

LFC Requester:

Kelly Klundt

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
[AgencyAnalysis.nmlegis.gov](https://www.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}

Date Prepared: 2/18/2025 *Check all that apply:*
Bill Number: SB175 Original ☐ Correction ☐
 Amendment ☐ Substitute ☒

Sponsor: Berghmans **Agency Name and Code Number:** ECECD 611
Person Writing Analysis: Elizabeth Groginsky
Short Title: Child Care Facility Loan Fund Changes **Phone:** (505)231-2997 **Email:** Elizabeth.groginsky@ecd.nm.gov

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

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

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

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(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:

The committee substitute for SB175 amends the Child Care Facility Loan Act to expand its use to allow the Early Childhood Education and Care Department and the New Mexico Finance Authority to contract for services with providers or employers seeking to create or expand child care programs for an employer's employees.

Section B expands the child care facility revolving loan fund to include providing loans to and entering into contracting for services with providers that demonstrate the need for operating capital to make health and safety improvements, including facility expansion and to providers seeking to create new child care facilities including for employers to create child care facilities for the employer's employees.

A new section is inserted as Section C allows the department and the authority to contract for services with an eligible provider to provide child care for child care assistance eligible families as reasonably adequate legal consideration for money from the fund; provided that within a period of time prescribed in the contract of disbursement of the loan, the provider: (1) is located in a designated child care desert; (2) provides care during non-traditional hours; (3) demonstrates that at least fifty percent of the children that the provider or employer serves are recipients of a child care assistance program expanded or created by the provider; (4) demonstrates that the number of children served by the provider increased by at least ten percent; and (5) satisfies other qualifications as determined by the department and the authority.

Section D adds additional prioritization for contracts for services repayment for applications from providers that are located in communities with high poverty rates and that provide non-traditional hour child care.

Section E would require that regulations promulgated by ECECD, in conjunction with the New Mexico Finance Authority, to administer the Child Care Facility Loan Act include providing for the selection of applicants based on department-defined priority.

FISCAL IMPLICATIONS

None.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

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

If SB175 is not enacted, child care providers will not be able to apply for loans from the Child Care Facility Revolving Loan Fund or to contract for services with providers or to create new facilities. Additionally, if this bill is not enacted, employers seeking to create or expand child care programs for their employees will not be eligible to apply for loans under the Act.

AMENDMENTS