

<b>LFC Requester:</b>	<b>Jorgensen</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 16 February 2025 *Check all that apply:*  
**Bill Number:** HB404 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b> <u>De La Cruz</u>	<b>Agency Name and Code Number:</b> <u>NM Independent Community Colleges 994</u>
<b>Short Title:</b> <u>Social Services Monetary Stipend Project</u>	<b>Person Writing Phone:</b> <u>Vanessa K. Hawker</u> <b>Email:</b> <u>vhawker@hawkerhynson.com</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$3,000.0		NR	GF

(Parenthesis ( ) indicate expenditure decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

**Synopsis:** House Bill 404 (HB404) creates a 3-year pilot project which will provide monthly assistance payments to adults who are former foster or delinquent children, under the age of 26, who are:

- enrolled in a post-secondary education program,
- participating in a workforce solutions department recognized apprenticeship program or workforce development program,
- participating in a program or activity designed to promote employment or remove barriers to employment.

The higher education department (HED) shall work in consultation with the health care authority to determine the amount of the monetary stipend. Stipends shall be individualized and based upon the participant's income; other public assistance received by participants. Individual stipends shall not exceed \$2 thousand per month.

HED is responsible for developing rules, application procedures, review processes. HED will report to the legislative health and human services committee on May 1 and November 1 each year. By October 1, 2031, HED shall provide a final report on participant outcomes. This report shall include recommendations.

## **FISCAL IMPLICATIONS**

A non-recurring \$3 million appropriation is made from the general fund for expenditure in FY2026 – FY2028. Any unexpended or unencumbered funds remaining at the end of FY2028 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

In the pilot program established by HB404, it is unclear how the eligible students would be identified. Questions could be added to institutional admission applications and/or financial aid applications. If only post-secondary education institutions identify eligible students, there is the potential for other eligible young adults to miss out on this post-secondary education opportunity. It is important New Mexico's foster care system and the youth detention systems work proactively to encourage potentially eligible young adults to seek out post-secondary education and receive this stipend.

Santa Fe Community College recently piloted a guaranteed income program (a stipend) through the University of Pennsylvania. The data shows a statistically significant increase in student completion for those students who received the stipend.

The appropriation in HB404 would fund approximately 41 students per year, assuming each student receives \$24 thousand per year, excluding any program management costs. The pilot project funded in HB404 could provide valuable information in establishing programs that can support all New Mexico's former foster or delinquent children under 26 years of age who are seeking post-secondary education.

## **OTHER SUBSTANTIVE ISSUES**

Though the higher education department is charged with overseeing the monetary stipend project, it is unclear if the awards are limited to students attending New Mexico's public post-secondary institutions.