

LFC Requester:	Mercer-Garcia, Rachel
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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}

Date Prepared: 2/21/25 *Check all that apply:*
Bill Number: SB 509 Original Correction
 Amendment Substitute

Sponsor: Sen. George K. Munoz **Agency Name and Code:** AOC
Short Title: Pathway Act for Foster Children **Number:** 218
Person Writing: Kathleen Sabo
Phone: 505-470-3214 **Email:** aoccaj@nmcourts.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	\$4,000	Rec.	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
Unknown	Unknown	Unknown	Rec.	General

(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	Unknown	Unknown	Unknown	Unknown	Rec.	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None.

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB 509 enacts the “Pathway Act”, allowing a qualified beneficiary, upon request to the Department of Finance and Administration (hereinafter “department”) to receive a one-time transfer of \$2,000 from the Pathway Program Fund to the beneficiary’s personal bank account to be used only for housing, education or workforce training expenses. SB 509 provides that a person is eligible to be a beneficiary of the Pathway program who:

- (1) has spent at least eighteen months cumulatively in foster care;
- (2) reaches eighteen years of age on or after January 1, 2026; and (3) has successfully completed a financial literacy course, either in high school, as evidenced by a transcript, or that is approved by the department.

SB 509 states that the provisions of the Pathway Act do not guarantee any benefits and shall not be construed to create an interest in property that does not otherwise exist or is enforceable under state law.

SB 509 appropriates \$4 million from the Early Childhood Education and Care Fund to the Pathway Program Fund for expenditure in FY 26 and subsequent fiscal years for the purpose of administering the Pathway Act.

The effective date of the Act is January 1, 2026.

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and any challenges to beneficiary status under the Pathway Act. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

- 1) Although SB 509, Section 5 states that the provisions of the Pathway Act do not guarantee any benefits and shall not be construed to create an interest in property that does not otherwise exist or is enforceable under state law, it is possible that a person who has been denied beneficiary status might bring an action seeking to challenge that denial.

SB 509 does not provide procedures for challenging the denial of beneficiary status. Rather, SB 509 tasks the DFA with collaborating with the Children, Youth and Families Department (CYFD) to automatically enroll beneficiaries and communicate to beneficiaries who become eligible of the availability and use of funds pursuant to the Pathway Act.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

ADMINISTRATIVE IMPLICATIONS

See “Fiscal Implications,” above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS