

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 134

SHORT TITLE: Permanent Health and Human Services Committee

SPONSOR: López/Pope/Pinto/Charley/Hickey

LAST UPDATE: _____ **ORIGINAL DATE:** 02/02/2026 **ANALYST:** Chilton

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$500.0	Recurring	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
	Indeterminate but minimal	Indeterminate but minimal	No fiscal impact	Minimal	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Related to House Bill 287.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Health Care Authority

Office of the Superintendent of Insurance

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

Department of Health

SUMMARY

Synopsis of Senate Bill 134

Senate Bill 134 (SB 134) repeals existing statute governing the composition of the Legislative Health and Human Services Committee (LHHS) and enacts new statutory language reestablishing the committee with updated parameters. The bill also appropriates \$500.0 thousand from the general fund to the Legislative Counsel Service to support the creation of a

permanent LHHS, including a director and staffing, for its first two fiscal years

Using language similar to that in the 1971 statute establishing the permanent Legislative Education Study Committee (LESC), Senate Bill 134 creates a permanent Legislative Health and Human Services Committee consisting of ten members: six members of the House of Representatives and four members of the Senate. Membership would be apportioned by political party in proportion to party representation in each chamber. The chairmanship of the committee would alternate between a House member and a Senate member, consistent with the structure of the LESC and the current Legislative Health and Human Services Interim Committee. Committee actions would require approval by a majority of members from each political party.

Section 2 of the bill creates the full-year, paid position of director of LHHS, to be hired by the whole committee and to serve at the pleasure of the committee. Their supplies, office space and additional personnel would be provided by the committee. Again, the procedures and language of the legislation are similar to the enabling statute for LESC.

Tasks of the permanent committee would include

- Directing the work of the director and her/his staff
- Continually studying all health care given in the state, including needed laws and policies and costs of care
- Recommending needed changes in laws regarding health and human services, drafting and presenting legislation deemed necessary
- Reporting on findings and recommendations at each long session of the legislature
- Reviewing information provided by all state agencies and institutions relevant to its purposes.

The bill's Section 7 repeals Sections 2-13-1 through 2-13-5 NMSA 1978, which describe the current LHHS membership and duties describes its duties, its subcommittees, and its required reports and specify that its staff be provided by the legislative council service.

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 \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund. It is assumed that the Legislative Counsel Service will be able to set up the new permanent committee without additional funding.

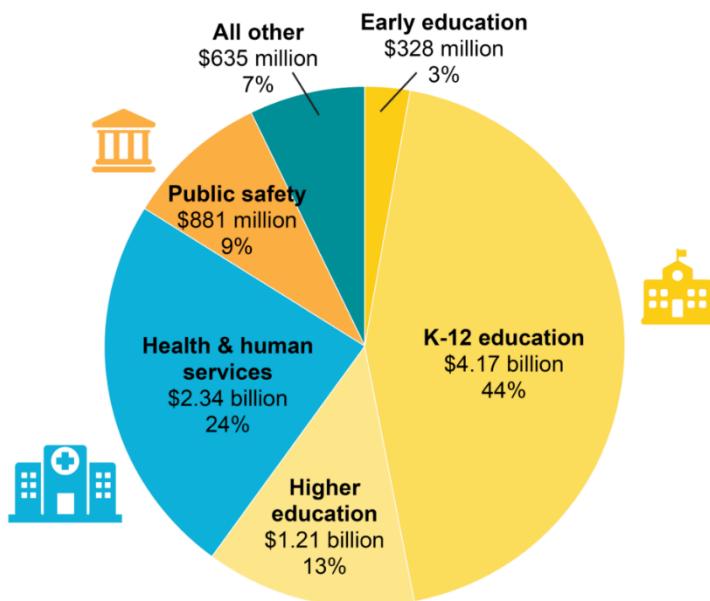
SIGNIFICANT ISSUES

New Mexico currently has two permanent legislative agencies with year-round staff, the Legislative Finance Committee and the Legislative Education Study Committee. This bill would create a third, the Legislative Health and Human Services Committee, which would be an outgrowth of the interim committee by the same name.

As seen in the pie chart below, about 84 percent of New Mexico's general fund budget from

2024 was either related to education (13 percent for higher education, 44 percent for kindergarten through twelfth grade education) and health and human services (24%). Although these figures have changed slightly since FY24, the percentages remain substantially the same. The \$2.34 billion spent on health and human services actually understates the case since state Medicaid expenditures are matched by federal funds, resulting in approximately \$11 billion in health care expenditures in 2024, overmatching the \$5.4 billion spent on education at all levels in the state that fiscal year.

New Mexico's \$9.57 Billion General Fund Operating Budget for FY24 by Spending Type



Source: *Post-Session Review, Legislative Finance Committee, 2023*

Health care and education represent two of the state's largest policy and budget areas, and both may warrant ongoing legislative evaluation and oversight, similar to the approach used for education since 1971.

According to a 2025 [Legislative Finance Committee \(LFC\) report](#) on health care,

Importantly, the state does not know if more or fewer clients are receiving more or less care. Over the last decade, LFC reports have repeatedly highlighted a lack of utilization and performance data related to Medicaid behavioral and physical health, making it difficult to determine how many Medicaid clients are receiving what behavioral health services and the outcomes for these services. Prior to 2023, HCA discontinued reports that (previously shared information about unduplicated client service utilization and costs. In general, New Mexico lacks timely information about how many clients are receiving what services, and this information could be used to measure progress or inform policy decisions. For example, the behavioral health per-member per-month rate has increased by 97 percent since FY21, from \$71 to \$140. It is unclear if a few members are utilizing a large amount of behavioral health services or if many members are utilizing fewer behavioral health services. The state needs better reporting mechanisms and information to make informed decisions about Medicaid, the largest component of the state budget.

The LFC report indicates the following as having important supervisory needs: costs and spending (Medicaid costs have increased approximately 70 percent since 2016 despite serving 31,000 fewer New Mexicans than in 2016), outcomes and quality (LFC finds that there both improvements and worsening in certain measurements of outcome and quality), access and network adequacy (New Mexicans are concerned about the decreasing numbers of practitioners available to them), utilization (despite difficulty accessing care, utilization is up for both physical and behavioral health), and administration (there are questions about the adequacy of Medicaid supervision). All of these factors would support full-time supervision of the state's role in health and human services.

HCA states that “The State’s oversight of health care and public benefits has grown increasingly complicated with extensive federal statutory and regulatory mandates that must be met and involving constant technological changes. Having a committee with a full-time executive director dedicated to this area of the State's responsibilities and opportunities for advancement could help ensure that our lawmakers have the in-depth analysis and information to support New Mexico's long-term health and well-being.”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to House Bill 287; most of the provisions of SB 134 are also in HB 287, but SB134 repeals statute and creates new enabling statute, while HB287 revises existing laws towards many of the same purpose.

LAC/ct/dw