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FISCAL IMPACT REPORT

SPONSOR Jennings DATE TYPED 1/29/04 HB _____

SHORT TITLE Human Services General Assistance Program SB 16

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$1,500.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 16 appropriates \$1.5 million to the Human Services Department (HSD) from the General Fund in FY 2005. HSD must use the funds to assist the Governor’s Committee on Concerns of the Handicapped (GCCH) in carrying out the provisions of the state-funded General Assistance Program.

Significant Issues

Its not clear whether the bill funds the “Gap” program or the General Assistance program.

In reviewing this bill it is important to understand that there are two different programs that have the same acronym. The programs are:

- ❑ General Assistance program which provides financial assistance to persons that have a temporary disability. This program has a budget of \$4.5 million and serves 1200 persons.
- ❑ Gap program which, as its acronym “Gap” suggests, “fills in the gap” for people with

disabilities by providing them the support structure necessary to continue living in their local communities or to provide assistance necessary for those living in long-term care facilities to return to their homes in their community. The Medical Assistance Division in the Human Services Department is budgeted \$ 169,000, which it transfers to the GCCH, for the administration of the Gap program.

Paragraph (2) of Subsection A of Section 27-2-7 NMSA 1978 requires that HSD administer a state-funded public assistance program, based on the rules set by HSD, for eligible persons who are over the age of eighteen, are temporarily disabled, and who do not receive cash assistance under the New Mexico Works Act (TANF cash assistance).

A clear conflict exists between the provisions in the Public Assistance Act that established the responsibility for HSD to administer the state-funded General Assistance program, and the implication in SB16 that the GCCH is responsible for administering the General Assistance program.

According to the GCCH and the Aging and Long-Term Care Department, it appears the wrong subsection was quoted on line 20 in SB 16. The appropriate subsection to quote is Subsection B of Section 27-2-7 NMSA 1978. This Section states that "General assistance program payments may be made directly to the recipient or to the vendor of goods or services provided to the recipient. The department may by rule limit the grants that are made to general assistance recipients."

However, LFC believes the appropriation is placed not only in the wrong section of the Public Assistance Act, but in the wrong program.

FISCAL IMPLICATIONS

The appropriation of \$1,500.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 05 shall revert to the General Fund.

Currently the General Assistance (GA) program is budgeted \$4.5 million. The LFC recommendation in FY 05 increases that amount to \$5 million. There are approximately 1200 individuals in the GA program.

Currently \$169,000 is appropriated to the HSD Medical Assistance Division to be transferred to the GCCH. This funding allows the GCCH to serve approximately 25-30 people per year. The GCCH anticipates the additional funding would provide services to approximately 200 more persons per year. SB16 would allow disabled persons to remain in their communities in the least restrictive setting possible. This is consistent with the US Supreme Court's Olmstead v. L.C decision, 1999, and with the planning pursuant to the 45th NM Legislature's Senate Joint Memorial 54 (SJM 54).

TECHNICAL ISSUES

The language in the bill pertaining to Paragraph (2) of Subsection A of Section 27-2-7 of NMSA 1978 needs to be changed if funding is for the Gap program. Please reference amendments below.

OTHER SUBSTANTIVE ISSUES

The Gap funds are used for such things as making environmental modifications to homes, installation of wheelchair ramps or bathroom modifications to make them accessible to people using wheelchairs, and to provide emergency short-term personal care services and other supports allowing disabled persons to stay in the community or to return to the community from the long term care setting.

AMENDMENTS

Line 11 & 12 change the title to read “Making an Appropriation to the Human Services Department for the “Gap” program.

Line 19 & 20 strike language beginning with “the provisions” and ending in “1978”

Line 17 insert language “medical assistance division” following “human services department”

Line 19 insert the language “its mission” following “carry out”.

BD/lg