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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/09

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Family, Infant and Toddler Program Services SB 407

ANALYST Chabot

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|-----------|-------------------------|------------------|
| FY09 | FY10 | | |
| | \$5,900.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 424

Relates to HB 372, Adjust Direct Service Provider Cost-of-Living

Relates to SB 227, Family, Infant Toddler Program Funding Formula

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Department of Health (DOH)

Human Services Department (HSD)

New Mexico Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 407, Family, Infant and Toddler (FIT) Program Services appropriates \$5.9 million from the general fund to DOH for the purpose of recruiting and retaining additional staff, program operation costs and increases, and identification and enrollment of eligible children.

FISCAL IMPLICATIONS

The appropriation of \$5.9 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

The LFC submitted a balanced general fund appropriation recommendation for fiscal year 2010. Any additional general fund expenditures appropriated by the Legislature must be off-set by an equal amount from the appropriation recommendation.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The federal Individuals with Disabilities Education Act (IDEA) Part C requires a statewide system of early intervention services be available to eligible children from birth to age three.

DFA reports the FY09 general fund appropriation for the FIT is \$13.5 million which is partially matched from Medicaid. The average annual cost per child is \$3,255. The appropriation of \$5.9 million, when matched with Medicaid, could potentially support an additional 3,400 children; however, the bill authorizes an unspecified amount of funding for additional staff and program costs.

DOH reports FIT has experience an average growth rate of 11.1 percent in the number of children served in past five years from referrals from doctors, and child care and home-visiting programs. In FY2008, 11,071 children were served and the number is expected to grow to approximately 13,700 children in FY2010.

The FIT program recruits and hires an array of early intervention staff including: physical, occupational and speech therapists; social workers; developmental specialists, nurses, and family therapists. FIT providers agencies recruit from a limited pool of qualified staff in New Mexico along with school districts, home health agencies, Head Start, waiver programs and other community based agencies. Challenges to recruit qualified early intervention staff exist, particularly in rural counties. Retention of staff is addressed by provider agencies through the provision of reflective supervision and flexible work schedules.

HSD estimates 74 percent of FIT expenditures are for Medicaid eligible recipients and \$4.4 million of the appropriation in this bill would be match with an additional \$10.8 million from Medicaid.

GAC/svb