

LFC Requester:

Kelly Klundt

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to 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}**Check all that apply:*

Original
Correction

Amendment
Substitute **X**

Date Prepared: 2025-02-19
Bill No: SB58

Sponsor(s) Michael Padilla
:

Agency Name CYFD 69000
and Code
Number:

Person Writing Aaron Salas
Analysis:
Phone:

Short CHILDCARE FACILITY
Title: LICENSING ACT

Email: aaron.salas@cyfd.nm.gov

SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0		
0	0		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0		
0	0	0		

ESTIMATED ADDITIONAL OPERATION BUDGET (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0		0	0		

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

This bill proposes enacting the Child Care Facility Licensing Act which defines duties for ECECD to monitor Licensed Child Care facilities. This bill proposes not allowing a Child Care Facility to operate without a department issued licensed and offers License Exempt Child Care Facilities to register with ECECD.

This bill also addresses how suspension and revocation of licenses would be handled by ECECD, penalties for operating without a license issued by the department, and misdemeanor charges for violating this proposed act. This proposed bill also defines exemptions from the procurement code for families that are eligible for childcare assistance.

This bill also proposes adding application requirements for early Pre-K and Pre-K program services contracted by ECECD. It also defines teacher qualifications for contracted programs. There are also updates to definitions and references in the Early Childhood Care Accountability Act.

Substitute Bill Analysis:

The substitute version of the bill, as amended by the Senate Health and Public Affairs Committee, redefines the term "child" to refer to individuals under fourteen years of age. It broadens the definition to encompass any person or entity providing childcare services in the state, eliminating the numeric threshold. The substitute bill includes updated language and refined procedural requirements, such as revised fee structures and clearer rules for hearings, to align with current practices and oversight needs. It also incorporates updated statutory references and definitions, reflecting recent changes in early childhood education and care policy. These updates enhance the integration of the licensing system with related programs, including early Pre-K and Pre-K services.

FISCAL IMPLICATIONS

None identified for CYFD.

Substitute Analysis:

* While both bills allow for fees (up to \$1,000 per application or renewal), the change in definitions (e.g., the removal of the “more than four children” threshold) could affect the volume of applications and, therefore, the revenue generated from licensing.

SIGNIFICANT ISSUES

None identified for CYFD as ECECD will still be responsible for conducting investigations of complaints regarding services and any allegations of abuse or neglect of children while in the Licensed or Registered Childcare facility.

PERFORMANCE IMPLICATIONS

None identified for CYFD as this bill applies to ECECD performance and operations.

Substitute Analysis:

* Revised rules and procedures (including adjudicatory hearings and fee assessments) might necessitate more training for department personnel.

ADMINISTRATIVE IMPLICATIONS

None identified for CYFD as bill applies to ECECD operations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

CYFD can partner with ECECD to provide training to Licensed and Registered Child Care Facilities on how to recognize signs of abuse/neglect that may be caused by a parent, guardian, or custodian of children who attend their childcare facility. CYFD can provide training on how to report abuse/neglect to Statewide Central Intake, provide promotional material, and resource information.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If the bill is not enacted, childcare facilities that are not licensed would continue to operate without oversight from ECECD. This bill also establishes quality initiatives and requirements for Pre-K and Early Pre-K programs used by ECECD. This bill also ensures that children with disabilities are eligible for Childcare Facility services.

Substitute Analysis: Not adopting the updated substitute could leave the state with a regulatory framework that is misaligned with current early childhood education practices, potentially leading to enforcement challenges and gaps in childcare oversight.

AMENDMENTS

None.