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FISCAL IMPACT REPORT

ORIGINAL DATE 2-2-06

SPONSOR Sanchez, M. LAST UPDATED _____ HB _____

SHORT TITLE CYFD THERAPEUTIC CHILD CARE SB 653

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB728, Relates to, Conflicts with, Companion to
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Developmental Disabilities Planning Council (DDPC)
Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Bill 653 appropriates \$300.0 from the general fund to Children, Youth and Families Department for the purpose of providing therapeutic child care for low income families with children from birth to age six who have a diagnosed and documented special need, at a care provider that has a teacher-to-child ratio not exceeding three-to-one and operates a full-day year-round program.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

The bill specifies that the childcare provider shall serve low-income families, have a teacher-to-child ratio not exceeding three-to-one and operate a full-day year round program. This restrictive language will preclude many providers from participating in this pilot.

- Currently, regulations governing licensed child care providers require them to maintain staff to child ratios ranging from 1:5 to 1:12, depending upon the age of the children. There may not be many providers with a staff to child ratio of 3:1 much less a teacher to child ratio of 3:1.
- Not all providers operate a full-day year round program.
- The bill does not define “low-income” as an eligibility criterion. Current regulations for childcare have income eligibility up to 150% of poverty. Is the eligibility standard less than 150% in this bill?

Year round, day long child care is a much needed resource for low income families with children with severe developmental disabilities. However, as used in this bill, “Special need” is not defined. It is unclear what kind of diagnoses the target population has.

Additionally, the number of children to be served and the geographic area where the services would be provided is not described in the bill.

The bill should encourage matching funds from charitable sources, local governments, and AmeriCorps’ VISTA program.

The bill may want to address the type of qualifications the staff/teachers should have. Children with special needs may need staff that are degreed and or have experience.

PERFORMANCE IMPLICATIONS

The bill could positively impact the CYFD performance measure of “number of children receiving subsidized child care services.” The bill also supports the CYFD program goal of serving children whenever possible in full-inclusion settings.

ADMINISTRATIVE IMPLICATIONS

In order to develop and implement the proposed child care service, CYFD would be required to revise and publish service standards and regulations. CYFD would also need to develop criteria for the diagnoses and “documented special needs” that would qualify for the new service.

CYFD would absorb any additional administrative impact associated with passage of the bill.

TECHNICAL ISSUES

The bill seems to limit the appropriation to child care services; however, other states provide transportation to and from therapeutic child care for children with special needs.

The bill does not specify what the expected expenditure outcome will be. Other states, such as Utah’s therapeutic program has five goals:

- group readiness (being able to function in groups),

- relationships with adults,
- pro-social peer relationships,
- emotional regulation (i.e. tantrums and rages)
- communication skills (identifying feelings and thoughts in order to problem solve and to practice conflict resolution and anger management).

The Utah program allows the children to receive help earlier in order to moderate their behavior so that they can become more successful in the community.

The bill does not specify an age group or age limit for which special needs children can participate in the program.

Developmental Disabilities Planning Council provides the following statement:

As an agency that advocates for persons with developmental disabilities and their families, it is difficult to assess implications of this bill on children with developmental or other disabilities as it is written.

OTHER SUBSTANTIVE ISSUES

CYFD currently provides child care subsidy to 24,827 children and licenses 1,080 child care centers and homes. The regulations governing licensed child care providers require them to maintain staff to child ratios ranging from 1:5 to 1:12, depending upon the age of the children. The reimbursement rate paid to child care providers also is set in regulations and varies according to the type of provider, number of hours of care and the age of the child. Meetings/hearings concerning the regulation changes would have to occur.

ALTERNATIVES

Funds could be distributed and contracted through the competitive bidding process, requiring a Request for Proposals (RFP).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Children with special needs will not get the specialized care they need.

AMENDMENTS

Define low-income.

Add language to emphasize having children served in full-inclusion settings whenever possible.

Address or clarify what “special needs” means or how the concerns could be addressed; such as, “special needs as defined by regulation”.

Placement preference should be given to children referred from other CYFD child care providers.