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FISCAL IMPACT REPORT

ORIGINAL DATE 01/28/08

SPONSOR Vigil LAST UPDATED _____ HJM 23

SHORT TITLE Assistance for Grandparents Raising Children SB _____

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$110.0		\$110.0	Non- Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Children Youth and Families (CYFD)

SUMMARY

Synopsis of Bill

House Joint Memorial 23 asks the secretary of Human Services to convene a task force that includes representatives from the Children, Youth and Families Department to study the availability of public assistance to grandparents who are raising their grandchildren and, if currently there is no public assistance, to examine how to provide assistance to those grandparents who are in need. The results are to be reported to the appropriate interim legislative committee during the 2008 interim including recommendations for providing assistance to grandparents in need.

FISCAL IMPLICATIONS

HSD estimates a cost of \$110 thousand from the general fund to complete the study. Also HSD notes that under the Federal Deficit Reduction Act of 2005 grandparents who are included in the benefit group are also included in the TANF participation rate. Situations where the grandparents are exempt under the NMW Act 27-2B NMSA 1978 from participation will have a negative impact on the participation rate. The TANF block grant will face sanctions for failure to meet work participation rates. The sanction for the All Families Participation Rate is up to 5% (estimated \$3,917,935) of the TANF adjusted State Financial Assistance Grant (SFAG) for failure to meet the "all families" participation rate. The penalty will also require an increase in the rate of MOE spending to 80% (\$2,183,220) for failing to meet new federal performance

measures. Penalties increase by 2% each year that performance measures are not met and are capped at 21% adjusted SFAG.

SIGNIFICANT ISSUES

HSD comments on the issue.

Data from the 2000 Census provides that in New Mexico 22,974 grandparents are caring for their own grandchildren. Excluding the grandparents income, 44,014 children identified through the 2000 Census could potentially become eligible for public assistance. Based on this data the NMW, EWP, Food Stamp and Medicaid cases could double.

Children Youth and Families adds.

The number of grandparents who are either directly involved in the raising of their grandchildren or are entirely responsible for this task has increased recently. Such household arrangements are usually the result of family crises, including financial, that place these children at risk for negative outcomes, including the possibility of academic hardship, poverty, child abuse, or neglect. Public policy is still working to catch up with this new development, and a safety net including the availability of public assistance to these multi-generational households has not yet been fully developed. A study that identifies the availability of public assistance or, in the absence of that assistance identifies how to develop and provide the assistance, will help to establish a safety net. Access to public assistance would enhance the ability of caretaker grandparents to properly care for their grandchildren, and improve the children's outcomes.

Currently, grandparents who have custody of their grandchildren and are enrolled in the childcare assistance program are exempted from making co-payments to childcare providers.

MW/bb