

LFC Requester:

Emily Hilla

### AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/23/2026

*Check all that apply:*

**Bill Number:** SB 70

Original X      Correction       
Amendment           Substitute     

**Sponsor:** Senator William P. Soules

**Agency Name and Code Number:** 305 – New Mexico Department of Justice

**Person Writing**

**Short Title:** Universal Basic Income Pilot Project

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None

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

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis: The purpose of SB 70 is to evaluate the financial impact of providing a universal basic income to pregnant people and their infants. The program limits participants to those who have an income at or below one hundred fifty percent of the federal poverty level. The program focuses on the period from pregnancy through the first year of the infant’s life.

Section One.

Paragraph A provides a definition for “program.”

Paragraph B establishes “universal basic income pilot program” as a two-year pilot program administered by the department of health (DOH) to evaluate the financial impact on a pregnant person of providing a universal basic income from pregnancy through the first year of life as an infant.

Paragraph C provides that the DOH shall develop an application process for participants to voluntarily enroll in the program. The program shall consist of a control group of participants and a test group of participants. Paragraph C also provides that participants in the program shall be pregnant at the time of applying to participate in the program and have an income at or below one hundred and fifty percent of the federal poverty level.

Paragraph D provides that the program shall begin on July 1, 2026 and end on June 30, 2028. It further provides the following five limitations and requirements for *non-control* group individuals to participate: (1) the DOH shall distribute to participants a universal basic income of one thousand five hundred (\$1,500) dollars per month during duration of the pilot program; (2) participants shall receive home visitation from employees of the early childhood education and care department or an entity approved by that department; (3) participants shall complete surveys and research forms throughout the duration of the program; (4) participants shall attend prenatal care appointments with a health care provider as defined pursuant to the Public Health Act in a frequency recommended by the participant’s health care provider; and (5) if a participant fails to comply with subparagraphs two through four of this subsection, the participant shall be placed in the control group for the remainder of the program.

Paragraph E provides that the DOH shall report the findings of the program to the legislative

education study committee no later than December 1, 2028.

### Section Two:

Section Two appropriates eighty million dollars (\$80,000,000) from the general fund to the DOH for expenditure in fiscal years 2027 and 2028 to conduct the pilot program. Any unexpended or unencumbered balance remaining at the end of fiscal year 2028 shall revert to the general fund.

### **FISCAL IMPLICATIONS**

None.

### **SIGNIFICANT ISSUES:**

Section 1(C) states that “[t]he program shall consist of a control group of participants and a test group of participants” but does not explain how the control group is formed or what the purpose of a control group is. This becomes particularly relevant when the bill states in Section 1(D) that “[t]he program shall proceed with the following limitations; *provided that the control group shall not be subject to these limitations.*” (Emphasis added.) The bill does not provide any other information regarding the control group. As written, it is unclear whether the control group will be paid (and how much), will receive home visitation, must complete surveys and research forms, or must attend prenatal appointments. If the control group is not subject to any of those provisions, then they seem to simply exist as a group, with no benefits, no requirements, and no identified purpose. It is also unclear what the consequences would be if a test participant were “placed” in the control group for “fail[ure] to comply” with the identified limitations (or requirements). Again, as written, it seems that such individuals would simply cease to be part of the pilot program at all.

Section 2 appropriates \$80,000,000 for the program, but the bill contains no information regarding how such appropriation is to be spent. If the \$80,000,000 is appropriated and tied to some expectation of how many eligible women will or may participate in the program, the bill does not provide any limitations to account for that figure. At a rate of approximately \$18,000/year per member in the test group (and an unknown, but perhaps same figure for members in the control group), \$80,000,000 would be enough to pay for approximately 2200 voluntary participants, assuming they pass the application process (still to be developed) and assuming each would be paid for two full years of participation (but see discussion on time frame, below). That figure is higher if the active program duration is reduced (see below), but the bill may need to include a maximum number of participants or more specificity regarding how long each participant may actively participate in the program in order to ensure the appropriation is sufficient. It is also unclear from the bill whether it intends for a portion of the appropriation to pay for any administrative costs within the DOH for administering the program.

As drafted, the bill provides for a 2-year duration from July 1, 2026 through June 30, 2028; however, the bill does not differentiate between what may be an active pilot program period and what might be required for the DOH to establish the program, including developing an application program, advertising for applications, accepting and reviewing applications, and approving participants. There are no guardrails on timing for the DOH, and it seems possible that payment to the participants may occur for less than even a single year.

Similarly, regarding any necessary wind-down of the program, the bill only states that the DOH shall provide a report of the findings no later than December 1, 2028. It is unclear what kinds of findings are expected to be reported on.

The bill refers to the payments received by the participants as “universal basic income,” and the statutory text refers to the payments as “distribut[ions of] ... universal basic income.” It is unclear what the tax repercussions on participants may be. In particular, it is unclear whether they would be deemed employees, independent contractors, vendors, or something else. Since the tax obligations for each is vastly different, it may be relevant to consider how such payments will impact the participants. If, for example, the payments would be deemed independent contractor salary, there are additional tax obligations and liabilities that would require the recipients to save large portions of their income. If this is not made clear to the participants, the financial impact on participants may be harmful during or after the termination of the pilot program.

Some of the potential issues identified above may be addressed by giving the DOH rulemaking authority to develop this pilot program further.

**PERFORMANCE IMPLICATIONS:**

None

**ADMINISTRATIVE IMPLICATIONS:**

None

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP:**

None

**TECHNICAL ISSUES:**

Use of the word “limitations” in Section 1(D) is confusing. In particular, the first limitation identified is payment to participants of at least the test group and perhaps the control group (see discussion in “significant issues,” above), and the fifth limitation is actually the consequence of failure to comply with the other limitations. Phrasing that may be less confusing could include: The program shall be subject to the following provisions.

**OTHER SUBSTANTIVE ISSUES:**

None

**ALTERNATIVES:**

None

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL:**

Status quo.

**AMENDMENTS:**

None