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FISCAL IMPACT REPORT

SPONSOR Anyanonu/Chasey/Martinez, J. LAST UPDATED _____
ORIGINAL DATE 2/26/2023
SHORT TITLE Violence Intervention Program Act BILL NUMBER House Bill 404
ANALYST Rabin

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
No fiscal impact	\$15,000.0	Nonrecurring/Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)

Sentencing Commission (NMSC)

Department of Health (DOH)

SUMMARY

Synopsis of House Bill 404

House Bill 404 enacts the Violence Intervention Program Act, which was previously enacted under Laws 2022, Chapter 56 (House Bill 68). It is assumed the intent of the bill is to make amendments to the existing statutes, and this analysis contemplates the differences between the language of HB404 and that of existing statute as if those differences are proposed amendments. However, if this issue is not resolved, this bill would essentially create new sections of law that are highly similar to existing statute but conflict in certain provisions.

HB404 appropriates \$15 million from the general fund to the violence intervention program fund for the purposes of the fund.

HB404 amends the requirements of the violence intervention program by allowing the program to use public health approaches to reduce gun violence and aggravated assaults that *expand upon* existing evidence- and research-based approaches (rather than restricting it to only evidence- or research-based approaches), allowing the program to use proven strategies to reduce gun violence and aggravated assaults (rather than proven *law enforcement* strategies), and allows the program use methods that offer the potential to expand upon known methods of violence intervention for program development (rather than restricting it to only data-driven methods).

HB404 further amends the conditions of the grants provided by the program. The bill requires 40 percent of the total annual amount appropriated to the fund be awarded to counties or municipalities with populations greater than 540 thousand (this includes only Bernalillo County and Albuquerque); the existing statute only requires the program to award 20 percent of appropriations to such areas. Additionally, the bill requires each grantee use at least 75 percent of the grant to contract with community-based service providers (rather than 50 percent as under current law), and further requires at least 50 percent of those providers have seven or fewer employees. Finally, the bill removes provisions that bar a municipality and the county it is located within from both receiving grants.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The appropriation of \$15 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall not revert to the fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services, create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

SIGNIFICANT ISSUES

As noted in the synopsis, this bill creates new statute that is nearly duplicative of existing law. If the intent of this bill is to amend the existing law, it should be adjusted to do so.

Under the existing Violence Intervention Program Act, 20 percent of the 2022 General Appropriation Act's (GAA) \$9 million appropriation for this program was earmarked for the city of Albuquerque or Bernalillo County, a total of \$1.8 million. However, neither the city of Albuquerque nor Bernalillo County applied for any funding in the first round of grants conducted by the Department of Health (DOH) in FY23. HB404 would earmark 40 percent of its \$15 million appropriation, a total of \$6 million, for the city of Albuquerque or Bernalillo County. DOH notes implementation of prevention programs is more costly and difficult in rural areas than in urban areas, and public health infrastructure capacity in rural areas is understaffed and underfunded, with less focus on "population focused activities such as those proposed by the Violence Intervention Fund."

Requiring 75 percent of all grantees' funding to be used to contract with community-based service providers will earmark \$11.3 million for such providers, and requiring half those funds be used for providers with seven or fewer employees will earmark \$5.6 million for these small providers. DOH suggests removing the requirement that half the funds be used for small providers, writing "Applicants should determine what community-based service providers should do the work based on experience, ability and capacity rather than based on an apparently arbitrary number of employees," but expresses the requirement that more money go to community-based service providers (of any size) aligns with recommendations from the John Jay College Research Advisory Group on Preventing and Reducing Community Violence.

DOH notes that several of the other changes proposed by this bill align with violence prevention strategies identified by the CDC.

OTHER SUBSTANTIVE ISSUES

Laws 2022, Chapter 56 (House Bill 68) mandated the Department of Health (DOH) to administer violence intervention program grants, directed to entities disproportionately impacted by violent crimes, including homicides, shootings, and aggravated assaults, under the Violence Intervention Program Act. The 2022 GAA included \$9 million in nonrecurring funds for the grants and \$1.7 million in ongoing funding for an Office of Violence Prevention. DOH is in the process of hiring a violence prevention program coordinator.

In the first round of grant funding, DOH received three applications, from Dona Ana County, Santa Fe County, and Luna County. Dona Ana County and Santa Fe County were awarded \$229.6 thousand and \$174.4 thousand in violence intervention program grants, respectively, while Luna County will receive \$45.5 thousand from another funding source. Notably, neither the city of Albuquerque nor Bernalillo County applied for these funds. DOH is planning a second round of grant funding in the spring.

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