

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(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}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date Prepared: 2025-02-11
Bill No: SB333

Sponsor(s) Michael Padilla
:

Agency Name and Code CYFD 69000
Number:
Person Writing Analysis: Ramona J. Martinez
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Short Title: CHILDREN'S BENEFITS
ACCOUNT ACT

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

ESTIMATED ADDITIONAL OPERATION BUDGET (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		0	0	\$0	Recurring	General Fund

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

This bill amends the Children’s Code to enact the Children’s Benefits Act, explicitly defining “benefit” as retirement, survivor, and disability insurance (RSDI) funds under Title II of the Social Security Act. This definition is essential for the state to manage and conserve these benefits properly received on behalf of children and youth (referred to as beneficiaries) in CYFD custody.

The bill directs CYFD to apply to become the representative payee for beneficiaries in its custody who are receiving or eligible for Title II benefits. It further establishes specific requirements for CYFD, including:

1. Developing a plan detailing how funds will be used to meet the beneficiary’s needs;
2. Notifying the beneficiary’s parent or guardian within 30 days of being appointed representative payee;
3. Establishing a no-cost benefits account at a financial institution in New Mexico for each beneficiary;
4. Implementing and maintaining an internal system to track benefits;
5. Providing an accounting of the benefits account to the beneficiary’s parent or guardian; and
6. Issuing an annual statement to the beneficiary’s parent or guardian.

The bill also sets forth procedures for managing events that may affect a beneficiary’s account, including guidelines for account closure. At age 17, CYFD must assess whether the beneficiary will require a representative payee upon turning 18. If needed, CYFD will identify an appropriate representative payee; otherwise, the department will assist the beneficiary in managing their benefits independently.

Additionally, the bill requires CYFD to disburse any remaining funds in a beneficiary's account in accordance with federal guidelines. It also ensures the confidentiality of benefits accounts and limits the department's liability for delays caused by the federal Social Security Administration.

FISCAL IMPLICATIONS

Click or tap here to enter text.

SIGNIFICANT ISSUES

The Social Security Administration (SSA) provides two primary types of benefits to children: Supplemental Security Income (SSI) and Retirement, Survivors, and Disability Insurance (RSDI). Each program has distinct rules governing how funds can be accessed, used, and managed.

Supplemental Security Income (SSI):

Federal regulations allow CYFD to use SSI benefits for the child's support, including food, shelter, clothing, medical care, and personal comfort items. Because SSI is a means-tested benefit, a child's total resources cannot exceed \$2,000 to maintain eligibility. Since SSI benefits can continue after a child exits CYFD custody, the state must carefully manage these funds to ensure continued eligibility.

Retirement, Survivors, and Disability Insurance (RSDI):

RSDI provides income support to children under 18 (or under 19 if they are full-time high school students) whose parent has died, retired, or become disabled after earning insured status by paying Social Security taxes. Unlike SSI, RSDI is not a means-tested benefit, meaning recipients are not subject to income or asset limits. However, if a child receives both RSDI and SSI, the \$2,000 asset limit for SSI still applies. If RSDI funds exceed this threshold, the child risks losing SSI eligibility.

Because of this strict asset limit, CYFD must set aside RSDI benefits for the child's future use, a practice it currently follows.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

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CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is in direct conflict with SB 283, which fails to differentiate between SSI and RSDI benefits—a crucial requirement for ensuring CYFD's compliance with federal regulations regarding these benefits. SB 283 not only blurs the lines between the two types of benefits, but it also introduces an alternative representative payee, resulting in a significant loss of oversight by CYFD. This confusion and lack of clarity must be addressed to maintain proper accountability and adherence to federal guidelines.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Although CYFD's current policy aligns with the requirements of this bill, without its enactment, there would be no statutory guidance directing the department on when and how to conserve Title II benefits for children and youth in its custody, as well as how to manage and disburse those benefits when they exit custody through reunification, adoption, guardianship, or aging out. Additionally, there would be no statutory requirement for the department to assist youth at age 17 in developing a plan for managing their benefits upon aging out of custody at 18.

AMENDMENTS

None.