

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Armstrong, D. ORIGINAL DATE 2/10/18
LAST UPDATED _____ HM 103

SHORT TITLE Study Services for Youth in Foster Care SB _____

ANALYST Klundt

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal		Recurring	CYFD operating budget

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SM 104

SOURCES OF INFORMATION

LFC Files

SUMMARY

House Memorial 103 (HM 103) requests the Children's Court Improvement Commission to convene a taskforce to study and recommend policy changes to provide youth in foster care access to bank accounts and provide financial literacy and money management education. Findings and recommendations of the taskforce are to be provided the legislative Health and Human Services Committee no later than December 1, 2018.

FISCAL IMPLICATIONS

To attend the taskforce convened in this bill staff time and cost for travel would be incurred, however this impact is most likely minimal to the agency operating budget.

SIGNIFICANT ISSUES

In 2015, the U.S. Health and Human Services Department published an issue brief regarding foster youth and financial literacy, stating:

“Many youth receive limited support as they transition out of foster care. Among the supports they lack, financial support and stability are some of the most important because these youth face financial independence almost immediately once they exit care and often at an earlier age than their peers. While those who are in college may receive assistance in a lump sum at the beginning of a semester or a monthly payment, most—like youth in

House Memorial 103 – Page 2

the general population—are not equipped to manage all their money independently at age 18 or even at age 21. Compounding these challenges is the reality that many youth in foster care lack the financial skills required for independence and have reduced financial capability for several reasons.”

In FY17, the number of children in care of Protective Services increased by about 150 children, or 5 percent. Total reports of maltreatment were slightly higher, around 6 percent, an average of nearly 3.3 thousand reports every month; of those, an average of 1.7 thousand cases were accepted for investigation. In addition, more reports of child maltreatment were accepted for further investigation during FY17. The increase of children in care, volume of reports, and accepted reports all increase caseloads for the Protective Services program.

KK/jle