data alone cannot support a statewide picture of early educators and their compensation. Our interviews and background research suggest that there is currently insufficient data on early educators’ financial and emotional well-being to fully assess the impact of the compensation and financial relief initiatives implemented during 2019-2023. The most recent comprehensive ECE workforce survey carried out in 2019 established a helpful baseline of early educators’ characteristics and needs but has not been fully updated since (New Mexico Early Childhood Development Partnership, 2020).<sup>4</sup>

This lack of information also inhibits further planning. The recent wage and career lattice report used assumptions from the CPP grant administrative data but had to pull data on educator levels of experience from the District of Columbia and NSECE national averages, due to “a dearth of New Mexico-specific data on the experience levels of the state’s ECE teachers” (O’Donnell, 2023, pg. 10). Moving forward, New Mexico’s investment in robust data systems will help inform initiatives and document impact, including assessments of any potential inequities in implementation. In many states, a workforce registry helps to fulfill this need, and New Mexico is taking steps to develop one (Registry Alliance, 2024).

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<sup>4</sup>A [follow-up survey](#) focused on income levels was published in June 2020 (New Mexico Early Childhood Partnership & Latino Decisions, 2020).

## IV. The Path Ahead: “It’s Time to Defend Our Work”

As ARPA funds terminate across the nation, the urgency of the ECE compensation crisis requires taking steps outside the status quo and advocating for sustained funding to support ECE programs. But we know states are not able to shift their ECE systems overnight. The New Mexico story is one of years of organizing political campaigns and strategic policy advancement that have built a foundation for transforming the ECE system.

New Mexico provides a powerful example of what can be achieved when leaders across the field share an aligned vision for long-term systemic reform and are responsive to community-based organizers who elevate educators’ perspectives. The state has taken deliberate steps to advance early educator pay with targeted compensation initiatives and the development of policy tools like a cost model and a wage and career lattice. With foundational reforms to subsidy eligibility and state revenue in place, as well as the key elements for progress explored above, New Mexico is well positioned to make good on its commitment to equitably compensating its ECE workforce.

At the same time, the New Mexico case study demonstrates how the road from intention to impact may be long and winding. Early educators in New Mexico still face inadequate compensation and inequities in access to programs intended to support higher wages, and policymakers face uncertainty about the level of funding available to implement long-term reforms.

Political barriers to securing adequate funding play out nationwide. Child care systems throughout the United States are built on the assumption that child care is a market-based commodity and/or a private family choice, rather than a public good for families that simultaneously should provide well-compensated, stable employment for educators.

In working toward a vision of a fully universal ECE system with equitable compensation, New Mexico holds a lens to the flaws in our ECE system throughout the United States. The uncertainty of future funding for New Mexico’s ECE reform demonstrates the crucial need for pressure from advocates to hold policymakers accountable and for continued funding to realize the necessary policy solutions.

*“Yo creo que seguir luchando, seguir luchando, porque ya nos esforzamos mucho en nuestro trabajo, nuestra profesión. Así que es momento de defender nuestro trabajo, de que vean que se pueden lograr cosas uniéndose, que la unión hace la fuerza, y que podemos ser esa voz para muchas.”*

*“I think that we must continue fighting, continue fighting because we already put a lot of effort into our work, our profession. So it’s time to defend our work, for them to see that things can be achieved by uniting, unity is strength, and that we can be that voice for many.”*

— Early educator, family child care provider

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# Appendix 1. Timeline of Key Compensation Initiatives in New Mexico, 2019-2023

