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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/10

SPONSOR Salazar LAST UPDATED _____ HB 218

SHORT TITLE Senior Citizens Programs SB _____

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$1,137.9	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long-Term Services Department (ALTSD)

SUMMARY

Synopsis of Bill

Senate Bill 218 appropriates \$1,137.9 million from the General Fund to the ALTSD to fund senior programs in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$1,137.9 million contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY11 shall revert to the General Fund.

The appropriation is for the following purposes:

- \$898.8 thousand to the four area agencies on aging for senior services, including adult day care, case management, congregate meals, home delivered meals, in-home services, transportation and senior center services;
- \$156.6 thousand for volunteer programs, including foster grandparents, senior companions and retired senior volunteers;
- \$18.0 thousand for information, assistance, education and respite services for caregivers and individuals with Alzheimer's disease and related disorders;

- \$18.9 thousand for health promotion activities, including Senior Olympics;
- \$13.6 thousand for statewide legal services activities; and
- \$32.0 thousand for the senior community serve employment program.

The LFC budget recommendation for the Aging Network is \$34.5 million, a reduction of \$1.4 million or 4.1 percent. The recommendation is generally at the FY09 actual expenditure levels but maintains transfers to the area agencies on aging at the FY10 levels to provide meals for seniors. Care and support services are continued at the FY09 expenditure level. The recommendation also includes \$350 thousand in TANF transfers for the golden opportunities for lifelong development (GOLD) employment program and also transfers 1 FTE from Program Support to administer the program.

American Recovery and Reinvestment Act (ARRA) funding has enabled providers to continue critical services; however, the majority of ARRA funding will be spent by the end of FY10.

SIGNIFICANT ISSUES

The purpose of the aging network is to provide supportive social and nutrition services for older individuals and persons with disabilities so they can remain independent and involved in their communities and to provide training, education and work experience to older individuals so they can enter or re-enter the work force and receive appropriate income and benefits.

Providers are experiencing an increase in requests for services due to a growing aging population and the current economic downturn.

ALTSD reports that the appropriation is being requested to restore funding and ensure that New Mexico's seniors are supported at the current level of services.

PERFORMANCE IMPLICATIONS

ALTSD manages the Aging Network Program, which administers the federal Older Americans' Act and encompasses the functions of the former Older Worker and Community Involvement programs.

ALTSD notes that the appropriation will enable Aging Network providers to maintain critical services, and prevent waiting lists for services.

ADMINISTRATIVE IMPLICATIONS

ALTSD further notes that it has the capacity to administer the existing contracts.

OTHER SUBSTANTIVE ISSUES

Aging Network providers include small non-profit organizations, and local and tribal governments. Aging Network providers include area agencies, senior centers, congregate meal sites, adult day care programs, volunteer programs, employment-host agencies, NM Senior Olympics, the NM Alzheimer's Association and other contract providers.

Aging Network services helps seniors remain at home. Employment and volunteer opportunities enable seniors to remain active, vital members of their communities.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

ALTSD further reports that services currently being provided by the department, may be reduced, delayed or eliminated.

AHO/mt