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FISCAL IMPACT REPORT

SPONSOR <u>Rep. Szczepanski/Sen. Stefanics</u> SHORT TITLE <u>Statewide Public Health and Climate Program</u>	LAST UPDATED _____ ORIGINAL DATE <u>01/25/2024</u> BILL NUMBER <u>House Bill 104</u> ANALYST <u>Chilton</u>
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APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$1,100.0	Recurring	General Fund
	\$10,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Department of Health		\$78.8	\$1,178.8	\$1,257.5	Recurring	General Fund
Total		\$78.8	\$1,178.8	\$1,257.5	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Indian Affairs Department (IAD)
 Energy, Minerals and Natural Resources Department (EMNRD)
 Department of Health (DOH)

Agency Analysis was solicited but Not Received From
 Municipal League (NMML)

Agency Declined to Respond
 Department of the Environment (NMED)

SUMMARY

House Bill 104 appropriates \$1.1 million from the general fund to the Department of Health for

the purpose of establishing a statewide public health and climate program and further appropriates an additional \$10 million to create a public health and climate resiliency fund, which would be disbursed during the years 2025 to 2029 to local and tribal government entities for the purpose of adapting to climate change.

Using this newly established fund, the new program within DOH would be charged with assessing applications for funding from “political subdivisions of the state” or Indian entities and then making grants of up to \$250 thousand for the purposes of preparing for or responding to health threats related to extreme weather and other climate change effects.

At least half of the grant funds would be required to be made to political subdivisions with total populations of less than 100 thousand. In addition to disbursing funds, the new program within DOH would give priority to projects that:

- Emphasize equity in dealing with climate change,
- Provide for integrating related efforts with other public health and climate change work,
- Emphasize projects that would also benefit from available state and federal funds,
- Involve local health councils in the planning process, and
- Assess potential community adaptive measures, including household and workplace safety measures, shelters from climate emergencies such as wildfires, need for backup generators and other electrical backup for community buildings, provide fire safety measures.

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 \$1.1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 and subsequent years shall revert to the general fund.

The appropriation of \$10 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY29 shall revert to the general fund.

Although House Bill 104 does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring. This bill creates a new fund, a public health and climate resiliency fund, and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because earmarking reduces the ability of the Legislature to establish spending priorities.

DOH indicates the proposed budget amount would be sufficient for hiring the estimated 6.5 FTE within the Department of Health required for the program but indicates continuing appropriations to cover the cost of these additional employees would be needed. Office set-up, office space, supplies, travel costs, and administrative costs are estimated to total \$409,905 per year, and salaries for 6.5 FTE employees are projected to cost \$768,859 per year. It is unlikely other

agencies would have large expenses relative to this initiative, and none of the other agencies responding indicated expenses.

SIGNIFICANT ISSUES

Climate change has become a major topic of discussion at all levels of government and in society in general. Almost daily, news articles document changes that are rapidly occurring, from drought in the Amazon to the collapse of glaciers in Greenland in the Antarctic. EMNRD documents some of the New Mexico effects of climate change. Creation of a climate change and public health would not be charged with reducing climate change or global warming, other programs would deal with that, but would deal with the health effects of climate change as it affects New Mexico's population.

DOH comments extensively on the effects of climate change, noting increased hospitalizations and emergency department visits during the extreme heat experienced in New Mexico in summer 2023. DOH documents the work done by its Environmental Public Health Tracking Program (EPHT) in reporting on the health effects of the heat wave as it was occurring to state and local agencies in the state. The EPHT similarly provided assistance in ameliorating the effects of the massive Calf Canyon-Hermit's Peak fire of 2022, and in monitoring water quality following the fire.

DOH also anticipates that climate change will introduce new vectors into New Mexico, which might spread such pathogens as west nile virus, coccidioidomycosis and perhaps even malaria, and a new unit on climate change within DOH would help to reduce the burden of disease from these as well.

