

LFC Requestor: Kelly Klundt

2024 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS

Section I: General

Chamber: Senate

Category: Bill

Number: 0164

Type: Introduced

Date (of THIS analysis): 1/24/24

Sponsor(s): William P. Soules

Short Title: Universal Basic Income & Pregnancy

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25 – FY 26		
\$ 0	\$ 80,000.00	Total appropriation is for expenditure over 2 years: FY25-FY26.	SGF

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$ 0	\$ 0	\$ 0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total for personnel	\$ N/A	\$261	\$261	\$523	Non-recurring	SGF

For each year of universal income proposed, an estimated \$192,600,000.00 would be required on a population level. Based on NM Vital Records Health Statistics, there were 21,393 resident births in 2021. Among those, ~50% (+- standard error 1.2, weighted percent) would be eligible for the program at 150% of federal poverty level (NM PRAMS, 2020-2021 births). A pilot study could be operationalized with a systematic randomized sample of births to fit the proposed appropriation. Since the stated selection criteria apply to such a large share of the perinatal population, additional selection parameters would be required. Scaling the operations up across New Mexico with sustained effort beyond two years would require significant resources and decision making to determine the scope.

Personnel would be required to design the study, recruit participation and to seek research approvals through the New Mexico State University Institutional Review Board (IRB) to assure ethical human subjects protections. Time for hiring, study protocol development and IRB applications are estimated to take between 6 and 9 months.

Additional personnel would be needed to administer and maintain enrollment, verify compliance with pilot requirements, and to administer payments.

- An Epidemiologist-O FTE is calculated at the hourly midpoint and average fringe benefits at 40%:  
Payband 70-  $\$33.23/\text{hr} \times 2080 \text{ hours} = \$69,118 + 40\% \text{ fringe} = \$96,765.00$
- For an Accountant-Auditor-B, Payband 55-  $\$23.14/\text{hr} \times 2080 \text{ hours} = \$48,131 + 40\% \text{ fringe} = \$67,383.00$
- For a Program Coordinator-I, Payband 70-  $\$33.23/\text{hr} \times 2080 \text{ hours} = \$69,118 + 40\% \text{ fringe} = \$96,765.00$

### **Section III: Relationship to other legislation**

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

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

### **Section IV: Narrative**

#### **1. BILL SUMMARY**

##### a) Synopsis

Senate Bill 164 would appropriate \$80,000,000 dollars from the general fund to be used on a 2-year basic income pilot program for low-income pregnant women from FY.

SB0164 would direct NMDOH to establish and evaluate the two-year universal basic income pilot program “to evaluate the financial impact on a pregnant person of providing a universal basic income from pregnancy through the first year of life of an infant.” All

pregnant individuals with incomes at or below 150% of the Federal Poverty Level would be eligible for voluntary enrollment through an application process created by DOH. Enrollees would be divided into intervention and control groups. In order to receive payments of \$1,500.00 per month, those in the intervention group would be required to attend routine prenatal care appointments and receive home visiting services in addition to completing study forms and survey instruments throughout the duration of the pilot. Participation would end at the end of the infant's first year of life. Participants who fail to comply with the terms of participation would be moved to the control group and forfeit payments for the duration of the pilot. NMDOH would be required to report the findings of the program to the legislative education study committee no later than December 1, 2026

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

b) Significant Issues

As of 2021, New Mexico was the third-most impoverished state in the nation ([NM-IBIS - Summary Health Indicator Report - Population Demographic Characteristics - Poverty Among All Persons](#)). Since 1995, New Mexico's rate of childhood poverty has consistently been about 30% higher than national averages ([NM-IBIS - Summary Health Indicator Report - Population Demographic Characteristics - Poverty Among Children Under Age 18](#)). Poverty is associated with negative long-term health outcomes across the lifespan, higher rates of infant mortality, earlier death, and higher rates of adverse childhood health experiences ([Relationship of Childhood Abuse and Household Dysfunction to Many of the Leading Causes of Death in Adults - American Journal of Preventive Medicine \(ajpmonline.org\)](#), [Childhood Poverty, Adverse Childhood Experiences, and Adult Health Outcomes - PubMed \(nih.gov\)](#)).

