

CHILD CARE & EARLY LEARNING

## STATE CHILD CARE ASSISTANCE POLICIES: *NEW MEXICO*

- **Income eligibility limit:** In 2016, a family of three in New Mexico could qualify for child care assistance with an annual income up to \$40,180 (199 percent of poverty, 79 percent of state median income).<sup>1</sup>
- **Waiting list:** New Mexico had 1,085 children on a waiting list for child care assistance as of February 2016.
- **Parent copayments:** In 2016, a family of three with an income at 100 percent of poverty (\$20,160 a year) receiving child care assistance in New Mexico paid \$75 per month, or 4 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$30,240 a year) receiving child care assistance paid \$171 per month, or 7 percent of its income, in copayments.<sup>2</sup>
- **Reimbursement rates:** In 2016, New Mexico's reimbursement rates for most child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.
  - New Mexico's monthly reimbursement rate for center care for a four-year was \$491, which was \$215 (31 percent) below the 75th percentile of current market rates for this type of care.<sup>3</sup>
  - New Mexico's monthly reimbursement rate for center care for a one-year-old was \$721, which was \$15 (2 percent) below the 75th percentile of current market rates for this type of care.<sup>4</sup>
- **Tiered reimbursement rates:** In 2016, New Mexico paid higher reimbursement rates for higher-quality care.<sup>5</sup>
  - The reimbursement rate for center care for a four-year-old at the highest quality tier was 71 percent higher than the rate at the lowest quality tier.
  - The reimbursement rate for center care for a four-year-old at the highest quality tier was above the 75th percentile of current market rates.<sup>6</sup>
- **Eligibility for parents searching for a job:** In 2016, New Mexico allowed parents to continue receiving child care assistance for up to 30 days while searching for a job.<sup>7</sup> However, the state did not allow parents to qualify for child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016). These data reflect policies as of February 2016, unless otherwise indicated.

- 1 As of April 2016, the income limit was increased to \$40,320 (200 percent of poverty) to adjust for the 2016 federal poverty level.
- 2 Grandparents or legal guardians who have taken custody/guardianship of a child and families receiving Protective Services At-Risk Child Care are exempt from copayments.
- 3 The state's market rate survey differentiates between quality levels and the 75th percentile of market rates was obtained for providers at each quality level of the state's older quality rating and improvement system and one of the levels of the new quality rating and improvement system to which the state is transitioning (the new system was not yet fully implemented at the time of the last survey); the base (lowest) reimbursement rate, which is the most common rate level (the level representing the greatest number of providers), is compared here to the 75th percentile for that same quality level.
- 4 The base (lowest) reimbursement rate, which is the most common rate level, is compared here to the 75th percentile for that same quality level.
- 5 This analysis reflects tiered rates for the new quality rating and improvement system as well as the older quality rating and improvement system, which will be phased out by the end of 2017. The older system has four rate tiers and the new system has five rate tiers; the rates at each of the bottom two tiers are the same for both systems.
- 6 The reimbursement rate for the highest quality level is compared here to the 75th percentile for the highest quality level under the older quality rating and improvement system.
- 7 In February 2016, parents receiving child care assistance could continue to receive it while searching for a job for up to 30 calendar days, twice per calendar year, immediately following the loss of employment or graduation from high school or undergraduate school. The state extended the amount of time parents receiving child care assistance can continue to receive it while searching for a job to 90 days as of October 2016.

