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FISCAL IMPACT REPORT

SPONSOR: Komadina DATE TYPED: 02/26/01 HB _____
 SHORT TITLE: UNM Health Sciences Center Appropriation SB 349
 ANALYST: Fernandez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 8,464.5			Recurring	G/F

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act Section 4 and Section 6

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ 1,600.0		Recurring	Tobacco Program Settlement Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Commission on Higher Education (CHE)
LFC files

SUMMARY

Synopsis of Bill

Senate Bill 349 appropriates \$8,464.5 from the general fund to the University of New Mexico for various programs at the Health Sciences Center.

Significant Issues

According to UNM, Health Sciences Center, Occupational Therapy (OT) and Physical Therapy (PT) programs are funded through the School of Medicine I&G appropriation, which is a line-item appropriation. In the current fiscal year, the credit hours for OT and PT are reported as unrestricted so formula funding will be generated beginning in FY03. Thus, line-item support will be required until FY05, when the formula funding will be able to support the programs.

The Health Sciences Center is requesting start-up funding for OT and PT to help meet the increased expenses associated with implementing Master's Degree programs. This start-up funding will be phased out along with their line-item appropriations between FY03 and FY05.

The additional funding for speciality education in pediatrics will be used to hire additional faculty to reduce the workload on current faculty.

According to UNM Health Sciences Center, the budget for newborn intensive care unit, air transport program, has not increased since 1991 despite increases in the cost of their contract. It should be noted that the transport program does receive reimbursements from health providers at a payment rate of 53 percent. In July 1997, extensive efforts were initiated to resolve contracting and reimbursement issues with Medicaid, the Saluds (Cimarron, Lovelace and Presbyterian) and the transportation intermediary companies. Through April, 2000 Neonatology accounts receivables of over 60 days remain at approximately \$706.0.

FISCAL IMPLICATIONS

The appropriation of \$8,464.5 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

The funds are appropriated as follows:

Instruction & General: \$5,038.1

\$643.0	College of nursing enrollment
\$494.8	Extend nursing salaries to a 12 mo. year
\$573.4	Salary market adjustment
\$246.0	Occupational/Physical Therapy
\$796.4	Specialty Education in Pediatrics
\$750.0	Specialty Education in Trauma
\$378.9	Health Sciences Library Collections
\$1,155.6	Unavoidable costs - utilities, group insurance etc.

Special Projects:

\$266.8	Cancer Center
\$241.2	Newborn Intensive Care Unit Neonatal Nurse Practitioner Salary Adj.
\$333.3	Newborn Intensive Care Unit staff expansion
\$296.3	Hemophilia Program
\$478.3	Poison Control Center
\$150.0	Pediatric Pulmonary Center
\$60.5	Young Children's Health Center

Shift from Tobacco Settlement Program Funds to General Fund: \$1,600.0

\$400.0	Specialty Education in Pediatrics
\$400.0	Specialty Education in Trauma
\$150.0	Poison Control Center
\$400.0	Pediatric Oncology
\$150.0	Telemedicine
\$ 50.0	Area Health Education Centers
\$ 50.0	Los Pasos Program

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

This bill duplicates the following appropriations in CS HB2:

\$650.0	College of nursing enrollment
\$796.4	Specialty Education in Pediatrics
\$241.2	Newborn Intensive Care Unit Neonatal Nurse Practitioner Salary Adj.
\$333.3	Newborn Intensive Care Unit staff expansion

Of the total \$1,155.6 for unavoidable costs, the following amounts are duplicated in CS HB2:

\$128.7	Utilities
\$226.0	Occupational Safety Expenses

In addition, CS HB2 includes a 7 percent compensation increase for faculty and staff at all higher education institutions. The market salary adjustments proposed in this bill would be addressed through the compensation increase.

POSSIBLE QUESTIONS

1. How much of the \$706.0 in accounts receivables of over 60 days, will UNM collect? Could these funds be used toward increasing the budget for the air transport program?

CTF/prr