DOH notes:

The CDC has established funding through Climate-Ready States & Cities Initiative to support jurisdictions respond to health effects related to climate change (https://www.cdc.gov/climateandhealth/climate_ready.htm). New Mexico is not one of the 13 jurisdictions currently funded. Individual states who have enacted state-funded public health climate resiliency programs include Washington <https://doh.wa.gov/community-and-environment/climate-and-health> and Michigan <https://www.michigan.gov/mdhhs/safety-injury-prev/environmental-health/Topics/climate/overview>. Like New Mexico, both of these states receive CDC funding for EPHT programs. The proposed Public Health and Climate Program would partner closely with the NM EPHT program for data and information dissemination.”

The burden of climate change is most acutely felt by those with the fewest resources. The NMDOH Environmental Health Epidemiology Bureau's assessment of vulnerable populations using the NM Climate Vulnerability Index (CVI), derived from the CDC/ATSDR's Social Vulnerability Index (<https://svi.cdc.gov/A%20Social%20Vulnerability%20Index%20for%20Disaster%20Management.pdf>), includes the additional parameters of population and housing density, access to healthcare, and historical climate data such as extreme heat events, drought, and heat-related illness outcomes. Analysis has revealed 22 highly vulnerable small areas (areas of similar population size (<https://ibis.doh.nm.gov/resource/SmallAreaMethods.html>)) in NM located within 15 counties. Notably the 12 small areas with the highest poverty level were also among

those with the highest overall climate vulnerability rank. Nineteen of the 22 were below the state mean for the education metric, and overall had above-average levels for disability and crowded housing, and below-average levels for health insurance coverage and vehicle access. As the 22 identified small areas often rank worse than the state average for individual climate vulnerability indicators, the index appears to characterize the overall risk well. The small areas in the northwest (McKinley and San Juan Counties) and southern NM (Doña Ana County) stand out for having poor access to health care, high poverty levels, and high levels of crowded or mobile housing. Furthermore, two counties which encompass much of the Navajo reservation in NM are majority American Indian Alaska Native (AIAN) population: San Juan and McKinley are 39 percent and 75 percent AIAN, respectively. Doña Ana County on the US/Mexico border is 69 percent Hispanic. Heat-related factors rank high in Doña Ana County in the south, and small areas identified across several counties across eastern and southeastern NM. Additionally, the heat.gov vulnerability mapping tool identified two NM counties (Luna and Cibola) as among the most vulnerable. <https://geoxc-apps2.bd.esri.com/Climate/HeatVulnerability/index.html>.

IAD indicates the importance of collaboration with tribal entities in planning for climate change, and advocates for eliminating barriers to data sharing among entities. Noting that tribal elders will be heavily affected by climate change, IAD recommends collaboration of the new office with The Tribal Elder Program.

EMNRD, which is “one of the chair agencies of the Climate Change Task Force and leader of the State Climate Adaptation and Resilience Plan, recognizes that creating a well-funded program in DOH to address climate and public health would enable DOH to more fully support New Mexico’s climate and resilience policies as set out in Executive Order 2019-003.”

PERFORMANCE IMPLICATIONS

EMNRD notes that its “staff within the Energy Conservation and Management Division who run programs related to weatherization, energy efficiency, and resilient energy systems may be tasked with supporting communities who receive grant funds from the Public Health and Climate Resiliency Fund to implement related measures.”

COMPANIONSHIP

IAD indicates that “NM EMNRD and NMED also have climate programs. This program should collaborate with the New Mexico Climate Change Task Force to avoid conflict and duplication.”

TECHNICAL ISSUES

DOH notes the following:

- Page 2 item (2), (b) line 10 should read: ... excess **disease**, injuries and deaths...
- Page 2 item (2), (d) line 16 should read: weather and adaptation in New Mexico;
- Page 3 item (3) line 19 should read: communities in building health resiliency **and adaptation** to future climate...