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## FISCAL IMPACT REPORT

	<b>ORIGINAL DATE</b> 02/06/06		
<b>SPONSOR</b> Boitano	<b>LAST UPDATED</b>	<b>HB</b>	
	FEDERAL FUNDS FOR FAMILY		
<b>SHORT TITLE</b> FORMATION		<b>SB</b> 741	
		<b>ANALYST</b> Weber	

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 741 requires that the New Mexico Works Act be amended to include marriage and fatherhood initiatives as one of its goals. The programs are to include the following:

- (1) marriage skills training for engaged and married couples;
- (2) premarital education;
- (3) marriage enhancement;
- (4) divorce reduction;
- (5) marriage mentoring;
- (6) reducing disincentives to marriage in programs that require proof of income; and
- (7) responsible fatherhood in a voluntary program approved by the secretary.

In addition, it requires that in FY 2007 and each subsequent fiscal year, at least one percent (1%) of the annual Federal block grant for Temporary Assistance for Needy Families (TANF) be expended on programs for these purposes.

The HSD Cabinet Secretary is to promulgate rules for the responsible fatherhood programs, and the HSD Cabinet Secretary is also to report annually through 2010 on family formation programs and funding to the Welfare Reform Oversight Committee.

### **FISCAL IMPLICATIONS**

HSD currently contracts with the Cooperative Extension Service at New Mexico State University for \$400,000 TANF funding in FY 2006 to provide Strengthening Family and Fatherhood services. The proposed expenditure of at least 1% of the TANF block grant totals \$1.17 million at the current funding level.

### **SIGNIFICANT ISSUES**

HSD comments that the purposes in the bill conform to one of the Congressional purposes for the TANF block grant (promoting marriage in the interests of children, and responsible fatherhood and motherhood). However, in order to fund a family formation program at least 1% of the entire TANF block could impact the state's effort toward other TANF goals of providing assistance to needy families and ending the dependence of needy parents on public assistance by promoting job preparation and work. A statutory requirement to expend a minimum amount annually for one particular purpose may hamper the efforts in other high priority areas as needs shift to meet the particular requirements of the current caseload. Examples of areas that may be constricted include childcare, domestic violence services, transportation, employment, and case management services needed to meet Federal performance measures.

At the national level, the Budget Reconciliation Act makes available marriage and fatherhood grants of \$150 million for Fiscal Years 2006-2010. States would not be required to use the regular TANF grant for marriage and fatherhood initiatives; rather they may compete for marriage and fatherhood grants to fund these programs. Under the proposed law, expected to be signed by the President, state funds used for marriage and fatherhood programs may be counted towards TANF Maintenance of Effort (MOE) possibly without regard to TANF eligible status (i.e. family and income eligibility under 100% of poverty).

MW/nt