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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 104

**SHORT TITLE:** County & Tribal Health Councils Act Funding

**SPONSOR:** Reps. Lujan & Hernandez/Sen. Stefanics

**LAST UPDATE:** 1/27/26      **ORIGINAL DATE:** 1/27/26      **ANALYST:** Hilla

### APPROPRIATION\*

(dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$8,000.0	Nonrecurring	General Fund

\*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DOH	No fiscal impact	\$1,160.0	\$1,160.0	\$2,320.0	Recurring	General Fund
Total	No fiscal impact	\$1,160.0	\$1,160.0	\$2,320.0	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

## Sources of Information

LFC Files

### Agency or Agencies Providing Analysis

Department of Health

Indian Services Department

Administrative Office of the Courts

Health Care Authority

### Agency or Agencies That Were Asked for Analysis but did not Respond

New Mexico Counties

## SUMMARY

### Synopsis of House Bill 104

House Bill 104 (HB104) appropriates \$8 million from the general fund to the Department of Health (DOH) for expenditure in FY27 and FY28 for the department to carry out the provisions

of the County and Tribal Health Councils Act. The bill earmarks \$1 million of the total appropriation to be used for contractual services for DOH to support county and tribal health councils.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

## **FISCAL IMPLICATIONS**

The appropriation of \$8 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund. This appropriation is not included in the LFC nor the Executive recommendations for DOH.

DOH estimates it will need \$1.1 million in recurring funding each fiscal year to carry out HB104. While the appropriation is nonrecurring, expanding the department's duties requires additional staff and training which would impact DOH's recurring operating budget. However, LFC staff estimate funded vacancies, or funding that is unused from having vacant positions within the department that could be used to cover the hiring of additional staff.

DOH receives \$643.9 thousand in recurring funding in its operating budget for county and tribal health councils.

## **SIGNIFICANT ISSUES**

The County and Tribal Health Councils Act, which allowed county and tribal communities to create a health council, was passed by the Legislature in 2019. The county and tribal health councils are responsible for creating and updating community health plans to identify local health needs and priorities. Of important note, health councils do not provide direct healthcare such as medical care, but act as a liaison between the local community and DOH. The department is statutorily obligated to develop benchmarks, provide training and technical assistance, and administer funding for the health councils.

There are currently 33 county health councils and 10 tribal health councils, of which all but one receives funding from DOH. In addition to receiving recurring funding for the health councils in DOH's budget, some health councils receive funding from counties, grants, or other sources. As noted by DOH, health councils' budgets vary from \$72 thousand to \$1 million depending on if they receive only funding from DOH or from other sources.

The Legislature has made nonrecurring investments in county and tribal health councils: in FY25, DOH was appropriated \$3 million for additional work with the health councils, of which the department expended all the funding. Using the funding, health councils distributed 4,800-gun locks, distributed 5,000 boxes of naloxone to 3,400 people, as well as distributing flyers and awareness materials and had statewide trainings on topics like suicide and overdose prevention.

In 2025, the Legislature enacted the Behavioral Health Investment and Reform Act (BHIRA), which established statutory requirements for regional behavioral health planning, coordination with tribal governments, and performance reporting. DOH received \$4 million in FY26 to

support health councils' transition to behavioral health functions pursuant to BHIRA regional plans, which is on track to be fully expended by the end of the fiscal year.

The Administrative Office of the Courts (AOC), which is responsible for coordinating regional meetings and regional health plans under BHIRA, notes that HB104 does not provide technical guidance on administering the proposed \$8 million appropriation as health councils transition to behavioral health councils. AOC indicates the appropriation could be used to support the ongoing transition, though that is not explicitly stated in HB104. Both AOC and DOH note that HB104 is a shift from the FY26 focus on transitioning the health councils to behavioral health supports.

DOH does not support the \$1 million set-aside for the department to contract services to support the health councils, stating that the set-aside would require the department to delegate its statutory responsibilities to an external organization. DOH plans to allocate the \$8 million appropriation as \$4 million in FY27 and \$4 million in FY28, consistent with current fiscal year funding levels available to health councils. Setting aside \$1 million for contracted services would reduce the funding available to health councils, and DOH does not support a reduction in funding that would be available to the councils.

## **PERFORMANCE IMPLICATIONS**

AOC notes that without HB104 explicitly linking the appropriation to BHIRA obligations may impede the health councils' ability to fully meet statutory requirements of the new behavioral health act. AOC states that without explicit direction, existing health councils may experience disruptions in regional partnerships, potentially affecting ongoing community engagement and data collection efforts, which could undermine BHIRA's intent for a coordinated statewide system of behavioral health planning and oversight.

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