2019	<ul style="list-style-type: none"> <li>→ <b>Yearlong:</b> Preschool Development Grant B-5 Needs Assessment, as part of a one-year planning grant, included a workforce survey and generated ideas for the New Mexico Early Childhood Strategic Plan 2021-2024</li> <li>→ <b>March:</b> Senate Bill 22 passed, establishing the cabinet-level Early Childhood Education and Care Department</li> </ul>
2020	<ul style="list-style-type: none"> <li>→ <b>February:</b> Early Childhood Trust Fund created</li> <li>→ <b>March:</b> Pandemic measure to provide premium coverage for uninsured child care workers and their families if positive for COVID-19</li> <li>→ <b>May:</b> Hazard pay of \$700/month for child care teachers working during the pandemic</li> <li>→ <b>July:</b> Early Childhood Education and Care Department officially launched</li> </ul>
2021	<ul style="list-style-type: none"> <li>→ <b>June:</b> Prenatal-5 Fiscal Strategies Cost Estimation Model Report released</li> <li>→ <b>July:</b> Child Care Assistance Program is expanded from 200% of FPL to 350-400% of FPL; cost estimation model to set new rates for providers</li> <li>→ <b>July:</b> Early Childhood Wage Supplement Program launched</li> <li>→ <b>August:</b> Pre-K Pay Parity Award launched</li> <li>→ <b>September:</b> ARPA stabilization grants to programs opened</li> <li>→ <b>November:</b> One-time \$1,500 incentive payments and bilingual incentive payments launched</li> </ul>
2022	<ul style="list-style-type: none"> <li>→ <b>May:</b> Child Care Assistance (CCA) copays waived and access for families increased; eligibility for CCA raised to 400% of FPL</li> <li>→ <b>November:</b> Competitive Pay for Professionals (CPP) Grant Opportunity (\$3/hour wage increases) launched</li> <li>→ <b>November:</b> Constitutional Amendment I passed with 70% of voters in favor; this ballot initiative approves use of Land Grant Permanent Funds for early childhood education and constitutionally guarantees the right to early childhood education</li> </ul>
2023	<ul style="list-style-type: none"> <li>→ <b>May:</b> Announcement of Child Care Assistance expansion to 400% FPL made permanent; increased subsidy rates for early child care providers maintained with the intention of supporting the \$3/hour raise from CPP grants.</li> <li>→ <b>July:</b> Child care subsidy rates increased in line with updated cost model</li> <li>→ <b>August:</b> Release of Early Childhood Wage and Career Lattice</li> <li>→ <b>September:</b> Final date for committing the American Rescue Plan Stabilization Funds to specific funds or activities</li> <li>→ <b>December:</b> Head Start Pay Parity Award announced</li> </ul>

Table by Center for the Study of Child Care Employment

# Appendix 2. Summary of Compensation and Financial Relief Initiatives in New Mexico, 2020-2024

Type of Strategy	Name of Initiative	Timeframe	Payment Amount	Number of Participants	Funding Mechanism	Funding Source
Salary Scale	<b>Early Childhood Wage &amp; Career Lattice</b>	Report Released August 2023	Proposes minimum \$15/hour for Assistant Teacher and Support Staff, \$20.74/hour for Lead Teacher (with increasing amounts based on education level)	N/A	N/A	N/A
Wage Increase	<a href="#">Competitive Pay for Professionals (CPP) Grant Opportunity</a>	November 1, 2022 to September 30, 2023	\$3/hour	~7,400 (FY2023)	Grants to programs to raise pay by \$3/hour <sup>5</sup>	ARPA Funds
Wage Supplement	<a href="#">Early Childhood Wage Supplement Program</a>	July 2021, ongoing	\$250 to \$5,100/year (depending on education)	~949 (Jan-June 2023)	Biannual payments to educators	Early Childhood Trust Funds
	<a href="#">Pre-K Pay Parity Award</a>	August 2021, ongoing	Amount based on difference between salary and parity with school-based pre-K teacher salaries	165 (FY2023)	Monthly payments to educators	Early Childhood Trust Fund
	<a href="#">Head Start Pay Parity Award</a>	December 1, 2023, ongoing	Amount based on difference between salary and parity with school-based pre-K teacher salaries	Not Available	Monthly payments to educators	Early Childhood Trust Funds
One-Time Payment	<a href="#">One-time \$1,500 Incentive Payments</a>	November 1 to December 1, 2021	\$1,500	7,397 (Nov-Dec 2021)	One-time payment to educators	CRRSA Funds
	<a href="#">\$1,500 Bilingual Incentive Payments</a>	November 1, 2021, ongoing	\$1,500	104 (FY2023)	One-time payment to educators	State General Funds

**Sources:** New Mexico Early Childhood Education and Care Department, 2020; New Mexico Early Childhood Education and Care Department, 2023a, 2023b, 2023d, 2023e; O'Donnell, 2023; Office of the Governor, 2023; Prenatal-to-3 Policy Impact Center, 2023.

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<sup>5</sup>Note: Head Start and public Pre-K largely excluded; see [ECECD CPP Grant Q&A webpage](#).

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