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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/13

SPONSOR Martinez, R. LAST UPDATED _____ HB _____

SHORT TITLE Study Use of Los Luceros Property SJM 45

ANALYST Chavez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$200.0 - \$500.0	\$200.0 - \$500.0	\$400.0 - \$1,00.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 45 (SJM 45) requests the establishment of a working group to consider the feasibility of using the Los Luceros Historic Property for a Recovery Center, through a public-private partnership, that would focus on at-risk youth, foster children and young mothers. The recovery program would be developed based upon the principles of maintaining the historical and environmental integrity of the property.

The working group is to include the Department of Cultural Affairs (DCA), the Behavioral Health Services Division (BHSD) of the Human Services Department (HSD), the Children Youth and Families Department (CYFD), and the Department of Health (DOH). The group is to submit a report to the Legislative Health and Human Services Committee, the Courts, Corrections and Justice Committee, and the Legislative Finance Committee by September 1, 2013.

FISCAL IMPLICATIONS

The DCA comments that there is little or no fiscal impact of creating an interagency working group to assess the feasibility of Los Luceros as a substance abuse recovery center.

The HSD notes that while participation in the work group called for in this bill would not require additional full-time employees, it would take scarce staff time and other resources from the HSD/BHSD.

The DCA notes that a recent study sponsored by the DCA estimated the minimum costs of maintaining the property and meeting historic and agricultural deed restrictions at approximately \$400 - \$500 thousand per year. The executive has submitted a special appropriations request for \$500 thousand for maintenance and operations of the Los Luceros Historic property, while the Legislative Finance Committee has made a recommendation of \$200 thousand.

This bill does not make an appropriation.

The HSD adds that the estimate for property maintenance and operations does not include the cost to provide the direct services to operate a Recovery Program. Some recovery services that may be considered for the program would be reimbursable services under Medicaid.

SIGNIFICANT ISSUES

The DCA explains that the Los Luceros study, released on January 22, 2013, examined 3 options. The first was to administer the property as one of the Department's historic sites at a cost of approximately \$1 to \$1.5 million. The second was the sale of the property. The third was to offset the costs of the first option with public/private partnerships. Estimates of offsetting the costs through this partnership still would require a financial commitment by the state and private partners.

The DCA further adds that it has had several proposals from various groups to collaborate on the property. While the Department welcomes and encourages any and all discussion with regard to the use of the property, the Department takes no position on any proposal until a decision has been made with regard to the options contained in the report by the Legislature and the Executive.

The HSD states that there are not enough programs in New Mexico to address at-risk youth, foster children who are out of foster care and young mothers with young children, and that a Recovery Program for this population could defray the costs of maintaining the property while providing this population an opportunity to become healthy and productive in a setting that supports recovery.

ADMINISTRATIVE IMPLICATIONS

The Department of Finance and Administration notes that, while the Department does have expertise in maintaining and operating historic properties, it lacks any experience regarding substance abuse recovery programs. If the program discussed in the memorial is determined to be feasible, an evaluation should be made as to whether the DCA should continue as the owner of the property

KC/svb