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FISCAL IMPACT REPORT

SPONSOR <u>Armstrong/Chavez, N.</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/18/2025</u>
SHORT TITLE <u>Foster Care Behavioral Health Assessment</u>	BILL NUMBER <u>House Bill 345</u>
	ANALYST <u>Hernandez</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		No fiscal impact	No fiscal impact	No fiscal impact		

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files
 Kevin S. Co-Neutrals' 2023 Annual Report

Agency Analysis Received From
 Children, Youth, and Families Department (CYFD)
 Office of Family Representation and Advocacy (OFRA)
 Health Care Authority (HCA)

Agency Declined to Respond
 Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of House Bill 345

House Bill 345 (HB345) amends part of the Children’s Code (NMAC 32A-4) to require CYFD to provide a Child and Adolescent Needs and Strengths (CANS) trauma assessment within 45 days of placing a child into foster care. Based on the assessment, the Department must provide referrals to appropriate behavioral health services.

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

CYFD stated that they would need \$5.9 million to ensure that every child entering foster care receives a CANS assessment between FY26 and FY27. However, in FY24, CYFD received a recurring appropriation of \$963 thousand from the general fund to support additional behavioral health clinician positions within the department. Since this money is recurring, CYFD received a

similar amount in FY25. In FY25, the department completed a budget adjustment request (BAR) for \$1.2 million to move funds out of personnel, which could have been used to hire clinicians and instead was used to purchase laptops, desks, and other furniture. Moreover, CYFD reverted over \$6 million in FY24 from their behavioral health services division, meaning that the department could likely absorb the costs of implementing CANS.

SIGNIFICANT ISSUES

The CANS assessment was developed for children’s services and is utilized in all fifty states. CYFD agreed to utilize the CANS assessment as part of the *Kevin S.* settlement. As part of the agreement, “CANS screenings are required to be completed within 45 days of the child’s removal from the home, and children must be reassessed before each court hearing (or within six months, whichever comes first) to assess progress in treatment or to adjust services and supports as results may indicate. CANS must also be completed any time there is an identified change in behavior or a significant life event, and upon discharge from CYFD custody.”

In the most recent *Kevin S.* Co-Neutrals’ Annual Report, CYFD reported that only 39 percent of children entering foster care received a CANS screening, up from 38 percent in 2022. For the fourth quarter of FY24, CYFD reported that 15 percent of children in foster care received a visit with a behavioral health clinician. By comparison, 63 percent of children involved with the juvenile justice system received a visit with a behavioral health clinician.

TECHNICAL ISSUES

CYFD recommends “that a specific tool, the ‘child and adolescent needs and strengths trauma assessment’ (the CANS tool) not be named in HB345 but instead be replaced with language referring to a ‘trauma screening tool.’ Best practices for screening or assessment tools are continuously being developed and adapted nationally to meet the ever-changing behavioral health needs of children and youth. Naming one specific tool, available for purchase from one vendor, may not meet future needs, costs, or intended outcomes for the children’s behavioral health system.”

While CYFD is correct that the CANS assessment would be codified in statute, limiting their ability to utilize other behavioral health assessments, the Department agreed to utilize the CANS assessment in the *Kevin S.* settlement.

AEH/hj/SR