

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

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{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

Check all that apply:

**Original X Amendment
Correction Substitute**

**Date Prepared: 2024-01-23
Bill No: SB153**

Sponsor(s): Siah Correa Hemphill

Agency NameECECD 611
**and Code
Number:**

Person Writing Sara Mickelson

Analysis:

Short Title: EARLY CHILDHOOD
FUND TRANSFERS

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$150,000.0	\$250,000.0	Recurring	ECTF

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
			Recurring	ECTF

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:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

SB153 would change the distribution amount from the early childhood education and care fund to the early education and care program fund to an amount equal to the greater of five percent of the average year-end market values of the fund for the immediately preceding three calendar years or two hundred fifty million dollars (\$250,000,000). SB153 would also provide for the reversion of unexpended and unencumbered balance from the Program Fund to the Early Childhood Education and Care Fund.

FISCAL IMPLICATIONS

The changes made to SB153 positively impact the Early Childhood Education and Care Department (ECECD) as the bill increases the FY25 ECECF distribution to the Early Childhood Education and Care Program Fund from an estimated \$154.74 million to \$250.0 million (see Dec 2023 estimate below).

Early Childhood Trust Fund Forecast - December 2023

(in millions)

Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Beginning Balance	\$300.0	\$300.0	\$314.1	\$3,462.0	\$5,508.2	\$7,741.7	\$9,108.3	\$9,774.6	\$9,852.1
Gains & Losses	\$6.1	\$34.1	(\$6.4)	\$123.2	\$220.3	\$309.7	\$364.3	\$391.0	\$394.1
Excess Federal Mineral Leasing	\$0.0	\$0.0	\$1,501.5	\$2,073.0	\$1,018.1	\$663.1	\$246.5	\$0.0	\$0.0
Excess OGAS School Tax*	\$0.0	\$0.0	\$1,682.80	\$0.0	\$1,149.8	\$672.4	\$428.1	\$130.2	\$0.0
Distribution to ECE Program Fund	\$0.0	(\$20.0)	(\$30.0)	(\$150.0)	(\$154.7)	(\$278.5)	(\$372.6)	(\$443.7)	(\$478.9)
Ending Balance	\$306.1	\$314.1	\$3,462.0	\$5,508.2	\$7,741.7	\$9,108.3	\$9,774.6	\$9,852.1	\$9,767.2

*Excess OGAS School Tax distributed to Early Childhood Trust Fund if general fund reserves are at least 25% throughout forecast period, and distributions occur for prior fiscal year in January of the following calendar year.

Note: Investment return assumed at 4% and distributions occur on July 1, based on previous calendar year-ending balance.

	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Distribution to ECE Program Fund	\$0.00	\$20.00	\$30.00	\$150.00	\$154.74	\$278.53	\$372.64	\$443.74

Source: December 2023 Consensus Revenue Forecast

The increased distribution will provide funding for the prenatal to five early childhood services New Mexico families and children need and want in FY25.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

SB153 would increase the distribution from the Early Childhood Education and Care Fund which will support ECECD in achieving its mission to: "Optimize the health, development, education and well-being of babies, toddlers and preschoolers through a family driven equitable community-based system of high quality pre-natal and early childhood programs and services."

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB153 is not enacted, the FY25 distribution to the Early Childhood Education and Care Program Fund will remain at the estimated \$154.74 million instead of \$250.0 million, a negative impact of \$95.26 million to ECECD's FY25 budget.

AMENDMENTS

None.