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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/13

SPONSOR Hall LAST UPDATED _____ HB 230

SHORT TITLE Dev. Disability Provider Cost-of-Living SB _____

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|------------------------------|------------------|
| FY13 | FY14 | | |
| | \$2,650.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 230 (HB230) appropriates \$2.65 million in general fund revenue to the Department of Health (DOH) to fund cost-of-living increases for developmental disabilities 100 percent general fund program service providers.

FISCAL IMPLICATIONS

House Bill 230 contains a recurring appropriation of \$2.65 million from the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the general fund.

The Department of Health indicates it would use a minimum of 5 percent of the amount appropriated for the department's administrative overhead costs associated with administration of the program.

SIGNIFICANT ISSUES

The Department of Health (DOH) indicates it has not able to provide a cost of living increase for the 100 percent state general funded DD services in over a decade despite the increase in costs to providers. The three basic services funded by the state general fund are respite, day services, and residential services. Residential services provide an intermittent supervision, monitoring, and skill development model, but not 24-hour supervision. Some state general funded DD program residential providers deliver more hours of supervision than required by current standards.

The \$2.65 million appropriation contained in HB230 would be a significant (approximately 33 percent) increase in funding over the current budgeted amount for these services. Fiscal Year 2013 dollar amounts and number served in provider agreements by reporting category for the 100 percent state general funded DD program are as follows:

- Adult Day Services = \$3,066,064 for 348 slots;
- Adult Residential = \$2,919,360 for 158 slots;
- Children Respite Birth to 21 years = \$1,339,293 and 579 served;
- Adult Respite 21+ years = \$216,078 21 and 79 served.

RAE/blm