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## FISCAL IMPACT REPORT



SPONSOR: Salazar DATE TYPED: 02/05/02 HB 362/aHGUAC

SHORT TITLE: Senior Trust Act SB \_\_\_\_\_

ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
\$25,000.0				Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
\$25,000.0		\$0.1 Indeterminate	Recurring	Senior Citizen & Disabled Adult Trust Fund-New Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Responses Received

- NM Agency on Aging (NMAA)
- Department of Health (DOH)
- Tax and Revenue Department (TRD)

### SUMMARY

Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee amendment limits the use of the fund to earnings credited to the fund for purposes set forth in the Senior Trust Act. The amendment protects the “corpus of the fund”.

### Synopsis of Original Bill

House Bill 362 appropriates \$25 million for the general fund and establishes a “senior and disabled adult trust fund” to provide money to the State Agency on Aging to develop and operate programs and services to benefit senior citizens and disabled adults by providing grants to Area Agencies on Aging and other programs. Services could include case management, Alzheimer’s respite care, adult daycare, meals at sites, meals on wheels, transportation, in home services, foster grandparent programs, senior companion services, RSVP, Ombudsman and senior center activities. The legislation also funds Alzheimer’s education, Alzheimer’s family assistance and health insurance benefit assistance.

### Significant Issues

HB 362 would create a trust fund for seniors and people with disabilities to provide community based services. All income from the investment of the fund would be credited to the fund. Only the income from investment could be used to fund services and programs. None of the income could be used for capital expenditure. DOH reports that passage of HB 362 would enable the expansion of key services and programs for older and disabled adults. Services include, but are not limited to, meal programs, in-home support services, transportation, caregiver supports, respite programs, independent living services and adult daycare. Funding contained in this legislation will not supplant existing funding, and will create new programs and supports for seniors and people with disabilities.

The bill will not supplant existing funding; it will create new programs and services to support New Mexico’s seniors and disabled adults.

### **FISCAL IMPLICATIONS**

The appropriation of \$25,000.0 contained in this bill is a recurring expense to the general fund. The appropriation from the general fund is transferred to the newly created senior citizens and disabled trust fund for the purpose of establishing the corpus of that fund in the state treasury. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the general fund. The bill contains an emergency clause.

All income from the investment of the fund would be credited to the fund. Only the income from investment and “ten percent of the corpus of the fund” could be used to fund services and programs. (refer to amendment below)

The bill notes that settlement between the Indian gaming nations and the state has resulted in a non-recurring distribution to the general fund of close to \$90,000.0.

### **ADMINISTRATIVE IMPLICATIONS**

Appropriation allows for required administrative expense [10% of fund income] for Agency on Aging to manage trust fund and make disbursements.

### **RELATIONSHIP**

HB 362 relates to SB 329 which Alzheimer Respite Care Services

## TECHNICAL ISSUES

The bill does not define “disabled adults”. Some adults with disabilities may already benefit from other State or Medicaid/Medicare programs. Also, refer to amendment below.

## OTHER SUBSTANTIVE ISSUES

The majority of services and supports mentioned in the legislation are aimed at supporting senior citizens in their homes and community. People with disabilities could also access these services through the State Agency on Aging. Although there are programs to meet the needs of people with disabilities (e.g. Developmental Disabilities Waiver, Disabled and Elderly Waiver, Traumatic Brain Injury Program) the number served is still relatively small when compared with the need. There may be a need for over-site to assure coordination and reduce the potential for duplication.

## AMENDMENTS

The State Agency on Aging suggests an amendment to Section 5, item “D”, 2<sup>nd</sup> sentence, as follows:

Earnings credited to the fund ~~“ten percent of the corpus of the fund”~~ by June 30 of any year are appropriated to the state agency on aging to be used in the following fiscal year for purposes set forth in the Senior Trust Act.

The amendment protects the “corpus of the fund”.

BD/njw:ar