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## FISCAL IMPACT REPORT

SPONSOR	Salazar	ORIGINAL DATE LAST UPDATED	0 -//	НВ	191
SHORT TITLE Senior Citizen S		vices		SB	
			ANAL	YST	Boerner

# **APPROPRIATION (dollars in thousands)**

Appropr	iation	Recurring	Fund	
FY15	FY16	or Nonrecurring	Affected	
	\$1,999.8	Recurring	General Fund	

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Aging and Long Term Services (ALTSD)

### **SUMMARY**

## Synopsis of Bill

House Bill 191 appropriates \$1,999,761 from the general fund to the Department of Aging and Long Term Services to contract with area agencies to provide adult day care, case management, congregate meals, home-delivered meals, in-home respite care, household services, transportation, or senior center services.

#### FISCAL IMPLICATIONS

The appropriation of \$1,999.8 million contained in this bill is a recurring expense to the general fund. Any unexpended balance remaining at the end of 2016 will revert to the general fund.

## **SIGNIFICANT ISSUES**

ALTSD notes the appropriation in HB191 is likely designated for New Mexico's four area agencies that provide senior services described in this bill.

The department notes also that because of the growing population of older persons in New Mexico and an adverse economic environment, aging network providers are experiencing increasing demand for services. Service providers and local government sponsors, particularly

### House Bill 191 – Page 2

tribal providers, have also experienced reductions in federal funds, resulting in insufficient financial and physical resources to serve additional seniors. Up to now, consolidation of certain program sites, increased use of volunteers, and enhanced fund-raising efforts has enabled local aging network providers to maintain services. Aging network providers include small non-profit organizations as well as local and tribal governments. These providers, especially those located in rural areas, operate on very lean budgets. Advocates for these rural providers have indicated to ALTSD that the need for services has increased beyond what can be provided with current funding.

## PERFORMANCE IMPLICATIONS

As written, the bill excludes several aging network providers and programs including senior volunteer programs, senior employment programs, New Mexico Senior Olympics, the Alzheimer's Association, New Mexico Chapter and senior legal service providers. Along with the four area agencies on aging, these additional providers and programs assist older New Mexicans with critical services.

### **OTHER SUBSTANTIVE ISSUES**

- ALTSD provides some services directly, and manages numerous programs and contracts to support older New Mexicans.
- Aging network providers include area agencies, senior centers, congregate meal sites, adult
  day care programs, volunteer programs, employment host agencies, NM Senior Olympics,
  and the NM Alzheimer's Association.
- The aging network is the only such resource for many New Mexicans. Aging network services help families remain together, at home, in their own communities and creates a safety-net for elders.
- The majority of these elders are not Medicaid eligible.
- With resources stretched to capacity, seniors are caring for loved-ones at home.
- Senior employment and volunteer opportunities enable older adults to remain active and vital members of their community. Financial subsidies offered by the employment programs help seniors maintain economic independence.
- Without critical community support, seniors may be forced from their homes and into nursing facilities, at a higher expense to the state--higher than the expense of maintaining community supports with the aging network.
- Seniors who rely on the senior community service employment program, foster grandparent program, and senior companion program for economic subsidies, may otherwise be forced to apply for public assistance.
- Seniors might go hungry and be forced to choose between buying food, prescription drugs, or paying for utilities.

#### **ALTERNATIVES**

If funding for critical senior services is outpaced by demand, waiting lists could be developed.

CEB/je/bb