

LFC Requester:	
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 2025-02-14
Bill No: HB408

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Agency Name CYFD 69000
and Code
Number:
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Analysis:
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Short CYFD COMMUNITY-
Title: BASED FOSTER CARE
STUDIES

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	100.0	Non-recurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0		
0	0	0		

ESTIMATED ADDITIONAL OPERATION BUDGET (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	0	0	0		

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

HB 408 requires the Children, Youth, and Families Department to conduct a study every five years regarding the costs and reimbursement rates for providing community-based foster care placements and treatment. HB 408 comes with an appropriation of one hundred thousand dollars (\$100,000) from the general fund for expenditure in the fiscal year 2026. The study shall include the costs of resources to address the safety and physical and emotional well-being of a child, parent, guardian or foster parent. The study shall also include the costs of payments to reimburse resource families for food, clothing, shelter, daily supervision, school supplies, personal incidentals and travel expenses to meet the needs of a foster child in their care, and any other costs or reimbursements as identified by the department. The results of the initial study shall be provided to the legislative finance committee no later than December 1, 2025. Each additional study shall be provided no later than December 1 of the calendar year in which the study is conducted. The term resource parent also applies to treatment foster care in addition to relative foster care, non-relative foster care, and respite foster care. Resource family includes foster parents and pre-adoptive parents as defined by Section 32A-1-4. Any unexpended or unencumbered balance remaining at the end of fiscal year 2026 shall revert to the general fund. The effective date of the provisions of this act is July 1, 2025.

FISCAL IMPLICATIONS

Although HB 408 directs the department to conduct rate studies every five years, it only provides an appropriation to be expended in the first fiscal year. Appropriations are not secured to account for any foster care reimbursement rate increases that may be recommendations as a result of these studies.

SIGNIFICANT ISSUES

As currently written, the bill does not provide appropriations beyond the first fiscal year of enactment even though the bill requires a rate study and report every 5 years.

PERFORMANCE IMPLICATIONS

If enacted, HB 408 will support CYFD in studying whether foster care reimbursement rates are comparable, appropriate, and sustainable. This bill would further support CYFD in advocating for more funding, if the results of the study recommend an increase to the foster care reimbursement rates. This would also allow the legislative finance committee to have the comprehensive study and findings every five years and would support the committee in making budget decisions. However, it is not determined in HB 408 how the department would sustain the conducting of such studies every 5 years as only the initial study comes with an appropriation.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If not enacted, the department will continue to conduct internal rate studies through the Title IV-E and Federal Reporting team within CYFD to determine appropriate budget requests and reimbursement rates.

If not enacted, the department would not have the \$100,000 appropriation to

assist in a more comprehensive rate study and would not have the requirement of conducting such study every five years.

AMENDMENTS

None.