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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

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**SECTION I: GENERAL INFORMATION**

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

**Date Prepared:** Feb 9 2026 *Check all that apply:*  
**Bill Number:** SB 208 Original x Correction \_\_\_\_\_  
 Amendment \_\_\_\_\_ Substitute \_\_\_\_\_

**Sponsor:** Sen. Campos **Agency Name and**  
Welcome Child Act & **Code Number:** 337 – State Investment Council  
**Short Title:** Fund **Person Writing Analysis:** Wollmann/Iglesias  
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**SECTION II: FISCAL IMPACT**

**REVENUE (dollars in thousands)**

Revenue Type	Estimated Revenue					R/ NR	Fund Affected
	FY26	FY27	FY28	FY29	FY30		
Trust Fund Distributions	--	--	--	(\$3,260)	(\$9,940)	R	Early Childhood Education and Care Program Fund
	--	--	(\$189,000)	(\$189,000)	(\$189,000)	R	Early Childhood Education and Care Fund
	--	--	\$189,000	\$189,000	\$189,000	R	Welcome Child Benefit Fund
Investment Earnings	--	(\$3,230)	(\$13,100)	(\$26,660)	(\$40,680)	R	Early Childhood Education and Care Fund

(Parenthesis ( ) indicate revenue decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: SB208 seeks to establish the Welcome Child Act, and the Welcome Child Benefit Fund (WCBF), for purposes of financially supporting New Mexico parents with a newborn or newly adopted child. Starting January 1, 2028, eligible parents would be paid three monthly payments of \$3,000, or \$9,000 total upon their child being deemed eligible for the benefit. This benefit amount would also be adjusted for inflation by formula, starting January 1, 2030. The State Investment Officer is to consult with the Secretary for the Early Childhood Education department regarding investment of and the risk/return profile for the

existing Early Childhood Education and Care Fund (ECECF), which will serve to support the Welcome Child Benefit Fund through annual distributions of \$189 million. The Secretary of the Early Childhood Education and Care department shall adopt rules for program implementation prior to July 1, 2027.

## FISCAL IMPLICATIONS

If passed, the Welcome Child Act represents a substantial financial commitment in supporting new and growing families in New Mexico. It is not clear however, based on fund return projections, expected future ECECF inflows, organic population growth and other factors including promises of universal childcare coverage whether normal drawdowns to the ECECF – currently with a funding floor of \$500 million annually – and new Welcome Child Act distributions will prove to be sustainable in perpetuity. It is clear that such an annual expenditure would create long-term challenges in growing the ECECF for continued or growing benefits across future generations of New Mexicans.

