

LFC Requester:	
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(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 ☒ Amendment
Correction ☐ Substitute

Date Prepared: 2025-02-21
Bill No: SB509

Sponsor(s) George K. Muñoz
:

Agency Name CYFD 69000
and Code
Number:

Person Writing Scott J Patterson-Alatorre
Analysis:

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Short PATHWAY ACT FOR
Title: FOSTER CHILDREN

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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	327.0	316.5	643.4	Recurring	General Fund

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 509 creates the Pathway Act; requires the creation of the Pathway Program Fund; directs the Department of Finance and Administration, in consultation with the Children, Youth and Families Department (CYFD), to create and administer the pathway program; directs CYFD to enroll eligible beneficiaries in the pathway program; directs CYFD to communicate eligibility status and program benefits to beneficiaries; creates access to two thousand dollars (\$2,000) in funding to eligible beneficiaries that can be used for housing, education or workforce training; makes an appropriation of four million dollars (\$4,000,000) from the early childhood education and care fund to the pathway fund.

FISCAL IMPLICATIONS

Implementation of SB 509 would require 3 additional FTE to support the identification of eligible beneficiaries, the education about program benefits and requirements, and the processing and monitoring of the payments to beneficiaries.

* 2 Fostering Connections Specialist FTE (Pay Band SE)

* 1 Program Specialist FTE (Pay Band 70)

SIGNIFICANT ISSUES

If enacted, SB 509 will:

* Provide two thousand dollars (\$2,000) to youth who have spent at least eighteen months cumulatively in foster care prior to age eighteen and have completed a financial literacy course to cover housing, education or workforce training

- * Require CYFD to track eligibility for participation in the pathway program for any youth who meet the qualifications to be considered a beneficiary
- * Require CYFD to track how the two-thousand-dollar (\$2,000) transfer is spent by the beneficiary to ensure that it is only spent on qualified items after transfer to the youth's bank account
- * Create additional oversight for the qualified beneficiary regarding how the two-thousand-dollar (\$2,000) transfer is spent
- * The bill remains silent on the parameters of what can be construed as an eligible expense related to housing, education or workforce training activities

PERFORMANCE IMPLICATIONS

Results in the need for additional workforce FTE in CYFD Family Services - Fostering Connections.

Results in the need to provide additional monitoring regarding eligibility status for potential beneficiaries to include enrolling them in the pathway program and providing education regarding the program.

Results in the need to provide additional monitoring of how the funds provided to the beneficiary are spent.

ADMINISTRATIVE IMPLICATIONS

If enacted, SB 509 will:

Require tracking of all potential eligible beneficiaries and enroll those that meet eligibility to be enrolled in the pathway program.

Require the tracking of expenditures received by the beneficiary to ensure that they are spent on only qualifying items, which may prove difficult without clear guidelines regarding what is an allowable expense.

The \$2000.00 allotment may impact the ability for CYFD to claim Title IV-E for those youth who sign a Voluntary Support and Services Agreement (VSSA) and enter extended foster care. A Title IV-E redetermination occurs when a youth ages out of custody and agrees to enter extended foster care through signing a VSSA. The redetermination reviews a youth's income and benefits received during the "AFDC month." The AFDC month is the month a youth signs the VSSA. If the \$2000.00 were to be distributed before or after the AFDC month, the funds would not be considered as part of the IV-E redetermination.

Currently, there is not an effective accounting mechanism for CYFD to track the

expenditures made against the \$2,000 provided to the beneficiary. CYFD's current information management system, FACTS, could disburse and track payments, but that would require the beneficiary to be set up in FACTS as a provider and any payments made to the youth would be subject to the current FACTS payment and approval process which can be limited, cumbersome, and could delay timely disbursement of funds.

Another avenue, could be the use of debit cards that could be loaded with funds, distributed to the beneficiary, and tracked by CYFD. CYFD would need support from Department of Finance and Administration for use of debit cards that could be loaded, distributed, and tracked for the beneficiary.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None Identified.

TECHNICAL ISSUES

SB 509 remains silent on the specific expenditures that will be considered appropriate under the pathway act beyond those that are related to housing, education, and workforce training

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequences of not enacting SB 509 will be the status quo which has the potential to keep barriers to achieving stability for youth with current or former child welfare system involvement in place

AMENDMENTS

None.

