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FISCAL IMPACT REPORT

SPONSOR Vigil DATE TYPED 03/01/05 HB 827

SHORT TITLE Public Assistance Shelter Care Supplement SB _____

ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$232.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 827 appropriates \$232 thousand from the general fund to The Human Services Department for the purpose of increasing the shelter care supplement to \$200 per month. In subsequent years the payment shall be the amount of the previous year adjusted by the change over the previous two calendar years in the consumer price index.

Significant Issues

HB 827 removes language from *27-2-9.1.C NMSA 1978* that allows the amount of the shelter care supplement payment to be “established by the Secretary of HSD subject to the availability of general funds.” The expenditures will continue to increase and reoccur while no longer being ‘subject to the availability of general funds.

FISCAL IMPLICATIONS

The appropriation of \$232 thousand 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.

HSD adds that the current monthly payment for the Shelter Care Supplement Program, established by regulations *8.102.500.8G and 8.106.500.10C(2)*, is \$100/month. Thus, HSD's budget for the Shelter Care Supplement Program would double in FY06. Page 2, Line 7 through Line 11 of HB 827 currently states, "(2) for each subsequent fiscal year, the amount from the previous fiscal year adjusted by the change over the two previous calendar years in the consumer price index for all urban consumers for all items as published by the United States department of labor." This language requires that the monthly payment in FY07 and subsequent years increase at double the rate of inflation. An amendment should be considered to increase at the average of the inflation rate for the previous two years unless this double rate is desired.

MW/lg