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## FISCAL IMPACT REPORT

**SPONSOR** Tobiassen **LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/26/2025  
**BILL**  
**SHORT TITLE** Quality Foster Parent Task Force **NUMBER** Senate Bill 305  
**ANALYST** Hernandez

**APPROPRIATION\***  
(dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$100.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From

Children, Youth and Families Department (CYFD)

Health Care Authority (HCA)

## SUMMARY

### Synopsis of Senate Bill 305

Senate Bill 305 (SB305) creates a task force that would consider foster parent recruitment and retention. The task force must collaborate with a higher education institution, work on reducing office stays for children, and study successful models of foster parent recruitment and retention. The task force must report to the interim Legislative Health and Human Services Committee, the interim Legislative Finance Committee, and the governor by July 1, 2026.

SB305 appropriates \$100 thousand from the general fund to the Children, Youth and Families Department (CYFD) for the purpose of convening the task force.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

CYFD likely could absorb the costs of the task force. A similar task force from the 2024 legislative session, created through Senate Memorial 5, only had an appropriation of \$5 thousand.

## **SIGNIFICANT ISSUES**

According to Chapin Hall, a child welfare research institute at the University of Chicago, states have relied on congregate care settings to address two different challenges: the need for emergency or first placements for children in custody, and the need to find placements for youth with complex behavioral or other clinical needs who are otherwise hard to place. Chapin Hall recommends a variety of evidence-based strategies to address these needs and reduce the reliance on congregate care, such as building the capacity of resource homes (foster families) for first-time placements to reduce the need for congregate care in emergency situations and building capacity to deliver clinically effective alternatives in home-based settings for youth with clinical and behavioral health needs..

The Legislature has made significant investments to expand children’s behavioral health capacity. New Mexico has invested roughly \$60 million over the last two years to increase payments made to behavioral health providers in the Medicaid program, with the goal of improving access to behavioral health services. The Health Care Authority began paying enhanced Medicaid reimbursement rates for providers that deliver evidence-based behavioral health services, including multi-systemic therapy, trauma-informed cognitive behavioral therapy, and functional family therapy. Several LFC and other reports have highlighted shortages of providers delivering these services. Beginning in July 2024, the Health Care Authority increased Medicaid reimbursement rates for behavioral health services for children in CYFD care, including treatment foster care and residential treatment centers.

Moreover, in 2022, Legislature appropriated \$20 million to build behavioral health provider capacity, specifically to support the start-up costs of providers who could then bill Medicaid for services. However, the appropriation has gone largely unused or used for purposes outside of legislative intent. The appropriation was re-authorized in FY25 but spending to date has not been used for strategies that increase numbers of Medicaid-eligible behavioral health providers. For example, this is the funding source for the newly opened CYFD multi-service home (group home), which is not Medicaid-eligible. In FY24, the CYFD received \$963 thousand to establish three more community behavioral health clinician teams in the behavioral health division. However, CYFD experienced challenges with hiring moved \$1.4 million out of their personnel budget at the end of the fiscal year.

## **TECHNICAL ISSUES**

In Subsection G, both the Legislative Health and Human Services Committee and the Legislative Finance Committee should have the word “interim” prior to naming the committee.

AEH/tl/SL2