Calendar Year	Early Childhood Education and Care Trust Fund (ECECF)										
	Ending Balance			Investment Gains			Distrib. to Program Fund				
	Current	SB208	Diff	Current	SB208	Diff		Current	SB208	Diff	
2025	\$ 10,993	\$ 10,993	\$ -	\$ 1,235	\$ 1,235	\$ -	FY25	\$ 500	\$ 500	\$ -	
2026	\$ 11,375	\$ 11,375	\$ -	\$ 737	\$ 737	\$ -	FY26	\$ 500	\$ 500	\$ -	
2027	\$ 11,682	\$ 11,486	\$ (195)	\$ 761	\$ 755	\$ (6)	FY27	\$ 500	\$ 500	\$ -	
2028	\$ 12,071	\$ 11,670	\$ (401)	\$ 781	\$ 762	\$ (20)	FY28	\$ 523	\$ 523	\$ -	
2029	\$ 12,804	\$ 12,191	\$ (614)	\$ 811	\$ 778	\$ (34)	FY29	\$ 567	\$ 564	\$ (3)	
2030	\$ 13,553	\$ 12,723	\$ (830)	\$ 861	\$ 813	\$ (48)	FY30	\$ 585	\$ 576	\$ (10)	
2031	\$ 14,114	\$ 13,063	\$ (1,051)	\$ 909	\$ 847	\$ (62)	FY31	\$ 609	\$ 589	\$ (20)	
2032	\$ 14,468	\$ 13,193	\$ (1,275)	\$ 944	\$ 867	\$ (77)	FY32	\$ 640	\$ 610	\$ (31)	
2033	\$ 14,732	\$ 13,229	\$ (1,503)	\$ 966	\$ 874	\$ (92)	FY33	\$ 675	\$ 633	\$ (42)	
2034	\$ 14,994	\$ 13,258	\$ (1,736)	\$ 984	\$ 877	\$ (107)	FY34	\$ 702	\$ 650	\$ (53)	
2035	\$ 15,270	\$ 13,297	\$ (1,972)	\$ 1,001	\$ 879	\$ (123)	FY35	\$ 722	\$ 658	\$ (64)	
2036	\$ 15,583	\$ 13,370	\$ (2,213)	\$ 1,020	\$ 881	\$ (139)	FY36	\$ 737	\$ 661	\$ (75)	
2037	\$ 15,868	\$ 13,410	\$ (2,458)	\$ 1,041	\$ 886	\$ (155)	FY37	\$ 750	\$ 663	\$ (87)	
2038	\$ 16,164	\$ 13,457	\$ (2,707)	\$ 1,060	\$ 889	\$ (171)	FY38	\$ 764	\$ 665	\$ (99)	
2039	\$ 16,462	\$ 13,501	\$ (2,961)	\$ 1,079	\$ 892	\$ (188)	FY39	\$ 779	\$ 668	\$ (111)	
2040	\$ 16,788	\$ 13,569	\$ (3,219)	\$ 1,099	\$ 895	\$ (205)	FY40	\$ 794	\$ 671	\$ (123)	
2041	\$ 17,152	\$ 13,671	\$ (3,481)	\$ 1,122	\$ 900	\$ (222)	FY41	\$ 808	\$ 673	\$ (135)	
2042	\$ 17,580	\$ 13,831	\$ (3,749)	\$ 1,146	\$ 907	\$ (239)	FY42	\$ 824	\$ 675	\$ (148)	
2043	\$ 18,072	\$ 14,052	\$ (4,021)	\$ 1,176	\$ 918	\$ (257)	FY43	\$ 840	\$ 679	\$ (161)	
2044	\$ 18,658	\$ 14,361	\$ (4,298)	\$ 1,209	\$ 934	\$ (275)	FY44	\$ 859	\$ 685	\$ (174)	
2045	\$ 19,325	\$ 14,746	\$ (4,579)	\$ 1,249	\$ 955	\$ (294)	FY45	\$ 880	\$ 693	\$ (188)	
2046	\$ 20,090	\$ 15,225	\$ (4,866)	\$ 1,295	\$ 982	\$ (313)	FY46	\$ 905	\$ 704	\$ (201)	
2047	\$ 20,963	\$ 15,806	\$ (5,158)	\$ 1,347	\$ 1,015	\$ (332)	FY47	\$ 934	\$ 719	\$ (215)	
2048	\$ 21,957	\$ 16,503	\$ (5,454)	\$ 1,406	\$ 1,055	\$ (351)	FY48	\$ 968	\$ 739	\$ (229)	
2049	\$ 22,994	\$ 17,237	\$ (5,756)	\$ 1,473	\$ 1,102	\$ (371)	FY49	\$ 1,006	\$ 763	\$ (243)	
2050	\$ 23,994	\$ 17,930	\$ (6,064)	\$ 1,542	\$ 1,150	\$ (391)	FY50	\$ 1,050	\$ 792	\$ (258)	
<b>Cumulative Total</b>							<b>\$ (4,469.94)</b>	<b>Cumulative Total</b>			<b>\$ (2,669.27)</b>

## **SIGNIFICANT ISSUES**

Based on existing data, there were more than 20,200 births in New Mexico during FY25, compared to nearly 21,000 reported in 2023. In addition, there were 203 adoptions in New Mexico through the public foster care for the most recent yearly data available (2022), which compares to 336 such adoptions in 2019.

