

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Lopez DATE TYPED 02/10/04 HB _____
 SHORT TITLE Develop Comprehensive Teen Parent Issues Plan SB SJM 15 /aSFI#1
 ANALYST Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	NFI		See Narrative	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health
 Human Services Department
 New Mexico State Department of Public Education

No Response Received From

Children, Youth and Families Department

SUMMARY

Synopsis of SFI#1 Amendment

Senate Floor Amendment #1 makes minor changes to the Senate Joint Memorial 15. The amendment:

1. clarifies participation of the identified agencies, and
2. identifies “teen pregnancy” as a key component of the study.

Synopsis of Original Bill

Senate Joint Memorial 15 directs the Children, Youth and Families Department to convene a study group of representatives from the Department of Health (DOH), Labor Department, Public Education Department, US Housing and Urban Development Department and knowledgeable community members. This group is directed to survey and analyze the state for programs that

serve teen parents. The group would then develop a comprehensive strategic plan to address the service gaps for parenting teens and their children. Finally, the group would recommend a state agency to implement the strategic plan that would address the identified needs. The findings of the group would be reported to the interim legislative health and human services committee by October 31, 2004.

Significant Issues

The Department of Health notes:

- In the last few years, New Mexico's ranking for the teen birth rate has moved from 5th highest to 3rd highest in 2001, to 4th highest in 2002, not as a result of an increase in rates in New Mexico, but because New Mexico rates have not declined as much as some other states or the nation as a whole.
- According to the 2003 study the Economic Impact of Teenage Childbearing in New Mexico, public assistance to families formed by teenagers in New Mexico creates a gross burden to taxpayers of nearly \$300 million dollars annually over the burden created by families formed by women who delay childbirth. This represents a tax cost of \$6,176 per year per teenage mother. Taxpayers could avoid about one-third of this burden if teenage women delayed childbirth, but the influence of all the underlying socio-economic factors must be offset to realize the full tax savings measured. The majority of tax savings would go to New Mexico taxpayers.
- Reducing teenage childbirth in New Mexico to zero, but not addressing the underlying socio-economic factors related to teenage pregnancy and childbirth would realize an annual gain to society of \$216 million. The majority of these gains would accrue to New Mexico residents.
- If successful, the New Mexico Department of Health's Challenge 2005, to reduce births to teens by 20 percent by 2005 would save New Mexicans about \$43 million annually.
- A survey of the state for programs that work for teen parents can only be done if these programs have been evaluated. There are most likely many service gaps and support needs for teen parents and their children that need to be addressed. Currently, no work has been done on a strategic plan.
- The state's Children's Cabinet is developing a strategic plan, DOH has a federal grant to develop a comprehensive strategic plan for early childhood, and the Governor's 4-Point Health Care Reform Agenda includes a bill to institute a Comprehensive Strategic Plan for Health in New Mexico with one of the plan's priority areas being teen pregnancy. In addition, local community health improvement plans, including those meeting the requirements of the County MCH Plan Act in 28 counties, reflect locally identified needs, resources, and priorities, many of which relate to issues around teen parenting. A strategic plan developed by the SJM 15 study group should integrate with these other plans and activities.

The Human Services Department adds:

- The teen pregnancy cost to the state is estimated at \$216million.
- The teen parent problem is also related to our problems in educational attainment, abuse and neglect, poverty, domestic violence, substance abuse, incarceration, and juvenile delinquency. If we can solve the teen parent problem, we can address some of the root causes of these other problems that have been difficult to make in-roads on. The teen parent problem has long-term consequences and affects those children born to teen parents for nearly two decades, until the children themselves become adults.
- The Child Support Enforcement Division (CSED) of the Human Services Department is concerned about the issue because our experience tells us that these teen parents and their children will become our future clients. CSED has already initiated a “Fatherhood Initiative” to make teenage fathers take responsibility for their children.
- If more teenagers knew the costs of child support and the long-term legal conflicts involved, they might think about not becoming teenaged parents. Participation by CSED in the CYFD study group might be a preliminary step in the education process of teenage parents.
- Coordinating this proposed study between the departments mentioned in the Memorial should assist CSED in achieving its statutory mission and Strategic Plan. Our sister division, Income Support Division, has the reduction of teenage parents as one of its major goals in the Temporary Assistance to Needy Families (TANF) Plan.

FISCAL IMPLICATIONS

The memorial does not include an appropriation. There will be considerable administrative costs in staff time and operational resources.

ADMINISTRATIVE IMPLICATIONS

The Department of Health notes:

- The proposed timeline for the study group to present the results of the findings is on October 31, 2004. If this bill is passed, the study group will have approximately 8 months to complete this expansive study, which consists of surveying the existing programs, performing gap analysis, and developing a comprehensive strategic plan in conjunction with several other similar planning processes occurring at the same time. Considering the tasks and the amount of time, the goals set in the bill may be too ambitious.

The Human Services Department states:

- CSED would be pleased to serve on this important committee. CSED staff will be identified to cover the meetings and work with CYFD and other HSD Divisions to meet the goals of the memorial.

TECHNICAL ISSUES

The Department of Health suggests:

- Page 2, line 22-23 states that WHEREAS, teen pregnancy costs New Mexico about two hundred sixteen million dollars (\$216,000,000) per year;... According to a 2003 study, the Economic Impact of Teenage Childbearing in New Mexico, teen pregnancy costs New Mexico about three hundred million dollars (\$300,000,000) per year.
- DOH suggests changing the study's due date from October 2004 to May 2005.

SJM/lg:dm