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FISCAL IMPACT REPORT

SPONSOR Campos LAST UPDATED 1/25/24
ORIGINAL DATE 1/24/24
BILL
SHORT TITLE Northern NM Integrated Substance Abuse NUMBER Senate Bill 78
ANALYST Hilla

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$2,500.0	Nonrecurring	Opioid Crisis Recovery Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 50

Sources of Information

LFC Files

Agency Analysis Received From

Department of Finance and Administration (DFA)

Agency Analysis was Solicited but Not Received From

Department of Health (DOH)

SUMMARY

Senate Bill 78 (SB78) appropriates \$2.5 million from the opioid crisis recovery fund to the Local Government Division of the Department of Finance and Administration (DFA) for substance use disorder programs in San Miguel County for expenditure in fiscal years 2025 and 2026.

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 appropriation of \$2.5 million contained in this bill is a nonrecurring expense to the opioid crisis recovery fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the opioid crisis recovery fund. The bill does not outline how programs at Epi Duran regional crisis and treatment center would be funded after FY26 without appropriations from the opioid crisis recovery fund.

DFA states that it is unclear whether recurring funding will be needed as the bill does not specify whether the funding is to be used for a new program or to fund existing programs, nor does it specify the length of the programs intended to be funded. DFA notes that if the bill is creating a new program or investing in a long-term program, there could be an expectation that funds will need to be allocated in future years to support the program.

SIGNIFICANT ISSUES

Significant issues include access to the Epi Duran regional crisis and treatment center in San Miguel County. As the bill is currently written, the appropriation is to serve northeastern New Mexico, but there are no outlines as to how this money will be used to help other northeastern counties for substance abuse outside of San Miguel County. Following Volume III from the LFC, there are projected decreases in the opioid recovery fund, and the principle of the fund will be reached outside of this bill. It is possible that there is no funding for this bill specifically from the opioid recovery fund due to these projected decreases. Another issue that stems from the bill is how these programs will be funded after FY26 once any unexpended balances revert to the opioid recovery fund. In addition, the use of “substance abuse” as used in the bill is broad, and for proper use of the opioid recovery fund, the use of funding needs to be opioid-specific.

ADMINISTRATIVE IMPLICATIONS

DFA says the agency, more specifically the Local Government Division, would need to enter into a grant agreement with San Miguel County to obligate funds and issue payment reimbursements for valid expenditures. The division would be tasked with ensuring the legal requirements of the grant agreement are met and that the funding is monitored throughout its life cycle.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 78 duplicates House Bill 50 and relates to House Bill 90 which makes an appropriation of \$1.5 million from the general fund to the Local Government Division for capital improvements at the Epi Duran Regional Crisis and Treatment Center.

EH/rl/ne/ss/al