

1 SENATE BILL 509

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 George K. Muñoz

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10 AN ACT

11 RELATING TO PUBLIC BENEFITS; ENACTING THE PATHWAY ACT TO  
12 PROVIDE, WITHOUT A GUARANTEE, TWO THOUSAND DOLLARS (\$2,000) TO  
13 EVERY ELIGIBLE FOSTER CHILD TO USE FOR HOUSING, EDUCATION OR  
14 WORKFORCE TRAINING; CREATING THE PATHWAY PROGRAM; CREATING THE  
15 PATHWAY PROGRAM FUND; PROVIDING THAT BENEFITS SHALL NOT BE  
16 GUARANTEED AND A PROPERTY INTEREST SHALL NOT BE CREATED BY THE  
17 PATHWAY ACT; EXEMPTING MONEY TRANSFERRED TO OR SPENT ON BEHALF  
18 OF A BENEFICIARY PURSUANT TO THE PATHWAY ACT FROM TAXATION;  
19 MAKING AN APPROPRIATION.

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21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

22 SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1  
23 through 5 of this act may be cited as the "Pathway Act".

24 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
25 Pathway Act:

.228952.2

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1           A. "beneficiary" means a person whose primary  
2 residence is in New Mexico and who is eligible for the pathway  
3 program;

4           B. "department" means the department of finance and  
5 administration;

6           C. "foster care" means twenty-four-hour substitute  
7 care for a child placed away from the child's parents or  
8 guardians and for whom the children, youth and families  
9 department has placement and care responsibility; and

10          D. "primary residence" means the domicile where a  
11 person physically resides for most of the time and the address  
12 of which the person uses for purposes of a driver's license or  
13 state-issued identification card.

14           SECTION 3. [NEW MATERIAL] PATHWAY PROGRAM--ELIGIBILITY--  
15 ENROLLMENT--DUTIES.--

16          A. A person is eligible to be a beneficiary of the  
17 pathway program who:

18                   (1) has spent at least eighteen months  
19 cumulatively in foster care;

20                   (2) reaches eighteen years of age on or after  
21 January 1, 2026; and

22                   (3) has successfully completed a financial  
23 literacy course, either in high school, as evidenced by a  
24 transcript, or that is approved by the department.

25          B. Upon request by a beneficiary to the department,

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1 the department shall transfer two thousand dollars (\$2,000)  
2 from the pathway program fund to the beneficiary's personal  
3 bank account to be used only for housing, education or  
4 workforce training expenses. A beneficiary shall be allowed  
5 only one transfer pursuant to this subsection.

6 C. The department shall:

7 (1) create and administer the pathway program  
8 in consultation with the children, youth and families  
9 department;

10 (2) collaborate with the children, youth and  
11 families department to automatically enroll beneficiaries and  
12 communicate to beneficiaries who become eligible of the  
13 availability and use of funds pursuant to the Pathway Act; and

14 (3) verify a beneficiary's successful  
15 completion of a high school financial literacy course or, when  
16 a beneficiary indicates that the beneficiary has not taken a  
17 high school financial literacy course, provide a list of  
18 approved financial literacy courses and reimbursement to the  
19 beneficiary for completion of the course.

20 D. The children, youth and families department  
21 shall share with the department of finance and administration  
22 at regularly agreed intervals information necessary for the  
23 department to identify and enroll children in foster care in  
24 the pathway program.

25 SECTION 4. [NEW MATERIAL] PATHWAY PROGRAM FUND.--

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1           A. The "pathway program fund" is created as a  
2 nonreverting fund in the state treasury. The purpose of the  
3 fund is to provide beneficiaries with money for housing,  
4 education or workforce training. The fund consists of  
5 distributions, transfers, appropriations, gifts, grants,  
6 donations and income from investment of the fund. Money in the  
7 pathway program fund shall be invested by the state treasurer.

8           B. Money in the pathway program fund is  
9 appropriated to the department for the purposes specified in  
10 the Pathway Act. The department shall administer the fund, and  
11 expenditures from the fund shall be by warrant of the secretary  
12 of finance and administration pursuant to vouchers signed by  
13 the secretary or the secretary's authorized representative.

14           SECTION 5. [NEW MATERIAL] NO GUARANTEE OF BENEFITS OR  
15 ENFORCEABLE INTEREST.--The provisions of the Pathway Act do not  
16 guarantee any benefits and shall not be construed to create an  
17 interest in property that:

- 18           A. does not otherwise exist; or
- 19           B. is enforceable under state law.

20           SECTION 6. A new section of the Income Tax Act is enacted  
21 to read:

22           "[NEW MATERIAL] EXEMPTION--PATHWAY ACT.--

- 23           A. Money transferred to or spent on behalf of a  
24 beneficiary pursuant to the Pathway Act is exempt from state  
25 income taxation.

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B. As used in this section, "beneficiary" means a New Mexico resident who is eligible for the pathway program pursuant to the Pathway Act."

**SECTION 7. APPROPRIATION.**--Four million dollars (\$4,000,000) is appropriated from the early childhood education and care fund to the pathway program fund for expenditure in fiscal year 2026 and subsequent fiscal years for the purposes of administering the Pathway Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the early childhood education and care fund.

**SECTION 8. EFFECTIVE DATE.**--The effective date of the provisions of this act is January 1, 2026.