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## FISCAL IMPACT REPORT

**SPONSOR** Campos **ORIGINAL DATE** 02/24/21  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_  
**SHORT TITLE** Ambulance Services **SB** 329  
**ANALYST** Chilton

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$9,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Minimal	Minimal	Minimal	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Health (DOH)

No Response Received  
Public Regulation Commission (PRC)  
Municipal League (ML)  
Association of Counties (AOC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 329 modifies Section 65-6-1 NMSA 1978, the Ambulance Standard Act, to provide for the establishment of an ambulance service assistance fund to make grants to local ambulance service providers throughout the state. The Public Regulation Commission would be required to establish rules and procedures to administer the fund and to make grants of up to \$75 thousand to any one provider in any one year to local ambulance providers to buy or refurbish ambulances or medical equipment or to train and certify ambulance drivers and emergency medical staff. Grants

to be given must be matched with non-state funding for at least 25 percent of the cost of the equipment or training. Applicants for the grant must have been in compliance with the Ambulance Standards Act for at least two years.

Senate Bill 329, appropriates \$9 million from the general fund to the ambulance service assistance fund, established under the Public Regulation Commission for the purpose of making grants to local public ambulance providers.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

## **FISCAL IMPLICATIONS**

The appropriation of \$9 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall/shall not revert to the general fund. Although Senate Bill 329 does not specify future appropriations, establishing a new grant program could create an expectation that the program will continue in future fiscal years; therefore this cost is scored as recurring.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

PRC may incur costs related to administering this new fund.

## **SIGNIFICANT ISSUES**

The Department of Health indicates concern about overlap between SB329 and existing law in the EMS Fund Act:

SB329 duplicates the efforts of the EMS Fund Act (24-10A, NMSA), which distributes the EMS Fund to ambulance agencies and other EMS entities. The \$9,000,000 funding proposed in SB329, if placed in the EMS Fund, could be distributed almost exactly as proposed in SB329, without the necessity of additional FTE's, duplicative rule & procedure development, and replication of efforts by the DOH, Department of Finance and Administration (DFA), and the DOH Cabinet Secretary appointed to the Statewide EMS Advisory Committee. The language for allowable expenses in the EMS Fund is very similar to that of SB329, allowing for the funding of equipment, operations, vehicles and vehicle maintenance, and special ambulance and EMS related projects.

EMS Fund rules (7.27.4, NMAC) have been developed to assure the DOH Emergency Medical Systems bureau administers this fund in consultation with the Statewide EMS Advisory Committee, which has representation of all the facets of EMS, including the ambulance agencies, from around the state. These rules include procedures approved by the DFA to assure distribution based on the population and geography, call volume, and ambulance transport data collected by and maintained by the DOH. Administrative Rule is in place to assure that no ambulance agency or other EMS agency receives more than a maximum amount of funding, just as is proposed by SB 329.

The current budget of the EMS Fund is approximately \$2.8 million dollars. In 2007, a Governor's Task Force assembled to study the needs of New Mexico's EMS system and recommended the EMS Fund receive an increase in funding to approximately \$8.0 million dollars. This has not been possible due to state budget constraints in the years since.

**ALTERNATIVES**

An increased appropriation could be placed in the EMS Fund for disbursement to ambulance services throughout the state.

LAC/al/rl