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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/18

SPONSOR Stefanics LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Study Cuts to Senior Citizen Services SM 76

ANALYST Chilton

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	Minimal	Minimal	Minimal	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Memorial

Senate Memorial 76 states that federal and state resources expended on services for senior citizens are falling. It asks that the Legislative Health and Human Services Committee be charged with reviewing testimony on the effects of these cuts on New Mexico's senior citizens. It asks that information be solicited from the area agencies on aging, ALTSD, and the US Department of Agriculture's Supplemental Nutritional Assistance Program (SNAP), and that the information received from these agencies and the results of their deliberations be reported during the 2018 interim.

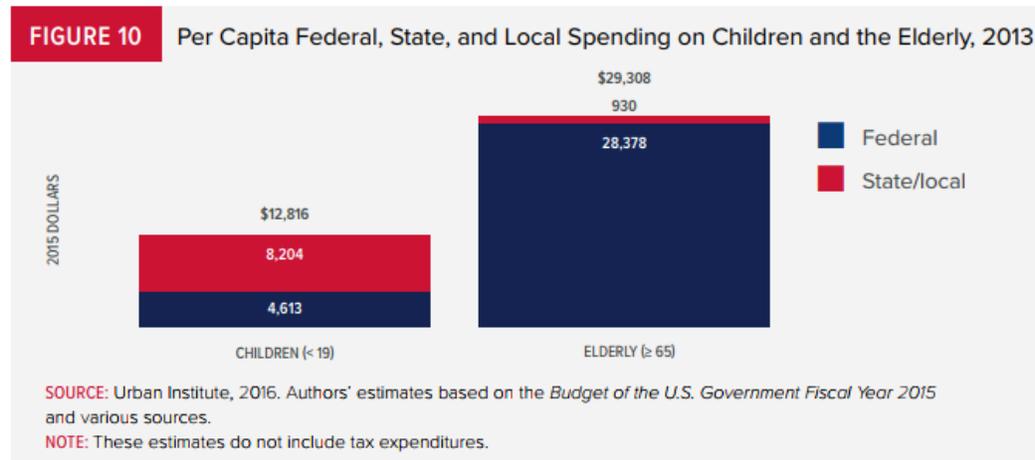
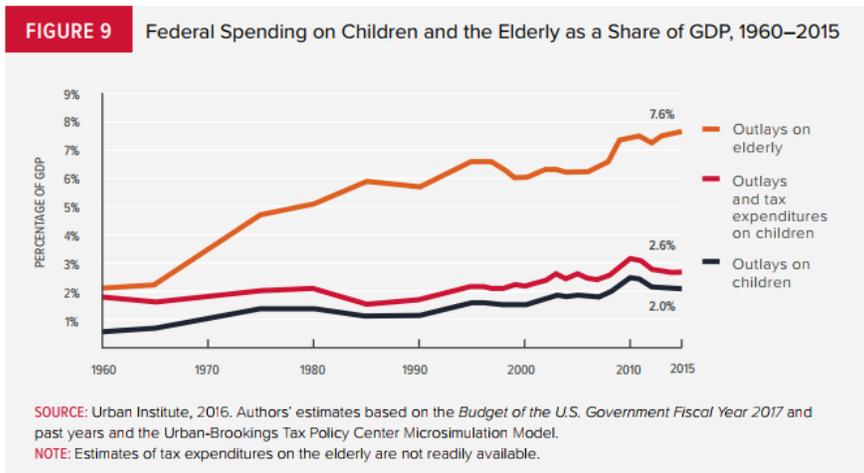
### FISCAL IMPLICATIONS

Staff from ALTSD and HSD and perhaps other state government agencies would be asked to testify before the Legislative Health and Human Services Committee, thereby causing a small cost for personnel time.

### SIGNIFICANT ISSUES

Federal spending on senior citizens has increased steadily since the passage of the Social Security Act in 1935, and the beginning of Medicare in 1965, as can be seen in the graphs below. It is difficult to estimate the effect on federal expenditures for the elderly of the sweeping federal

tax reform act of 2018, H. R. 1. As can also be seen from the graphs, a very large proportion of the total expenditure by governments on senior services is made up of federal programs affecting the elderly (especially as compared with children’s services); despite that, state and local resources are also of importance in seniors’ lives.

