

FIFTY-SEVENTH LEGISLATURE
SECOND SESSION

PROPOSED AMENDMENT DIRECTED TO A COMMITTEE

February 10, 2026

Mr. Chair:

I propose to the SENATE FINANCE COMMITTEE the following amendments to

SENATE BILL 241

1. On page 1, line 15, before the period, insert "; PROVIDING FOR ADDITIONAL APPROPRIATIONS TO THE EARLY CHILDHOOD EDUCATION AND CARE PROGRAM FUND".

2. On page 1, between lines 17 and 18, insert:

"SECTION 1. Section 9-29A-1 NMSA 1978 (being Laws 2020, Chapter 3, Section 1, as amended) is amended to read:

"9-29A-1. EARLY CHILDHOOD EDUCATION AND CARE FUND.--

A. The "early childhood education and care fund" is created within the state treasury. The fund shall consist of distributions, appropriations, gifts, grants and donations. Income from investment of the fund shall be credited to the fund. Money in the fund shall be expended only as provided in this section.

B. The state investment officer, subject to the approval of the state investment council, shall invest money in the early childhood education and care fund:

(1) in accordance with the prudent investor rule set forth in the Uniform Prudent Investor Act; and

(2) in consultation with the state treasurer.

C. The state investment officer shall report quarterly to the legislative finance committee and the state investment council on the investments made pursuant to this section. Annually, a report shall be submitted no later than October 1 each year to the legislative finance committee, the revenue stabilization and tax policy committee and any other appropriate interim committees.

D. On July 1 of each year, a distribution shall be made from the early childhood education and care fund to the early childhood education and care program fund in an amount equal to the greater of five percent of the average of the year-end market values of the fund for the immediately preceding three calendar years or five hundred million dollars (\$500,000,000).

E. In fiscal years 2026 through 2031, the legislature may appropriate up to a total of one billion dollars (\$1,000,000,000) from the early childhood education and care fund to the early childhood education and care program fund, which shall be in addition to any other appropriations or distributions made pursuant this section; provided that an appropriation made pursuant to this subsection shall not exceed an amount that would decrease the total balance in the early childhood education and care fund to below ten billion dollars (\$10,000,000,000).

~~E.]~~ F. In addition to the distribution pursuant to Subsection D of this section, money in the early childhood education and care fund may be expended in the event that general fund balances, including all authorized revenues and transfers to the general fund and balances in the general fund operating reserve, the appropriation contingency fund, the tobacco settlement permanent fund, the state-support reserve fund and the tax stabilization reserve, will not meet the level of appropriations authorized from the general fund for a fiscal year. In that event, to avoid an unconstitutional deficit, the legislature may appropriate from the early childhood education and care fund to the general fund only in the amount necessary to meet general fund appropriations for that fiscal year and only if the legislature has authorized transfers from the appropriation contingency fund, the general fund operating reserve, the tax stabilization reserve and the tobacco settlement permanent fund that exhaust those fund balances."".

3. Renumber succeeding sections accordingly.
4. On page 1, line 20, strike "This" and insert in lieu thereof "Sections 2 through 8 of this".
5. On page 2, line 6, strike "for whom a" and insert in lieu thereof "whom", strike line 7 and on line 8, strike "system of".
6. On page 2, line 8, after "department", insert "identifies as experiencing or at risk for abuse or neglect".
7. On page 4, line 9, before the semicolon, insert "; and provided further that for a federally eligible applicant, the applicant's residency determination shall be aligned with applicable federal regulations".
8. On page 5, line 4, after "department", insert "and shall align with applicable federal regulations".
9. On page 5, line 25, strike "certified" and insert in lieu thereof "state-approved".
10. On page 6, line 1, strike "or" and insert in lieu thereof a comma and "registered" and after "apprenticeship", insert "program or pre-apprenticeship program".
11. On page 6, line 5, strike "twenty" and insert in lieu thereof "twenty-one".
12. On page 6, line 9, strike "or".
13. On page 6, between lines 9 and 10, insert:
 - (9) a grandparent raising the grandparent's grandchild;
 - (10) a foster parent; or".
14. Renumber the succeeding paragraph accordingly.
15. On page 7, line 4, before the period, insert "; provided that for a federally eligible applicant, the applicant's residency

determination shall align with applicable federal regulations".

16. On page 7, line 8, strike the first occurrence of "or" and insert in lieu thereof a comma, strike the second occurrence of "or" through the remainder of the line and strike line 9 through "for" and insert in lieu thereof a comma.

17. On page 7, line 20, strike "COPAYMENT DETERMINATION" and insert in lieu thereof "FISCAL CONTROLS".

18. On page 8, line 18, before "on", insert "and reported to the legislative finance committee".

19. On page 12, line 16, after "rates", insert "set pursuant to this section that are".

20. On page 12, lines 17 and 18, strike "pursuant to this section".

21. On page 12, line 18, before the period, insert ", with a report submitted to the legislature within two weeks of making a determination pursuant to this subsection".

22. On page 14, line 3, strike "and" and between lines 3 and 4, insert:

"(8) submit an annual report to the department by July 1 of each year in a manner prescribed by the department that contains the following child care facility business information:

(a) the legal name and address of the business;

(b) the legal name and address of any management company, owner or entity with a direct or indirect ownership interest in the business;

(c) the name and address, if applicable, of any members of a board of directors of the business;

(d) the legal structure of the business, including its form of organization;

(e) the legal structure of any owner or ownership entity of the business;

(f) each investment in the business by any person or entity comprising a ten percent equity stake or greater;

(g) each debt or lien against the business comprising at least ten percent of the annual revenue of the business;

(h) all documentation of any changes in ownership of the business in the past five years, including sales, transfers, mergers or acquisitions; and

(i) all details of any out-of-state sources of funding or investment for the business; and".

23. Renumber the succeeding paragraph accordingly.

24. On page 14, line 12, strike the period and closing quotation mark and insert in lieu thereof "and for a child care facility to report suspected child abuse or neglect by early intervention providers."

25. On page 14, between lines 12 and 13, insert:

"D. A child care facility that participates in the child care assistance program shall notify the department of any ownership changes to the facility within sixty days of the transaction closing.""

26. On page 14, strike line 25 and on page 15, strike line 1 up to "the".

27. On page 15, line 1, before the period, insert "may only be used for nonsectarian or nondenominational services".

28. On page 15, between lines 17 and 18, insert:

"C. Registered child care providers shall not be eligible for capital improvement costs, maintenance costs or repair costs funded by the state or through the child care assistance program.

The department shall provide by rule a pathway for licensure of registered child care providers.".

29. Reletter the succeeding subsections accordingly.

30. On page 16, line 1, before "income", insert "an eligibility category, including".

Respectfully submitted,

George K. Muñoz