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HOUSE BILL 404

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Art De La Cruz and Michael Padilla and Kathleen Cates

AN ACT

RELATING TO SOCIAL SERVICES; CREATING THE MONETARY STIPEND PROJECT AS A THREE-YEAR PILOT PROJECT TO PROVIDE MONTHLY ASSISTANCE PAYMENTS TO DEMONSTRATE THAT A MONETARY STIPEND FOR BASIC COST-OF-LIVING EXPENSES IMPROVES EDUCATIONAL, EMPLOYMENT AND HEALTH CARE OUTCOMES FOR ADULTS WHO ARE FORMER FOSTER OR DELINQUENT CHILDREN; PROVIDING FOR PROGRAM ELIGIBILITY, PROGRAM TERMS AND REPORTING REQUIREMENTS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] PILOT--MONETARY STIPEND PROJECT--ELIGIBILITY--PROGRAM TERMS--REPORTING AND EVALUATION.--

A. The "monetary stipend project" is created as a three-year pilot project that provides monthly assistance payments to eligible adults and measures the effect of monetary .228851.2

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1 stipends on socioeconomic outcomes. The purpose of the
2 monetary stipend project is to demonstrate that a monetary
3 stipend for basic cost-of-living expenses improves educational,
4 employment and health care outcomes for adults who are former
5 foster or delinquent children. The monetary stipend project
6 shall be administered by the higher education department.

7 B. An eligible participant shall be a New Mexico
8 resident, United States citizen or lawful permanent resident
9 and an adult who is less than twenty-six years of age and who
10 is a former foster child, was adjudicated and incarcerated
11 pursuant to the Delinquency Act or who participated in and aged
12 out of the fostering connections program as provided in the
13 Fostering Connections Act and is:

14 (1) enrolled in a post-secondary educational
15 program;

16 (2) participating in an apprenticeship program
17 or workforce development recognized by the workforce solutions
18 department; or

19 (3) participating in a program or activity
20 designed to promote employment or remove barriers to
21 employment.

22 C. Subject to appropriation, the higher education
23 department shall determine the amount of a monetary stipend in
24 consultation with the health care authority. The amount of a
25 monetary stipend shall be individualized for each participant

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1 and adjusted based on the participant's income and on other
2 public assistance that the participant receives; provided that
3 a monetary stipend shall not exceed two thousand dollars
4 (\$2,000) per month. A monetary stipend may be expended on
5 cost-of-living expenses, including housing expenses, as
6 provided by rule.

7 D. The higher education department shall promulgate
8 rules for the form and manner of the application, procedures
9 and criteria for reviewing applications, the methodology for
10 evaluating participants and other rules necessary to carry out
11 the provisions of this section. If the higher education
12 department determines that the federal Social Security Act
13 requires waivers or authorizations from the United States in
14 order to carry out the monetary stipend project, the department
15 shall notify the health care authority, and the authority shall
16 request such waivers or authorizations no later than December
17 31, 2025.

18 E. The higher education department shall report to
19 the legislative health and human services committee on May 1
20 and November 1 of each year of the monetary stipend project.
21 No later than October 1, 2031, the higher education department
22 shall provide a final report to the legislative health and
23 human services committee on the outcomes for the participants,
24 the fiscal impact of the program and other recommendations that
25 the higher education department deems appropriate."

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SECTION 2. APPROPRIATION.--Three million dollars (\$3,000,000) is appropriated from the general fund to the higher education department for expenditure in fiscal years 2026 through 2028 for the monetary stipend project. Any unexpended or unencumbered balance remaining at the end of fiscal year 2028 shall revert to the general fund.