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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 03/06/13

**SPONSOR** Chasey **LAST UPDATED** \_\_\_\_\_ **HM** 75

**SHORT TITLE** J. Paul Taylor Early Childhood Task Force **SB** \_\_\_\_\_

**ANALYST** Chavez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$25.0	\$25.0		\$50.0	Nonrecurring	General Fund and Matching Federal Grants

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to HJM 19

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)  
 Department of Health (DOH)  
 Children, Youth and Families Department (CYFD)  
 Public Education Department (PED)  
 UNM Health Science Center (UNMHSC)  
 New Mexico Youth Providers Alliance (NMYPA)

### SUMMARY

#### Synopsis of Bill

House Memorial 75 creates the J. Paul Taylor Early Childhood Task Force to ensure that children and infants at risk for child abuse and neglect and adverse childhood environments have a full network of services. The memorial calls upon the Health Sciences Center at the University of New Mexico (UNM) to appoint task force members from community organizations and designates the chair of the Children's Trust Fund Board of Trustees as the chair of the task force. It also includes state agencies as participants in the task force, in an advisory capacity. HM 75 also calls for the appointment of representatives from the New Mexico Early Learning Advisory Council, the Coalition Against Child Abuse and Neglect, and the Infant Mental Health Association.

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The task force is charged with 1.) recommending methods to improve collaboration among early childhood development stakeholders; 2.) developing a system to identify unserved and underserved at-risk infants and young children; 3.) developing an early childhood community health-based and outcomes-driven mental health plan and process for infants and children through age eight, ranging from prevention through early intervention and treatment; 4.) identifying how the early childhood system can be used for child abuse prevention; and 5.) promoting evidence-based, community early childhood programs in New Mexico by establishing a link to state data for early childhood research

HM 75 also requests the UNM Health Sciences Center Office of Community Health coordinate and administer the task force along with the Legislative Council Service. The task force's recommendations are to be reported to the Legislative Health and Human Services Committee and the Legislative Finance Committee no later than November 2013.

HM 75 duplicates House Joint Memorial 19, with three changes: 1) HM 75 includes a New Mexico State University (NMSU) representative in the task force membership; 2) HM 75 stipulates that state agencies would serve in an advisory capacity rather than full membership, as is the case with HJM 19; 3) On page 4, lines 20 and 21, "Legislature" is replaced with "House of Representatives."

### **The following is analysis from HJM 19:**

#### **FISCAL IMPLICATIONS**

HM 75 does not include an appropriation for per diem.

The DOH, the CYFD, the UNMHSC all indicated that participation in the task force would be absorbed by existing staff and resources.

Only the HSD indicated a fiscal impact:

HM 75 would require two Human Services Department staff to be members of the task force, one from the Medical Assistance Division (MAD) and one from the Behavioral Health Services Division (BHSD). While participation in the task force will not require additional FTEs, it will take scarce staff time and other resources away from the two divisions. Based on the average cost per employee in the Medical Assistance Division and an estimate of 1 percent of their time plus travel, the unfunded cost to HSD is approximately \$25 thousand per year.

#### **SIGNIFICANT ISSUES**

According to the UNMHSC, behavioral health services to children birth to age 5 have been reduced and altered significantly which jeopardizes a system of care for vulnerable at-risk young children, infants, and families. In addition, Family Infant Toddler (FIT) services for children at risk for poor developmental outcomes have been significantly reduced. The UNMHSC adds that the CYFD and Medicaid have eliminated individualized services for 3, 4, and 5 year olds.

The UNMHSC states that the task force through identifying how the current early childhood system can be used for child abuse prevention and through improved collaboration and coordination of stakeholders may identify areas for greater efficiency in service delivery for vulnerable populations.

### House Memorial 75 – Page 3

The NMYPA provided the following information as an indication for the need for the HM 75 task force:

- The DOH FIT services for children at-risk for poor developmental outcomes have been drastically reduced by 90 percent since 2009. Since 2009, the DOH FIT services for children assessed as at-risk for poor developmental outcomes due to environmental risk factors have been reduced from 228 hrs of service per child per year to 24 hrs of service per child per year.
- Funding for all CYFD Value Added Behavioral Health Services (managed by Optum) were cut in half - from \$2 million to \$1 million. These are funds for Medicaid eligible children in need of behavioral health support. For children birth through 5 years these behavioral health services (T1027) provided the child and family with a very comprehensive and effective system of assessment and support. These services were minimized.
- Within CYFD and Medicaid, services for at-risk young children, infants and their families (T1027 services) have been redefined. The new definitions eliminate services for 3, 4, and 5 year olds, eliminate group services for healthy socialization of child and family, and recommends/requires individual diagnosis that greatly restricts services to children at-risk.
- Value Added Services were not required in the RFP for Centennial Care. There is no system or early childhood behavioral health plan in place that ensures provision of comprehensive and effective services for children at very high risk for future behavioral health problems and consequently very poor educational outcomes.

In an email dated February 4, 2013 to LFC staff, the CYFD indicates the T1027 definition has not been revised yet and that the department is still working with the Collaborative. However, providers contend that the changes have been implemented and are impacting services.