Basic income programs, referred to interchangeably as guaranteed income programming, are one tool governments are using to mitigate poverty and its associated health disparities ([Umbrella Review BI final.pdf \(stanford.edu\)](#)). Basic income programs are defined as any program that transfers money directly to program participants. A cross-synthesis study of basic income programs reports positive outcomes associated with implementation of guaranteed income programming ([Umbrella Review BI final.pdf \(stanford.edu\)](#)). Guaranteed income programs are associated with reductions in poverty, improvements in health and education outcomes. Critics of basic income programs have voiced concerns about reducing labor market participation, studies have found that results are mixed—often, where labor market participation is reduced, it is replaced with other activities like caregiving ([Umbrella Review BI final.pdf \(stanford.edu\)](#))

118 basic income pilot projects have been launched in the US to date, 54 of them currently active. ([Global Map of Basic Income Experiments | The Stanford Basic Income Lab](#)) Of the 118, 3 small-scale guaranteed income experiments were in the State of New Mexico ([Global Map of Basic Income Experiments | The Stanford Basic Income Lab](#)). In 2022, the City of Santa Fe introduced a guaranteed income program, Santa Fe LEAP, to support parents seeking a degree from Santa Fe Community College with 400 dollars a month in guaranteed income. Persons who make up to 200% of the federal poverty guidelines are eligible for these benefits.

In addition to the pilot projects mentioned above, Washington State non-profit Hummingbird Indigenous Family Services expanded their Nest Program with providing basic income to

150 families with monthly payments of \$1,250. The payments will start at pregnancy and continue up to the child's third birthday. To take part in the program there is an interview as well as an application to apply for the program [The Nest \(Guaranteed Income\) \(hummingbird-ifs.org\)](#). Unfortunately, since the program just launched at the end of last year, there isn't any evaluation on the success.

The NM Maternal Mortality Review Committee has found that unemployment was an environmental stressor present for 61% of pregnancy-related deaths 2015-2020 [PowerPoint Presentation \(nmlegis.gov\)](#)

- This Bill has been endorsed by the Legislative Education Study Committee with the votes of five members in favor and three against.
- Memorials were introduced during the 2022 (HM22 Study Low Income Basic Income) and 2023 (HM7 Study NM Basic Income) legislative sessions, but neither advanced beyond the first committee. These memorials did not specifically address the study of universal basic income for pregnant individuals.
- The pilot study design, including compulsory participation in health services or home visiting, introduces regulatory and ethical considerations for study participants and for service providers. Automatic assignment to a control group at different points in the study introduces several kinds of bias and challenges for the research protocol. As written, SB 164 requires subjective, provider-based interpretations of recommended prenatal care for each participating individual. Variation in 'non-compliance' could carry many different demographic and geographic factors.
- Numerous pilots are underway at the municipal and state level: New York City: [Our Work – The Bridge Project](#), Flint, MI: [Rx Kids | A Prescription for Health, Hope, and Opportunity \(flinrxkids.com\)](#), California: [California Abundant Birth Project](#), Delaware: [Universal Basic Income program helping pregnant women with challenging circumstances | wdel.com](#)
- Published evidence from the U.S. and globally indicates that cash payments during pregnancy have causal impacts on short- and long-term outcomes throughout infancy, childhood, and adulthood [Cash-payments-during-pregnancy-CPSP-2023 \(squarespace.com\)](#)
- Studies of cash transfers on neonatal outcomes also show mixed results (Glassman et al 2013) <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4021703/>
- Cash transfer programs and studies on conditional universal income describe many ethical considerations in published literature <https://academic.oup.com/heapol/article/35/6/718/5828348>
- Some promising outcomes are observed in unconditional studies and can be compared to those with conditions (Lagarde, Haines and Palmer 2009). <https://jamanetwork.com/journals/jama/article-abstract/209295>
- The bill does not address the implications for participation if a pregnancy does not result in a living infant.

## 2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?  
 Yes  No

This bill requires FTE resources and implementation of a pilot study. Current operations at NMDOH would need to either shift to accommodate implementation, surveillance, and

evaluation for this pilot project, or a new set of coordinators and epidemiologists would need to be hired.