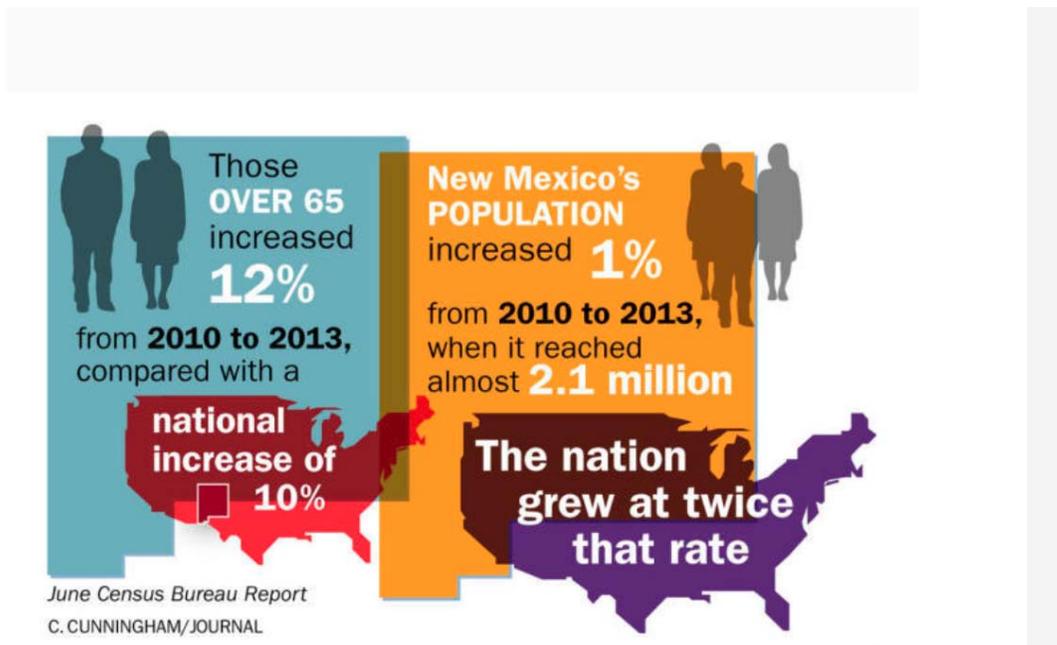


State spending on ALTSD has increased slightly, from \$59.4 million in FY 2017 to \$60.5 million in FY 2018 (Pages 206-207 of Report of LFC to the 53<sup>rd</sup> Legislature, Volume 2 for Fiscal Year 2019), but the amount budgeted in FY 2010 had been \$67.2 million according to the 2011 LFC report. Thus state spending on the elderly has decreased by 10 percent during the same period the state’s elderly population has increased by more than 12 percent and inflation has reduced the value of the dollars appropriated by 12.3 percent.

Regarding local expenditures (and as an example only), the director of Santa Fe’s senior citizen programs, states that the city has experienced a recent 5.5 percent reduction in state funds, and a considerable reduction in federal funds directed toward elderly services. In addition, he states, the city’s programs serve more and more frail elders, many recently affected by influenza, and that more and more elders who both cannot use personal funds to get needed support, and have limited family support. The city has had to pick up its own contributions to senior welfare. Figures provided by staff of the Santa Fe City Division of Senior Services indicate the average

spending of \$155 per year for each of the city’s estimated 21,401 inhabitants more than 60 years of age. Seventy-two percent of that, or approximately \$2.4 million in all, is provided by the city; the remaining 28 percent, or almost \$1 million, comes from state and federal sources. Santa Fe provides the following services for seniors: 1) Title III-B Transportation; 2) Title III-B Homemaker; 3) Title III-C 1 Nutrition: Congregate Meals; 4) Title III-C 2 Nutrition: Home-Delivered Meals; 5) Title III-E Respite; 6) Grandparents Raising Grandchildren; 7) Nutrition Supplemental Income Program; 8) Senior Employment Program; 9) Foster Grandparent Program; 10) Retired Seniors Volunteer Program; 11) Senior Companion Program; and 12) Senior Wellness Program.

Staff of the Albuquerque Area Agency on Aging, indicates that local funding sources (the City of Albuquerque and Bernalillo County) have also had to make up in part for the recent decreases in state funds. Staff indicates Albuquerque has not had to impose waiting lists for most services.



<https://www.abqjournal.com/429755/new-mexicos-population-is-getting-older.html/map-template-72#main>

As of 2013, New Mexico ranked 21<sup>st</sup> among the states in the proportion of those aged 65 or more years, at 15.25 percent, compared to a US rate of 14.1 percent. (<https://www.worldatlas.com/articles/the-us-states-with-the-oldest-population.html>). According to America’s Health Rankings, 11.1 percent of New Mexico seniors have incomes below the poverty level, compared with 9 percent of the entire US population of seniors. The proportion is higher in minority groups in New Mexico, including being more than twice as high among New Mexico’s Native American seniors.

(<https://www.americashealthrankings.org/learn/reports/2016-senior-report/state-summaries-new-mexico>).

DUPLICATES Senate Joint Memorial 9.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Although the interim committee could still take testimony regarding the effects of federal and state cutbacks in funding for the elderly, there would be no mandate for them to do so.

LAC/sb/jle