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FISCAL IMPACT REPORT

	LAST UPDATED	
SPONSOR	<u>Herrera/Abeyta/Martinez, J./Johnson/Ortez</u>	ORIGINAL DATE
		<u>2/13/25</u>
		BILL
SHORT TITLE	<u>Kinship Caregiver Support Pilot Program</u>	<u>House Bill</u>
		NUMBER
		<u>252/ec/aHAFC</u>
		ANALYST
		<u>Klundt</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
ALTSD	No fiscal impact	\$383.9	\$383.9	\$767.8	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act

Sources of Information

LFC Files

Agency Analysis Received From

Aging and Long-Term Services Department (ALTSD)

Health Care Authority (HCA)

Early Childhood Education and Care Department (ECECD)

SUMMARY

Synopsis of HAFC Amendment to House Bill 252

The House Appropriations and Finance Committee (HAFC) amendment to this bill removes the appropriation.

House Bill 2 (HB2) includes \$4 million nonrecurring revenue to pilot a grandparent raising grandchildren pilot program.

Synopsis of House Bill 252

House Bill 252 (HB252) creates a three-year Kinship Caregiver Support Pilot Program at the Aging and Long-Term Services Department (ALTSD). The program defines kinship caregivers as grandparents, next-of-kin, or fictive kin who are raising and supporting children. The pilot is set to operate in communities within Rio Arriba, Santa Fe, Taos, McKinley, and Doña Ana Counties, targeting fifty participants in each area.

HB252 requires ALTSD, in collaboration with community organizations, nonprofits, or program partners, to develop processes and criteria for kinship caregivers to apply for participation. Considerations will include the caregiver's household income and the needs of the child or children under their care.

Participants will be referred to program partners' monthly economic support programs and provided access to services or referrals, including legal representation, public assistance, and economic support services.

HB252 appropriates \$4.5 million from the general fund to ALTSD for FY26 through FY28 to implement the program.

ALTSD will work with other state agencies, such as the Early Childhood Education and Care Department, and community organizations to administer the program. Rules for the program's administration are to be established by June 1, 2025. Additionally, annual reports assessing the program's impact and outcomes, along with recommendations, are to be submitted to the Legislative Finance Committee by December 1 each year.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

FISCAL IMPLICATIONS

ALTSD reports:

Given that the pilot program is offered in five counties, this would allow a total of 250 program participants with 50 participants per county. A significant portion of the allocation associated with HB252 would be used for contractual legal services for program participants. Assigning 3 FTE at pay band 65, would cost \$275,100 for salaries and benefits per year at the fiscal year 25 parameters. 1 FTE at pay band 75, midpoint (38.46/hour) would cost \$108,800 for salaries and benefits per year at the fiscal year 25 parameters. If allocated \$1,500,000 per year, \$1,052,000 would be available for direct services including legal assistance, contracts and fixed costs. ALTSD would need recurring funding in operating base budget to continue program in FY29 and subsequent years.

SIGNIFICANT ISSUES

ALTSD states the department will need to assign an employee to prepare for the implementation of this pilot project. ALTSD will need to quickly promulgate rules for the pilot program to meet the June 1, 2025, deadline required in this bill. Additionally, ALTSD will need to make appropriate logistical arrangements to create positions and appropriately staff those positions.

ALTSD reports kinship caregiving in New Mexico has been rising despite a national decline. Between 2022 and 2024, 9 percent of children in New Mexico were in kinship care—more than double the national average of 3 percent. The number of children in kinship care in the state increased from an estimated 30 thousand in 2017 to 40 thousand in 2024. ALTSD reports one of the primary reasons for this increase is parental substance use disorders (SUD). In 2020, 16 percent of New Mexico's non-senior adult population struggled with SUD, and a survey of kinship caregivers in Rio Arriba County found that nearly half cited SUD as the reason for assuming caregiving responsibilities. ALTSD also reported in 2022, 25.6 percent of New Mexican grandparents raising their grandchildren lived in poverty, compared to a national rate of 18.3 percent.

KK/hj