Both the CYFD and the DOH assert that the taskforce requested under HM 75 duplicates the work and responsibilities of the Early Learning Advisory Council (ELAC), which is the governor appointed body under the Early Childhood Care and Education Act. ELAC is charged under the Early Childhood Care and Education Act to “make recommendations to the department and the legislature on how to coordinate and align an early childhood care and education system to include child care, pre-kindergarten, home visitation, early head start, head start, early childhood special education, early intervention and family support and to provide New Mexico families with consistent access to appropriate care and education services.” ELAC duties also include to “ensure effective collaboration with state and local child welfare programs and early childhood health and behavioral health programs”; and to “consider the advancement of quality early childhood care and education programs in order to support the healthy development of children.” Therefore, by creating another taskforce working separately to address the services for infants and toddlers may be counter-productive to the goal of statewide alignment of early childhood services.

The CYFD adds that the Early Childhood Care and Education Act also gives authority to the ELAC to establish sub-committees composed of ELAC members as well as experts in the field. A working meeting of ELAC members is currently being scheduled to establish a number of sub-committees. According to the CYFD, based on the work and planning of the ELAC to date, it is fully anticipated that these subcommittees will duplicate work that this Joint Memorial is requiring of the task force.

Furthermore, the CYFD added that the Early Childhood Services/Office of Child Development has contracted with an expert in the field and convened an interagency planning team to develop an Early Childhood Mental Health Plan. This Plan addresses the social/emotional, behavioral and mental health needs of children birth to age five. The plan utilizes a “Pyramid Model” framework developed by the National Center on the Social and Emotional Foundation for Early Learning (CSEFEL) that addresses promotion, prevention and intervention. Many of the stakeholders named in HM 75 are already participating on this interagency planning team and membership could easily be expanded to include other organizations.

The UNMHSC provides contrary comments stating that the ELAC appointed by the governor has not specifically focused on at-risk children and child abuse prevention.

## **OTHER SUBSTANTIVE ISSUES**

The CYFD states that it has funded the UNM Center for Educational Policy Research (CEPR) to conduct extensive data collection to provide the ELAC with detailed information regarding the location of children who are most at risk compared to where current early childhood services are located. This information is to support the ELAC in the establishment of a Results Based Accountability (RBA) process and strategic plan that is alignment with the work of the Children’s Cabinet.

The DOH provided the following background information on early brain development and child maltreatment:

Early experiences affect the development of the brain and lay the foundation for intelligence, emotional health, and moral development. The human brain begins forming very early in prenatal life. The brain is far more impressionable in early life than in maturity. This plasticity has both a positive and a negative side. On the positive side, it means that young children's brains are more open to learning and enriching influences. On the negative side, it also means that young children's brains are more vulnerable to developmental problems should their environment prove especially impoverished or impacted by toxic stress. (zerotothree.org)

Preschool-aged children are overrepresented in substantiated cases of abuse, neglect, and maltreatment. In New Mexico, child maltreatment includes physical neglect, sexual abuse and physical abuse. Child maltreatment can range from relatively minor (bruises or cuts) to severe (broken bones, acute subdural hematoma, and death). In addition to these physical effects, additional outcomes of abuse or neglect may include behavioral changes, developmental delays or life-long disabilities. Regardless of the physical effects, the emotional pain and suffering they cause a child should not be minimized.

The DOH also provided the following information regarding other collaborative efforts:

The FIT Program services are coordinated through both the FIT Interagency Coordinating Council and the Early Learning Advisory Council (the FIT Program Director is appointed to the ELAC). The FIT Program also participates in the interagency planning team to develop an early childhood mental health plan utilizing the pyramid model framework

Since 2004, the New Mexico Early Childhood Action Network (ECAN), a network of public and private early childhood champions and key stakeholders has worked to develop strategies and actions to improve the well-being of all New Mexico’s young children and

their families. The Multi-Agency Team: Council on Young Child Wellness (MAT) was formed in 2008 to guide and oversee the work done under the Substance Abuse and Mental Health Services Administration (SAMHSA) Project LAUNCH (Linking Actions for Unmet Needs in Children's Health). These two groups identify the critical importance of a public health approach to children's health and well-being as the basis for their work. This approach is further validated by the work of the multiple state agencies and private stakeholders involved in these efforts. This work is directed toward ensuring that *all* children have the opportunity to reach their full potential and experience optimal development. Prevention and promotion activities are key aspects of a public health approach, in addition to efforts to treat problems after they occur. Collaborating with these groups and building on their work and recommendations is imperative to continue progress toward an integrated, collaborative system of care. The Project LAUNCH funding will cease after September 29, 2013.

### **ALTERNATIVES**

The CYFD noted that a sub-committee of the governor-appointed ELAC could be convened to address these issues and it would ensure better coordination of effort. This ELAC sub-committee could continue the work on the Early Childhood Mental Health Plan being developed by the interagency planning team convened by the CYFD.

### **AMENDMENTS**

The DOH proposed Title V Maternal and Child Health Services Block Grant programs be included in the work of the task force to achieve the objectives of the early childhood development community in New Mexico.

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