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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 1/31/24

SPONSOR Tallman

BILL
NUMBER Senate Bill 149

SHORT TITLE Behavioral Health Facilities Fund Act

ANALYST Esquibel

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$160,800.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

REVENUE* (dollars in thousands)

Type	FY24	FY25	FY26	FY27	FY28	Recurring or Nonrecurring	Fund Affected
		\$160,800.0				Nonrecurring	Behavioral Health Facilities Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA 7.5 positions		\$806.1	\$806.1	\$1,612.2	Recurring	Behavioral Health Facilities Fund
CYFD 2 positions		\$198.5	\$198.5	\$397.0	Recurring	Behavioral Health Facilities Fund
TOTAL		\$1,004.6	\$1,004.6	\$2,009.2	Recurring	Behavioral Health Facilities Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 General Services Department (GSD)
 Health Care Authority (HCA)
 Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Senate Bill 149

Senate Bill 149 would create the behavioral health facilities fund and appropriate \$160.8 million from the general fund to the behavioral health facilities fund to provide grants to counties and municipalities for planning, purchase, renovation, or construction of regional behavioral health facilities to provide behavioral health treatment and services.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The bill includes a nonrecurring appropriation of \$160.8 million from the general fund to the behavioral health facilities fund. Any unencumbered balance in the behavioral health facilities fund remaining at the end of FY25 would not revert to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the behavioral health facilities fund. Although the bill does not specify future appropriations, the bill provides that the Health Care Authority may issue warrants and use money from the behavioral health facilities fund in subsequent fiscal years.

This bill creates a new fund, the behavioral health facilities fund, and provides for continuing appropriations from the new fund. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

The bill proposes money in the fund may be used to reimburse the Health Care Authority for expenses incurred in administering the fund in an amount not to exceed 5 percent of total money disbursed from the fund.

The Health Care Authority reports it would require an additional 7.5 FTE to administer the provisions of the bill at a cost of \$806.1 thousand. Staff would be required to administer the grants, draft, and execute the request for applications and proposals, license facilities, and execute contracts.

CYFD reports if it is one of the regulatory entities responsible for monitoring and enforcing compliance with children's behavioral health providers awarded funding through this proposed legislation, then additional positions will be needed to support such a function. CYFD projects it would require two additional positions at a cost of \$198.5 thousand.

SIGNIFICANT ISSUES

The Health Care Authority reports these funds would help counties and municipalities increase the number of behavioral health treatment facilities by increasing access to services.

The Children, Youth and Families Department (CYFD) reports if the legislation is enacted, the Health Care Authority would need to align its strategic plan and oversight of providers

implementing children’s behavioral health services with CYFD. The recommendations of the proposed taskforce would need to be reviewed for alignment with state regulations and CYFD’s Licensing and Certification Authority, the state’s licensing authority for children’s behavioral health services.

CYFD notes the bill limits access to counties where there is a post-secondary education institution that offers degrees in behavioral health related careers. This provision would limit access for children, youth, and families needing to travel to provider sites, potentially negatively impacting CYFD’s performance with respect to providing behavioral health services.

PERFORMANCE IMPLICATIONS

CYFD states the criteria for evidence-based practices noted in Section 5.C. needs to incorporate evidence-based practices for children’s services.

The Health Care Authority indicates the success of the proposed fund is dependent on fostering a comprehensive public-private partnership for behavioral healthcare workforce development, ensuring collaboration between government agencies, private entities, and community stakeholders. This collaboration is crucial for recruiting and retaining a qualified behavioral health workforce essential to operate and staff the newly established treatment facilities supported by the proposed behavioral health facilities fund.

TECHNICAL ISSUES

The Health Care Authority (HCA) suggests the following amendments:

The term “facilities” would need to be defined and expanded to include community-based “facilities” to align with HCA’s goals to expand community-based services and supports.

The requirement of the funds to be awarded to counties where there is a public post-secondary educational institution that offers degrees may exclude rural communities. HCA suggests the bill allow the HCA to define the distance requirements of post-secondary institutions to allow “facilities” in more rural parts of New Mexico to be awarded these funds.

The state sequential intercept model is used for entities providing services for those within the criminal justice system.

The phrase “actual expenses incurred in administering the fund” would need to be defined in reference to staffing.

The bill’s proposed use of “vouchers” conflicts with the funding mechanism HCA utilizes to disburse funds.

OTHER SUBSTANTIVE ISSUES

The Health Care Authority reports there is a shortage of behavioral health treatment facilities and behavioral health professionals statewide. According to the Department of Health, there are only five state-operated behavioral health treatment facilities operating in New Mexico.

According to Kaiser Family Foundation, the percent of met need for mental health professionals in New Mexico is 18.2 percent compared with the national percent of 27.7 percent of met need.

The Substance Abuse and Mental Health Services Administration (SAMHSA) conducts the National Survey on Drug Use and Health (NSDUH). Based on the results of the 2018 NSDUH survey, 5.6 percent of New Mexico adults experience an alcohol use disorder each year (approximately 117,500 adults), 4.5 percent experience a serious mental illness (approximately 94,500 adults), and 19.1 percent experience any mental illness (approximately 404,400 adults).

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