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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 2nd Session, 2024

Bill Number	<u>SB164</u>	Sponsor	<u>Soules</u>
Tracking Number	<u>.226895.2</u>	Committee Referrals	<u>SCC/SHPAC/SFC</u>
Short Title	<u>Universal Basic Income & Pregnancy</u>		
Analyst	<u>Andrews</u>	Original Date	<u>1/24/2024</u>
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FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

BILL SUMMARY

Synopsis of Bill

Senate Bill 164 (SB164) would create a two-year pilot program to evaluate the financial impact on a low-income pregnant person of providing a universal basic income of \$1,500 per month from pregnancy through the first year of life of an infant. This pilot program would be limited to pregnant participants who have an income at or below 150 percent of the federal poverty level, and would be administered by the Department of Health (DOH) from July 1, 2024 to June 30, 2026.

The pilot program would consist of a control group and a test group of participants who must comply with the following provisions to maintain eligibility: attending prenatal appointments, completing surveys and research forms throughout the duration of the program, and receiving home visitation services. If a participant fails to maintain eligibility, the participant would be placed into the control group for the remainder of the program. DOH would report the findings of the program to the Legislative Education Study Committee (LESC) by December 1, 2026.

FISCAL IMPACT

The bill appropriates \$80 million from the general fund to DOH for expenditure in FY25 and FY26 to conduct a universal basic income pilot program. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

SUBSTANTIVE ISSUES

Background. Early childhood is a profound life stage for physical, cognitive, and social-emotional development. [Research](#) shows in the first few years of life, the brain undergoes rapid development, forming more than 1 million new neural connections every second. This initial brain development has the potential to set the stage for later learning—providing either a strong or fragile foundation that can influence learning for the rest of a child’s life. Pregnancy is also an important

period with immediate and long-term impacts on children’s health, with a strong body of [research](#) establishing the far-reaching importance of the physical, economic, and social environment during pregnancy.

In the United States, the birth of a child increases the likelihood of poverty by 33 percent, recent [research](#) shows, with over one out of four mothers experiencing poverty in the month after birth, with spikes in poverty following a birth particularly pronounced for Black and Latina mothers. As noted by the Early Childhood Education and Care Department (ECECD), New Mexico has one of the highest rates of poverty in the nation, with 24 percent of children living at or below the federal poverty level in 2022. ECECD notes income supplementation for parents, such as a child tax credit, has been shown to decrease disparities and improve health equity. During the Covid-19 pandemic, Congress expanded the federal child tax credit. Not only did child poverty rates dramatically decline in response to the expanded federal child tax credit, but the gaps between the poverty rates for children of color and those for white children also narrowed.

Universal Basic Income Programs Nationwide. Columbia University’s Center on Poverty and Social Policy [notes](#) that since the pandemic, there has been increasing interest by states and municipalities in regular cash payments as an approach to help families meet their expenses and achieve their goals for themselves and their children. ECECD notes that guaranteed income pilot programs for pregnant persons have also been started as one way to address high national maternal mortality rates.

Recently, similar pilot programs for low-income pregnant persons have been started in several states and municipalities included but not limited to, [Colorado](#), [Delaware](#), [Baltimore](#), [Philadelphia](#), and [Flint](#).

[New York City](#) transitioned The Bridge Project, which provides three years of no-strings-attached cash during the first three years of a child’s life to low-income parents and their babies, from a pilot to a permanent program in 2023. [California](#) expanded a San Francisco Department of Health program that provides monthly income supplements to pregnant Black women to reduce racial health disparities to four additional counties (Alameda, Contra Costa, Los Angeles, and Riverside) in 2022.

ADMINISTRATIVE IMPLICATIONS

ECECD notes that SB164 states that participants would receive home visitation from employees of DOH or an entity approved by the department. ECECD notes that while the only home visiting program provided by DOH is Family Connects, DOH could collaborate with ECECD to ensure participants are enrolled in home visiting programs in their local community.

SOURCES OF INFORMATION

- LESC Files
- Early Childhood Education and Care Department

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