

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

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SECTION I: GENERAL INFORMATION

Check all that apply:

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

Date Prepared: 2024-01-31
Bill No: HB290

Sponsor(s) Linda Serrato
:

Agency Name and Code ECECD 611
Number:
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Short Title: CHILD CARE FACILITY
LOAN FORGIVENESS

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
NFI	1,750,000	Recurring	GF

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

ESTIMATED ADDITIONAL OPERATION BUDGET (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

Duplicates/Conflicts with/Companion to/Relates to: SB210

Duplicates/Relates to Appropriation in the General Appropriation Act: Yes

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 290 (HB290) amends Section 24-4-4 NMSA 1978, which defines the child care facility revolving loan fund to include additional eligible loan recipients, including providers and facilities seeking to expand child care programs and to employers to create or expand child care programs for their employees.

In addition, the bill would amend statute to require the department to enter into a contract to forgive the loan if the provider meets specific requirements within five years of disbursement of the loan.

FISCAL IMPLICATIONS

Although funding would be appropriated to the Child Care Revolving Loan Fund, the loan forgiveness requirements of the bill may result in less "revolving" funds being available within the revolving loan fund.

SIGNIFICANT ISSUES

On page 2, starting at line 20, the bill requires "the department" to enter into contracts with loan recipients, which under this statute is the Early Childhood Education and Care Department. However, as the loans are administered by the New Mexico Finance Authority, the bill should refer to NMFA in this section.

Additionally, the loan forgiveness framework of this bill may violate the Anti-Donation Clause.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The appropriation section of the bill conflicts with SB210, which appropriates \$10 million to this fund. In addition, the Executive budget requested \$3 million in special appropriations.

TECHNICAL ISSUES

The bill suggests that a facility can seek funding (HB290 page 2, lines 10-11 "...facilities seeking to expand child care programs") however, in the current statute, facility means "a child care facility operated by a provider" therefore, facility should not be included within this line.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Providers would need to pay back funds issued by the Child Care Facility Revolving Loan Fund.

AMENDMENTS

Amend "department" to NMFA on page 2 line 20. In addition, ECECD suggests removing facility from page 2, lines 10-11.