

<b>LFC Requester:</b>
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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**  
**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**  
*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

<b>Date Prepared:</b>	<u>1/21/26</u>	<b>Check all that apply:</b>
<b>Bill Number:</b>	<u>S8-341</u>	Original <input checked="" type="checkbox"/> Correction <input type="checkbox"/> Amendment <input type="checkbox"/> Substitute <input type="checkbox"/>

Sen. Sedillo Lopez  
 Sen. Pope  
 Sen. Muñoz  
 Sen. Campos

**Agency Name and Code Number:** DFA-341

**Sponsor:**

**Short Title:** BEHAVIORAL HEALTH TRUST FUND

**Person Writing Analysis:** Delgado L; Chief Economist

**Phone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

<b>Appropriation</b>		<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>		
	<b>(\$650,000)</b>	NR	General Fund
	<b>\$650,000</b>	NR	Behavioral Health Trust Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

<b>Estimated Revenue</b>					<b>Recurring or</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>		
\$33,800	\$35,200	\$35,900	\$36,300	\$36,300	R	Behavioral Health Trust Fund – Investment Gains

		<b>\$17,100</b>	<b>\$23,100</b>	<b>\$35,000</b>	R	Behavioral Health Program Fund – Increased distributions
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(Parenthesis ( ) indicate revenue decreases)

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

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Senate Bill 8 (SB8) authorizes a transfer of funds from the General Fund to the Behavioral Health Trust Fund. SB8 aims to allocate significant financial resources to support behavioral health initiatives in New Mexico.

- Amount: A total of \$650,000,000 is to be transferred.
- Timeline: The transfer is scheduled to occur in fiscal year 2027.

#### **FISCAL IMPLICATIONS**

In 2025, SB1 established the Behavioral Health Trust Fund (BHTF) with an initial \$100 million transfer from the General Fund. The BHTF is also expected to receive funds from oil and gas emergency school tax revenues. According to the December 2025 consensus revenue forecast, the BHTF is anticipated to end 2026 with a balance of \$106 million (Fiscal Year 2027). The baseline projection for the BHTF is shown in Table 1 below.

**Table 1: Behavioral Health Trust Fund**

		Excess OGAS		Distribution to ECE	Ending Balance (\$ in millions)	Distribution to Behavioral Health Program Fund
Beginning Balance	Gains & Losses	School Tax	Other Inflow	Program Fund		
CY25	\$ 0.7		\$100.0		\$ 100.7	
CY26	\$ 100.7	\$ 5.2		\$ -	\$ 106.0	
CY27	\$ 106.0	\$ 8.5	\$ 61.0	\$ (5.2)	\$ 170.4	
CY28	\$ 170.4	\$ 10.9	\$ 42.7	\$ (6.3)	\$ 217.8	FY28 \$ 5.2
CY29	\$ 217.8	\$ 16.7	\$108.1	\$ (8.2)	\$ 334.3	FY29 \$ 6.3
CY30	\$ 334.3	\$ 17.1	\$ -	\$ (12.0)	\$ 339.4	FY30 \$ 8.2

Note: \$ in millions

- SB 8 proposes a \$650 million transfer from the General Fund in Fiscal Year 2027, which would greatly speed up the increase in the fund balance, leading to higher investment earnings and larger future disbursements to the program fund. This scenario is shown in Table 2.

**Table 2: Behavioral Health Trust Fund**

		Excess OGAS		Distribution to ECE	Ending Balance (\$ in millions)	Distribution to Behavioral Health Program Fund
Beginning Balance	Gains & Losses	School Tax	Other Inflow	Program Fund		
CY25	\$ 0.7		\$100.0		\$ 100.7	
CY26	\$ 100.7	\$ 39.0		\$650.0	\$ -	\$ 789.8
CY27	\$ 789.8	\$ 43.7	\$ 61.0		\$ (22.3)	\$ 872.2
CY28	\$ 872.2	\$ 46.8	\$ 42.7		\$ (29.4)	\$ 932.4
CY29	\$ 932.4	\$ 53.0	\$108.1		\$ (43.2)	\$1,050.2
CY30	\$ 1,050.2	\$ 53.4	\$ -		\$ (47.6)	\$1,056.0

Note: \$ in millions

- In this scenario, investment gains are projected to grow by about \$33.8 million in CY26, \$35.2 million in CY27, and \$35.9 million in CY28. Additionally, higher ending balances would lead to larger distributions, totaling roughly \$17.1 million in FY28, \$23.1 million in FY29, and \$35.0 million in FY30.
- Finally, since the BHTF is designated as a state reserve fund for FY26 and FY27, a larger balance in the fund would enhance overall state reserves for FY26 and FY27.

## SIGNIFICANT ISSUES

N/A.

## **PERFORMANCE IMPLICATIONS**

N/A.

## **ADMINISTRATIVE IMPLICATIONS**

N/A.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A.

## **TECHNICAL ISSUES**

N/A.

## **OTHER SUBSTANTIVE ISSUES**

N/A.

## **ALTERNATIVES**

N/A.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If SB8 is not enacted, the proposed \$650 Million transfer to the BHTF will not occur, leading to the following potential consequences:

- Lack of Funding for Behavioral Health Services: Without the \$650 million transfer, the Behavioral Health Trust Fund may lack sufficient resources to support critical mental health and substance abuse programs, potentially leading to gaps in care for individuals in need.
- Increased Strain on Existing Systems: Behavioral health services may face increased demand without adequate funding, leading to longer wait times, reduced access to care, and overburdened healthcare providers.
- Economic and Social Impacts: Insufficient investment in behavioral health can result in higher costs for emergency services, law enforcement, and incarceration, as untreated mental health issues and substance abuse often lead to societal challenges.

## **AMENDMENTS**

N/A.