

Early Learning: Setting our Children on the Path to Success

Invest in Kids NOW! is dedicated to making early childhood education, health, and development a priority in New Mexico. By investing in the early years, we can ensure our children have the best opportunity to succeed in school and life. Funding for early childhood programs falls far short of the need, so we must secure an adequate and sustainable source of funding. What follows is a summary of the benefits of investing in early childhood, polling results, and explanation of why the state's \$15 billion Land Grant Permanent Fund is the best source of funding.

Framework for Success: Evidence-Based Investments

Evidence tells us that having a continuum of high-quality care and learning programs is the best way to prepare children for success in school. The programs in the continuum include home visiting, pre-kindergarten education, child care assistance, and family supports such as parent engagement and education initiatives. While many of these programs are already in place, we will need to expand our capacity, as well as include professional development for educators, an improved quality rating system, and a system of evaluation.

Current State and Federal spending for early childhood services in New Mexico is \$199.3 million. This includes childcare assistance, Pre-K, FIT (Family Infant Toddler Program), Home visiting and professional development.

A Wise Investment in Education

Early learning programs improve reading and math scores, increase graduation rates, and reduce crime—and cost less than remediation programs.

New Mexico invests almost 60% of the state budget in education, but less than 2% making sure kids are prepared to get the most out of their K-12 years. In fact, our investment in education is inverse to what is known about the science of brain development—while the majority of brain development occurs in the first five years of life, the majority of our public investment in learning occurs after the age of six. We could get much better results if we invested more making sure our kids aren't already behind when they start school.

The return on investment for early learning is 10% per year, per child over the life of the child. The returns come in the way of savings because the need for special education, remediation, incarceration, and social services is reduced. Other returns come in the way of higher earnings (which result in higher tax revenue for the state).

Families Need Predictability

Because the state has funded early learning programs out of the General Fund, kids have been subjected to a roller coaster of access to these programs because of fluctuating funding and inadequate resources. For example, in the last decade, child care assistance eligibility has been cut in half, then restored, then cut in half again.

**Learning Begins at Birth
So Should Our Investment in Education**



Even though the Legislature has made substantial efforts to increase funding, early learning programs have never received more than 2% of the General Fund budget. Of all the funding options for early learning only one offers an adequate, sustainable source—the school Permanent Fund.

Poll Shows Bipartisan and Statewide Support

A statewide poll conducted by Research and Polling, Inc., shows that early learning is important to New Mexico voters. Of those polled, 71% support using 1.5% of the Permanent Fund for early childhood programs. An even larger percentage—80%—support allowing voters to make this decision.

How the Permanent Fund Works

New Mexico's Land Grant Permanent Fund was established in 1910 to support public education. New Mexico has the 2nd largest school Permanent Fund in the country.

Unlike most endowment funds, our Permanent Fund benefits from two income sources: royalties from oil and gas, and earnings from investments. On average, the Fund sees more than 11% of gross annual growth from this income. Just 5.5% is distributed annually to beneficiaries (the largest of which is our K-12 system). The additional income—a net growth of 6.5 percent—is folded back into the Fund and re-invested on Wall Street.

Invest in Kids NOW! would like to see the distribution raised to 7%, with the 1.5% going to early learning programs and an additional .5% going to K-12. Raising the distribution from 5% to 7%. This allows the fund to grow.

Preserving the Fund for Future Generations

The Permanent Fund is projected to grow by \$4.4 billion over the next 10 years even with an additional 1.5% distribution for early learning services and, based on past performance, the fund is estimated to double by 2031.

Accountability is Assured

We want to continue to be good stewards of our school Permanent Fund. That's why accountability measures and safety valves are built in:

- The Legislature will appropriate the funding for the early learning programs and services.
- The state auditor will annually certify that the funds are properly directed to the designated programs.
- Funds can be used by public, private, and faith-based early learning providers; however, the learning services must be non-sectarian and private contracts cannot be used for K-12 education. The state will issue requests for proposals and contracts under published rules and regulations to ensure early learning services meet strict criteria.
- An in-depth, long-term evaluation will measure results of the increased investment and how it is improving measurable outcomes.
- The additional distribution automatically stops in the unlikely event that the Fund dips below \$10 billion.
- The Legislature can vote to suspend the additional distribution at any time and implementation is contingent on approval by Congress.

