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FISCAL IMPACT REPORT

SPONSOR Gonzales LAST UPDATED _____
ORIGINAL DATE 2/28/25
BILL
SHORT TITLE Increase Aging Network Reimbursements NUMBER Senate Bill 288
ANALYST Klundt

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$2,500.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 317

Sources of Information

LFC Files

Agency Analysis Received From
Aging and Long-Term Services Department (ALTSD)

SUMMARY

Senate Bill 288 (SB288) appropriates \$2.5 million from the general fund to the Aging and Long-Term Services Department (ALTSD) for expenditure in fiscal year 2026 and subsequent fiscal years to increase provider reimbursements in the Aging Network. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$2.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall not revert to the general fund. Although HB317 does not specify future appropriations, establishing a rate increase could create an expectation the increase will continue in future fiscal years; therefore, this cost is assumed to be recurring.

The House Appropriation and Finance Committee recommendation for the General Appropriation Act for ALTSD includes \$690.8 thousand for this purpose.

SIGNIFICANT ISSUES

New Mexico's four Area Agencies on Aging (AAAs) coordinate and support community-based services for individuals aged 60 and older, or 55 and older in tribal programs. These agencies administer programs at the local level within designated planning and service areas, tailoring services to meet regional needs.

Each AAA provides a variety of services to support older adults and their families, including:

- Adult Day Care,
- Case Management,
- Homemaker/Chore Services,
- Transportation,
- Respite Care,
- Caregiver Support,
- Congregate and Home-Delivered Meals,
- Health Promotion and Disease Prevention, and
- Legal Services.

The specific services available vary by region, ensuring that older New Mexicans receive the assistance and information they need.

ALTSD noted New Mexico's senior population is projected to grow significantly, with the number of residents aged 65 and older expected to increase over the next 20 years, making up 23 percent of the state's population by 2040. The 85+ population will more than double within that time, and by 2030, New Mexico is expected to rank fourth in the nation for seniors per capita. In FY24, the network 2.2 million home-delivered meals and 1.3 million congregate meals, serving 114,771 seniors. Additionally, the high-risk nutritional senior population increased by 19.7 percent, while senior transportation services saw a 38 percent rise from FY23. Chore services also increased by 27.8 percent from FY22.

Funding for Aging Network is usually reverted if unspent at the end of each fiscal year. Sponsors may consider removing non-reverting language.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill duplicates House Bill 317.

KK/hj/SL2