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FISCAL IMPACT REPORT

SPONSOR King DATE TYPED 2/12/2005 HB 370

SHORT TITLE Restore Access to Child Care Assistance SB _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$10,000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 324

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children Youth and Families Department (CYFD)
Health Policy Commission (HPC)

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

SUMMARY

Synopsis of Bill

House Bill 370 appropriates \$10 million from the general fund to Children Youth and Families Department for the child care assistance program.

Significant Issues:

The appropriation enables CYFD to raise the childcare assistance program eligibility to 200% of the Federal Poverty Level. Current eligibility standards for child care assistance require families to be at or below 150% of the FPL. However, families that were receiving assistance when eligibility was 200% of the FPL were "grand-fathered" into the program when eligibility was lowered to 150%. The Children, Youth and Families Department currently is proposing to change

the child care regulations to discontinue enrollment for those families above 175% of the FPL and will use the money saved to raise the rates of rural child care providers. The LFC recommendation for HB2 discontinues enrollment for families above the 150 percent of the FPL.

The proposed increase in funding for childcare assistance would allow CYFD to serve an additional 3,200 children per month.

FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

CYFD would absorb the administrative impact associated with the appropriation, but would need to consider FTE or contract support.

DUPLICATION

Duplicates SB324.

OTHER SUBSTANTIVE ISSUES

Approximately 7% (133,454) of New Mexicans are under five years old. (HPC Quick Facts 2005)

The average annual cost of placing a four year old child in a childcare center in New Mexico is \$4,801. (Children's Defense Fund, January 2003)

Poor Families in the State

- More than 2 in 10 children are poor in this state. (Children's Defense Fund, January 2003)
- 87,959 (13%) households in New Mexico make less than \$10,000 annually, compared to 9% nationally. (HPC Quick Facts 2005)
- 19% of New Mexicans are poor of which 25% are children under 18
- 36% are families with female head of household with no husband present (US Census 2003 Data Profiles)

WD/njw