

New Mexico Early Learning Advisory Council

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New Mexico Child Care and Development Fund (CCDF) Plan

FFY 2019–2021



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Child Care Development Block Grant Act and Final Rule Requirements for Market Rate Surveys and Alternative Methodologies

- As required in the Child Care and Development Block Grant Act of 2014
- Lead agencies must develop and conduct, no earlier than 2 years before the submission of their CCDF Plan, **a statistically valid and reliable market rate survey** (that reflects variations in the cost of child care services by geographic area, type of provider, and age of child) **or**
- **An alternative methodology**, such as a cost estimation model, that has been developed by the State Lead Agency (ECECD).



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Child Care Development Block Grant Act and Final Rule Requirements for Market Rate Surveys and Alternative Methodologies

- New Mexico will seek approval to conduct an **alternative methodology, a cost estimation model**
- ECECD must consult with
 - ◆ **State Advisory Council**, local child care program administrators,
 - ◆ Local child care resource and referral agencies, and
 - ◆ Other appropriate entities **prior to developing and conducting the market rate survey or alternative methodology**



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Child Care Development Block Grant Act and Final Rule Requirements for Market Rate Surveys and Alternative Methodologies

- ECECD must prepare a **detailed report containing the results of the market rate survey or alternative methodology**
- ECECD must make the report with results widely available
 - ◆ No later than 30 days after completion of the market rate survey or alternative methodology
 - ◆ Posting the results on the Internet



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Child Care Development Block Grant Act and Final Rule Requirements for Market Rate Surveys and Alternative Methodologies

- This report must include the estimated cost of care (including any relevant variation by geographic location, category of provider, or age of child) necessary to support:
 - ◆ Child care providers' implementation of the health, safety, quality, and staffing requirements
 - ◆ Higher-quality care, as defined by ECECD, using a quality rating and improvement system or other system of quality indicators, at each level of quality.



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Child Care Development Block Grant Act and Final Rule Requirements for Market Rate Surveys and Alternative Methodologies

- In the Child Care Development Fund Plan, ECECD must **set payment rates for child care services** that include:
 - ◆ Base payment rates sufficient for providers to meet the health, safety, quality, and staffing requirements.
 - ◆ Consideration of the cost of higher quality child care, including how rates for higher quality relate to the estimated cost of care at each level of quality.
 - ◆ Consideration of the views and comments of the public when setting rates.



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Importance of Conducting a Cost Model

- Financially sustainable subsidy providers are fundamental to the success and growth of New Mexico's child care industry
- The cost model shows
 - ◆ The cost of providing high-quality early care and education
 - ◆ The importance of maximizing known factors to help centers and homes account for operating costs



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Tasks

- ECECD and NMECDP convened internal working group and national cost model experts to conduct cost estimation model
- ECECD presents alternative methodology to members of the New Mexico Early Learning Advisory Council (ELAC) for input and discussion.
- ECECD requests to use alternative methodology submitted to Administration for Children and Families (ACF).
- ACF approves ECECD's use of alternative methodology.



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Tasks

- ECECD and NMECDP convenes stakeholders from organizations that represent early care and education providers for feedback
 - ◆ Head Start Association
 - ◆ New Mexico Voices for Children
 - ◆ New Mexico Association for the Education of Young Children
 - ◆ New Mexico Child Care and Education Association
 - ◆ New Mexico Early Childhood Development Partnership
- Cost model report published
- Subsidy reimbursement rates effective



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