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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 03/05/03 HB 681

SHORT TITLE: Family Caregiver Support Services SB _____

ANALYST: Hayes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$350.0			Recurring	General Fund*

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 32, HB 81, HB 171, SB 77, SB 217, SB 377 and SB 383

SOURCES OF INFORMATION

Responses Received From

State Agency on Aging

New Mexico Lottery Authority

Legislative Finance Committee Budget Analyses, 2003-2004

SUMMARY

Synopsis of Bill

House Bill 681 appropriates \$350.0 to the State Agency on Aging for family caregiver support services. Specifically, it appropriates \$200.0 for developing and implementing a 24-hour caregiver hotline and \$150.0 for developing and implementing a care corps pilot program to recruit and retain paraprofessional caregivers in institutional and community-based long-term care settings by providing the caregivers with lottery scholarship benefits.

Significant Issues

1. **Caregiver Hotline.** According to the State Agency on Aging, caregivers often call for assistance while in a crisis with a needy family member. Currently there is not an organization to respond specifically to caregiver needs after hours or on weekends. During the week, there are many organizations to contact for assistance but not a one-stop number to

call to access services. Caregivers often have questions, and if their initial need is not met, they may not call back to access assistance when needed again. Emergency situations arise 24 hours per day, seven days per week, so a twenty-four hotline for caregivers would be helpful.

2. **Care Corps Pilot Program.** Lottery scholarship benefits may encourage caregivers to further their education. Paraprofessional caregiver staffing for agencies and nursing homes is low and is plagued by a high turnover rate. As a result, the quality of care of family members is often in jeopardy.
3. **Use of Lottery Tuition Fund.** The student eligibility criteria for obtaining a scholarship from the Lottery Tuition Fund is attached on page 4. Although HB 681 does not specifically refer to the criteria, it is assumed that the same eligibility criteria will be applied to caregivers.

In its analysis, the New Mexico Lottery Authority states that the language is not clear whether Section (2) of HB 681 is an exception to the general scholarships requirements and/or if the \$150,000 is from scholarship monies.

According to a recent budget analysis of the Lottery Success Scholarship Program, fund balances are expected to increase through FY08, and the fund will support current eligibility guidelines and demographic projections through 2013. However, recurring expenditure growth is projected by CHE to exceed recurring revenue growth in FY09. The CHE does not support changes to the Lottery Success Scholarship Program.

FISCAL IMPLICATIONS

*The appropriation of \$350.0 contained in this bill may be 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.

TECHNICAL ISSUE

*In section 1A, it states that funding will be appropriated from the general fund for the caregiver hotline and the care corps pilot program; however, paragraph (2) refers to providing caregivers funds from the Lottery Scholarship Benefits. Clarification is needed regarding paragraph (2). Is the \$150.0 appropriation from general fund only for administering the pilot project? Should the CHE or State Agency on Aging be administering the caregiver lottery scholarships?

The term "paraprofessional caregiver" may need to be defined more specifically so that individuals to whom this bill is directed can apply for a lottery scholarship as a "caregiver" pursuant to this legislation.

OTHER SUBSTANTIVE ISSUES

Since the "Care Corps" is a pilot project, it is unclear whether funding (\$150.0) is recurring.* As a pilot project, will an evaluation be done after one year in order to assess the program? What will be the criteria to determine Care Corps' success or failure?

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 32, Joint Lottery Games
HB 81, Expand Lottery Scholarship Institutions
HB 171, Expand Lottery Tuition Scholarships
SB 77, Tuition Scholarships for Teachers' Kids
SB 217, Lottery Tuition Scholarship Qualifications
SB 377, Tuition Scholarships
SB 383, Allow for Joint Lottery Games

ALTERNATIVES

A. There are state loan-for-service student financial aid programs such as the Nursing Student Service Program and the Allied Health Student Service Program that may also be available for caregivers. These programs seek to increase the number of professionals in shortage areas of the state by providing educational loans to qualifying students. As a condition of the loan, the student must practice in a designated shortage area in the state.

B. Also, the Blue Ribbon Task Force recommended a higher education funding formula in FY04. The Plus Incentives component of the new formula includes establishment of the Program Development Enhancement Fund, an "incentive" fund. For this fund, CHE recommended initial funding of \$3 million, while the LFC recommendation included \$1.5 million of general fund and \$1 million of federal funds in the form of temporary assistance for needy families block grant (TANF). The Program Development Enhancement Fund is intended to facilitate the development or enhancement of academic and student support programs defined as priorities for the future development of New Mexico. Programs must focus on outcomes and may include initiatives to address teacher shortages, programs that meet a specific statewide workforce need such as nurses, and programs that improve student retention.

CMH/sb