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## FISCAL IMPACT REPORT

SPONSOR Begaye DATE TYPED 1/27/2005 HB 112

SHORT TITLE CYFD Social Security Assistance Program SB \_\_\_\_\_

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	See Narrative				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children Youth and Families Department (CYFD)  
Attorney General's Office (AG)

### SUMMARY

#### Synopsis of Bill

House Bill 112 requires CYFD to screen all children within six months of entering into custody for their eligibility to receive social security supplemental security income and survivor's benefits. The bill requires CYFD to pursue benefits for children who may be eligible, including reconsideration and appeal of adverse decisions, when appropriate. The bill establishes procedures for creating, managing and disbursing funds from maintenance accounts for children receiving benefits.

#### Significant Issues

Currently, social workers apply for social security for children that appear to be eligible. However, few social workers have the level of expertise in social security regulations or the time to aggressively pursue benefits to the extent contemplated by the bill.

According to CYFD the bill:

- Requires CYFD to create a unit of specialists in social security regulations to comply with its provisions. CYFD currently has a similar unit of five positions that screens and pursues federal IV-E benefits for children in foster care. No funding is provided in the bill for the additional staff needed to implement the legislation.
- Provides that every child in state custody on July 1, 2005 shall be screened for eligibility by December 31, 2005. Even if the appropriation were added for the necessary staff, this time frame could not be met, given the time needed for hiring and training the new staff.
- Provides that net balances from social security accounts are to be disbursed directly to the beneficiaries upon release from care. The Social Security Administration requires CYFD to return any balance to them and they make the appropriate disbursement to the beneficiary.

CYFD does not currently provide for two of the provisions outlined in this bill: C.2 (b): “each child beneficiary shall receive a personal allowance of at least \$30.00 each month for the child’s personal use” and, C.2(d): “conserving [for the child] the social security benefits of the child in lieu of reimbursing the department for foster care maintenance beginning ninety days prior to the eighteenth birthday of a child in the custody of the department.”

CYFD provides for an allowance for children in care, which is allocated to the care provider and passed on to children as the care provider determines appropriate. CYFD provides some older children in care with their own maintenance payments from the age of 15 up to age 21, regardless of SSA/SSI eligibility. These children are also eligible for one-time independent living start-up funds of up to \$1,000 and up to \$5,000 annually for higher educational expenses until the age of 21.

The department indicates that benefits for children in state custody should be the same regardless of sources of federal funding and should be based on the needs of the child.

## **PERFORMANCE IMPLICATIONS**

CYFD is concerned that the requirements of the bill would impact responsibilities of social workers whose increasing caseloads could not accommodate the additional work.

## **FISCAL IMPLICATIONS**

CYFD estimates that an additional five FTEs would be required to implement the provisions of this bill. The bill contemplates a screening process for every child in state custody. A screening tool would need to be developed and incorporated into the protective services management information system. CYFD expresses concern that the provision in the bill requiring CYFD to conserve the benefits of the child in lieu of reimbursing CYFD for foster care maintenance beginning 90 days prior to the eighteenth birthday of the child will have a negative fiscal impact for CYFD. The extent of this impact would depend on the number of children legally emancipating in any given time period. Additionally, CYFD would assume all cost related to implementing changes in information systems and fiscal processes required to administer the monthly personal allowance of \$30.00 and to conserve the benefits for children ninety days prior to their eighteenth birthdays.

## **ADMINISTRATIVE IMPLICATIONS**

CYFD would be required to regularly monitor balances in trust fund accounts so as not to jeopardize eligibility for medical assistance. CYFD indicates that the bill offers no provision for managing account balances that jeopardize eligibility for medical assistance. .

## **TECHNICAL ISSUES**

The bill applies to “children residing in state custody”. Technically, youth in juvenile justice facilities remain in the legal custody of their parents while residing in a state facility. This bill has been analyzed as applying only to children in the legal custody of CYFD because of abuse or neglect. The term “residing in state custody” could have a broader application that would require additional analysis.

## **AMENDMENTS**

CYFD proposes the following amendment: “the department shall apply for benefits for children who are screened in as likely candidates unless, the department determines after an individual inquiry that an application would not benefit the child”. This provision is intended to address situations where the Title IV-E benefit would be greater than the social security benefit; however, the term “individual inquiry” is not defined and redundant.

**BD/lg**