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FISCAL IMPACT REPORT

ORIGINAL DATE 02/2/07

SPONSOR SPAC LAST UPDATED _____ HB _____

SHORT TITLE Family, Infant & Toddler Programs SB 92/SPACS

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$1,800.0		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$2,777.1	\$2,777.1	Recurring	Federal Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

The Senate Public Affairs Committee substitute for Senate Bill 92 would appropriate \$1.8 million to the Family Infant Toddler (FIT) Program for Fiscal Year 2007 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

FISCAL IMPLICATIONS

The \$1.8 million proposed in this bill would be in addition to current base funding of approximately \$15.1 million in FY08. The executive budget recommendation for DOH proposes a \$1.25 million increase for the FIT program in FY08; the Legislative Finance Committee budget recommendation proposes an increase of \$1 million for FY08. DOH has been working on increasing FIT program revenue by increasing third-party billing for services. However, the department is concerned that they may end up short in collecting \$1.2 million in other revenues. It is possible that the funding in this bill could cover an FY07 shortfall, or the department may request budget adjustment request authority to transfer funds internally.

DOH notes that approximately 60% of children eligible for the FIT Program are Medicaid eligible. The federal match for services provided under Medicaid is approximately 72%. Therefore if \$1,080,000 (i.e., 60% of \$1.8 million) is matched with Medicaid, this would generate an additional \$2,777,142. The total amount would fund approximately 1,557 children at the current cost per child.

SIGNIFICANT ISSUES

The FIT Program is the lead agency under the Individuals with Disabilities Education Act (IDEA) Part C for the administration of a statewide system of early intervention services for infants and toddlers (birth to age 3), who have or are at risk for developmental delays or disabilities. The FIT Program is an entitlement program for children and families who are eligible in accordance with the Education of the Handicapped Act (28-18 NMSA 1978) and the Requirements for Family Infant Toddler Early Intervention Services Act (7.30.8 NMAC).

The FIT Program utilizes State General Funds to fund early intervention services on a fee-for-service basis through a statewide network of private and public provider agencies. The FIT Program also pays the state match for early intervention services provided to children who are Medicaid eligible. Additionally, the FIT Program utilizes the annual Federal IDEA Part C grant and payments made through private insurance under the Senate Bill 589 passed in the 2005 Legislative session.

The FIT Program served 9,602 total infants and toddlers (birth to 3) and their families in Fiscal Year 2006 and has experienced a growth of 9% in the children served through an Individualized Family Service Plan (IFSP) compared to the previous year. This growth is a result of ongoing child find and public awareness efforts made to medical, childcare, home-visiting and social service providers. Additionally, the FIT Program continues to experience significant growth in referrals as a result of changes in the Child Abuse Protection and Treatment Act (CAPTA) that now mandates the referral of children under age 3 from CYFD when abuse or neglect are substantiated.

It is estimated that an additional 1,557 children could be funded through this appropriation with the use of Medicaid Match. The average annual cost per child in the FIT Program is approximately \$2,938.