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## FISCAL IMPACT REPORT

SPONSOR Papen DATE TYPED 1/31/04 HB \_\_\_\_\_

SHORT TITLE Behavioral Health Capital Funding Act SB 248

ANALYST Kehoe

### APPROPRIATION

| Appropriation Contained |      | Estimated Additional Impact |               | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|---------------|----------------------|---------------|
| FY04                    | FY05 | FY04                        | FY05          |                      |               |
|                         |      |                             | See Narrative |                      |               |
|                         |      |                             |               |                      |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
New Mexico Finance Authority (NMFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 248 proposes enacting a Behavioral Health Capital Funding Act and creating a loan program for funding capital projects for nonprofit behavioral health facilities with NMFA.

#### Significant Issues

The purpose of the Behavioral Health Capital Funding Act is to increase behavioral health care services to sick and indigent patients. The revolving loan program, administered by NMFA, would provide financial assistance to nonprofit behavioral health facilities that have assets totaling less than \$10 million, is a 501(c) (3) nonprofit corporation for federal income tax purposes and that serves primarily sick and indigent persons. The type of projects eligible for funding includes repair, renovation or construction of behavioral health facilities, including the purchase of land or acquisition of capital equipment of a long-term nature.

Senate Bill 248 requires the Department of Health (DOH) and NMFA to jointly adopt rules, procedures, an evaluation process, and other functions necessary to implement the provisions of the Act. However, NMFA would be responsible for all financial aspects of the program, and DOH is responsible for defining sick and medically indigent persons, establishing priorities for loans, determining the appropriateness of a capital project, evaluating the capability of an applicant to provide behavioral health services, select recipients of loans and determine compliance of the capital projects with all state and federal licensing and procurement requirements.

The bill specifies that if an eligible entity that has received a loan for a capital project ceases to maintain its nonprofit status or ceases to deliver behavioral health services at the site of the capital project for 12 consecutive months, the state may pursue remedies in the loan agreement provided by the law.

DOH and NMFA are required to provide an annual report of the activities of the behavioral health capital funding program to the governor and the legislature by December 1 of each year.

### **FISCAL IMPLICATIONS**

The loan program shall consist of appropriations, loan repayments, gifts, grants, donations and interest earned on investment of the fund. Money in the fund shall not revert at the end of a fiscal year.

### **ADMINISTRATIVE IMPLICATIONS**

The bill states that no administrative costs incurred by NMFA or DOH may be paid from the fund. NMFA estimates the annual costs of administration will total approximately \$50 thousand.

### **DUPLICATION**

This bill duplicates House Bill 249 in its entirety.

**LMK/dm**