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FISCAL IMPACT REPORT

SPONSOR Vaughn DATE TYPED 2/28/05 HB 775

SHORT TITLE Increase Foster Payment Reimbursement Rates SB _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$1,168.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB681

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children Youth and Families Department (CYFD)
Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

House Bill 775 appropriates \$1,168,000 from the general fund to CYFD to increase the rate of maintenance payments for foster parents caring for children in FY06.

Significant Issues

CYFD utilizes foster parents as the out-of-home placement of choice for children who have been removed from their families for abuse and neglect. Foster families provide these children with the best living arrangement and personalized attention. Many foster families adopt the foster children they have in their homes if and when the children are freed for adoption. Foster families are a critical resource for CYFD in providing permanency for children.

The last significant increase in foster care rates occurred in July 1994. In July 2001, rates were increased; however, because some other expenses were included into the new base rate these ad-

ditional expenses absorbed the increase. Feedback from foster families suggests that the current reimbursement rates account for many potential foster families who do not pursue licensure and current families who leave the program.

Currently, CYFD has 958 foster families statewide. Finding placements for older children is particularly difficult. There are more than 2,100 children in the custody of the state because of abuse or neglect, or alleged abuse or neglect. The annual number of children entering the system in New Mexico continues to increase.

FISCAL IMPLICATIONS

The appropriation of \$1,168,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

Several CYFD performance measures focus on the ability to recruit and retain quality foster care families for children in state custody

BD/lg