Private adoptions do make up about 38% of total adoptions in the US, but there is not specific tracking data for New Mexico relative to privately-arranged adoptions. Based on that metric and historical data, a conservative estimate of ~400 total adoptions, public and private, per year would be fair.

However, it is not clear just how many of those births and adoptions would be excluded from qualifying for the Welcome Child benefits, which also require parents to have been residing in the state for at least six of the last 12 months prior to the birth/adoption of the benefit child, so not all of the 20k+ births and adoptions would qualify. It's expected the total number of births not qualifying for the benefit would be a relatively small percentage of the total.

These statistical challenges would change year over year depending on various factors and trends but for estimation purposes, a total number of 21,000 seems like a reasonable baseline estimate.  $\$9,000 \times 21,000$  would be \$189,000,000 annually, which is, probably not coincidentally, what SB208 calls for to be drawn down from the ECECF annually to support Welcome Child benefits.

## **PERFORMANCE IMPLICATIONS**

The current spending policy/distribution formula for the Early Childhood Education and Care Fund is 5% of the fund's three-year average value as of the end of the calendar year, with a statutory minimum distribution of \$500 million.

While the ECECF was valued at \$10,992,696,121 as of the end of CY2025, the fund's three-year average valuation was \$8,576,579,483, meaning a 5% distribution would only be \$428.8 million for FY27, if not for the statutory floor requiring a minimum \$500 million distribution from the fund.

An additional distribution of \$189 million/year, combined with the current base spend of \$500 million, would represent \$689 million, or an aggregate ~6.27% of the current value of the fund.

Even assuming positive growth and additional inflows to the ECECF, which have tapered off compared to the massive inflows of billions experienced since the ECECF's creation in 2020, a spending policy of greater than 6% would be considered highly aggressive, if not unsustainable by most fiduciary standards. Additional inflows to the ECECF and/or strong investment returns could potentially grow the ECECF and reduce that ~6.27% distribution over time. Similarly, the converse also applies, with potentially additional withdrawals from the ECECF – which can be accomplished statutorily (ECECF is not protected constitutionally like the Land Grant, Severance Tax and Water Trust funds) – or a market pullback potentially amplifying the negative impact of the 6%+ spending policy, putting the ECECF on a path to unsustainability and diminished benefits in years ahead.

## **ADMINISTRATIVE IMPLICATIONS**

The additional ECECF distributions required for the Welcome Child Benefit will require a greater component of portfolio liquidity to accommodate the additional fund drawdowns, which will reduce the risk profile and expected returns for the ECECF to a slight but indeterminate degree.

Currently the SIC manages the ECECF portfolio for long-term growth. Most recent returns for the fund as of 11/30/2025 were 11.6% for the one-year period. Three and five-year annualized returns for ECECF were 9.1% and 7.1% respectively. Stock market valuations are today such that it may be challenging to achieve those results again, or at least consistently over a multi-year period, during the current market cycle.

## **TECHNICAL ISSUES**

Section 4(D) of the bill provides for an inflation-adjustment to the benefit payment to new parents beginning in January 2030. However, the bill does not adjust the flat \$189 million distribution to the welcome benefit fund, which could create future funding challenges.

## **OTHER SUBSTANTIVE ISSUES**

Similar proposals in the past have resulted in questions of legality, and whether the benefit would run afoul of the state's anti-donation clause.

Assuming legality, the positive aspects of the Welcome Child benefit should also be strongly considered from a public policy standpoint, given its potential to address and help mitigate New Mexico's long history of widespread poverty, affecting 17%-18% of the population, which is far above the national average of ~12.5%. Poverty is even worse for NM children, with approximately 1 in 4 living below the poverty line, and about 30% experiencing food insecurity historically. The knockdown effects of poverty create challenges with potentially life-long impacts, negatively affecting educational and subsequent professional prospects while growing negative life outcomes like incarceration, addiction and disease.