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## FISCAL IMPACT REPORT

**SPONSOR** Madalena **ORIGINAL DATE** 01/24/14  
**LAST UPDATED** 02/14/14 **HB** 63/aHAFC

**SHORT TITLE** County Detention Behavioral Health Project **SB** \_\_\_\_\_

**ANALYST** Boerner

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	-	-	-

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications		See Fiscal Implications	Non-Recurring	DFA Operating Budget

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Local Government Division, Department of Finance and Administration (DFA)  
 New Mexico State Government Behavioral Health Collaborative (BHSD)

### SUMMARY

#### Synopsis of HAFC Amendment

House Appropriation and Finance Committee amendment strikes the appropriation from this bill.

#### Synopsis of Original Bill

House Bill 63 appropriates \$563.2 thousand from the general fund to the DFA to create a single, three-year demonstration project in the counties of Luna, Grant, and Hidalgo to provide behavioral health services to inmates of county detention center facilities and to individuals who

have been released from county detention center custody.

The bill provides for DFA to enter into memoranda of understanding with the counties of Luna, Grant and Hidalgo for the purposes of this project.

The bill directs the three counties and DFA to provide eligible program volunteers with:

- On-site comprehensive, evidence based or promising-practice behavioral health services;
- Coordination of treatment with community providers;
- Supportive training for county detention center staff that links to community behavioral health providers;
- Behavioral health services for individuals who have been released from county detention center custody; and the following services for individuals who are scheduled to be released or who have been released from detention center custody:
  - Life-skills planning and coordination;
  - Life-skills classes; and
  - Community case management.
- A plan for continuous quality improvement of the services provided pursuant to the demonstration project.

The three counties and DFA are further directed to develop benchmarks and record progress pursuant to those benchmarks including a measure of the return on investment.

Finally, DFA is directed to promulgate and adopt rules with which it will measure progress towards certain performance goals, such as reduced recidivism in the three counties, and against certain baseline data relative to year 2015, such as average inmate cost per day.

DFA is directed to report required data pursuant to this bill to the Legislative Health and Human Services Committee and the Legislative Finance Committee by November 1, 2015 and by November 1, 2016 and 2017.

## **FISCAL IMPLICATIONS**

The appropriation of \$563.2 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund.

The DFA noted it does not have the capacity and expertise to carry out the directives in this bill which would require DFA to hire additional FTE or provide additional training to existing staff. DFA did not quantify the potential fiscal impact of this bill to its operating budget.

## **SIGNIFICANT ISSUES**

DFA and BHSD argue that BHSD is the more appropriate agency to administer the demonstration project described in this bill. The BHSD has the statutory responsibility for identifying behavioral health needs statewide and planning for services to meet those needs. BHSD is also responsible for the coordinated purchasing of state and federally funded behavioral health services.

**PERFORMANCE IMPLICATIONS**

DFA argues it does not have the capacity or expertise to carry out the bill’s measures regarding program development, implementation and oversight.

**ADMINISTRATIVE IMPLICATIONS**

Progress and outcome reports required to be provided to the Legislative Health and Human Services Committee and Legislative Finance Committee should also be provided to the BHSD; this information would be valuable to the Collaborative as it addresses this important area of behavioral health needs.

**TECHNICAL ISSUES**

It is not clear whether the drafters of this bill intended the one-time fiscal year 2015 appropriation of \$563.2 thousand to be used for the duration of this project defined as three years, or through fiscal year 2017. As currently drafted, any unexpended or unencumbered balance remaining at the end of fiscal year 2015 will revert to the general fund.

DFA notes that while the bill states DFA shall enter into MOU's, the department generally does not provide funding through MOU's, but rather through Inter Governmental Agreements.

On page 4, line 13: delete the word “and” after “human services committee” and replace it with a comma and place “and the interagency behavioral health purchasing collaborative” between “committee” and the final period of the sentence.

**ALTERNATIVES**

The appropriation and directives in this bill could be directed to the BHSD.

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

Interagency Behavioral Health Purchasing Collaborative efforts to address behavioral health needs will continue at the current level, which does not include this bill’s novel approach to provide improved behavior health services for underserved populations in the counties of Luna, Grant, and Hidalgo.

CB/ds