

<b>LFC Requester:</b>	
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**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:** \_\_\_\_\_ *Check all that apply:*  
**Bill Number:** SB304 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b> <u>L Jaramillo</u>	<b>Agency Name and Code</b>	<u>CYFD - 690</u>
<b>Short Title:</b> <u>NM NEXT GENERATION ACT &amp; FUNDS</u>	<b>Number:</b>	_____
	<b>Person Writing</b>	<u>Kathleen Hardy</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	20,000.0	Nonrecurring	General
	100.0	Recurring	General

**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:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: This bill appropriates \$20,000.0 from the state general fund to the Next Generation Trust Fund for expenditure in FY2027 and subsequent fiscal years; and \$100.0 from the state general fund to the Department of Finance and Administration for expenditure in FY2027 and subsequent fiscal years.

This bill:

- enacts the New Mexico Next Generation Act,
- creates the Next Generation Trust Fund as a nonreverting fund in the state treasury, and requires that, as of July 1, 2044, and every July 1 thereafter, a distribution shall be made from the Next Generation Trust Fund to the Baby Bonds Fund in an amount to be determined by DFA in consultation with the State Investment Officer and taking into consideration the anticipated number of eligible beneficiaries and expenditures for that fiscal year, the balance of the funds, and the projected earnings and expenditures of the funds;
- creates the Baby Bonds Fund in the state treasury, but does not declare it to be a nonreverting fund, and, beginning May 1, 2044, and every May 1 thereafter, requires DFA to project the amount of eligible expenditures in the coming year in consultation with CYFD;
- requires that Vital Records and CYFD, on or after July 1, 2026, enter into an agreement with DFA to provide DFA with “any information necessary” to determine or verify the identity or number of eligible beneficiaries;
- establishes that a beneficiary between 18 and 40 years of age who has successfully completed a financial literacy course approved by the state treasurer may submit a claim to DFA for an eligible expenditure, being defined as an expenditure for educational expenses or for a down payment on a residence made on behalf of the beneficiary.

Beneficiaries of these funds are individuals born in New Mexico on or after July 1, 2026, who (a) have a parent who resided in New Mexico for at least five consecutive years after birth or (b) were placed in the care and custody of CYFD or a licensed child placement agency before the age of eighteen.

### **FISCAL IMPLICATIONS**

This bill appropriates \$20,000.0 from the state general fund to the Next Generation Trust Fund for expenditure in FY2027 and subsequent fiscal years, with no monies reverting.

This bill appropriates \$100.0 from the state general fund to the Department of Finance and Administration for expenditure in FY2027 and subsequent fiscal years to any unexpended balance reverting.

There is no appropriation contained within this bill for CYFD. CYFD will need a minimum of one (1) FTE minimum to accommodate the data requirements of this bill beginning FY2043. If funded for FY2027, this position would require a midpoint salary of \$122K. The fiscal implication of negotiating the agreement required by Section 6 will be absorbed by existing resources.

### **SIGNIFICANT ISSUES**

See fiscal and administrative implications.

**PERFORMANCE IMPLICATIONS**

CYFD has no performance measures related to this bill.

**ADMINISTRATIVE IMPLICATIONS**

CYFD will require a minimum of one (1) FTE minimum, hired in the fiscal year prior to the start of the reporting, to develop the reporting process detailed in the negotiated agreement required by Section 6 of the bill.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None identified.

**TECHNICAL ISSUES**

None identified.

**OTHER SUBSTANTIVE ISSUES**

None identified.

**ALTERNATIVES**

None proposed.

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

Status quo.

**AMENDMENTS**

None proposed.