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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/09  
 LAST UPDATED 02/19/09    HB 745

SPONSOR Chasey

SHORT TITLE Albuquerque Teenage Mother Services    SB

ANALYST Peery-Galon

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children, Youth and Families Department (CYFD)  
 Public Education Department (PED)  
 Department of Health (DOH)

#### No Responses Received From

Association of Counties  
 New Mexico Municipal League

### SUMMARY

#### Synopsis of Bill

House Bill 745 appropriates \$50.0 from the general fund to the Children, Youth and Families Department for the purpose of a contract with a nonprofit organization that provides housing and support services for teenage mothers and their children in Albuquerque.

### FISCAL IMPLICATIONS

The appropriation of \$50.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

CYFD noted the appropriation in the proposed legislation is not included in the Executive budget recommendation for fiscal year 2010.

### **SIGNIFICANT ISSUES**

CYFD noted the proposed legislation provides services to pregnant and parenting teens in Albuquerque through a contract with the City of Albuquerque. These programs assist pregnant and parenting teens to engage in child care that supports positive early infant and childhood development. These programs also are effective in reducing the potential for a subsequent unplanned pregnancy.

PED reported teen mothers and their children are a high-risk population for staying healthy and becoming successful members of society as evidenced by the following statistics:

- Only 40 percent of teen mothers graduate from high school or earn a GED, as compared to 94 percent of teen girls who did not have a baby. Without a high school diploma, employment options are decreased while the likelihood of poverty increases.
- Studies have found that young adults with low education and skill levels are more likely to live in poverty and to receive government assistance. Teen moms are at a greater risk of facing low-wage jobs, unemployment and poverty.
- Babies born to teen moms are about one-third more likely to be of low-birth weight and required 20 percent more medical attention at the cost of \$37,000 per child per year.
- Babies born to teen moms are 22 percent more likely to be “teen moms” themselves if they are female.

DOH noted the teen birth rate in New Mexico is decreasing, but not as quickly as for the United States. In 2006, New Mexico’s teen birth rate of 34.3 births per 1,000 females, age 15-17, was 1.5 times higher than the United States teen birth rate of 22.0. (New Mexico Selected Health Statistics Annual Report 2006, Births: Final Data for 2006, National vital statistics reports; National Center for Health Statistics 2009)

DOH stated teen pregnancy and childbearing are associated with adverse consequences for teen mothers and their children, but it is important to note that many of the negative consequences for teen mothers are due to the disadvantaged situation in which many of these individuals already live. Teenage mothers and fathers tend to have less education and are more likely to live in poverty than their peers who are not parents. Babies born to teen mothers are more likely to have health problems at birth, do poorly in school, spend time in jail and also become teen parents.

Teen pregnancy imposes costs on the teenage mothers, children born to teenagers and society in general. DOH reported teenage mothers can expect to earn, after taxes, between \$50,000 and \$120,000 less over a lifetime compared to mothers who delay parenting until at least age 20. An estimate of the annual extra cost of welfare services for these children is between \$1 million and \$2 million. Overall, the economic impact on society is \$170,000 for each teenage mother, for a total of nearly \$590 million for all new mothers each year in New Mexico.

**ADMINISTRATIVE IMPLICATIONS**

The proposed legislation requires administrative services related to the identification, development and monitoring of contract services. CYFD noted it will absorb any administrative impact generated by the proposed legislation with existing resources.

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