



## Reflections on New Mexico's Participation in CEELO's State Administrative Cost of Quality Budget Tool Pilot

### CEELO Technical Assistance Memo

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### Background

The New Mexico PreKindergarten program ([NM PreK](#)) has been jointly administered by the state's Department of Children, Youth and Families ([CYFD](#)) and Public Education Department ([PED](#)) since it was established in 2004. Oversight of preschool offered in public school districts is under the direction of PED, while oversight of preschool offered in private provider locations is under the direction of CYFD. However, in 2019 the state passed a bill to consolidate home visiting, child care assistance, and state preschool under one agency, the Early Childhood Education and Care Department. While the new agency will not be fully operational until the summer of 2020, the state is already taking steps to plan for the merging of programs and services under the auspices of a new agency. To that end, staff from PED and CYFD participated in the pilot phase of the Center on Enhancing Early Learning Outcome's (CEELO's) State Administrative Cost of Quality (SACQ) tool from January - May, 2019. This memo is intended to capture the lessons learned from piloting the SACQ in this one state, with two different agencies, in order to inform other states that are interested in using the tool.

### Need

Understanding the true cost of state-level administration and support is an often neglected aspect of planning for successful implementation of state preschool programs. As stakeholders call for accountability with respect to state expenditures and program outcomes, additional burdens are placed on state agencies that are already severely under-staffed. The SACQ was designed to help state agencies analyze their core functions and then determine staffing and other costs associated with implementing and monitoring early learning programs at the state or regional level, including costs related to changes in preschool program size, complexity, and quality. Staff from New Mexico's PED and CYFD each used the SACQ to model costs associated with their current roles and capacity, in an effort to establish a baseline of current practice to inform staffing needs in the newly formed Early Childhood Education and Care Department.



## **New Mexico's Use of the SACQ**

Over the course of several months, PED and CYFD staff received an overview and training on the SACQ, and had access to CEELO staff and consultants as they used the tool to estimate current capacity and costs. At the end of this process, state staff from each agency were asked to reflect on the experience of using the SACQ, provide feedback on the technical design of the tool, and discuss the ways in which they might use the information produced by the SACQ in the future.

### *Challenges*

PED and CYFD have very different staffing structures at the state level, and their use of consultants differs. PED has few state staff and relies on consultants and districts to implement many of the functions of the preschool program. They needed time to tease out the nuances of work functions that are contracted out versus work done by state agency staff (of which there are only two). In addition, because their agency does not collect information on staff time and effort for specific activities, it was a challenge to estimate current capacity in some areas of the tool. CYFD asked CEELO staff to revise the tool to allow them to account for funding for specific costs that came from another partner or budget. Based on their comments, CEELO modified the SACQ to allow activities to be assigned to specific partners, such as state-level staff versus regional or district organizations, so that separate budgets may be prepared and details around the combined administrative effort are preserved.

### *Benefits*

Although PED had some challenges in getting the right level of information to populate the tool, they remarked that it made them more cognizant of the functions they perform that hadn't previously been adequately articulated. Staff at both agencies felt that the exercise of using the SACQ helped them to prepare for upcoming conversations about the development of a new state agency for early childhood. In addition, output from the SACQ has already been used by PED to develop pieces of a budget request for staffing, direct expenditures, and coaching/training.



## Reflections and Next Steps

Both PED and CYFD participants reflected that they were eventually able to use the tool on their own, but first needed technical assistance from CEELO to understand all of the functionalities of the SACQ. They each noted that the timing of the SACQ pilot was at the same time helpful and premature for staff from PED and CYFD. Looking to the future, staff from each agency plan to meet with their senior leaders to share the information to inform future budget and staffing decisions. While it helped them think more clearly about current roles and responsibilities, staff noted that they plan to revisit the SACQ in the future once more details are known about the new Early Childhood Education and Care Department. In addition, they noted the need to consider state agency capacity in the needs assessment and strategic planning related to their federal Preschool Development Grant, Birth to Five and potentially plan to update cost estimates for NM PreK, possibly using the Cost of Preschool Quality and Revenue tool. Staff from both agencies agreed that a more in-depth cost study would help them communicate their needs more effectively, particularly with new agencies heads and legislators.

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*The Center on Enhancing Early Learning Outcomes (CEELO) developed the State Administrative Cost of Quality (SACQ) for modeling the costs of implementing and monitoring early learning programs at the state or regional level, including costs related to changes in preschool program size, complexity, and quality. [Washington State](http://nieer.org/research/research-instruments/cpqr) piloted the tool in 2018. The tool and other information is available here- <http://nieer.org/research/research-instruments/cpqr>*