

LFC Requester:

Emily Hilla

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)  
*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

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

**Date Prepared:** 1/9/26 **Bill Number:** SB0070 **Original**  **Amendment**  **Substitute**

**Short Title:** UNIVERSAL BASIC INCOME PILOT PRORAM

**Sponsor:** Sen. Soules

**Name and Code Number:** HCA 630

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0	\$80,000.0	Recurring	SGF

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	\$80,000.0	\$80,000.0	Nonrecurring	SGF

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(Parenthesis ( ) indicate revenue decreases)

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

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$0	\$0	\$0			

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: Senate Bill 2805 (SB 2805) requires the Department of Health to establish a Universal Basic Income (UBI) pilot program to evaluate the impacts of UBI on pregnant people. SB 2805 requires the Early Childhood Education and Care Department (ECECD) or an approved entity to conduct home visits for participants in the pilot program. The effective date is July 1, 2026, and ends on June 20, 2028.

**FISCAL IMPLICATIONS**

None for ISD

MAD: For every 100 people enrolled in the pilot, it is anticipated that home visiting costs will increase by \$169,000, supported by \$120,500 of federal funds and \$48,500 of general state funds.

**SIGNIFICANT ISSUES**

None for ISD

None for MAD

None for ITD

**PERFORMANCE IMPLICATIONS**

None for ISD

None for MAD

None for ITD

**ADMINISTRATIVE IMPLICATIONS**

None for ISD.

MAD: None for MAD.  
None for ITD

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None for ISD.  
MAD: None for MAD.  
None for ITD

## **TECHNICAL ISSUES**

None for ISD.  
None for MAD  
None for ITD

## **OTHER SUBSTANTIVE ISSUES**

None for ISD.

SB 2805 establishes a Universal Basic Income (UBI) pilot program providing \$1,500 per month to pregnant participants with incomes at or below 150 percent of the federal poverty level who are randomly assigned to an experimental cohort. UBI payments could lower or eliminate eligibility for means-based assistance such as SNAP, TANF, LIHEAP, and Medicaid.

Eligibility for some programs could be retained depending on how a UBI program were designed and implemented. UBI recipients could see their SNAP and TANF benefits reduced or eliminated depending on household size and number of dependents. *See* 7 CFR 273.9. LIHEAP benefits, however, could be unaffected if the state were to exercise its statutory discretion to exclude UBI when determining LIHEAP income eligibility. *See* 42 U.S.C. 8624(j) (Low-Income Home Energy Assistance Act, Section 2605(j)); and *see* HHS LIHEAP Guidance, LIHEAP Household Income, [LIHEAP FAQs for Professionals](#).

Those UBI recipients eligible for extended or continuous Medicaid benefits during pregnancy and 12 months after would likely maintain that eligibility while receiving UBI. NMAC § 8.291.400.14 (implementing 42 C.F.R. § 435.170). Any UBI recipients not eligible for Medicaid under extended or continuous coverage provisions might only be eligible if the program were designed so that the UBI payments did not represent compensation for participating in the experiment, i.e. for the required home visits, pre- and post-natal exams, and completion of surveys and interviews.

Regarding Medicaid benefits generally, the Internal Revenue Service has consistently concluded that payments to individuals by governmental units under legislatively provided social benefit programs for the promotion of the general welfare are not included in a recipient's gross income ("general welfare exclusion"). *See, e.g.,* Rev. Rul. 74-205, 1974-1 C.B. 20; Rev. Rul. 98-19, 1998-1 C.B. 840. To qualify under the general welfare exclusion, payments must (i) be made from a governmental fund, (ii) be for the promotion of the general welfare (i.e., generally based on individual or family needs), and (iii) not represent compensation for services. Rev. Rul. 75-246, 1975-1 C.B. 24; Rev. Rul. 82-106, 1982-1 C.B. 16.

MAD: Cost will be driven by the number of people enrolled in the pilot program. Recommend including a plan for if someone has a miscarriage. A guaranteed universal basic income would be expected to have positive effects in reducing preterm birth and low birth weight and increasing breastfeeding and infant vaccination rates as found in several studies:

Enns, J. E., Nickel, N. C., Chartier, M., Chateau, D., Campbell, R., Phillips-Beck, W., Sarkar, J., Burland, E., Katz, A., Santos, R., & Brownell, M. (2021). An unconditional prenatal income supplement is associated with improved birth and early childhood outcomes among First Nations children in Manitoba, Canada: a population-based cohort study. *BMC Pregnancy and Childbirth*, 21(1). <https://doi.org/10.1186/s12884-021-03782-w>

Enns, J. E., Brownell, M., Nickel, N. C., Chartier, M., Chateau, D., Sarkar, J., Hera, Quddus, F., Burland, E., Katz, A., Santos, R Barber, S. L., & Gertler, P. J. (2008). The impact of Mexico's conditional cash transfer programme, Oportunidades, on birthweight. *Tropical Medicine & International Health*, 13(11), 1405–1414. <https://doi.org/10.1111/j.1365-3156.2008.02157.x>

Barber, S. L., & Gertler, P. J. (2008). The impact of Mexico's conditional cash transfer programme, Oportunidades, on birthweight. *Tropical Medicine & International Health*, 13(11), 1405–1414. <https://doi.org/10.1111/j.1365-3156.2008.02157.x>

## **ALTERNATIVES**

None.

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

Status quo.

## **AMENDMENTS**

None.