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FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/19

SPONSOR Munoz LAST UPDATED _____ HB _____

SHORT TITLE Foster Care Financial Skills Program SB 371

ANALYST Clark

APPROPRIATION (dollars in thousands)

| Appropriation | | | | | Recurring or Nonrecurring | Fund Affected |
|---------------|---------|------|------|------|---------------------------------|------------------|
| FY19 | FY20 | FY21 | FY22 | FY23 | | |
| | \$450.0 | | | | Recurring | General Fund |

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

State Treasurer's Office (STO)

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Bill 371 appropriates \$450 thousand from the general fund to the State Treasurer's Office for expenditure in FY20 to fund a comprehensive, developmentally appropriate financial-skills-building program to prepare youth to make the transition from foster care or from other youth services. The program should build youth skills in earning, spending, and saving money during their transitions to adulthood through financial literacy training, the establishment of a bank account, and one-on-one coaching.

FISCAL IMPLICATIONS

The appropriation of \$450 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

SIGNIFICANT ISSUES

The State Treasurer's Office (STO) reports providing financial literacy to this vulnerable population would result in better financial outcomes for these children and the state. However, developing the program to full functionality will take upwards of a year to complete.

The Children, Youth and Families Department (CYFD) notes there is no mention in the bill of whether CYFD will play any role in assisting STO, or other program provider, with connecting to transition-age foster care youth. The agency also provided the following analysis.

CYFD has already developed two life skills programs for New Mexico youth: the Behavioral Health Services' Youth Support Services (YSS), funded through a combination of state and federal funds; and the Juvenile Justice Services' Juvenile Community Corrections Program, which specifically targets adjudicated youth.

YSS assists persons (ages 12-21) with or at risk of having substance use problems or co-occurring mental health disorders. YSS improves wellbeing, increases successful socialization, develops the attainment of satisfactory life goals, and will aid the effectiveness of behavioral health services by promoting behavioral change designed to address a balance of knowledge, attitudes and skills. Adolescents and young adults who learn appropriate life skills develop pro-social behaviors including altruism, motivation, and willingness to engage in acts of service. YSS will address needs of young people who otherwise would drop out of services or not connect to services while transitioning from JJS facilities, foster care, reintegration centers, transitional living and youth shelters. Keeping youth connected to a life skills coach who provides positive support and mentorship through the difficult transition into adulthood maintains an open door to formal services if the need arises.

Youth Support Services Life Skills include: Youth & Family Outreach and Service Coordination; Foundational Life Skills (daily living, nutrition, cooking, cleaning, personal hygiene, budgeting, shopping, nutrition, overall organization and time management, household management, anger management strategies, and all issues appropriate to functioning in New Mexico society not covered under more advanced skills); Vocational Skills; Education Success Skills; Parent Education and Child Development; Relational and Social Skills; Medical, Legal and Behavioral Health System Coaching, Referral, and Advocacy; and Transportation supports. As a prevention, early intervention, and concurrent co-occurring substance use and mental health disorder support, YSS is designed to work to support youth who are at risk to delay onset of use, or make a decision not to use, drugs or alcohol.

The Juvenile Community Corrections program is a unique approach to working with adjudicated delinquent youth. The program utilizes a team approach which includes the client, family, contracted agency, local public school staff, Juvenile Probation Officers and other significant individuals in the client's life. The program provides participants with program services based on the client's individualized needs.