- Is this proposal related to the NMDOH Strategic Plan?  Yes  No
  - Goal 1:** We expand equitable access to services for all New Mexicans
  - Goal 2:** We ensure safety in New Mexico healthcare environments
  - Goal 3:** We improve health status for all New Mexicans
  - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

### 3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?  
 Yes  No  N/A
- If there is an appropriation, is it included in the LFC Budget Request?  
 Yes  No  N/A
- Does this bill have a fiscal impact on NMDOH?  Yes  No

### 4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH?  Yes  No

NMDOH would be responsible for the administrative burdens of the program. If the Family Health Bureau and Maternal Child Health epidemiology programs within NMDOH deemed themselves incapable of running the program as currently constituted, NMDOH may need to hire additional epidemiologists and evaluators capable of overseeing the pilot project. Rules would need to be promulgated for program participants. A formal research study for the program would also need to be established.

Staffing is calculated for pilot implementation and study personnel.

### 5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None.

### 6. TECHNICAL ISSUES

Are there technical issues with the bill?  Yes  No

Putting participants who fail to comply with program requirements of attending prenatal care appointments into a control group is likely to skew results of the research study. Research demonstrates that regular prenatal care is associated with positive impact on health outcomes for both pregnant people and children—placing persons who do not obtain prenatal care into the control group may artificially skew results by selecting out those persons with other confounding variables adversely impacting health outcomes, such as substance use, lack of access to transportation, rural location, etc., into the control group.

## 7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written?  Yes  No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

Human Subjects Protections regulations might prohibit a scenario where people lose benefits by not ‘complying’ with services, although some studies have a prorated approach to when the individual starts and finishes study participation. Studies relying on coercion are out of compliance with U.S. Health and Human Services (HHS) regulations for the protection of human subjects in research at 45CFR 46 <https://www.hhs.gov/ohrp/regulations-and-policy/regulations/45-cfr-46/index.html>.

This bill involves the prospect of a program being developed by NMDOH which has potential to directly affect American Indians or Alaskan Natives. There are 23 tribes, Pueblos, and nations in New Mexico, as well as a sizeable Urban Indian population. NMDOH would need to provide communication to Tribal Leadership and Tribal Serving Organizations on the foundations of the program and to ensure Tribes, Pueblos, and Nations are to be involved in the development process.

## 8. DISPARITIES ISSUES

NM PRAMS surveillance indicates that over 70% of Native American birthing people have households with incomes at or below \$150,000 compared to 57% of Latinx and 31% of non-Hispanic people in NM (unpublished ad Hoc data query, January 2024).

SB 0164 looks to provide universal funding to low-income pregnant persons in New Mexico. As we have seen in the New Mexico Maternal Mortality Review Committee Annual Report, Pregnancy Related Deaths (2015-2018), the number of pregnancy-associated deaths per 100,000 live births had the highest number of those mothers whose insurance was listed as Medicaid.

The Pregnancy Associated Mortality Rate (PAMR) was also highest for American Indian/Alaskan Native women. Additionally, the PAMR by geographic place of residence was highest for those in rural communities.

## 9. HEALTH IMPACT(S)

- SB0164 impacts pregnant people with household incomes at or below 150% of poverty, their infants and other household members.

- The projected fiscal impact on intervention group participants from this population could have a positive impact, as it would provide a universal basic income during the two-year study period.
- Providing a basic income to pregnant people, new mother's and child(ren) that would allow for guaranteed funds, which would potentially relieve financial stress during pregnancy which could also have potential for positive health outcomes. This could be as simple as increased access to nutritionally dense foods or more systemic issues surrounding access to health care.

## **10. ALTERNATIVES**

There could be alternative design approaches, but a universal income pilot could not be conducted without a legislative appropriation to fund it.

## **11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

If SB0164 is not enacted, then DOH will not design and implement a two-year pilot program to evaluate the financial impact of providing a universal basic income of \$1,500 per month from pregnancy through the first year of life of an infant.

If SB0164 is not enacted, then the health disparities and pregnancy associated mortality rates (PARM) may go unchanged with American Indian/Alaskan Natives suffering a higher-than-average mortality.

## **12. AMENDMENTS**

In order to comply with research guidelines around control groups and improve clarity in results of the proposed evaluation, section 1, item D, line 5 (page 2 line 25- page 3 line 3) should be struck from the bill.