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FISCAL IMPACT REPORT

| | | | | |
|--------------------|------------------------------------|--|----------------------------|------------------|
| | ORIGINAL DATE 1-25-06 | | LAST UPDATED 2-8-06 | HB 236 |
| SPONSOR | Trujillo | | | |
| | SANTA FE ALCOHOL & SUBSTANCE ABUSE | | | |
| SHORT TITLE | PROGRAMS | | SB | |
| | | | ANALYST | Hadwiger/Collard |

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|------|-------------------------|------------------|
| FY06 | FY07 | | |
| \$350.0 | | Recurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Administrative Office of the Courts (AOC)

Department of Health (DOH)

Santa Fe Recovery Center (SFRC)

SUMMARY

Synopsis of Bill

House Bill 236 appropriates \$350 thousand from the general fund to the Local Government Division of the Department of Finance and Administration for expenditure in FY06 and FY07 for Santa Fe County to contract with a nonprofit organization to provide inpatient rehabilitation services for drug, alcohol and methamphetamine addiction treatment. The bill contains an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$350 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

The Administrative Office of the Courts (AOC) noted that, when Santa Fe's Recovering Alcoholic Program closed, a local group took over its operation and reconstituted it as the Santa Fe Recovery Center, an inpatient rehabilitation center for alcohol and substance abuse referrals. The fund sin this bill would be used for operational expenses, mostly staff (treatment specialists and administrative staff). According to AOC, referrals to the program would come mostly through county referral agencies, but some may come through the courts as part of mandated treatment for substance abusing offenders. The Judiciary recognizes the need for treatment of substance abusing offenders and supports the need for such an inpatient rehabilitation center in Santa Fe county.

DFA indicated that HB236 addresses the need for alcohol and substance abuse treatment and prevention in Santa Fe County. In 2001, Santa Fe County ranked among the top counties in New Mexico for high drug overdose death rates. In 2003, Santa Fe County ranked consistent with the state average at 9.1% of children grades 9-12 using methamphetamine. Alcohol was involved in 48% of all deaths in Santa Fe County in 2003, just below the State average of 56.7%.

The Department of Health commented that the Behavioral Health Purchasing Collaborative is charged with overseeing all publicly funded behavioral health services. In general, intensive outpatient programs are more cost effective and more effective than inpatient services because the client is able to remain in the community, remain employed and have the necessary support systems available.

A letter from SFRC indicates the Coalition to Save RAP and the New Board of Directors appointed in March 2005 for Santa Fe Recovery Center (formerly RAP) believed that if RAP corrected existing problems, commenced with a new program, new staff, and a new board, the contract to SFRC would be reinstated. Prior year contracts with RAP had been in the amount of \$770 thousand. After an audit found numerous problems, the RAP contract was reduced to \$542 thousand. Now SFRC, the contract with the new statewide entity, ValueOptions is still \$542 thousand. SFRC states ValueOptions indicated the reduction was due to limited amounts received from the Department of Health.

SFRC indicates without this funding, SFRC will have to lay off staff and shut its doors. SFRC further states this would lead to gaps in behavioral health services in northern New Mexico.

ADMINISTRATIVE IMPLICATIONS

DFA noted that the provisions of HB236 more closely align with the mission and purpose of the Behavioral Health Services Division of the Department of Health than the administrative provisions of the bill.

TECHNICAL ISSUES

DFA suggested that the language "any unexpended or unencumbered balance remaining at the end fiscal year 2007 shall revert to the General Fund" should technically read "any unreserved undesignated balance remaining at the end fiscal year 2007 shall revert to the General Fund."