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FISCAL IMPACT REPORT

SPONSOR: Saavedra DATE TYPED: 02/25/03 HB 390/aHLC

SHORT TITLE: Benefits for Senior Citizen Program Providers SB _____

ANALYST: Hayes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$1,053.3			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
State Agency on Aging

SUMMARY

Synopsis of HLC Amendments

The two House Labor and Human Resources Committee amendments clarify that the funding being requested in this bill is for salaries, along with *basic employee health and retirement benefits for employees of senior citizen programs*, not for ~~service providers statewide throughout the six area agencies on aging.~~

Synopsis of Original Bill

House Bill 390 appropriates \$1,053.0 from the general fund to the State Agency on Aging for the purpose of funding basic employee health and retirement benefits for employees of senior citizen programs and service providers throughout the six area agencies on aging in New Mexico.

Significant Issues

1. This bill will provide employee benefits, health coverage and retirement benefits to individuals who are not state employees. It is unclear whether the bill is suggesting these employees will be provided coverage and retirement benefits through the State's programs or through private entities.

2. For clarification, “employees of senior citizen programs and service providers” are the contractors, sub-contractors, non-profit organizations, villages and municipalities engaged by the Agency on Aging to provide a wide-range of services to seniors.
3. Many contractors of area agencies on aging have employees who are in minimum wage positions and whose employers offer high cost, limited or no employee benefits. The request of \$1,053.0 would assist these providers to offer basic health and leave benefits to employees not currently covered.
4. The Agency on Aging says that part of the \$1,053.3 is also for a pay rate equalization/cost-of-living adjustment. The exact portion meant for the rate equalization is not known. HB 390 should clarify whether the bill includes a pay rate equalization and the amount being designated for the increases. Also, when asking the Agency on Aging how many people would be affected by HB 390, the number was unknown. However, the Agency on Aging provided the LFC with the following table which shows the cost per area:

New Mexico State Agency on Aging: Aging Network Benefits for HB 390			
	AAA		Distribution
City of Albuquerque Development District	PSA 1		\$ 75,000
North Central NM Area Agency on Aging	PSA 2		173,000
Eastern NM Area Agency on Aging, Inc.	PSA 3		501,000
North Central NM Area Agency on Aging	PSA 4		87,000
Navajo Nation Area Agency on Aging	PSA 5		75,000
Indian Area Agency on Aging	PSA 6		-
Senior Volunteer Programs - FGP, SCP, RSVP			142,000
			\$1,053,000

FISCAL IMPLICATIONS

The appropriation of \$1,053.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE ISSUES

According to the Agency on Aging, the availability of a lower benefits package would increase support staff retention, and costs associated with training and retention efforts would be minimized.

CMH/njw:yr