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FISCAL IMPACT REPORT

SPONSOR: House Floor DATE TYPED: 03/20/03 HB CS/585/HFIS

SHORT TITLE: Aging and Long-Term Care Department Act SB _____

ANALYST: Hayes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		Unknown		

(Parenthesis () Indicate Expenditure Decreases)

Relates to various House and Senate Joint Memorials along with HB 853.

SOURCES OF INFORMATION

Responses Received From
State Agency on Aging

SUMMARY

Synopsis of Bill

The House Floor Substitute for the House Appropriations and Finance Committee Substitute for House Bill 585 permits the governor to reorganize certain agencies by executive order in 2003 to elevate them to cabinet-level departments after obtaining legislative approval. In addition, the bill provides for renaming the National Hispanic Cultural Center of New Mexico. Here is a summary of the bill's provisions:

Section 1. Elevating cabinet-level departments; Purpose statement.

A. State Agency on Aging: to develop programs and unified public policies that address the needs of the aging population, long-term care and related services. This includes implementing and administering the requirements of the federal Older American Act of 1965. The bill also directs the State Agency on Aging to develop a comprehensive plan to coordinate, reorganize and consolidate older adult services by June 30, 2004.

B. Office of Cultural Affairs: to improve and enhance educational, historical, archaeo-

logical and architectural preservation, collections and other cultural services for the state.

- C. Office of Indian Affairs:* to provide a conduit and to ensure coordination between the State of New Mexico and tribal governments in order to increase each sovereign's ability to respond more effectively to the issues and needs of the state's Native American communities, including technical assistance, health issues, education, safety, fiscal management and capital outlay management.
- D. Veterans' Service Commission:* to address the needs of veterans and their families along with developing and expanding outreach and educational programs to improve the quality of life for veterans and their families.

Section 2. Executive order; Transfers; Legislative approval.

- A. New names of cabinet-level departments:* Aging and Long-term Care Department
Cultural Affairs Department
Indian Affairs Department
Veterans' Service Department
- B. Transfers.* Functions, personnel, appropriations, records, files, furniture, equipment and other property of the four agencies specified in this bill shall be transferred to the resulting cabinet department. Contractual and statutory obligations of the original agency shall be obligations of the resulting department.
- C. Consolidation of Adult Services.* The Aging and Long-term Care Department may transfer functions, personnel, appropriations, records, files, furniture, etc., from other departments into the Aging and Long-term Care Department if such functions and resources pertain to adult services, specifically those adult services found in the Human Services Department, Department of Health and CYFD.
- D. Enactment.* If a bill of the Forty-Sixth Legislature, Second Session, approving an executive reorganization undertaken pursuant to Section 2, subsection A as outlined above is not enacted into law, then the reorganization is void.

Section 3. Title; Reference to New Mexico.

The House Floor Substitute amends Section 18-12-1 NMSA 1978 to be cited as the National Hispanic Cultural Center ~~of New Mexico~~. Reference to the state is deleted in the Cultural Center's title as well as references to the National Hispanic Cultural Center ~~of New Mexico~~ in Sections 18-2-2, 18-2-3 and 18-2-4.

FISCAL IMPLICATIONS

There is no appropriation associated with this bill. However, it is conceivable that creating four new cabinet-level departments may result in additional recurring costs to the general fund, such as associated increases in travel, office space, equipment, etc., as well as salary increases and associated benefits for each new department secretary.

On the other hand, there could be potential savings in administrative and program overlap costs as a result of reorganization and consolidation of certain functions in departments such as the State Agency on Aging.

ADMINISTRATIVE IMPLICATIONS

It is assumed that extensive and detailed transition planning will be undertaken by each new cabinet department as needed to identify what programs and services will be administered by the department in accordance with its purpose statement outlined in the bill. The Aging and Long-term Care Department will also need to identify “adult services” in other departments that need to be transferred under its auspices, pursuant to Section 2C of the bill. In addition, each department will need to identify: appropriations, personnel, furniture, equipment, records, files and other property that need to be transferred; laws and regulations that need to be amended; information systems issues and needs; office space issues and needs; additional personnel needs; and other associated administrative issues, if any.

RELATIONSHIP

HJR 7, HJR 10, HJR 12, HJR 17, HJR 15, along with SECS for SJRs 2, 5, 12 and 21 all propose constitutional amendments to be voted on at the next general election or earlier special election for creating a cabinet-level “Public Education Department.”

HB 853 authorizes the governor to reorganize and elevate certain agencies to cabinet-level departments, by executive order.

CMH/njw