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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/07

SPONSOR Boitano LAST UPDATED _____ HB _____

SHORT TITLE TANF Funds For Family Formation Goals SB 487

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$0.1	Recurring	TANF Federal Block Grant
	See below		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Children Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Bill 487 requires that starting in Fiscal year 2008 an amount equal to no less than one percent of the state's temporary assistance for needy families' program federal block grant (currently \$1.17 million) shall be expended on programs to enhance family formation. Family formation programs shall be provided through pre-kindergarten programs to parents and, where appropriate, children in pre-kindergarten programs and shall include instruction in:

- (1) relationship, communication and conflict resolution skills;
- (2) financial management training;
- (3) marriage education, marriage skills and marriage mentoring programs;
- (4) parenting skills; and
- (5) divorce reduction programs that teach relationship skills.

The secretary shall adopt rules for family formation programs and report annually through 2010 on family formation programs and funding to the welfare reform oversight committee or other appropriate legislative interim committee.

FISCAL IMPLICATIONS

There is no fiscal impact since the revenue is part of the existing federal TANF block grant. This bill directs the distribution of the funds.

SIGNIFICANT ISSUES

HSD notes that the Income Support Division (ISD) contracts with New Mexico State University for \$400,000 to provide Strengthening Family and Fatherhood services. SB 487 would add nearly three times as much funding to family formation efforts in New Mexico, while potentially reducing funding to other programs.

In FY 2005, the New Mexico Public Education Department (PED) received \$4 million from the TANF block grant for full-day kindergarten. These funds were later replaced with General Fund money. It is not clear from SB 487 whether PED should receive these funds to provide these family formation programs.

OTHER SUBSTANTIVE ISSUES

“Earmarking” funds for a specific purpose could limit the ability of the legislature to meet critical obligations as circumstances change.

MW/yr