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FISCAL IMPACT REPORT

SPONSOR Lopez, Linda DATE TYPED 1/31/04 HB _____

SHORT TITLE Teen Parenting & Pregnancy Prevention Program SB 319

ANALYST Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$1,300.0			Recurring	General Fund TANF MOE

(Parenthesis () Indicate Revenue Decreases)

Relates to HB 230, HJM 6, SB 341, & SJM 15
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)
Health & Human Services Department (HSD)

No Response
New Mexico Department of Public Education

SUMMARY

Synopsis of Bill

Senate Bill 319 appropriates \$1.3 million from the Temporary Assistance for Needy Families (TANF) maintenance of effort funding to the Public Education Department to provide secondary parenting classes and case management, on-site child care services and fatherhood support groups to reduce out-of-wedlock births.

Significant Issues

The appropriation in this bill funds the GRADS (Graduation, Reality, and Dual Skills) program which has been administered by the PED since 1990. The GRADS system offers a highly effective system for dealing with teen pregnancies and pregnancy prevention programs, and this has been true in New Mexico.

Need for and effectiveness of the program are well established.

HSD reports that:

In FY 03, GRADS received \$1.3 million and served 778 students by GRADS intervention programs, 717 were teenage moms enrolled at 34 GRADS sites, and 61 were teenage fathers. The traditional teen parent component of GRADS reached 776 teenage parents (44 married), 208 teen parents graduated from high school, and 605 infants, toddlers and children were served in licensed GRADS child care center at schools with GRADS programs.

FISCAL IMPLICATIONS

The appropriation of \$1.3 million contained in this bill transfers the money from HSD to the PED as a match for federal funds, is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

In its analysis, HSD states that the situation described below could occur:

The Executive and LFC budget both recommend \$1.3 million for a statewide GRADS program from the TANF block grant and not MOE. The funding for GRADS and their services to teens and families would come from this pool of funds, and services would be negotiated. The \$1.3 million in SB 319 will require HSD to reallocate the \$1.3 million in the TANF MOE designated for another program or service or increase general fund.

RELATIONSHIPS

SB 319 relates to:

HB 230, Taos County Teen Pregnancy Prevention,
HJM 6, Study Early Childhood Education Programs,
SB 341, Fatherhood & Family Strengthening Program, and
SJM 15, Develop Comprehensive Teen Parent Issues Plan

OTHER SUBSTANTIVE ISSUES

It is not clear in the bill or in the three analyses submitted whether this bill will require additional general fund dollars or whether this bill merely proposes to transfer both fiscal and program responsibilities to the PED. Two of the analyses suggest this transfer is an increase in funding for this program.

POSSIBLE QUESTIONS

1. Does the sponsor intend that this bill actually increase funding for this program?
2. If so, will additional general fund be need so HSD can continue its maintenance of effort commitment?

LB/lg