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FISCAL IMPACT REPORT

ORIGINAL DATE 02/15/13

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE Developmental Disability Cost-of-Living SB 564

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
 Duplicates HB230, Dev. Disability Provider Cost-of-Living

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 564 (SB 564) 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

Senate Bill 564 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 been able to provide a cost of living increase for the 100 percent state general funded developmental disability (DD) services in over a decade despite the increase in costs to providers. The three basic services funded by the state funded DD program 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 SB 564 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