

	DOT	Rural air service enhancement grant program	\$6,000.0
FY27 Subtotal			\$24,000.0
Total Appropriations in SB274			\$33,700.0

SIGNIFICANT ISSUES

SB274 appropriates funding to agencies outside of the General Appropriation Act (GAA). SB274 is similar to Section 5 of the GAA as amended by the Senate, which outlines nonrecurring special appropriations from the general fund. However, unlike the GAA, a portion of the funds in SB274—\$9.7 million—are appropriated for expenditure in FY26. Nonrecurring appropriations in Section 5 of the GAA as amended by Senate are for expenditure in FY27 or following fiscal years.

It is unclear why appropriations in SB274 were not included in the GAA as amended by the Senate.

Children, Youth and Families Department. The \$9.7 million included for the Children, Youth and Families Department (CYFD) for expenditure in FY26 appears to be related to the agency’s requested supplemental funding for the Juvenile Justice Facilities and Protective Services programs. The 2025 GAA included \$25 million from the contingency appropriation fund for deficiencies at CYFD in FY24 through FY26. CYFD used about \$10 million of the appropriation for deficiencies in FY24 and FY25 within Protective Services, leaving roughly \$15 million for any potential deficiencies in FY26. In FY26, the agency has over \$32 million in government results and opportunity (GRO) fund appropriations available for expenditure, including an additional roughly \$20 million for personnel expenditures within Protective Services relative to FY25. Within Juvenile Justice Facilities, the GAA as amended by the Senate includes additional budget adjustment authority to allow the agency to increase the budget by \$1 million from the land grant fund.

SB274 also includes \$8 million for the comprehensive child welfare information system (CCWIS) project at CYFD. Although the agency requested additional funding for FY27, neither the LFC nor the executive recommendations included the requested funding. To date, the CCWIS project has realized a total of \$71.1 million in revenue, including over \$38 million in state funding. The CCWIS project has encountered significant delays and increased costs. New Mexico began its CCWIS project in November 2017 with an initial estimated end date of October 2022 and a projected cost of \$36 million. Total cost has been revised three times since initial estimates, now estimated to cost \$90.4 million. The project end date has also been revised multiple times, most recently pushing the go-live date for phase two of the project (the primary rollout of the new system) from February 2026 to August 2026. Currently, CYFD has \$19.1 million in unspent existing appropriations available for the project, \$3.6 million of which was appropriated in 2021 or earlier. Much of this funding will be reauthorized for use in FY27 pursuant to the GAA as amended by the Senate and the remainder was previously reauthorized for expenditure in FY27 in the 2025 GAA. The period of expenditure for the \$8 million appropriation for CCWIS is likely too short as information technology appropriations are typically for multiple fiscal years.

Aging and Long-Term Services Department. The \$6 million appropriation in SB274 to expand the Aging and Long-Term Services Department (ALTSD) is to expand the department’s New Medicare program. The pilot project provides financial assistance and training to caregivers

who are assisting friends or family members with daily activities due to physical or cognitive disabilities. The goal of the program is to allow older adults to stay at home as an alternative to nursing home placements and to help reduce emergency department visits. New Mexicare received funding in FY25 through ALTSD's operating budget as well as through government results and opportunity funding to implement a three-year pilot project. Through the GRO funds in the 2024 General Appropriation Act, ALTSD received \$9.3 million to be divided across FY25, FY26, and FY27 for its New Mexicare program pilot.

Of the \$7.9 million ALTSD had dedicated for the program in FY25 (\$3.1 million from GRO and \$4.7 million from operating budget), the department reverted \$4.8 million, or 61 percent. It is important to note that ALTSD did not request the expansion of the New Mexicare program in its FY27 budget request. The executive recommended a \$6 million increase in the department's base budget for the expansion of the program. In the GAA as amended by the Senate, there is already a \$2 million appropriation for ALTSD to expand the program. If passed, this appropriation would fund New Mexicare above what was recommended by the executive. The project is still being piloted in its second year.

Public Education Department. The \$4 million appropriation to PED for school improvement activities will support interventions at the state's lowest performing schools based on federal accountability measures. In FY25, PED reported 61 schools out of 835 schools were in need of significant improvement, with 25 schools in the lowest performing category of needing more rigorous intervention (MRI). Under new PED rules, any school failing to exit MRI status after three years will be subject to more forceful restructuring, including options such as replacing all school staff or school closure.

Department of Transportation. SB274 also appropriates \$6 million to the Department of Transportation (NMDOT) for the rural air service enhancement program. The program provides grants to municipalities and counties for minimum revenue guarantees for commercial air service providers that fly to and from rural airports. First enacted in 2021, the program has been funded by a series of nonrecurring general fund appropriations to NMDOT. The General Appropriation Act as amended by the Senate includes \$12.5 million for the program. The appropriation in SB274 would bring the total to \$18.5 million. The initial budget request and the executive recommendation included \$18 million for the program.

Department of Finance and Administration. The \$2 million appropriation to the Department of Finance and Administration would be used to compensate the Zia Pueblo for the use of their sun symbol by the state. The Zia sun symbol, prominently used throughout New Mexico by government and commercial entities, was, according to historians, initially adopted as a symbol for New Mexico by a local physician who copied it from a Zia pot in a private collection to incorporate into his submission in a state flag contest. The pot itself, of high importance to the Zia people with religious significance, had probably been taken by a white researcher who studied the Zia Pueblo in the late 19th century. The pot was repatriated in 2000. From *El Palacio*, the magazine of the New Mexico History Museum:

In 1994 the pueblo asked for reparations for the use of their religious symbol as a secular icon by the State of New Mexico. In 2004 a study group was put together by Governor Bill Richardson to try and bring the state and Zia Pueblo into harmony. The Zia people would like some acknowledgement that the symbol originally belonged to Zia and that it was appropriated without their knowledge or blessing. While it is an honor that New Mexico uses the Zia symbol—Zia has no objection to this—the Zia people feel that the

state should compensate the pueblo for the original offense.

JR/rl/hg/dw