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FISCAL IMPACT REPORT

SPONSOR	Senate Tax, Business and Transportation Committee	LAST UPDATED	
		ORIGINAL DATE	2/21/25
SHORT TITLE	Childcare Facility Loan Fund Changes	BILL NUMBER	CS/Senate Bill 175/STBTC
		ANALYST	Klundt

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Early Childhood Education and Care Department (ECECD)
 New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of STBTC Substitute for Senate Bill 175

The Senate Tax, Business and Transportation Committee Substitute for SB 175 (SB175) amends the Child Care Facility Loan Act to clarify definitions and expand the purpose of the child care facility revolving loan fund to include expanding existing and creating new facilities. The bill makes technical changes and expands the uses of the fund to include contracts for services and operating capital.

SB175 also provides for contracts for services to childcare assistance-eligible families as reasonably adequate legal consideration for money from the fund, subject to certain criteria. SB175 requires the Early Childhood Education and Care Department (ECECD) to prioritize communities with high poverty rates and providing nontraditional hour childcare and removes the five-year period on meeting requirements for contracts for services. The bill requires ECECD to adopt rules including eligibility requirements and for the selection of applicants based on ECECD-defined priority.

FISCAL IMPLICATIONS

No operating budget impacts were identified by either ECECD or the New Mexico Finance Authority (NMFA).

The House Appropriation and Finance Committee recommendation for the General

Appropriation Act includes \$10 million nonrecurring transfer to the child care facility revolving loan fund.

SIGNIFICANT ISSUES

NMFA reported the fund's expanded purpose and uses enhance accessibility for both new and existing childcare providers seeking to expand services will ultimately increase childcare availability for more families. Additionally, incorporating service contracts will make loans more affordable, improving access to childcare in underserved areas.

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