

Analyst: Sunny Liu

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

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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: 2/3/25

Bill Number: SB 234

Sponsor: Senator Pinto

Short Title: Tribal Education Trust Fund

Agency Name and Code Number: NM Indian Affairs Dept 60900

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Section II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$12,500	Recurring	PED General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	Na	Na

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

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Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill establishes the Tribal Education Trust Fund, a new non-reverting fund in the state treasury to support education for Native American students in New Mexico. Initially, the fund will receive \$100 million from the general fund which the state investment officer will invest according to the prudent investor rule.

Beginning in fiscal year 2027, the fund will provide at least \$12.5 million annually to the Public Education Department (PED). PED will distribute the funds to Nations, Pueblos, and Tribes (NPTs) in New Mexico pursuant to a disbursement formula. The bill calls for a temporary task force from 2025 through 2032. The task force will develop a disbursement formula based, which is equitable for NPTs, including tribal needs and tribal size, including a base and student count element.

The task force will consist of nine members representing tribal nations throughout New Mexico. Tribes that receive the funds will be required to submit annual operating budgets, plans, and impact reports to the PED, which will provide updates to legislative committees and tribes. The bill allows tribes flexibility in using the funds for purposes identified in the Indian Education Act while maintaining tribal sovereignty. Additionally, the bill allocates up to \$100,000 annually to PED to administer the fund. Finally, periodically, the task force will review the disbursement formula to ensure its effectiveness.

Prior to April 15 and October 15 of each year, the bill requires that each New Mexico tribe shall submit various information to PED.

FISCAL IMPLICATIONS

There is no fiscal impact to the New Mexico Indian Affairs Department. However, IAD defers to PED as to whether \$100,000 is sufficient to cover the administrative costs to administer this proposed fund.

SIGNIFICANT ISSUES

IAD does not have technical or substantive expertise in this area and therefore defers to PED.

However, IAD notes that under Section 1(H) and 1(J), the bill requires that “each New Mexico tribe **shall** submit to the [PED] . . .” The state cannot require the sovereign nations to submit information to a state agency. IAD recommends that the bill be modified to state that, “each New Mexico tribe **that receives a disbursement** shall submit to the [PED] . . .”

PERFORMANCE IMPLICATIONS

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ADMINISTRATIVE IMPLICATIONS

IAD defers to PED regarding any administrative implications

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

In the executive recommendations, there is a request for an additional \$50 million dollars to the Indian Education Fund, which PED will administer directly to Nations, Pueblos, and Tribes.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS